

Invested in sustainability

Sustainability Report 2026





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Mission

Shaping a brighter future with our stakeholders
through progressive investment solutions

Principles



Client Focus

We uphold our fiduciary duty by ensuring every action meets the highest standards of client care and ethics, prioritising our clients' best interests.



Authentic Partnership

We draw upon our rich heritage in Japan to build enduring partnerships globally, rooted in trust, transparency and harmonious growth.



Continuous Innovation

We anticipate industry trends to drive long-term success in a dynamic market, leveraging our growing global presence and investment expertise.



Purposeful Performance

We pursue performance excellence built on responsible decision-making to create better outcomes for the well-being of all our stakeholders.

Values

We achieve our mission by complying with laws and regulations, fostering Diversity, Equity and Inclusion, and living by our four values.

— Champion Integrity —

— Cultivate Collaboration —

— Embrace Challenge —

— Pursue Excellence —



Corporate profile & about this report

Company

Amova Asset Management is a global asset manager founded and headquartered in Japan. Our history began in 1959, with an ongoing commitment to empower individual and institutional investors throughout the world to achieve their financial goals.

Our over 200* investment professionals manage a wide range of strategies, with USD 274.3 billion** in assets under management.

The firm has a stable base of shareholders, with the majority ownership held by Sumitomo Mitsui Trust Group, Inc. (99.00%)*, one of the largest banking groups in Japan, and a smaller stake by Sumitomo Mitsui Trust (Hong Kong) Limited (1.00%)*, as of 31 December 2025.

About this report

This Sustainability Report provides an overview of how Amova AM integrates sustainability considerations across our investment activities and business operations. It reflects our commitment to long-term value creation and our role as a responsible steward of capital on behalf of our clients.

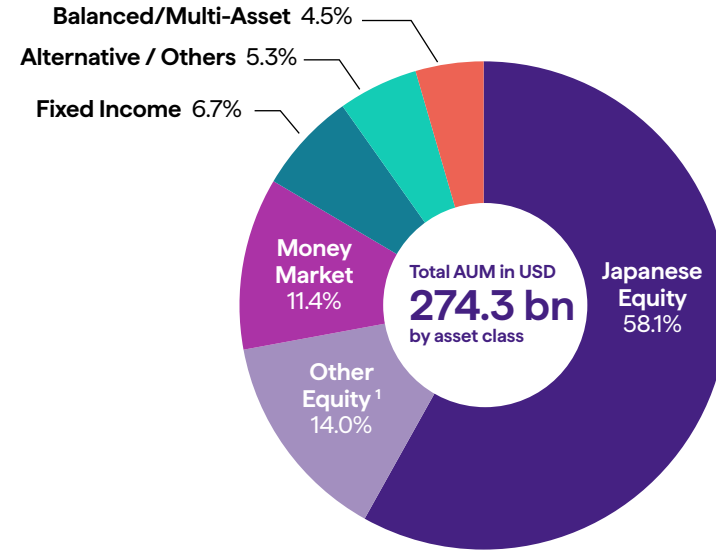
The report is organised around Amova AM's material sustainability topics, reflecting the environmental, social and governance (ESG) issues most relevant to our business and stakeholders. It outlines our sustainability

priorities and key initiatives, including how ESG considerations are embedded in investment decision-making, risk management and stewardship. The report also highlights selected actions and progress made during the reporting period, recognising that sustainability is a long-term strategic commitment that guides our decisions and capital stewardship. This Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards to enhance the transparency, consistency and comparability of our sustainability disclosures. It also draws on recognised industry practices and established

Period covered	1 January 2025 to 31 December 2025 (Unless otherwise explicitly stated)
Reporting cycle	Once a year
Entities covered	Amova Asset Management Our Global Offices
Inquiries	Amova Asset Management Co., Ltd Corporate Sustainability Department Email: GlobalCorporateSustainability@amova-am.com

sustainability reporting approaches. The report is intended to provide meaningful insights for our clients and other stakeholders, and to support informed dialogue on how we manage sustainability.

Total Assets Under Management



Source: Amova Asset Management.

¹ Contains active, sub-advised, passive strategies. AUM is based on consolidated assets under management and advice of Amova Asset Management, including subsidiaries, but excluding minority affiliates and minority joint ventures. Figures above may not sum up to 100% due to rounding.

Other Sustainability disclosures

In addition to this Sustainability Report, Amova AM publishes other reports related to sustainability:



[Global Stewardship Report](#)



[Global Climate Change Report](#)

Please visit our website to learn more at global.amova-am.com

* Including employees of Amova Asset Management and its subsidiaries.

** Consolidated assets under management and sub-advisory of Amova Asset Management and its subsidiaries. Except where otherwise noted, the information is as of 31 December 2025.

*** Excluding Treasury shares.



Key sustainability highlights

Investment & Stewardship



200+

Investment professionals

216

Environmental

238

Social

630

Governance

Firmwide ESG engagement by theme

353

Companies monitored,
747 issues tracked

17.5%

ESG issues progressed
in 12 months (Japan)

43%

of AUM under net
zero commitment

50%

Target emissions
reduction by 2030
(vs 2019 baseline)

Human Capital



900+

Employees globally

25+

Nationalities

40.1%

Female workforce

25.7%

Managerial roles* held
by women

45%

Board seats held
by women

24

Training programmes

415+

Participants

700+

Enrolled in self-learning

Environmental Impact



-57.6%

Reduction of our carbon footprint
(per employee) compared to 2019

2,504.39

tCO₂e total carbon footprint
(market based)

2.5

tCO₂e per employee

31,975

Trees planted, Forest of Amova AM
Source: Tree Nation

5.32 ha

Reforested
Source: Tree Nation

Corporate Sustainability Engagement



177

Sustainability initiatives delivered

15.9%

Of employees participate in
Sustainability Groups

17

Employee learning sessions

91

Partner organisations

Awards & Recognition



**ESG Asset Management
Company of the Year – Japan**

(The Asset Triple A Awards 2025)



Rainbow Certification (Japan)

Recognised for leadership in LGBTQ+
inclusion through cross-sector collaboration
for the second consecutive year
(presented by work with Pride)



PRIDE Gold Award (Japan)

Recognised for LGBTQ+ workplace
inclusion for seven consecutive years
(presented by work with Pride)

A Message from Stefanie Drews, President and CEO

Steadfast conviction



Further strengthening our regional presence, this year we are welcoming AHAM Asset Management Berhad (AHAM Capital) as a consolidated subsidiary of Amova AM. This acquisition will expand our ability to serve clients in Malaysia and Southeast Asia, supported by a strong investment track record and assets under management exceeding USD 25 billion (MYR 100 billion). Just as important as their strong performance track record, AHAM Capital shares a closely aligned sustainability philosophy with Amova AM, including a strong commitment to advancing women in leadership.

“Our current focus is on strengthening our capabilities, aligning our operating model across the Amova AM businesses, and supporting scalability, efficiency and long-term value creation”

Amid growing geopolitical tension and global fragmentation, our commitment to sustainability at Amova Asset Management remains unwavering.

We continue to stay the course, guided by our conviction to embed sustainability practices across our investments, operations and governance, as part of our responsibility to deliver long-term value for our clients and the communities we serve.

As we navigate a complex and evolving environment, I am proud to reflect on the progress we have made over the past year. We are now entering an accelerated phase of our 10-year growth plan, spanning 2022 to 2032. Our current focus is on strengthening our capabilities, aligning our operating model across the Amova AM businesses, and

supporting scalability, efficiency and long-term value creation.

Our growth is being realised through a deliberate combination of organic and inorganic expansion. A key milestone was the launch of our joint venture with Tikehau Capital on 2 April 2026, which aims to develop innovative Asia-focused private asset investment strategies for global distribution. By bringing together the complementary strengths of both organisations, the venture will offer private equity decarbonisation strategies and other Asia-focused private credit solutions through our combined global networks.



Amova AM President & CEO Stefanie Drews with Tikehau Capital's Xavier Musca and Louis d'Estienne d'Orves at the signing ceremony, attended by Minister of Economic Affairs Roland Lescure.

To ensure our priorities remain aligned with our evolving business and stakeholder expectations, this year's report incorporates findings from our double materiality assessment. Through engagement with internal and external stakeholders, we have identified the topics most critical to Amova AM, and we will continue to integrate these insights into our strategy and reporting as we move forward.

As Artificial Intelligence (AI) becomes a key enabler of future growth, we remain mindful of the responsibilities and risks associated with its adoption, including cybersecurity, data protection and operational resilience. Through our firmwide Accelerated AI Initiative, we are expanding our AI ecosystem to build organisational capability and improve access to AI tools across the firm. Our people remain central to this journey, and we have appointed AI ambassadors to support adoption and promote secure and effective use of AI throughout the organisation.

➤ A Message from Stefanie Drews, President and CEO



Azabudai Hills Mori JP Tower

2026 will also mark a significant milestone as we relocate our headquarters to the Azabudai Hills Mori JP Tower. More than simply a change of location, this move reflects our ambition to create a workplace that supports collaboration, flexibility and productivity, while enhancing employee experience and long-term operational efficiency.

We believe that sustainable success is shaped by our people. Our hybrid workstyle provides teams with flexibility across locations,

supported by a workspace designed to accommodate focused work, collaboration and connection.

We remain committed to fostering a diverse and inclusive environment. Under our #30by2030 initiative, which aims to achieve 30 percent representation of women in managerial positions by 2030, I am pleased to share that as of 31 December 2025, women represent 40.1% of our workforce, with women in managerial roles reaching 25.7%.

“2026 will also mark a significant milestone as we relocate our headquarters to the Azabudai Hills Mori JP Tower”

Beyond our organisation, our sustainability efforts extend into the communities we engage with. In 2025, we were proud to serve as a corporate sponsor of the Tokyo Deaflympics, marking both the centenary of the Games and their first hosting in Tokyo. Alongside our long-standing support for wheelchair rugby athletes, we have expanded our employee-led Sustainability Group network by establishing three regional chapters of the International Abilities Group, focused on supporting disability inclusion across the firm.

As we look ahead, we remain focused on making impactful decisions with a long-term perspective. This approach supports growth that is responsible and resilient, while creating value that is shared over time. Sustainability continues to matter deeply to our firm, and we remain committed to delivering outcomes for our clients and stakeholders that are meaningful and measurable. ➤

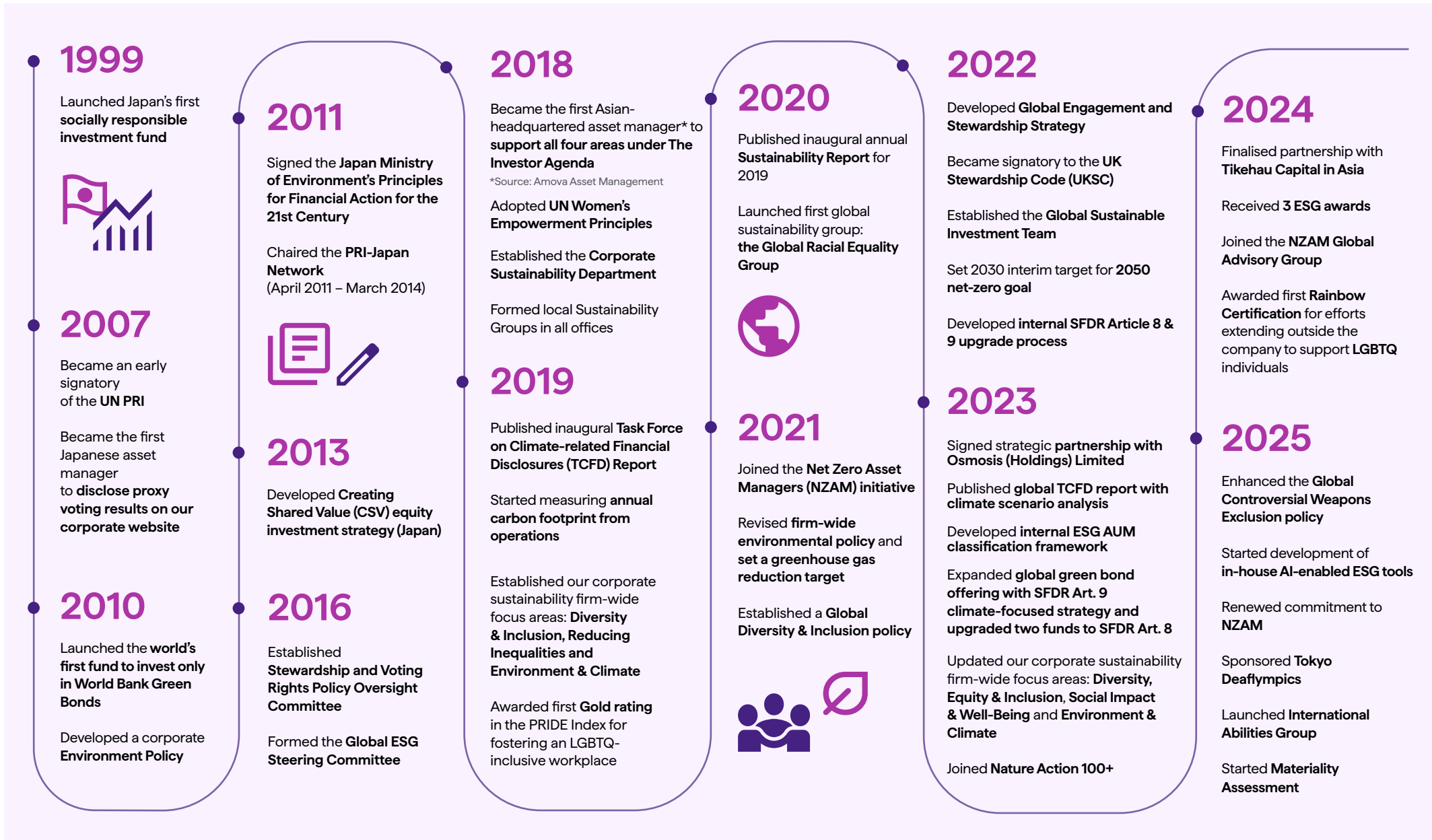
Stefanie Drews

Stefanie Drews
President and CEO



Stefanie Drews with Daisuke Kono, Joint Global Head of Corporate Sustainability, at the Deaflympics opening ceremony

A timeline of our sustainability activities



Affiliate Spotlight

Introducing our newest subsidiary

Amova Asset Management is pleased to welcome AHAM Asset Management Berhad (AHAM Capital) as a strategic subsidiary.

As a leading asset manager in a high growth market, AHAM Capital plays a pivotal role in strengthening the firm's connectivity between Asia and global markets.

Celebrating its 25th anniversary in 2026, AHAM Capital's journey reflects the strength of its institution, its enduring values and its long-standing commitment to stewardship, client trust and long-term value creation. These principles closely align with Amova AM's sustainability philosophy. This feature highlights AHAM Capital's sustainability journey and the values that underpin its approach.

Responsible investment

Responsible investment sits at the centre of AHAM Capital's strategy and is applied across all internally managed portfolios through three core pillars: ESG integration, firm-wide exclusions and stewardship and active ownership. Portfolio emissions were calculated across four Partnership for Carbon Accounting Financials (PCAF) defined asset classes, achieving 99.7% AUM coverage. In 2025 the firm introduced disclosure of its PCAF Data Quality Score (1.89) for the first time and expanded sector-level emissions analysis to support more informed assessment of climate-related risks. Mortgages

“While much has changed over the years, our values have remained constant. Integrity, excellence and always putting clients first continue to guide every decision we make. That is why sustainability remains central to how we create long-term value and strengthen resilience”

Dato' Teng Chee Wai, Founder and Managing Director, AHAM Capital



AHAM Capital volunteers at a Dignity “Meet-Your-Sponsored-Child” event

were incorporated as a new asset class following updates to the PCAF Standard, further broadening the scope of financed emissions measurement.

Digitalisation and client experience

Operational resilience and client experience continue to be supported through digitalisation. AHAM Capital enhanced its

digital onboarding, Know-Your-Client updates, e-mandates and secure portfolio reporting — reducing reliance on paper-based processes while improving efficiency and data security. In 2025, the firm launched a fully digital Private Retirement Scheme corporate onboarding platform, supporting wider access to structured retirement savings and long-term financial security.

Affiliate Spotlight



Joyce Koh (fourth from right), Joint Global Head of Corporate Sustainability, with the AHAM Capital team

Human capital development

People remain central to AHAM Capital's sustainability agenda. Female representation in senior management reached 38% in fiscal year 2025, supporting inclusive leadership and balanced decision-making. Employee participation in learning and well-being initiatives also remained strong, contributing to a healthy and connected workplace culture.

Corporate social responsibility initiatives

Corporate Social Responsibility (CSR) at AHAM Capital is embedded in its sustainability strategy, focusing on impact-led initiatives across education, community well-being and the environment. In 2025, AHAM Capital implemented 21 CSR initiatives focused on education access, community well-being,

food security, financial literacy and employee engagement. These initiatives directly benefited 78,466 individuals, with 270 employees contributing a total of 535 volunteer hours. Collectively, these efforts supported RM493,000 in disbursements under the AHAM Cares programme and contributed to the prevention of approximately 38,000 kg of greenhouse gas emissions.

AHAM Capital's CSR strategy is anchored by four flagship initiatives: Dignity's Sponsor-A-Child programme, AHAM-YTAR Scholars Sponsorship, The Lost Food Project partnership and the Versa Financial Literacy initiative.

Looking ahead

AHAM Capital remains committed to developing innovative solutions, advancing sustainable practices and building a stronger financial future for generations to come. Its deep local expertise, long-standing commitment to stewardship and strong community engagement strengthen the Group's collective ability to invest responsibly and with purpose. Together, Amova AM's global capabilities and AHAM Capital's on-the-ground leadership position the firm to deliver lasting value for clients and support a more resilient financial future over the long term.

Our latest joint venture Tikehau Amova Investment Management

In April 2026, Amova Asset Management and Tikehau Capital officially launched their Singapore-based joint venture, Tikehau Amova Investment Management Pte. Ltd., (Tikehau Amova Investment Management) to develop Asia-focused private asset investment strategies for global investors.

Amova AM's partnership with Tikehau Capital was established in 2024 in response to steadily rising investor interest in private assets across Asia, particularly in strategies linked to sustainability and decarbonisation.

The partnership brings together Tikehau Capital's established European track record in private markets, notably in mid-market private credit and decarbonisation strategies, with Amova AM's strong institutional distribution capabilities in Japan and across Asia. This complementary relationship underpins a strategic collaboration structured not only around distribution, but also as a co-manufacturing platform.

The newly launched Tikehau Amova Investment Management is a natural progression of this partnership. As the first joint venture in the private asset market between a Japanese and a European-headquartered asset manager, it is centred on developing innovative Asia-focused private asset strategies for a global investor base.

The joint venture seeks to unlock opportunities linked to structural transitions reshaping Asian economies with a primary focus on investing in mid-cap companies. The sectors in focus include B2B services, technology and manufacturing, providing thematic exposure to key long-term trends across Asia.

The strategy is designed to capture investment opportunities arising from the broad transformations underway in the region, as Asian economies continue to evolve and create new areas of growth and innovation.

Through this joint venture, Tikehau Capital's unique expertise across credit and decarbonisation-related investments will be made accessible to a broader client base, aligning closely with Amova AM's mission to shape a brighter future for all stakeholders through progressive investment solutions.

Leading with Integrity



✦ A Message from Kuniyuki Shudo, Executive Chairman

Embedding materiality into strategy

Materiality encompasses the process of identifying and prioritising the sustainability-related issues that have the greatest bearing on a company's ability to create and sustain long-term value.

As these issues differ across industries and business models, institutional investors increasingly seek not only to understand what is material, but also to assess how such considerations are embedded within strategy, governance and decision-making.

As a global asset manager, this carries a dual significance. We are entrusted with engaging with portfolio companies, articulating investor expectations and encouraging the effective integration of material issues. At the same time, we must hold ourselves to the same standard, ensuring that the issues most material to our own business are properly identified and firmly embedded within our governance and management practices.

This perspective requires us to regard sustainability not as a separate discipline, but as inseparable from the way we manage risk, build resilience and earn the trust of those we serve. It also calls for a high degree of organisational coherence, such that materiality considerations are consistently reflected in our governance priorities, management oversight and strategic execution.

Over the fiscal year 2025, we have undertaken a comprehensive review of sustainability-related issues based on the principle of double materiality, considering both our impact on society and the environment, and the implications of these issues for our own financial performance. Through this process, we have identified three



themes of particular importance: business ethics and governance, cybersecurity and data protection and human capital development and well-being.

Among these, business ethics and governance stands as the foundation upon which all else rests. In the asset management industry, trust is the precondition for our existence. Our fiduciary responsibility to clients demands not only compliance with laws and regulations, but the consistent exercise of sound judgement, integrity and accountability. Robust governance structures and a disciplined control environment are therefore indispensable, not as formalities, but as the essential means by which trust is sustained and long-term value is created. As technological innovation advances, including the growing use of Artificial Intelligence (AI) and data-driven processes, the importance of principled governance will only become more pronounced.

The significance of principled governance is clear across the regions we operate in. Despite differences in regulatory frameworks and market practices, business ethics and governance is consistently identified as a matter of primary importance. This shared

recognition affirms that it is not contingent, but fundamental to the conduct of a global asset management business.

At the core of this is our understanding of fiduciary duty. While often rendered in Japanese as *jutakusha sekinin* or *shinnin gimu*, its meaning extends beyond legal obligation. Rooted in the traditions of equity, it embodies a commitment to act with fairness, integrity, and a profound sense of responsibility toward others. It is, ultimately, a reflection of the standards we set for ourselves.

This understanding aligns closely with the long-standing aspirations of our parent company, Sumitomo Mitsui Trust Group, to serve as a trusted fiduciary, chosen by those whose interests we are entrusted to protect. As a member of the Group, we share this responsibility. We are committed to acting in the best interests of our clients, honouring the trust placed in us, and contributing to both long-term asset formation and the sustainable development of society.

Embedding materiality into strategy and governance is therefore not a discrete initiative, but a continuous endeavour. We will persist in strengthening business ethics and governance as the bedrock of our organisation, reinforcing integrity, accountability, and transparency, while ensuring the disciplined execution of our strategic priorities. In doing so, we seek to uphold the trust placed in us and to sustain our contribution to long-term value creation. ✦

Kuniyuki Shudo
Executive Chairman

Materiality Assessment

Sharpening our sustainability focus through double materiality

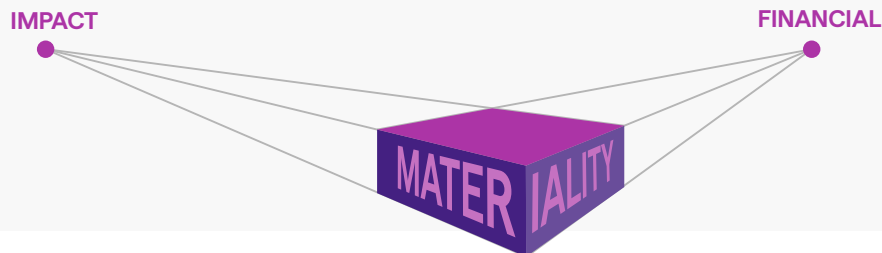
Defining double materiality

Materiality refers to the significance of a sustainability issue to a company and is assessed from two perspectives: impact materiality and financial materiality.

Under the European Sustainability Reporting Standards mandated by the EU's Corporate Sustainability Reporting Directive, impact materiality considers the actual or potential effects of a company's activities on people, society and the environment. Financial materiality, by

contrast, focuses on sustainability-related risks and opportunities that may affect a company's financial position.

These perspectives align with established global frameworks such as the Global Reporting Initiative (GRI) and the International Sustainability Standards Board (ISSB). Together, they are referred to as "double materiality". We recognise that the two perspectives are interconnected and may increasingly influence one another over time.



Amova Asset Management's double materiality assessment process

We regard materiality assessment as a core element of effective corporate sustainability management and reporting. A robust assessment enables us to prioritise the sustainability topics that matter most to our stakeholders and to our long-term business objectives.

From October 2025 to March 2026, we conducted our first firmwide double materiality assessment to identify the sustainability topics most relevant to our own operations from both impact and financial perspectives. The assessment was global in scope and structured around three stages: topic identification, stakeholder engagement, and analysis and validation.

1. Topic identification

The first phase involved a structured review of both external and internal factors. We assessed evolving market and societal trends, relevant regulatory developments and our existing sustainability-related policies, documents and objectives. We also referred to internationally recognised standards, including those issued by the GRI and ISSB.

This process resulted in a broad list of potential sustainability topics, which was refined through internal discussion into a shortlist for validation.

2. Stakeholder engagement

This stage was a central component of the assessment. We sought input from internal and external stakeholders representing diverse perspectives on our business.

An online survey was distributed to 142 stakeholders, including 120 internal stakeholders from a range of functions, regions and roles, and 22 external stakeholders, comprising clients, our parent company, outside directors, business affiliates and consultants. Participants were asked to assess each shortlisted topic from both impact and financial perspectives, considering potential significance over a five-year period.

To complement the survey, we conducted focused interviews with 32 stakeholders. These discussions provided qualitative insights into stakeholder expectations and the considerations underlying their assessments.

3. Analysis and validation

Survey responses were analysed quantitatively, with additional analysis by stakeholder subgroup, including internal versus external stakeholders, regions and investment versus non-investment functions. Qualitative input from survey comments and interviews was incorporated to provide context and nuance.

The consolidated results were presented to the Corporate Sustainability Steering Committee (CSSC), which includes all members of the Global Executive Committee and other senior leaders in our organisation. Following discussion, ten sustainability topics were formally approved as Amova AM's material topics.

Materiality Assessment

Amova AM's material sustainability topics

ENVIRONMENTAL	SOCIAL	GOVERNANCE	
Protecting our planet	Advancing people	Leading with integrity	Investing with purpose
Climate Resilience	Diversity, Equity and Inclusion	Business Ethics and Governance	Investment Stewardship
Environmental Footprint	Human Capital Development and Well-being	Risk Management	Sustainable Investments
	Financial Inclusion and Social Impact	Cybersecurity and Data Protection	

Source: Amova Asset Management

Using the assessment results

The results indicated that governance-related topics were generally perceived as relatively more financially material to the firm. This reflects the importance of fiduciary responsibility, governance and trust to the foundation of our business.

Social topics, including diversity, equity and inclusion and broader human capital considerations, were rated particularly highly by internal stakeholders, highlighting the central role of our people in long-term value creation.

Environmental topics were ranked relatively lower among the ten material topics. This was primarily due to the operational focus of the assessment and a shared understanding that our most significant environmental impacts arise through our investment portfolios rather than our direct operations.

The results of the double materiality assessment will serve as a guiding framework for our corporate sustainability activities going forward.

Corporate sustainability strategy guidance

The outcomes will inform the prioritisation of our mid- to long-term corporate sustainability strategy, including the identification of key risks, opportunities and areas requiring further action.

Implementation

Strategic priorities will be translated into annual goals and communicated through an annual plan presented to the CSSC. Where coordination across functions is required, the Global Corporate Sustainability Team will lead firmwide implementation.

Reporting

Beginning with this Sustainability Report, the materiality assessment will inform the structure and content of our disclosures, with increased focus on topics considered material from either an impact or financial perspective.

Monitoring and review of material topics

We recognise that materiality assessment is a dynamic, ongoing process. External developments that relate to our material topics will be continuously monitored by the Global Corporate Sustainability Team, with relevant implications reported to the CSSC.

Progress against initiatives set out in the annual plan will be reviewed at the end of each fiscal year. A comprehensive review of material topics will also be conducted every three years, aligned with the firm's mid-term management

planning cycle. Topics may be added, revised or consolidated to reflect changes in the external environment, our business activities or organisational structure.

Through this double materiality assessment process, Amova AM has established a clearer focus for its corporate sustainability efforts. We will continue to adapt and evolve our approach in line with changes in our business, stakeholder expectations and the broader external environment. ➤

Materiality Assessment

Material topics, sub-topics and definitions

Environmental topics	Sub-topics	Definitions
Climate Resilience	- Climate resilience of business - Climate mitigation/adaptation measures	Building resilience against physical and transition risks posed by climate change through integrating and managing climate-related risks and opportunities, and developing the business' capacity to adjust or adapt its strategy and business model to the effects of climate change.
Environmental Footprint	- Emissions/Energy/Waste Management - Biodiversity	Reducing our environmental footprint from operations by optimising energy efficiency, managing business travel and implementing sustainable practices for waste and water.
Social topics	Sub-topics	Definitions
Diversity, Equity and Inclusion	- DEI policies - Increasing awareness and promoting DEI	Fostering a diverse and inclusive workplace that promotes equity and a discrimination-free environment across all levels of gender, race and ability.
Human Capital Development and Well-Being	- Employee training and development - Employee well-being and engagement	- Investing in and developing skilled talent by offering comprehensive training and development opportunities, creating a resilient and engaged workforce. - Supporting the physical and mental health of our employees through a culture that prioritises well-being.
Financial Inclusion and Social Impact	- Promoting financial literacy and inclusion - Ageing population and financial planning - Philanthropy and community engagement	- Promoting financial literacy and inclusion for underserved communities through education, targeted engagement and strategic partnerships. - Considering demographic trends in investment strategy and product design. - Supporting communities through initiatives and philanthropic contributions that align with our corporate sustainability goals.
Governance topics	Sub-topics	Definitions
Business Ethics and Governance	- Ethics and governance policies - Compliance - Anti-corruption, fair dealing - Conflict of interest control - Transparency and disclosure - Human rights - Artificial Intelligence	- Fulfilling our fiduciary duty to clients and stakeholders by upholding high standards of integrity and accountability, ensuring strict compliance with all applicable laws, regulations and market rules, and committing to effective oversight, transparency and disclosure. This includes ensuring adequate controls and responsible practices around AI deployment and respect of human rights. - Ensuring all products are aligned with our fiduciary duty, regulatory requirements and clients' needs, and that product performance and investor outcomes are monitored on an ongoing basis.
Investment Stewardship	Active ownership through proxy voting and direct engagement	Acting as an active owner to enhance the long-term value of the assets we manage, fulfilling our responsibilities through proxy voting and direct engagement with companies to promote stronger corporate governance and sustainable business practices.
Sustainable Investments	- Integration of ESG in investing methodologies and product innovation - Investing in sustainable solutions	- Integrating sustainable investments as a core principle of our business guided by clients and stakeholders. - Developing innovative investment products utilising ESG methodologies and criteria, and strategic allocation of capital towards companies advancing sustainable solutions.
Risk Management	Business risk management controls and procedures	Ensuring robust and adequate risk management controls and procedures across investment, business and ESG-related risks.
Cybersecurity and Data Protection	Cybersecurity systems, policies, protocols and measures	Protecting digital systems and sensitive data from cyber threats through robust cybersecurity policies, protocols and measures.

➤ An Interview with Mariko Matsui, Chief Compliance Officer and Chief Legal Officer

A compliance philosophy that underpins good conduct



Mariko Matsui, Senior Corporate Officer, Chief Compliance Officer (CCO) and Chief Legal Officer (CLO)

Q: How do you position compliance at Amova Asset Management?

Compliance is not merely a mechanism for adhering to rules. We see it as the foundation for embedding our mission, code of conduct and values into daily decision-making and behaviour. In particular, “Champion Integrity” is a guiding principle that underpins the quality of our operations through transparency, fairness and accountability. Built on this foundation is the concept of good conduct. Compliance, therefore, goes beyond simply “following the rules” to independently consider what the right course of action is, engage in dialogue with others and make responsible choices.

Q: What are the key points in putting good conduct into practice?

Understanding and complying with laws and internal rules is a given. Beyond that, what matters most is whether we share a common set of decision-making principles to return to when faced with uncertainty. Using our values as a common language, engaging in open dialogue and respecting diverse perspectives all contribute to sound judgement and ultimately leading to better conduct.

Q: The Value Champions* programme has recently been established. How do you view their role?

Value Champions is a new programme led by the Human Resources Division. I see the role of the Value Champions as going beyond the communication of rules. Their role is to demonstrate moments when our values are translated into real behaviour. By sharing good practices from the workplace and encouraging open dialogue, they play an important role in embedding good conduct as part of everyday decision-making, rather than something exceptional.

Q: Finally, what is most important to you in your role as Chief Compliance Officer?

I believe compliance is an ongoing endeavour that asks not “how we want to be evaluated”, but “how we want to be”. It is about engaging continuously with the quality of our actions, not simply meeting formal requirements. It is this accumulation of everyday choices that I believe ultimately shapes Amova AM’s trustworthiness and long-term value.

*Value Champions: Individuals selected through self-nomination or nomination by others, who play a role in embedding the firm’s values into everyday business activities across the organisation.

Compliance

Our compliance framework

Fundamental approach to compliance

Compliance is positioned as a concept that goes beyond adherence to laws and regulations. It encompasses conduct grounded in their purpose and spirit, high ethical standards, professionalism and robust governance. Each officer and employee is expected to act with a clear awareness of our fiduciary duty. Maintaining and enhancing the trust of clients, including investors, as well as that of a broader range of stakeholders and society at large, is regarded as the foundation for sustainable value creation.

Compliance framework

Amova Asset Management has established dedicated compliance and risk management functions that are independent from investment and sales functions, and oversees firm-wide compliance and risk management.

Material matters relating to compliance are reported to senior management through the Compliance Oversight Committee, which is attended by executive leaders from each function, including relevant business divisions. Where necessary, such matters are further reported to the Board of Directors.

In addition, compliance with applicable laws, internal rules, policies and trust deeds is monitored from a position independent of the investment function. Where issues are identified, corrective guidance is provided as necessary to ensure business operations are conducted in an appropriate manner.

Compliance structure



Source: Amova Asset Management

Annual compliance plan

The firm formulates an annual compliance plan for each business year. The compliance plan sets out the strategic objectives of the compliance function, identifies key compliance risks and provides a framework for addressing these risks through controls, monitoring and verification, as well as through advice and reporting to business divisions, taking into account changes in the external environment and business conditions.

The plan is approved by the Compliance Oversight Committee and resolved by the Board of Directors. Progress in implementing the plan is reported regularly to both the

Compliance Oversight Committee and the Board of Directors, and the plan is reviewed and revised as necessary.

Code of Ethics and Business Conduct and good conduct

Amova AM has established a Code of Ethics and Business Conduct as a fundamental policy. Officers and employees are required, upon joining the firm and annually thereafter, to read the Code carefully and declare their commitment to compliance.

Compliance

The Code of Ethics and Business Conduct comprehensively sets out standards of conduct expected of officers and employees, including:

- Fiduciary duty to clients
- Integrity in dealings with regulators and capital markets
- Fair dealing, and prevention of anti-social forces, money laundering and bribery
- Respect for diversity and a workplace free from discrimination and harassment
- Responsibility towards the environment and society

In addition, Amova AM places strong emphasis on embedding good conduct based on the Code of Ethics and Business Conduct and the firm's values. Initiatives are designed to enhance the quality of everyday decision-making and behaviour, rather than focusing solely on formal compliance.

The firm's four core values — Champion Integrity, Cultivate Collaboration, Embrace Challenge and Pursue Excellence — serve as standards for employee behaviour. To embed these values into daily business activities, Amova AM conducts firm-wide training programmes, including sessions that encourage discussion among employees, and has introduced the Value Champion programme to promote the practical application of values. Value Champions are

expected to act as role models and to support the embedding of good conduct through dialogue within teams and by sharing concrete examples of behaviour.

Education and training

We provide training programmes throughout the year to enhance compliance awareness and understanding among our officers and employees. These include induction training for new joiners, training for officers, training for compliance management officers and structured programmes tailored to roles and responsibilities, covering areas such as personal account dealing, insider trading, conflicts of interest, client information management, anti-bribery and corruption and conduct risk.

Response to compliance breaches

Where an officer or employee becomes aware of, or identifies, a breach or potential breach of laws or internal rules, the matter is promptly reported or consulted through the prescribed reporting channels, including line managers, relevant departments or internal reporting mechanisms.

Following confirmation of the facts by line managers and relevant functions, including the compliance function, appropriate corrective measures and actions to prevent recurrence are implemented. We escalate material matters in accordance with internal rules and monitor the status of response.

“Initiatives are designed to enhance the quality of everyday decision-making and behaviour, rather than focusing solely on formal compliance”

Whistleblowing system

The firm has an internal whistleblowing system known as the Amova AM Whistle Line. The purpose of this system is to ensure the early identification of misconduct, breaches of laws or internal rules, or potential violations, and to enable appropriate responses.

Reports can be made directly to an external contact point in either Japanese or English and may be made anonymously. Any unfavourable treatment of whistleblowers is strictly prohibited. We prohibit any adverse treatment of whistleblowers and strive to ensure effective compliance by fostering an environment where individuals feel safe to speak out.

Corporate Governance

Governance with integrity

Basic policy on corporate governance

We regard the trust placed in us by our various stakeholders, including beneficiaries and shareholders, as the foundation of our business activities. To achieve sustainable growth and enhance corporate value over the medium to long-term, we are continuously working to establish and further strengthen a

corporate governance framework that places emphasis on transparency and effectiveness. We ensure sound and timely decision making through a clear and appropriate division of roles between management oversight and business execution, together with mutual supervision. At the same time, we strive to reinforce risk management and internal controls,

with the aim of establishing a management structure that supports sustainable growth.

Oversight framework and audits

Amova Asset Management has adopted an institutional design as a “Company with Audit and Supervisory Committee” under the Companies Act of Japan. Our Board of Directors is responsible for overseeing management and appropriately monitoring business execution, reflecting a monitoring board type of governance framework.

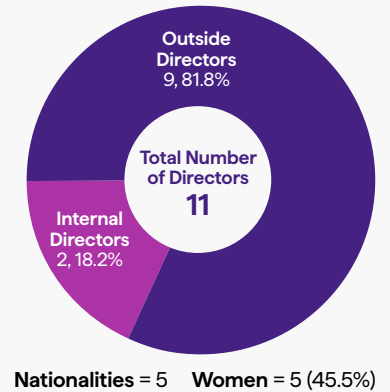
Board of Directors

The Board of Directors is chaired by an independent outside director, and the majority of directors are outside directors. The Board oversees overall management from an objective viewpoint independent of management. In fiscal year 2025, the Board met 11 times, and in principle meets at least once each quarter. The Board regularly and continuously deliberates on important management matters including management strategy, risk management, internal controls and sustainability. In addition, with the aim of ensuring and enhancing the effectiveness of the Board, we continuously review the Board's composition and operational status and strive to apply the results of these reviews in future operational improvements. (Please refer to [Leadership](#) for the latest list of directors.)

Audit and supervisory committee

The Audit and Supervisory Committee is composed entirely of outside directors and performs audit and supervisory functions with respect to business execution by the Board of Directors and management. In cooperation with the accounting auditor and the internal

Board of Directors Composition



Source: Amova Asset Management

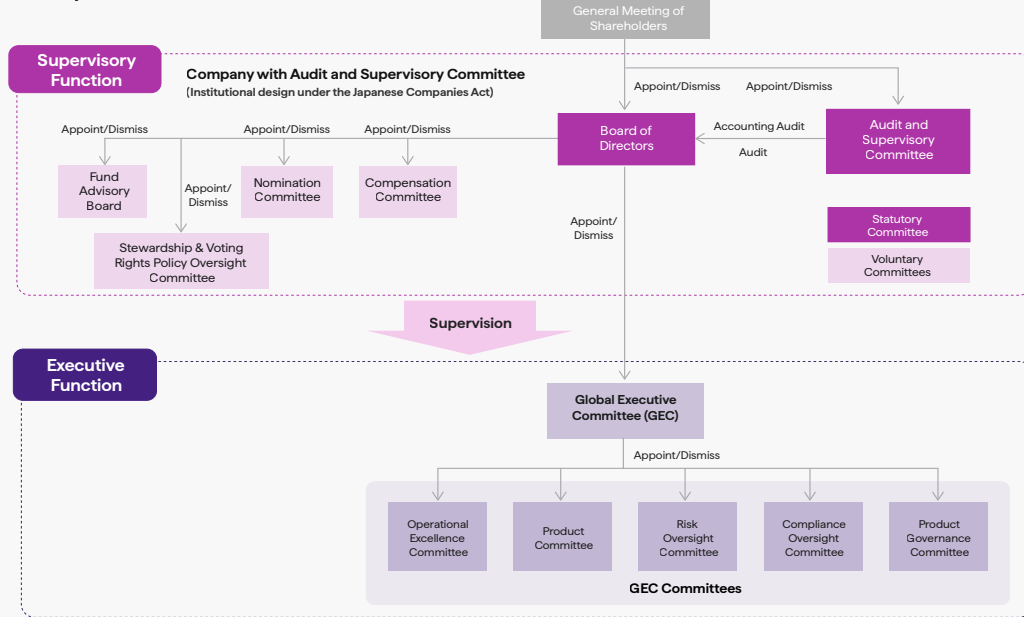
audit function, the Committee confirms the appropriateness of operations, internal controls and the status of risk management. In addition, it provides opinions and recommendations to the Board of Directors and management as necessary.

Internal audit / external audit

Amova AM conducts internal audits based on a risk-based approach. We develop the annual audit plan taking into account the risk assessment performed by the Internal Audit function and is approved by the Board of Directors.

As for external audits, the System and Organisation Controls (SOC) Report on the company's discretionary investment management services is audited in accordance with the attestation standards issued by the American Institute of Certified Public Accountants (AICPA), including AT-C Section 320 and International Standard on Assurance Engagements (ISAE) 3402. The latest report covering the year 2025 was issued in March 2026, and received an unqualified opinion, indicating that no material issues were identified by the auditor.

Corporate Governance Structure



Source: Amova Asset Management

Corporate Governance

Voluntary committees

As advisory bodies to the Board of Directors, the following voluntary committees have been established to facilitate discussions that leverage expertise and objectivity. Each committee comprises a majority of non-executive directors.

Nomination Committee

The Committee deliberates on the appropriateness and diversity of candidates for membership of the Board of Directors and the Global Executive Committee (GEC) and makes proposals to the Board of Directors.

Compensation Committee

With respect to the remuneration of directors and executive officers, Amova AM's fundamental approach is to ensure that remuneration contributes to the enhancement of its medium- to long-term corporate value. Taking into account not only short-term performance but also the balance between medium- to long-term management outcomes and sustainable growth, the Compensation Committee deliberates on remuneration policies and levels that are commensurate with roles and responsibilities and submits its proposals to the Board of Directors.

Stewardship & Voting Rights Policy Oversight Committee

This committee monitors and oversees whether stewardship activities and the exercise of voting rights are being conducted appropriately from the perspective of fiduciary duty, and provides advice from a neutral and fair standpoint.

Fund Advisory Board

This board incorporates external expert knowledge throughout the entire process from product development to management

and redemption of publicly offered investment trusts, thereby supporting the establishment of products and management systems that offer a high degree of transparency for unitholders.

Business execution framework and committees

To enable swift and appropriate decision-making in business execution, Amova AM has established a global operating framework and specialist committees, through which we systematically discuss and decide on key matters, including management issues and sustainability.

Global Executive Committee (GEC)

Amova AM has established the Global Executive Committee (GEC) as a decision-making body for business execution. In accordance with the relevant charter, the GEC is comprised of senior management appointed by the Board of Directors and is responsible for management decisions that contribute to enhancing the firm's corporate value on a sustainable basis, including matters related to organisational structure, human resources and finances.

The GEC is chaired by a full-time director appointed by the Board of Directors, and in principle meets at least once per month. The status of business execution is required to be reported to the Board of Directors on a regular basis, and important sustainability-related matters are shared not only within the GEC but also with the Board of Directors.

As of 31 December 2025, the GEC comprised 16 members (of whom 11 are voting members), and representatives from all business divisions and global regions participate so that diverse viewpoints are reflected in decision-making. Four of the 16 members are women.

(Please refer to [Leadership](#) for the latest list of GEC members.)

GEC Committees

As sub-organisations under the GEC, we have established five committees: the Operational Excellence Committee, Product Committee, Risk Oversight Committee, Compliance Oversight Committee and Product Governance Committee. These committees conduct specialised and practical discussions in their respective areas, and the outcomes of deliberations and resolutions are reported to the GEC on a regular basis and reflected across management.

Operational Excellence Committee

This committee deliberates on key cross-functional issues relating to business operations and IT operational management, promoting efficiency, risk reduction and enhanced resilience.

Product Committee

This committee evaluates risks and requirements for new product launches and important changes to products under management and provides approvals and oversight from a product governance perspective.

Risk Oversight Committee

This committee monitors the risk management posture and the effectiveness of its operation, and provides recommendations for improvements, including with respect to compliance with laws and regulations.

Compliance Oversight Committee

This committee considers and makes recommendations on necessary responses, including the development, revision and abolition of basic compliance policies and rules; monitoring compliance with laws and regulations and

internal rules; and monitoring important compliance issues and regulatory trends.

Product Governance Committee

This committee oversees product governance as a whole and makes cross-functional judgments on new product launches, significant changes and material events.

Global governance

As an asset management company operating globally, we place importance on consistency in governance across the entire Amova AM company, including our overseas subsidiaries. Each subsidiary operates an independent management framework, under which regional heads formulate regional business plans and targets under the President, obtain approval from the Board of Directors and the GEC, and conduct business operations in accordance with local laws, regulations and market practices.

For overseas subsidiaries, we also provide appropriate oversight from the perspectives of risk management and compliance under a headquarters-led governance framework, through reporting and sharing of management policies and important matters. Governance and stewardship oversight are implemented based on a common framework, while reflecting regulatory requirements and business characteristics of each region. Specifically, by establishing specialist committees on environment, social, governance (ESG) and stewardship and reporting to global committees and subsidiary boards as appropriate, we maintain a framework aligned with the regulatory environment and market practices of each country and region. Through these initiatives, we realise consistent controls and decision-making as a firm while respecting regional characteristics.

Sustainable Investment and Corporate Sustainability Governance

Leading with sustainability governance

We define sustainability governance as the systems, processes and organisational structures that embed environment, social and governance (ESG) considerations in our business practices.

Effective sustainability governance underpins our ability to deliver long-term value to our stakeholders. It provides a clear basis for setting priorities, assigning accountability and ensuring that these issues are addressed consistently across the firm.

Our sustainability governance model is organised across two dimensions. Sustainable investment governance focuses on how sustainability-related factors are integrated and carried through our investment activities, including portfolio management and stewardship. Corporate sustainability governance refers to how sustainability is managed at the corporate level, beyond investment decision making.

Together, sustainable investment governance and corporate sustainability governance form the two pillars of our sustainability governance model, with clear roles and accountability across both.

SUSTAINABLE INVESTMENT GOVERNANCE

We regard fiduciary and sustainable investment principles as paramount guides in fulfilling our duties as stewards of our clients' assets. In implementing these principles, sustainable investment governance is critical. It is the framework through which sustainable investment considerations are embedded in day-to-day investment work and stewardship, including how we organise decision-making, responsibilities, data and oversight.

Investment philosophy, beliefs and approach

We view sustainable investment considerations as integral to investment risk and return, and therefore relevant to fulfilling our fiduciary duty. Our philosophy is that sustainable growth and resilient corporate value are supported by sound governance, responsible management of environmental and social factors and transparent disclosure. We prioritise materiality, focusing attention on the sustainable investment issues most likely to affect long-term value, and we seek constructive, purposeful engagement to deepen insight and encourage improvement. This mandate is implemented through disciplined sustainable investment integration and active ownership. In practice, sustainable investment considerations are assessed alongside financial factors in research and portfolio decision-making.

Portfolio managers and analysts consider whether ESG factors are material to a company's strategy, resilience, governance, cost of capital, licence to operate and long-term cash flows. Where these issues are deemed material, they are captured in research notes and investment theses, can inform portfolio construction and position sizing, and are monitored over time. Governance supports consistent execution by setting expectations for analysis and documentation, and by providing escalation pathways when disclosures are insufficient, risks increase or progress stalls.

Governance principles and accountability

Governance is the mechanism that turns our philosophy into consistent practice. Responsibility starts at the top: the Board of Directors provides oversight of fiduciary, stewardship and sustainable investment responsibilities, and delegates day-to-day

“Governance is the mechanism that turns our philosophy into consistent practice”

decision-making to senior management through the Global Executive Committee (GEC). The GEC supports implementation by setting expectations, allocating resources and monitoring delivery.

Resources and incentives

Effective governance depends on the right capabilities. Our Global Sustainable Investment team supports investment teams by strengthening sustainable investment integration in research and portfolio construction, coordinating and enhancing stewardship activity and improving ESG data quality and reporting. The team's capabilities span integration and stewardship support, ESG data and analytics, and monitoring of ESG-related regulation and standards to help keep our approach current and consistently implemented.

We also treat stewardship and sustainable investment integration as a shared responsibility across the firm. Investment professionals are supported with training on stewardship and sustainability principles and relevant internal policies (including our [Code of Ethics and Business Conduct](#) and [Conflict of Interest Control Policy](#)), and we encourage continuous learning as expectations evolve. Incentives for investment professionals are designed to align with client outcomes over appropriate time horizons, combining quantitative measures with qualitative expectations such as the quality of analysis and contribution to team decision-making.

Sustainable Investment and Corporate Sustainability Governance

Sustainable investment governance structure

To make this work into practice, responsibilities are separated so that oversight, implementation and specialist support are clear:

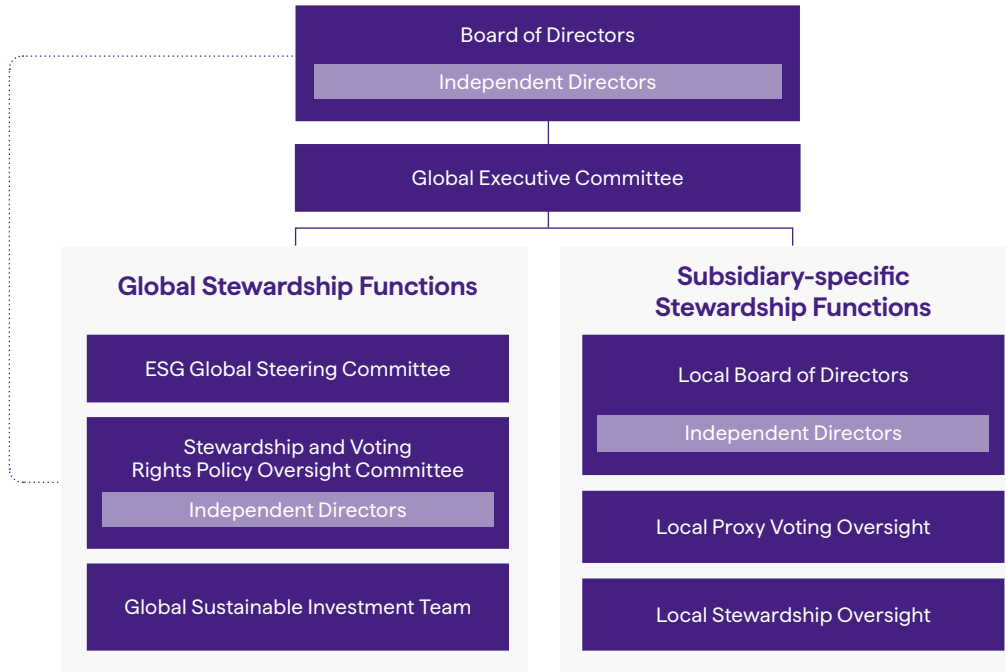
- **Board of Directors:** Provides the highest level of oversight.
- **Global Executive Committee (GEC):** Senior management oversight and implementation.
- **ESG Global Steering Committee:** Oversees sustainable investment integration, stewardship and related initiatives across investment teams.
- **Global Sustainable Investment Team:** Provides dedicated expertise, tools and implementation support.
- **Local subsidiary governance:** Executes plans in line with local regulations and market practice.

Global and local implementation

Global implementation and local execution are designed to reinforce each other. We established our Global Sustainable Investment team in 2022 to strengthen sustainable investment capability across the firm and support consistent implementation across regions. The team works with investment teams and other business functions to support integration of material ESG factors, coordinate stewardship activity (including engagement and proxy voting), strengthen ESG data, analytics and reporting, and monitor regulatory developments and relevant standards.

Each Amova Asset Management subsidiary has an executive team led by a regional head who reports to the President and is responsible for

Sustainable Investment Governance Structure



Source: Amova Asset Management

formulating and executing targets and plans decided by the Group Board and GEC in line with local regulations and market practice. Local oversight arrangements may differ in detail depending on the structure and requirements of each entity.

Material topics and priorities are identified through investment research, monitoring and engagement activity across regions. The Global Sustainable Investment team, reporting to Chief Executive Officer and Chief

Investment Officer, helps coordinate priorities, communicates insights and tracks follow-up across regions and asset classes.

Investment teams integrate material ESG factors within their strategies and regional context, supported by shared tools, guidance and knowledge-sharing including research and engagement insights from the Global Sustainable Investment team.

Data governance

ESG data and analytics are used as inputs to research, monitoring and reporting, alongside issuer disclosure and engagement insights. We source and distribute relevant data across regions and seek to validate and quality-check key inputs where feasible. Recognising that datasets can be incomplete or inconsistent across providers and markets, we apply judgement and focus on materiality, with appropriate documentation where data limitations or interpretation could affect decisions or disclosures.

Our ESG Data and Reporting team helps provide consistency and accuracy and improves the coverage of our ESG data, as well as expanding our analytical capabilities. The team works with stakeholders across the firm, focusing on analysing and integrating data acquired from our primary ESG data provider for use by investment, risk and client reporting teams. This work has included enhancing our ability to identify and assess climate-related risks and opportunities. The team also works on a variety of regulatory reports, plays a key function in providing data to support our compliance with the EU's Sustainable Finance Disclosure Regulation, and has been charged with developing leading-edge ESG and AI-driven analytical capabilities to meet our evolving needs.

“Global implementation and local execution are designed to reinforce each other”

Sustainable Investment and Corporate Sustainability Governance

Risk governance and controls

Sustainable investment governance is supported by firmwide risk management and compliance frameworks. This includes a governance structure with clearly defined roles and responsibilities for functions responsible for execution, oversight and independent assurance. Within sustainable investment activities, this supports the consistent application of policies relating to stewardship and the integration of sustainable investment considerations into the investment process, robust management of conflicts of interest and confidence in key processes such as proxy voting, engagement documentation and disclosures.

Key policies supporting sustainable investment governance

- Code of Ethics and Business Conduct
- Commitment to Responsible Investing
- Engagement and Stewardship Strategy
- Proxy Voting Policy (and related voting-rights guidelines/standards, where applicable)
- Regulations on Engagement and Compliance Regarding Fiduciary/ESG Principles
- Conflict of Interest Control Regulations and related procedures
- Position Statement on Climate Change
- Global Controversial Weapons Exclusion Policy

Development of the Global Controversial Weapons Exclusion Policy

In 2025, heightened geopolitical tensions and renewed investor interest in defence prompted Amova AM to reassess how

macroeconomic and geopolitical risks intersect with its sustainability framework. While defence has historically been viewed as incompatible with ESG investing, evolving security dynamics, client demand and regulatory developments have led many asset managers to reconsider their approach, while exclusions on controversial weapons remain firmly embedded in regulation and international norms.

Against this backdrop, we undertook a review of the defence sector from an ESG and risk perspective, focusing on

Global Controversial Weapons Exclusion Policy

Purpose

The Global Controversial Weapons Exclusion Policy (the Policy) sets out how Amova Asset Management (Amova AM) Group prevents investments in companies involved in controversial weapons-related activities. This approach aligns with our commitment to upholding international treaties and conventions seeking to ban such weapons.

Controversial weapons are broadly defined as weapons that cause indiscriminate or disproportionate harm to civilians and are widely banned or condemned under international treaties and national laws. This policy supports our clients in maintaining alignment with global best practices and reflects Amova AM Group's stance as a responsible investor, consistent with our fiduciary duty. Exposure to companies linked to controversial weapons may pose reputational and ethical risks given their inconsistency with widely recognised international treaties and conventions and may not align with the expectations of our clients and stakeholders.

Scope

This policy applies to all investment portfolios that Amova AM Group actively manages, including internally managed funds and externally managed mandates, over which Amova AM Group retains discretion over investment decisions. In line with this principle, it does not apply to passive index-tracking funds managed by entities within the Amova AM Group, as well as other passive investments such as index-tracking funds, Exchange Traded Funds, or fund-of-funds structures, as we do not screen underlying holdings on a look-through basis. Additionally, derivative instruments or index derivatives that provide exposure to broad markets are also out of scope.

Exclusion criteria

This policy prohibits investment in companies involved in the production of controversial weapons-related activities and serves as the basis for our Exclusion List, which identifies companies that meet the criteria set out in the following section.

Controversial weapons refer to those weapons and munitions that are widely deemed unacceptable by the international community due to their indiscriminate impact on civilians. These weapons are subject to international bans or severe restrictions under various international treaties and conventions, and/or by national legislation. Amova AM Group aligns its definitions of each weapon category with international legal instruments and the frameworks used by our third-party data providers. The categories of controversial weapons are defined as:

- Cluster munitions
- Anti-personnel landmines
- Chemical weapons
- Biological weapons
- Depleted uranium weapons
- Incendiary weapons using white phosphorous
- Blinding laser weapons
- Non-detectable fragments
- Nuclear weapons (outside of Non-Proliferation Treaty)

Global Controversial Weapons Exclusion Policy went into effect in 2026

controversial weapons and strengthening our existing policy. This work combined analysis of international treaties, peer practices and regulatory expectations with proprietary research, resulting in a new [Global Controversial Weapons Exclusion Policy](#) approved in September 2025.

The policy aligns exclusions with internationally prohibited weapons, extends coverage to additional categories with strong consensus on harm, and clarifies scope and governance for implementation. It entered into force in 2026 and is now embedded across relevant investment activities.

Review and transparency

Policies and procedures are reviewed to ensure they remain appropriate and effective. The review process depends on the substance of the policy, but typically includes drafting or revision by the relevant function, review by the appropriate committee where relevant, and approval at the correct governance level (local subsidiary boards for local policies and senior management and/or the Board for firm-wide policies). We aim to communicate our approach clearly and keep reporting under review so that it remains clear, fair and balanced. External materials are subject to appropriate review processes, including compliance review where relevant.

“we undertook a review of the defence sector from an ESG and risk perspective, focusing on controversial weapons and strengthening our existing policy”

Assurance

Our governance model includes checks and balances through oversight committees, compliance support and internal audit. Internal audit operates on a risk-based approach and may review relevant stewardship and sustainable investment integration processes, with follow-ups to confirm corrective actions are implemented. We may also undertake external assurance on selected areas that support our stewardship and reporting, such as controls over service delivery, information security or data privacy where they relate to key systems and providers used in stewardship activity. Together, these mechanisms reinforce the integrity of sustainable investment governance and related disclosures.

Sustainable Investment and Corporate Sustainability Governance

CORPORATE SUSTAINABILITY GOVERNANCE

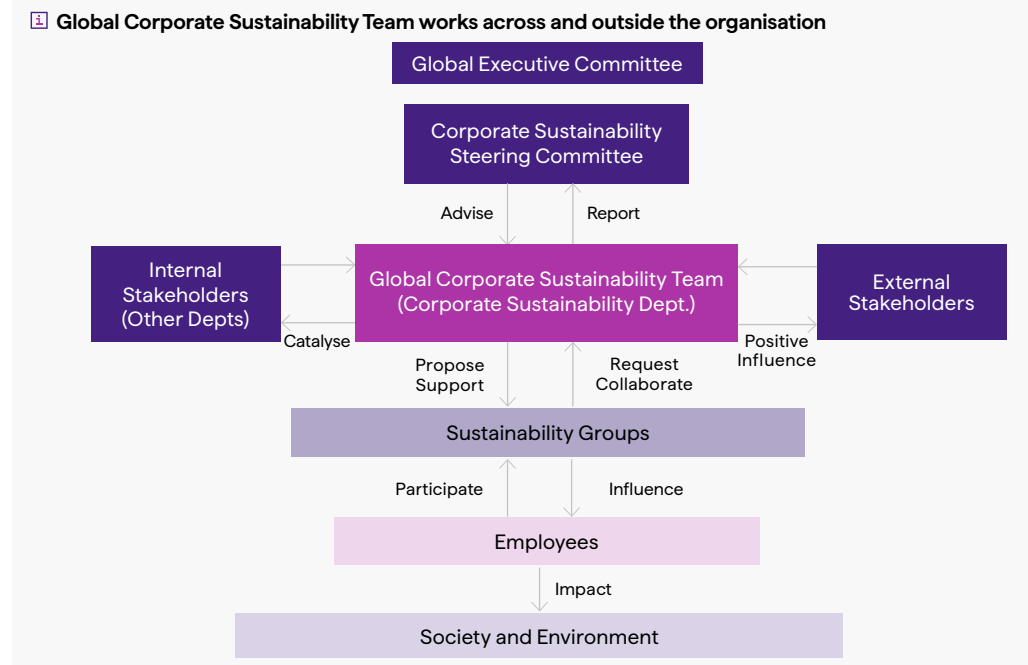
Amova Asset Management's corporate sustainability governance framework is designed to support the firm's resilience and embed sustainability considerations across the organisation. The framework focuses on Amova AM's own operations and is distinct from ESG integration in investment activities.

Mandate and role of the global corporate sustainability function

The Corporate Sustainability Department was established in 2018 as a dedicated function to support Amova AM's sustainability responsibilities as a global asset manager and corporate citizen. It was expanded to a global function in 2020. Its mandate is to embed sustainability across the firm by supporting culture and governance and coordinating corporate sustainability reporting.

The Global Corporate Sustainability Team coordinates this agenda across functions and regions, embedding sustainability considerations in decisions and business practices. It also serves as secretariat for the firm's employee resource groups, called Sustainability Groups at Amova AM, supporting their governance, coordination and activities across the organisation.

The Global Corporate Sustainability Team works closely with senior management and relevant functions to balance top down leadership with bottom up engagement. This approach recognises that embedding sustainability into day-to-day operations requires both clear direction from leadership and active participation by employees. Under this model,



Source: Amova Asset Management

the department collaborates with internal stakeholders to advance internal initiatives, as well as select external activities that contribute to broader social outcomes.

Role of materiality in corporate sustainability

From October 2025 to March 2026, Amova AM conducted its first firmwide materiality assessment using a double materiality approach to identify and prioritise the sustainability topics most relevant to the firm and its stakeholders. A full description of the process and outcomes is provided in the dedicated Materiality Assessment section earlier in this report ([see page 13](#)).

Looking ahead, the materiality assessment will serve as a practical foundation for advancing Amova AM's corporate sustainability priorities. It will be used to strengthen governance by clarifying ownership and accountability for each material topic, and to support the development of key performance indicators and action plans so that progress can be monitored and evaluated consistently. Amova AM also expects to keep its material topics under review, including a high-level annual review and periodic re-assessment as the business context and stakeholder expectations evolve.

“... embedding sustainability into day to day operations requires both clear direction from leadership and active participation by employees”

Governance framework and oversight

Corporate sustainability governance at Amova AM is supported through established internal forums and reporting lines. At a senior level, the Corporate Sustainability Steering Committee (CSSC) is a formal governance body established by Amova AM's Global Executive Committee (GEC). The CSSC meets quarterly and brings together senior decision makers, including GEC members and Chief Officers, to oversee priorities and key initiatives.

In addition, governance of corporate donations is supported through a dedicated Donations Steering Committee, also established by the Global Executive Committee. The Committee consists of members from key stakeholder functions, and donation items are deliberated and approved monthly.

These oversight arrangements are supported by a foundational set of internal policies and regulations covering corporate sustainability, donations, and the operation of related governance committees. Together, they provide a consistent internal basis for decision-making and implementation across regions.

Sustainable Investment and Corporate Sustainability Governance

Reporting and transparency

The Global Corporate Sustainability Team coordinates Amova AM's corporate sustainability reporting, including the Sustainability Report, which has been published annually since 2020. It is intended to provide transparent disclosure on the firm's corporate sustainability initiatives and progress, in a way that reflects its operational context. Alongside the Sustainability Report, information on Amova AM's corporate sustainability approach, initiatives and disclosures is also available on its corporate sustainability website, which serves as a supporting disclosure medium and a central reference point for internal and external stakeholders seeking current information on the firm's activities.

In addition to external disclosure, Amova AM regularly reports on its corporate sustainability activities to its parent company, Sumitomo Mitsui Trust Group, Inc., as part of group level governance and oversight. This includes providing structured updates on key initiatives, and relevant qualitative and quantitative information required to support sustainability reporting and internal reviews.

Through this process, Amova AM aligns its corporate sustainability efforts with broader group expectations while retaining the flexibility to reflect its own business model and geographic footprint.

Employee engagement and sustainability culture

Fostering a sustainability-oriented corporate culture is a core element of Amova AM's

Our Sustainability Groups by geography and focus

	Diversity, Equity & Inclusion	Social Impact & Well-Being	Environment & Climate
Japan	Japan Abilities Japan LGBTQ Japan Women's	Japan Philanthropy	Japan Environment
Regional	Asia Sustainability	EMEA Sustainability	Americas Sustainability
International	Global Racial Equality International Women's International Abilities		New Zealand Sustainability

International Women's Group consists of regional chapters: Asia, Americas, EMEA and New Zealand. International Abilities group consists of regional chapters: Asia, EMEA and New Zealand

Source: Amova Asset Management

strategy. Bottom-up efforts through employee engagement are viewed as essential to achieving meaningful and lasting impact beyond formal policies and governance structures.

Sustainability considerations are incorporated in the firm's annual goal setting and performance evaluation process. Employees are encouraged to consider how their individual objectives and professional conduct contribute to responsible business practices.

The Global Corporate Sustainability Team also works as a secretariat for our employee resource groups which are called "Sustainability

Groups" at Amova AM, working closely with local sustainability groups to design and promote activities that enable employees, and in some cases their families, to participate in sustainability related initiatives. Activities organised by the fourteen local sustainability groups are shared across the firm through internal platforms, supporting awareness, participation and cross regional connection.

The annual firm wide Sustainability Townhall is also used as an important engagement forum, providing opportunities to share updates on sustainability priorities on both investment and corporate sides, highlight employee driven initiatives, and encourage

dialogue across regions and functions. These sessions help reinforce shared understanding and strengthen engagement, supporting a cross-regional sustainability culture at Amova AM.

Sustainability as a foundation

Sustainability is embedded in Amova AM's culture, and the firm will continue to strengthen its execution through robust governance. By drawing on our materiality assessment and ongoing stakeholder dialogue, we aim to further enhance oversight and deepen the integration of corporate sustainability across the business.

Sustainability Townhall

Our unwavering commitment to sustainability

On 30 October 2025, Amova Asset Management held its fifth annual Sustainability Townhall, with participation from over 430 employees and representatives from our parent company.

The Townhall serves as a key platform to communicate the firm's sustainability priorities, share progress and promote global employee engagement.

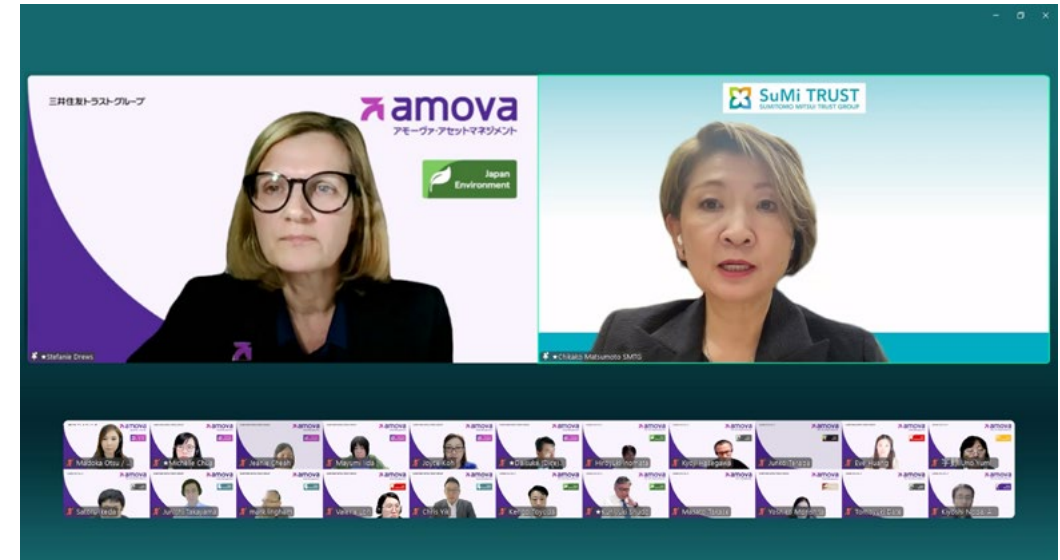
In her opening remarks, President and CEO Stefanie Drews noted that 2025 marked a significant year for the firm, with the introduction of a new name, brand and mission statement, while reaffirming that Amova AM's commitment to sustainability remains unchanged.

The programme included Stefanie Drews in conversation with Chikako Matsumoto, Director, Managing Executive Officer, Chief Sustainability Officer of Sumitomo Mitsui Trust Group, which addressed sustainability from

both risk and opportunity perspectives and highlighted the importance of human-centred approaches to value creation.

Mark Stoeckle, Chief Investment Officer, reiterated the firm's focus on long-term sustainable value creation and outlined recent developments, including the introduction of a Global Controversial Weapons Policy, enhancements to environment, social, governance (ESG)-related investment tools and the application of in-house Artificial Intelligence (AI) solutions to support investment decision-making.

An investment panel discussion, moderated by Natalia Rajewska, Global Head of



Stefanie Drews in conversation with Chikako Matsumoto, Chief Sustainability Officer of Sumitomo Mitsui Trust Group during the Sustainability Townhall

Sustainable Investment, brought together representatives from investment and client-facing teams across regions. A live audience poll identified AI (52%) as a key emerging ESG theme beyond climate change, followed by social inequality (22%) and water scarcity (13%). Panel participants discussed the integration of ESG considerations into investment processes, including how these factors contribute to risk identification, opportunity assessment and client engagement.

Employee engagement was further promoted through the "Do Good Together" initiative, under which participants contributed to a global fundraising effort for five regional charities focused on supporting individuals with disabilities. The initiative led to a donation from the firm of USD 18,600, based on participation during the session.

Corporate Sustainability updates highlighted progress against key targets, including the "#30 by 2030" gender diversity goal, reductions in operational carbon emissions and increased participation in sustainability groups, which has now reached the firm's 15% target. Amova AM also presented the expansion of the International Abilities Group and related regional initiatives.

The Townhall concluded with remarks from Executive Chairman Kuniyuki Shudo, who emphasised the role of asset managers in understanding investor expectations, engaging with portfolio companies on material ESG issues and supporting sustainable growth.

Overall, the Sustainability Townhall continues to support the integration of sustainability across the firm and reinforce alignment among employees globally.

How we approach risk

Basic approach to risk management

Amova Asset Management recognises risk management as a key management priority in fulfilling its fiduciary duty as an asset management company and in supporting the creation of sustainable corporate value.

As an investment manager, the firm seeks to appropriately manage a wide range of risks, including investment risks arising from market conditions, to ensure the integrity of investment activities and the soundness and appropriateness of its business operations.

Overview of risks

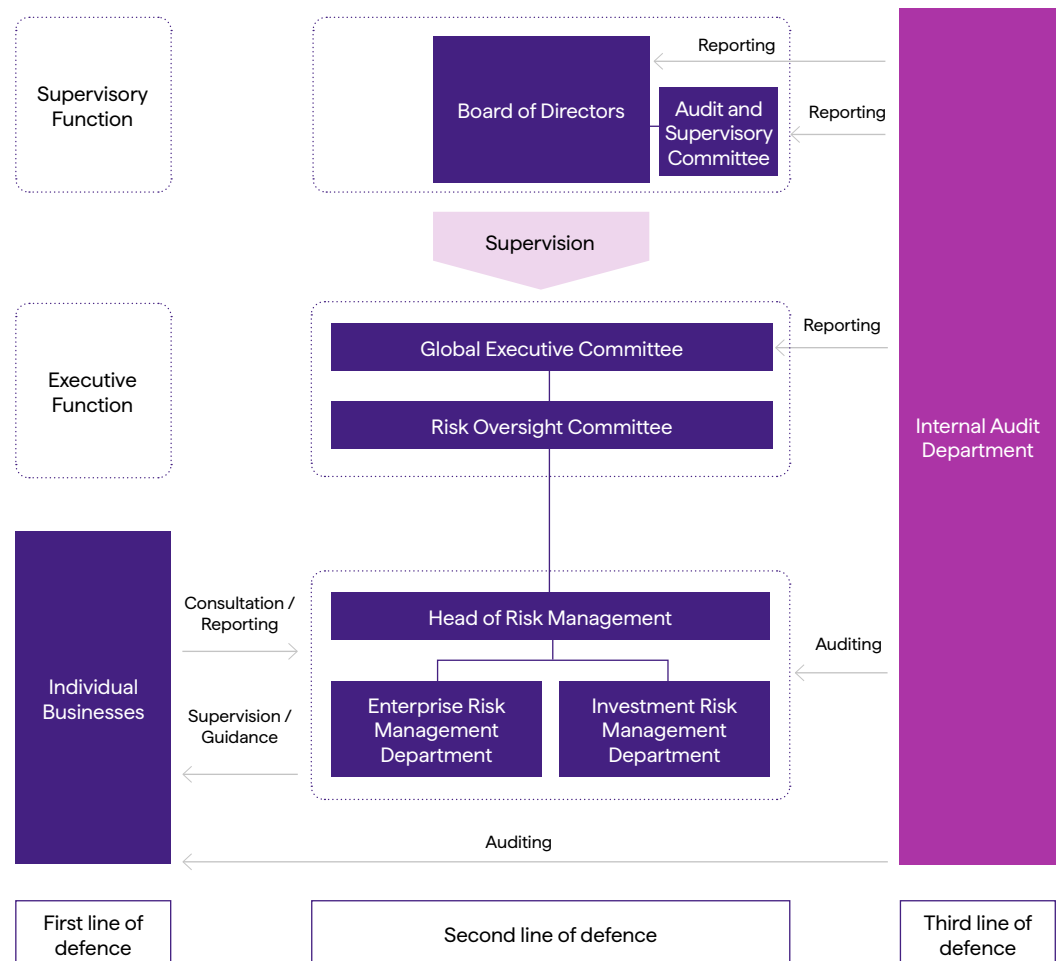
The firm identifies investment risk, market risk, credit and counterparty risk, liquidity risk, compliance risk and operational risk as its principal risk categories and manages these risks in a comprehensive manner.

Risk appetite framework

The Risk Appetite Framework is a framework under which the firm defines its risk appetite (the level of risk it is willing to accept) and risk tolerance for key risks identified across the firm and continuously monitors these risks using key risk indicators (KRIs) and other relevant metrics.

When risk levels approach or show signs of exceeding established tolerance levels, the firm seeks to improve its risk profile through the consideration and implementation of appropriate response measures. Through this process, the framework supports the optimisation of the allocation of management resources and the maintenance of stable and sustainable business operations from a risk management perspective.

Risk management structure



Source: Amova Asset Management

Risk Management

Risk management structure based on the Three Lines Model

The firm has established a risk management framework based on the Three Lines Model for each risk category.

— First line: business units

Sales, investment, administrative and planning functions identify, assess and manage risks arising from their activities in accordance with the firm's risk appetite.

These functions implement appropriate controls commensurate with the scale and nature of risks and report risk conditions to the second line in a timely and accurate manner.

— Second line: risk management and compliance

The risk management and compliance functions, operating independently from the first line, monitor the effectiveness of risk management activities, and provide oversight and advice.

These functions also play a central role in designing and promoting the firm's risk management framework and report to senior management as necessary.

— Third line: internal audit

The internal audit function, independent from both the first and second lines, provides an

objective assessment of the effectiveness of the firm's risk management framework and internal control environment.

Management oversight

Key matters relating to risk management are overseen by senior management.

The Global Executive Committee (GEC) and the Risk Oversight Committee receive regular reports on the status and effectiveness of risk management and engage in discussions and provide direction as required. Significant matters are reviewed by the relevant committees and reflected in management decisions and business improvements. In addition, the overall status of risk management activities is reported to the Board of Directors at least once a year.

The above committees and related forums also work in coordination with relevant committees and responsible departments to support the development of response measures and management practices for major incidents and incident prevention.

Investment risk management

Under our enterprise-wide risk management framework, the firm has established a dedicated investment risk management function to professionally manage risks arising from asset management activities.

Operating independently from the investment function, the investment risk management function visualises and assesses risks, continuously monitors portfolio risk profiles and provides feedback and reports to the investment function and senior management as appropriate.

Investment risk management process and governance

In addition to the quantitative assessment of investment portfolios, the investment risk management function conducts ongoing qualitative analysis through dialogue with portfolio managers. This includes reviewing investment processes and the rationale behind investment decisions, with a focus on assessing whether investment actions are aligned with the firm's investment policies and assumed risk levels.

Risk management teams at each investment location monitor portfolio risk and performance, provide data to portfolio managers on a daily basis and share daily updated reports with the investment function through business intelligence (BI) tools used to visualise and analyse data, enabling on-demand access to risk information by the investment function. In addition, investment risk meetings are held on a quarterly basis to provide feedback on analysis results.

Where issues are identified and shared, portfolio managers take investment actions aimed at addressing those issues. The investment risk management function subsequently analyses the effectiveness of those actions and provides further feedback to the investment function as part of a continuous improvement cycle.

The status of investment risk management activities and material matters is reported quarterly by the investment risk management function to the Risk Oversight Committee, which is attended by senior management. The Risk Oversight Committee oversees the effectiveness of investment risk management and, where necessary, requires appropriate responses and improvements, thereby ensuring robust governance.

Information Security, Cybersecurity and Data Protection

Strengthening our controls to reduce risks

Amova Asset Management positions information security, cybersecurity and data protection as fundamental elements underpinning its business operations and the trust of stakeholders.

Information leakage, cyberattacks and similar incidents may affect business continuity, reputation and financial soundness. Accordingly, the firm is continuously strengthening its rules, governance structures and operational practices to address these risks.

Information security

Damage to or leakage of information assets represents a risk directly linked to trust in the management and administration of fiduciary assets, as well as to business continuity. As a foundation for fulfilling our fiduciary duty, the firm promotes enhanced protection and control of information assets across the organisation.

Protection of information assets

Information security is defined as maintaining the confidentiality, integrity and availability of information assets. The firm implements appropriate controls and measures commensurate with the importance of information assets, including client information and internal information (which may include personal data).

Organisational structure and roles

Under an enterprise-wide framework, officers are responsible for establishing response policies and management structures, while officers and employees are required to comply with information security policies. The Risk



Management Division is responsible for the design and oversight of the information security risk management framework, as well as incident response. The Global Technology Division is responsible for the development, operation and maintenance of information systems and infrastructure.

Relationship with operational risk

Information security risk and system risk are positioned as components of operational risk and are appropriately managed and overseen under a framework based on the Three Lines Model, which provides for effective checks, controls and independent verification.

Cybersecurity

Cybersecurity is a critical element underpinning not only business continuity and the protection of information assets, but also long-term corporate value and stakeholder trust. At Amova AM, cybersecurity is positioned as an integral part of corporate sustainability and is

considered one of our material sustainability topics.

Since an information security incident may result in a direct impact to our clients and our operations, as well as reputational damage that leads to the erosion of our enterprise value, the protection of all data — including systems, client information, employee information and proprietary organisational information — remains a top priority across the firm.

Cyber risk assessment and management

In response to changes in technological trends and the operating environment, cyber threats and vulnerabilities including cyberattacks and unauthorised access are continuously being assessed. Based on these assessments, appropriate controls and technical measures are implemented and operated.

Malware protection software, firewalls and access controls are deployed across all

Information Security, Cybersecurity and Data Protection

business locations. In addition, penetration testing is conducted annually to evaluate the effectiveness of defensive measures against potential threats. Regular vulnerability assessments and disaster recovery exercises are also carried out to test and strengthen incident response capabilities and business continuity. The statuses of these initiatives are reported in the Information Technology Monthly Operating Report and to the Operational Excellence Committee. In addition, significant cybersecurity-related matters may be presented to and are overseen by the Risk Oversight Committee as part of the firm's enterprise risk management framework.

Prevention and detection measures

Considering changes in technology and the business environment, cyber threats and vulnerabilities are continuously assessed, and necessary governance controls and technical measures are implemented and maintained.

Third party risk management

For third parties and critical service providers, periodic due diligence is conducted to confirm that appropriate cybersecurity management frameworks are in place.

Incident response

Incident response procedures have been established to ensure a prompt and effective response and to minimise impact in the event



of a malware infection or cyber incident. These procedures provide for root cause analysis, system recovery and measures to prevent recurrence.

Cybersecurity awareness training for employees

We provide cybersecurity training for employees, covering a wide range of topics including procedures for reporting

cybersecurity incidents, methods for responding to threats, examples of potential threats, data loss prevention, avoidance of clickbait (which seeks to induce users to click on links to malicious websites) and how to identify phishing emails. Short quizzes are conducted to test how well the employees understand the content and whether they can apply the acquired knowledge and skills effectively.

Data protection

Appropriate protection of client and personal data is essential to maintaining the firm's trustworthiness and reputation. The firm seeks to mitigate risks such as data leakage through the establishment and operation of management frameworks in accordance with applicable laws, regulations and guidelines.

Management of personal data

The firm manages personal data throughout its lifecycle, from acquisition to deletion and disposal. Risks are mitigated through robust access controls and permission management, ensuring that personal data is handled appropriately in line with its level of sensitivity.

Compliance with laws and regulations

The firm ensures the proper handling of personal data in accordance with relevant data protection laws and regulations, including the Act on the Protection of Personal Information in Japan. In the event of a data breach or similar incident, the firm responds promptly and appropriately in accordance with internal regulations.

Initiatives to maintain trust

Through the establishment of controls and procedures, as well as continuous education and training for officers and employees, the firm reduces risks arising from human factors and promotes sound and sustainable business operations. ➤

Artificial Intelligence

Scaling intelligence



Mandeep Khasriya
Global ESG Data and Analytics Lead

The observation

Faster decisions, less work, more rewards. That's what Artificial Intelligence (AI) promised us, and if the headlines are to be believed, that's what it is delivering. Speed is the metric everyone celebrates, the one every adoption story leads with. But what exactly are we hurtling towards at this rapid pace?

What follows is an attempt to sit with that question honestly. The risks that are already visible if you look past the press releases, the opportunities that are more interesting than the ones being marketed to us, and a frame I have landed on after several years of building with AI that has changed how I think about what "good" looks like. I am optimistic, but should optimism come with strings attached?

The risks

We begin with a thread that is less about technology and more about people. In recent

months, we have seen a record number of layoffs attributed to AI; over 60,000 in the first quarter of 2026 alone. The language in the press releases is strikingly uniform: "AI-driven restructuring", or "efficiency through automation". The framing is bold, forward-looking, and bullish. But behind each announcement are real people, and a question that deserves more scrutiny: is AI replacing these roles, or is it simply the most convenient story a company can tell right now?

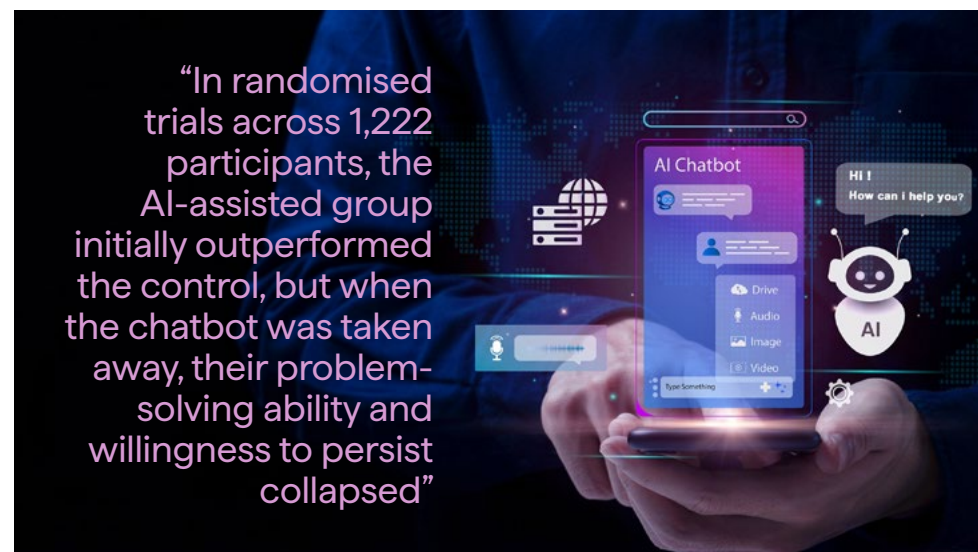
The data suggests the latter. A Resume.org survey of U.S. hiring managers found that nearly 60% said they emphasise AI's role in reducing hiring or cutting jobs because it is viewed more favourably than financial constraints. Only 9% said AI has fully replaced certain roles. The term for this is "AI washing", attributing financially motivated cuts to a technology that, in most cases, has not yet

delivered the efficiencies being claimed. It is no secret that a decade of low interest rates fuelled rapid hiring across industries. As that environment has shifted, some degree of correction was always likely. Whether AI is the cause of these cuts or simply the most compelling way to frame them is a question worth sitting with.

Two pieces of office vernacular have stuck with me lately: "AI slop" and "brainrot". The first refers to the flood of low-quality, AI-generated content now saturating our feeds. The second is what happens as a result: a gradual erosion of critical thinking and attention span, compounded by the unnerving ease with which it has become possible to ask AI to do your thinking for you rather than attempting it yourself. Some of the largest research institutions in the world are starting to validate these concerns.

Researchers from UCLA, MIT, Oxford, and Carnegie Mellon recently published the first causal evidence that AI dependency directly impairs cognitive ability, [AI Assistance Reduces Persistence and Hurts Independent Performance](#). In randomised trials across 1,222 participants, the AI-assisted group initially outperformed the control, but when the chatbot was taken away, their problem-solving ability and willingness to persist collapsed. The effect emerged after just ten minutes of use. This effect was coined 'boiling frog', suggesting sustained AI use erodes the motivation and persistence responsible for long-term learning.

There are organisational consequences of this. As we automate and leapfrog tasks that would ordinarily take days or weeks, we may be quietly incurring "cognitive debt". The distinction matters: someone offloading a task they've performed many times is making a deliberate trade between effort and efficiency, and the



Artificial Intelligence



“Genuine cross-disciplinary work has always been harder than it looks, not because the ideas don’t combine, but because the people do so imperfectly”

Genuine cross-disciplinary work has always been harder than it looks, not because the ideas do not combine, but because the people do so imperfectly. A specialist in one field and a specialist in another have always had to either meet in the middle, which is slow and wasteful of both their comparative advantages, or bring in a translator, which is expensive and lossy. The pairings that would have been most generative were often the ones that never quite happened. AI has removed that cost. Two specialists can now meet without either having to leave their strongest domain; the tools carry the translation between them. I have seen this across my own work with sales teams, with HR and with front office investment.

capacity to do it independently already exists. The concern is different for those entering the workforce now, who may be offloading tasks before they have had the chance to build the underlying skill in the first place. It is not a failing of any generation; it is a structural risk in how we onboard people into work that increasingly assumes the machine will do the early reps. The critical thinking that once came from struggling through those tasks may simply have fewer occasions to develop. To borrow from Psychology Today: “you can’t atrophy a muscle that was never built”.

The pivot

A view from the ground, then, from someone trying to push best practice forward: After several years of building chatbots since GPT-3.5, unpicking RAG pipelines, and over-engineering things that did not need to

be that complicated, I have landed on a single frame I now apply to everything: The goal is never to save time; it is to scale intelligence. This has become my ethos over the last few years and helps directionally shape AI strategy for maximum payoff. Does the AI solution make the user more capable or just faster, and how do we separate the two?

The opportunities

AI is dissolving the walls between disciplines, and the graveyard of ambition is shrinking with them. The path from ideation to execution has become scarily short. We all have ideas about our work we would love to explore, and in the old world most of them died for want of time, capacity, or budget. The prototype of the idea you heard at a conference yesterday; the marketing concept that didn’t go anywhere

because of lack of experience with Photoshop — the barrier to sophisticated insight is collapsing, and that changes who gets to compete.

The barrier to learning a new domain was rarely intellectual, it was always social and logistical. People are often wary of asking professionals in completely different areas more about their day-to-day work or what makes something tick, and the time for structured learning was always scarce. Curiosity went unsatisfied, and most of us ended up narrower than we needed to be. AI has rewritten this contract and we now have access to a tutor who does not tire or bill by the hour and as a result, people can engage with other teams’ work with real nuance and bring that nuance back into their own domain.

Here’s the thing: we are just at the beginning of all this. AI will continue to AI. Companies will continue to hail it as the best thing since sliced bread. Between the two, in the margins of history, will be truly great stories of success. These emerge quietly and mostly unremarked. These will be written by organisations that treat it as a way to scale how their people think, to make every analyst, every team, every function genuinely more capable than they were last year.

We opened by asking what we are hurtling towards, not just how fast. The answer was never going to come from the technology, but from what we choose to do with the time it is buying us. Saving time was never the point; scaling intelligence is.



Investing with Purpose



A Message from Mark E. Stoeckle, Chief Investment Officer

Turning long-term resilience into sustainable value

In 2025, we delivered strong overall investment performance across the majority of our strategies in a demanding investment environment by staying focused on disciplined risk management, systematic investment framework, and clear accountability for outcomes.

We continued to strengthen how financially material sustainability risks are assessed across portfolios, supported by our active ownership where engagement underpins informed decision making on material risks and opportunities. These efforts supported meaningful alpha generation and reinforced our conviction that sustainability, when applied with discipline and context, is aligned with long-term shareholder value.

The sustainability landscape itself is becoming more complex and more fragmented. Expectations now vary widely

across regions, regulatory regimes and political contexts, increasing both investment risk and reputational exposure if approaches are poorly governed. However, we find there's also space to see this era of fragmentation and complexity as an opportunity. In this environment, clarity of purpose and consistency of oversight are critical.

Our approach is investment led, grounded in materiality and supported by global standards, with enough flexibility to reflect regional context where appropriate. This approach ensures that sustainability considerations



enhance capital allocation decisions and risk return assessments at both the portfolio and firm level.

Active stewardship has also become a central component of effective investment governance. One year into my role as Chief Investment Officer and CEO of the Americas, it is clear that engagement and proxy voting are of paramount importance. They are core tools for risk management and long-term value protection.

Today's complex environment is marked by geopolitical, energy, technological and climate risks. Through stewardship, we gain clearer insight into management quality and long-term resilience of our companies. This enables us to anticipate emerging risks and challenge assumptions to make informed investment decisions for our clients.

We certainly understand that progress matters more than promises. During the year, we prioritised actions that are measurable and capable of standing up to scrutiny. This included updating our Global Controversial Weapons Exclusion Policy, investing in Artificial Intelligence-enabled sustainability tools

“... it is clear that engagement and proxy voting are of paramount importance. They are core tools for risk management and long-term value protection”

to enhance analytics and reaffirming our commitment to the Net Zero Asset Managers initiative. These decisions reflect a deliberate focus on implementation and accountability, recognising that long-term commitments must translate into improved decision making.

We recognise that sustainability is not static but a dynamic discipline that requires alignment with client objectives and evolving market conditions. Energy transition, for example, now sits alongside rising energy demand from AI and an increased emphasis on energy security. Our role is to ensure that the companies we invest in are positioned for long-term resilience so they can create sustainable value for shareholders and broader stakeholders alike.

We remain committed to a rigorous, investment-led approach to sustainability, guided by fiduciary responsibility and delivering robust outcomes for our clients across market cycles.

Mark E. Stoeckle

Executive Corporate Officer, Chief Investment Officer (CIO) and Global Head of Investment
Country Head and CEO, Amova Asset Management Americas, Inc.

A Message from Naomi Fink, Chief Global Strategist and Chief Economist

Investment means valuing the future today

Sustainability is often discussed in terms of governance, public welfare or environmental constraints.

Economic research has meanwhile identified the importance of institutions, innovation, and human capital in sustaining long-term growth. But sustainable macroeconomic growth is more than a set of separable inputs that can exist independently of coordination. It is necessary to examine the system and its dynamics over time. In this context, investment is a vehicle whereby economic agents (firms, households, the government) may

coordinate across the economy and bridge the gap between present day and the future, offering an important lens through which to understand how economies sustain growth over time.

Why the future may be systematically under-valued

We present sustainability as a durable economic equilibrium, a system of aligned expectations, under which growth may persist via forward-looking investment. The crucial factor for sustainable growth is not perpetual increases in volumes of output, but an increase in the economy's capacity to generate value under changing constraints, over time. These constraints represent challenges that real-world economies face, including imperfect



“The crucial factor for sustainable growth is not perpetual increases in volumes of output, but an increase in the economy's capacity to generate value under changing constraints, over time”

information (e.g. the impact of the Iran war) about future outcomes and uncertainty that cannot be fully hedged (e.g. the future impact of climate change upon the environment). Economic agents behave cautiously under such incomplete information and uncertainty and may discount the future too heavily. What we describe is a structural feature of incomplete markets, too often overlooked in favour of near-term growth prospects, to which investors tend to anchor.

Japan: from coordination failure to gradual realignment

The cost of the future is at least as important as how fast we are growing today. This is because how we discount the future directly shapes growth: long-term growth depends

on productivity and innovation, which rely on sustained investment, made possible by financial conditions that make it worthwhile to pledge capital today towards an uncertain future. The rate at which the market discounts the future impacts the duration of investments; conversely, when short-term replacement of depreciating capital dominates investment, growth disappears.

This low growth equilibrium may describe Japan's plight during its “lost decades”. But recent reflation and return to above-trend growth have upended expectations of a self-perpetuating low-growth equilibrium. Japan, while unquestionably a mature economy, may not be a prisoner to shifting demographics after all. Instead, we propose

A Message from Naomi Fink, Chief Global Strategist and Chief Economist

“For Japan to recapture a sustainable growth equilibrium, it must expand the range of what its economy can sustainably produce even as it navigates aging demographics, geopolitical and other types of uncertainty”



that its “lost decades” of growth represented a coordination failure, a protracted yet unsustainable lack of alignment across economic actors in preparing for the future.

Coordination: sustainability as a lower-cost future

Under deflation, persistent uncertainty caused firms and households to shorten their planning horizons. This resulted in over-saving and a dearth of long-term private investment both in physical capital as well as human capital. Wages, and therefore real household incomes, then stagnated. The ongoing transition, meanwhile, is one of changing expectations, as firms are cautiously extending investment and doing so in response to a labour supply shortage, exacerbated by aging demographics. Households too are gradually adjusting behaviour in response to recovering nominal wages. Policy is shifting to support long-term allocations rather than to simply offset the impact of deflationary dynamics. But adjustment is slow and uneven, not a clean break with the previous regime.

A path to Japan’s “New Capitalism”

Perhaps the greatest lesson learned by Japan’s re-emergence from its “lost decades” is that the effective price of the future is not fixed. For Japan to recapture a sustainable growth equilibrium, it must expand the range of what its economy can sustainably produce even as it navigates aging demographics, geopolitical and other types of uncertainty.

This means households and firms must continue to invest beyond the immediate economic or political cycle to build capacity with investments that address areas of economic vulnerability.

The government, meanwhile, need not rule out re-distributing income to smooth cycles but must pivot from keeping firms alive to offering stable conditions for research and development investments crucial to innovation and to incentivising the birth and death of firms typically necessary for adoption and commercialisation of newly innovated technologies. Coordination means that each economic actor contributes and exercises stewardship over conditions that make such continuation, from here to the future for which we invest today, possible.

Japan Sustainable Investment Department

Contributing to corporate value creation through dialogue

Stewardship activities

Implementation framework

The Japan Sustainable Investment Department was established to enhance the stewardship activities and ESG integration of Amova Asset Management's Japan investment teams. Through close collaboration with the Global Sustainable Investment Team, the department also works to further strengthen the firm's responsible investment practices in line with global sustainability standards.

The department's primary responsibilities are to:

- promote sustainable investment activities across Amova AM;
- conduct sustainability-focused engagement with our companies; and
- exercise proxy voting.

In addition, members primarily based in Japan, Asia and EMEA offices hold regular knowledge-sharing meetings to gather the latest ESG insights and to ensure that these insights are effectively reflected in investment activities in Japan.

Engagement

Our engagement policy

We focus our engagement activities on issues that are material to the long-term sustainability of a company. Medium- to long-term issues differ from company to company, so we identify the issues that need to be addressed before engaging with companies. In addition, we actively collaborate with our analysts and portfolio managers when setting issues and engaging with companies.



Members of the Japan Sustainable Investment Department

Details of our engagement activities are shared across the investment management departments to ensure that sustainability considerations are incorporated into investment decision-making. We also maintain regular engagement with our companies facing medium- to long-term issues in order to monitor progress and to encourage improvement.

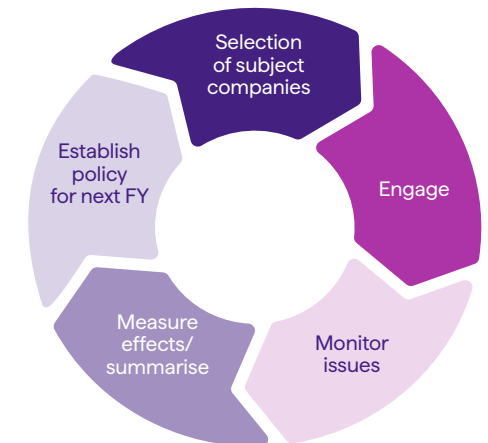
Key ESG themes

Amova AM believes that actively addressing ESG issues is essential for companies' sustainable growth. Based on this view, we identified six key ESG themes first in 2021, which are used in selecting our companies for engagement. These themes were reviewed for the second time in 2026. The latest key ESG themes are disclosed on the firm's website.

[Amova AM Key ESG Themes](#)

Engagement process

We conduct well-structured engagement in line with the process shown in this chart.



Japan Sustainable Investment Department

— Selection of companies

In addition to selecting companies for engagement based on our key ESG themes, we carry out focused engagement for stocks held in our active funds.

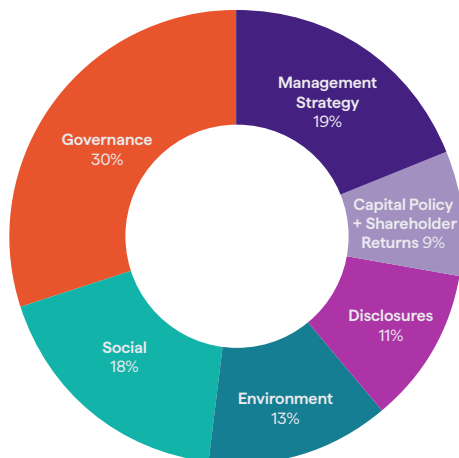
— Monitoring of issues

Identified issues are classified into stages and registered in our milestone management database for continuous monitoring. As of the end of December 2025, 747 issues across 353 companies were managed through this database.

— Effectiveness measurement and review

We also manage the rate of progress made on issues being addressed. During 2025, progress was made on 17.5% of the approximately 650 issues that had been identified through the platform as of the end of 2024. In addition, our analysis of engagement outcomes found that companies where engagement led to progress on key issues demonstrated stronger performance compared with companies where such progress was not observed.

🔗 Breakdown of Engagement Topics



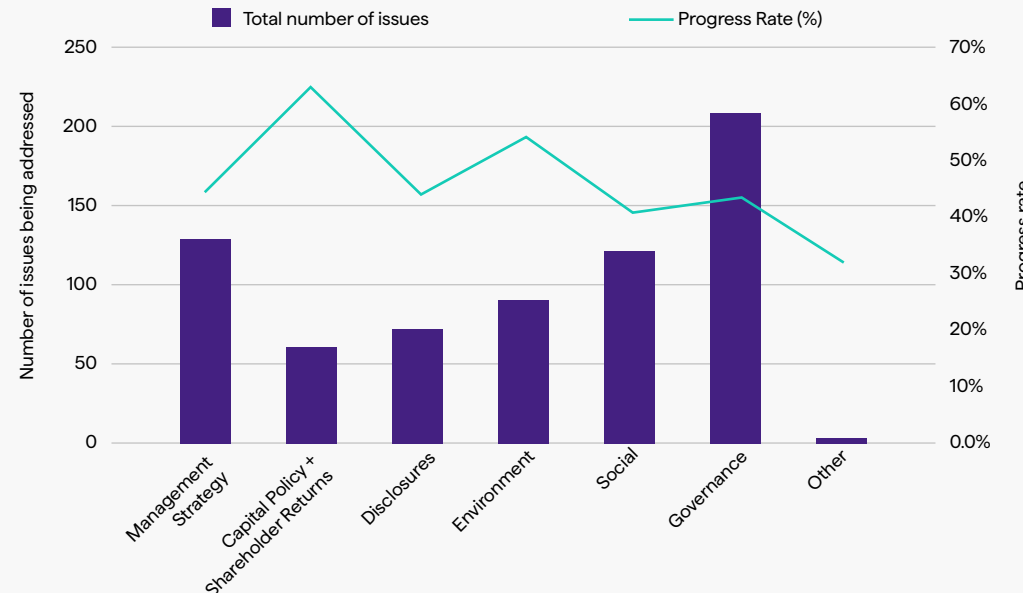
Source: Amova Asset Management

🔗 Milestone management

	Stage	Category	Confirmation method	Stage description
Sharing issues	0	Amova AM's identification of issues	—	Amova AM identifies issues
	1	Presenting issues to company	—	Issues presented, but unable to reach understanding with company (lack of shared understanding)
	2	Reaching shared understanding of issues with company	Engagement	Shared understanding of issues with company
Addressing issues	3	Presenting measures to address issues	Disclosure	Company announces measures to address issues
	4	Implementing measures to address issues	Engagement/disclosure	Company implements measures to address issues
	5	Resolving issues	Engagement/disclosure	Issues have been resolved or company is able to resolve issues itself

Source: Amova Asset Management

🔗 Number of issues being addressed (left axis) and progress rate (right axis)

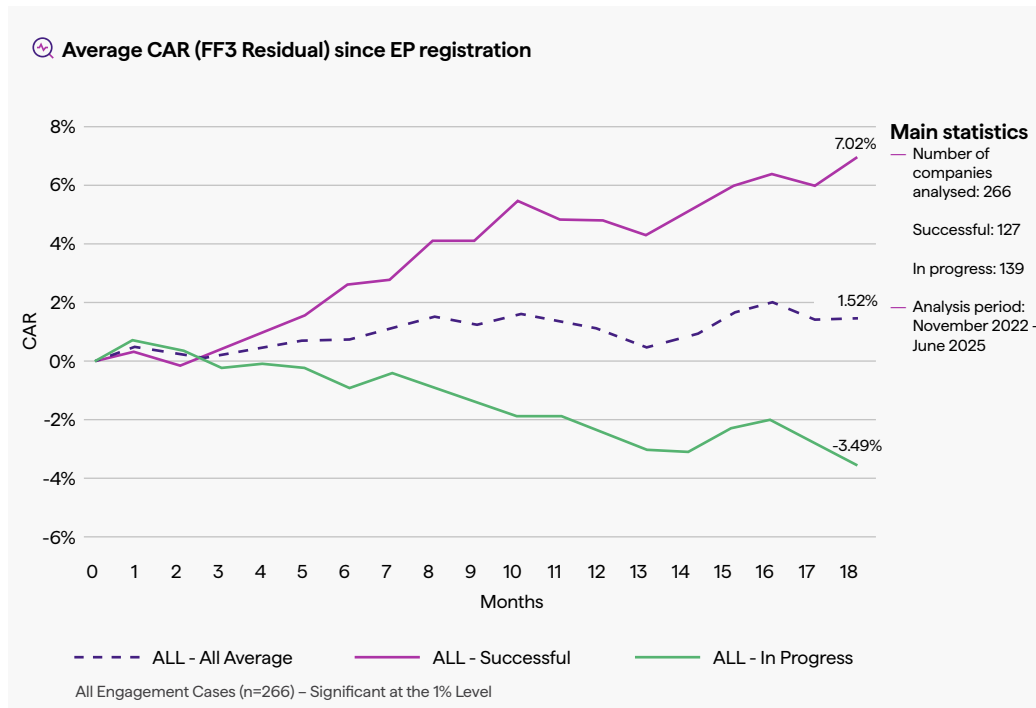


*The progress rate is calculated as the number of issues that advanced to Stage 3 or above divided by the total number of issues.

Source: Amova Asset Management

“... we share our perspectives on ESG factors considered in investment decisions and our assessments of material issues at our companies, thereby enhancing the quality of investment decisions from a medium- to long-term perspective”

Japan Sustainable Investment Department



Source: Amova Asset Management

Future policy in view of the analysis results

Companies that made progress in addressing the identified issues demonstrated relatively stronger performance compared with those that had not. Going forward, the firm will further strengthen engagement with companies where progress through engagement stages has been limited.

Annual policy review

Every July, we establish our objectives for the next fiscal year based on effectiveness measurements and full-year overviews. We believe that carrying out a Plan–Do–Check–Action

cycle is essential to improving our stewardship activities.

Collaborative engagement and participation in external initiatives

As an active member of the Climate Action 100+ initiative, and in cooperation with other institutional investors, we encourage our companies to advance their decarbonisation efforts. We actively enhance our ESG expertise through participation in initiatives such as the AIGCC and the 30% Club Investor Group, and also participate in Nature Action 100 to deepen our understanding of biodiversity considerations.

Collaboration within the investment management function

Within the Japan Sustainable Investment Department, we have adopted a sector-based coverage model. By exchanging information on assigned sectors and holdings with analysts in the Equity Research Group, the department seeks to identify the fundamental issues faced by our companies and to conduct high-quality engagement.

The department also holds bi-monthly briefings for the equity investment teams to share engagement case studies, updates on milestone management and the latest sustainability topics, helping to strengthen sustainability expertise across the investment teams.

In addition, through the ESG Integration Meeting held between the department and fund managers, we share our perspectives on ESG factors considered in investment decisions and our assessments of material issues at our companies, thereby enhancing the quality of investment decisions from a medium- to long-term perspective.

Proxy Voting

We integrate our proxy voting with our engagement activities by reflecting the content of our engagement in voting decisions. During engagement meetings, we actively provide companies with feedback on voting outcomes and, in particular, seek to encourage improvements by giving detailed explanations of our rationale where we have voted against a proposal.

Taking into account changes in the corporate environment as well as discussions held through engagement, we revised our proxy voting standards, to take effect in April 2026*.

The revised standards require:

- TOPIX 500 constituent companies to appoint multiple female directors and ensure that women account for at least 15% of the board; and
- an increase in the performance standard from the previous requirement of ROE of 5% or higher for three consecutive fiscal years to ROE of 8% or higher.

Since the previous fiscal year, we have engaged with companies to communicate these standards and encourage progress towards meeting them.

*See the link below for details of the revisions to our proxy voting standards.

[Revisions to Amova Asset Management's Standards for Exercising Voting Rights on Japanese Stocks](#)

Conflict of interest control framework

Amova AM has a Conflict of Interest Control Policy in place and publishes an overview of the policy on our website. In line with this policy, we appropriately manage transactions and other activities that may give rise to conflicts of interest, ensuring fairness and integrity in our business operations.

Our Stewardship and Voting Rights Policy Oversight Committee, the majority of whose members are external to the firm, monitors and supervises activities conducted in line with the policy in order to prevent conflicts of interest. In particular, proxy voting decisions relating to the parent company are subject to prior deliberation by the Committee, with voting decisions made under oversight focused specifically on conflicts of interest considerations.

Japan Equity Team

ESG integration and sustainable excess returns

Within the Japan Equity Fund Management Department, which manages active domestic equity strategies, our corporate analysis considers not only traditional measures of economic value, such as earnings, but also companies' capacity to generate social value linked to ESG factors over time.



Yasushi Ishikawa
Deputy Chief Investment Officer (Deputy CIO) and
Co-Head of Equity Fund Management Department

Since 2013, we have assessed this capability for major Japanese companies through our proprietary CSV (Creating Shared Value)-based Evaluation.

The concept of CSV is based on the paper "Creating Shared Value" authored in 2011 by Professor Michael Porter of Harvard University and his co-authors. They argue that social challenges should be addressed as a core part of corporate strategy, and that by addressing

these challenges, innovation can emerge, enabling companies to sustainably create not only social value but also economic value. They further contend that this is the form of capitalism that should be aspired to.

Our CSV-based evaluation consists of 12 assessment items across three broad areas: ESG, market competitiveness and financial policy. While the social challenges and business opportunities facing each company



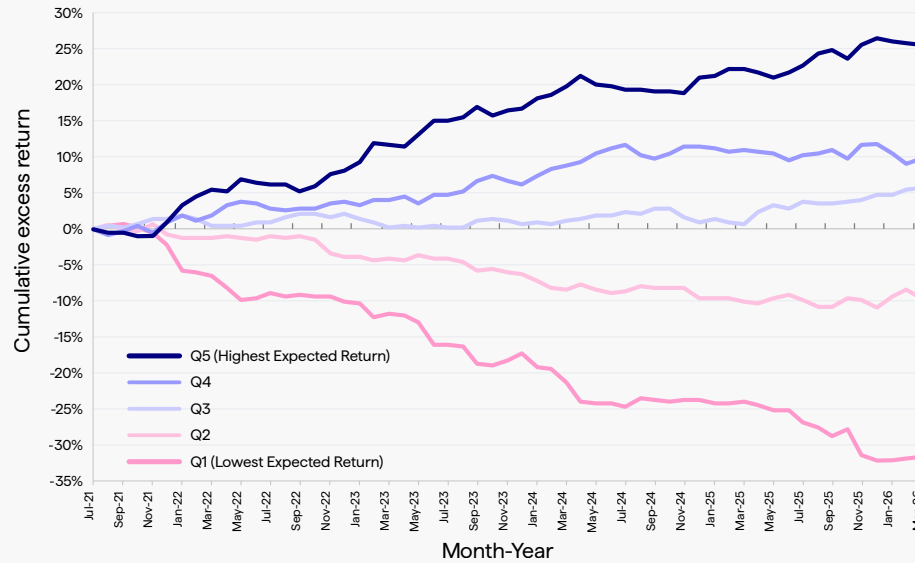
vary significantly depending on factors such as industry, our analysts assess each company based on a set of evaluation criteria with a certain degree of breadth. Through this process, they identify the issues most material to each company and assess performance considering its specific business environment, resulting in a "CSV Score" that reflects the company's capability to co-create social and economic value. In the ESG component in particular, the CSV assessment incorporates cross functional input, including objective perspectives from the Japan Sustainable

Investment Department and the Equity Research Group Manager responsible for ESG-focused engagement.

As part of our efforts to strengthen ESG integration, we began calculating a "CSV stock price" in August 2021 to reflect a fair value level suggested by the CSV score. In general, a higher CSV score is often associated with a valuation premium. This relationship has become statistically more pronounced since 2017, as ESG investing gained momentum in the Japanese equity market, and has

Japan Equity Team

Cumulative Excess Returns of Five Quintile Baskets Based on CSV Stock Prices



Quintile Analysis Based on Expected Returns Derived from CSV Stock Prices

	Low	Expected Return				High	Spread
(annualised)	Q1	Q2	Q3	Q4	Q5	(Q5 - Q1)	
Excess Return	-6.07%	-2.27%	1.27%	1.85%	5.20%	11.27%	
Risk	3.60%	2.36%	1.80%	2.72%	3.18%	6.04%	
Excess Return/Risk	-1.69	-0.96	0.70	0.68	1.63	1.87	
t-value	-3.23***	-1.84*	1.34	1.30	3.13***	3.57***	

Note: The analysis period covers August 2021 to March 2026. Returns and risk metrics are based on excess returns of the equally weighted quintile baskets relative to an equally weighted universe. * and *** denote that the t-statistics of excess returns are statistically different from zero at the 10% and 1% significance levels, respectively.
Source: Amova Asset Management

strengthened further from 2020 following the Japanese government's announcement of its carbon-neutral target. In other words, ESG information has become an increasingly important factor in equity valuation over the past decade.

Since introducing the CSV stock price, we have included both the CSV score and the associated CSV stock price in our research reports. Analysts compare this with their own target prices. While alignment between the target price and the CSV stock price is not mandatory, analysts are required to clearly explain the rationale when material deviations arise. This process supports stronger ESG integration within investment recommendations.

Can we therefore say that these efforts to strengthen ESG integration have contributed to excess returns in active management?

The CSV stock price, introduced as part of our efforts to strengthen ESG integration, represents a fair value level under the assumption that CSV assessments are rationally reflected in market prices. The gap between the actual stock price and the CSV stock price (defined as $\text{CSV stock price} \div \text{market price} - 1$) can therefore be interpreted as the expected return implied by the CSV stock price.

To address the question raised at the outset, we examine the relationship between this expected return and subsequent excess returns. Since August 2021, when we introduced the CSV stock price, we have grouped major Japanese companies each month into five quintiles based on the expected returns implied by the CSV stock price, and have tracked the cumulative excess returns of each equal-weighted quintile relative to the equal-weighted universe, as shown in the graph on the left.

While the Q5 group, which has the highest expected returns, outperformed by an annualised 5.2%, the Q1 group, with the lowest expected returns, underperformed by an annualised 6.1%. This divergence is particularly pronounced between the Q5 and Q1 groups and is statistically significant.

Expected returns for the Q5 group are generally positive, and the outperformance of this group suggests that share prices moved steadily towards their CSV implied levels. By contrast, expected returns for the Q1 group are generally negative, and the underperformance of this group indicates that share prices likewise moved towards their CSV implied levels, but through weaker performance. The results of this empirical analysis suggest that the CSV-implied stock price has a certain degree of predictive power for future stock prices.

Analysts incorporate CSV evaluation into their research process, taking the resulting CSV stock price level into account when setting target prices. The CSV evaluation itself is reviewed by the analysts in light of progress in our engagements as well as changes within the companies. The resultant research is shared with fund managers and discussed on a regular basis.

To further enhance ESG integration, we launched a quarterly ESG Integration Meeting in April 2025, bringing together fund managers, ESG specialists from the Japan Sustainable Investment Department and analysts. Focusing on current holdings, we share views on risks and return opportunities from ESG and CSV perspectives and discuss engagement progress and potential new areas for engagement from different angles.

Through these initiatives, we aim to further strengthen ESG integration in our investment management.

Japan Equity Team — Equity Research Group

Getting to the root cause of issues

We began managing the effectiveness and progress of our engagement activities with our companies through a milestone-based approach more than three years ago.



Masanori Hoshino
Co-Head of Equity Fund Management Department
Equity Research Group Manager

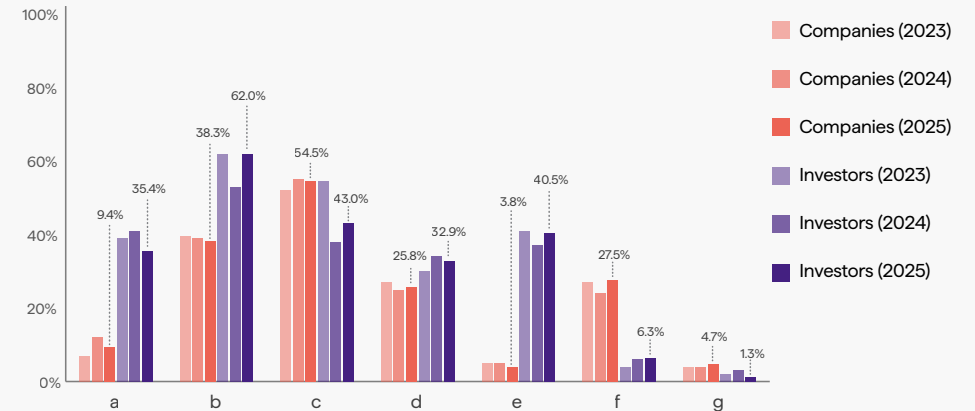
During this period, our analyst group has identified approximately 140 engagement issues of which roughly 50 are considered to have been resolved. While the issues have varied in scale, we believe that progress in resolving them has made a tangible contribution to enhancing corporate value and improving our operational performance.

Our group has placed strong emphasis on setting engagement issues that are closely linked to corporate value, drawing on analysts' deep understanding of our companies' businesses and their analytical expertise.

This approach is consistent with broader market expectations, as reflected in the request by the Tokyo Stock Exchange,

Engagement challenges companies and investors recognise and prioritise

- a. Insufficient resources and personnel for engagement
- b. Limited analysis and understanding of companies (Companies)
Enhancing analysis and understanding of engagement counterparties (Investors)
- c. Engagement conducted based solely on short-term perspectives and themes (Companies). Introducing engagement themes that incorporate a medium- to long-term perspective with a focus on sustainability (Investors)
- d. Insufficient explanation of engagement objectives and related matters (Companies). Providing more thorough explanations of engagement objectives during engagement activities (Investors)
- e. Insufficient engagement skills among personnel responsible for engagement (Companies)
Upskilling of personnel responsible for engagement (Investors)
- f. None in particular
- g. Others



(Number of responses [Companies]: FY2025:426, FY2024:432, FY2023:442).
(Number of responses [Investors]: FY2025:79, FY2024:85, FY2023:81)

Source: Prepared by Amova Asset Management, based on "Survey on Initiatives to Enhance Corporate Value" conducted by The Life Insurance Association of Japan.

announced in March 2023, for companies to pursue management practices that are mindful of capital costs and share prices, as well as in the "Key Stewardship Priorities" published by GPIF in March 2025, both of which highlight the importance of management strategies and resource allocation that contribute to the enhancement of corporate value. We believe that our thinking is well-aligned with these directions.

On the other hand, we acknowledge that some of the engagement issues we have set, such as reviews of business portfolios or the strengthening of shareholder returns, may be perceived as being skewed on short-term considerations. The graph below shows an

excerpt from the FY2025 aggregated results of the "Questionnaire Survey on Initiatives to Enhance Corporate Value", which the Life Insurance Association of Japan has conducted annually since 2022. In the survey, companies are asked about "engagement challenges companies and investors recognise and prioritise", while investors are asked about "the key challenges they recognise and are addressing as priorities". Many respondents (both companies and investors) selected "b. Enhancing analysis and understanding of engagement counterparties (investors)" and "c. Engagement conducted based solely on short-term perspectives and themes (companies)".

🚀 Japan Equity Team — Equity Research Group

These results suggest that, while investors recognise the importance of setting up themes based on a deeper understanding of companies and a medium-term perspective, companies do not necessarily perceive the situation in the same way. One contributing factor may be that, in the context of dialogue with companies, investors tend to select relatively short-term or readily identifiable themes, which may not always lead to more fundamental insights on the part of companies. Although such themes are important, what needs to be addressed more is the root cause of why progress on resolving issues stalls. We believe it is the role of the equity investors to focus on underlying factors such as executive and employee evaluation systems, the nature of organisational structures, and corporate culture, and to encourage improvement in these areas.

Against this backdrop, we consider the approach to defining engagement issues to be critically important.

From fiscal year 2025, we have strengthened our issue-setting process by introducing a multilayered review framework under which engagement issues proposed by analysts, fund managers and the Japan Sustainable Investment Department are examined from multiple perspectives.

Non-financial information is essential to identifying the root causes of issues. To further enhance the collection and analysis of such information, we began collaborating with the Global Sustainable Investment Team at the end of 2025 to jointly develop an AI-enabled ESG analysis tool.

The tool collects and organises non-financial information dispersed across multiple disclosure channels, including integrated reports, company websites and statutory filings such as annual securities reports. By combining this information with our internal research data, the tool enables analysis based on our proprietary perspective.

Through use of this tool, we aim to deepen our understanding of our companies and to enhance the quality of our engagement dialogues, thereby contributing to the sustainability of our investment performance. 🚀

🔗 ESG integration project – ESG Analysis tool

Leveraging AI to make ESG analysis widely available across teams

PLATFORM

🔍 Select Company

Online platform - accessible via weblink

INPUTS

IMS Notes

Proprietary analyst views

External Data

Ratings + Controversies

News Flow

Live and historic news

Disclosures

Analysing integrated reports

Web Search

Autonomous checks

SASB Materiality Topics

Industry specific materiality lens

AI PROCESSING

Multiple AI Analysts

- Extract ESG themes from internal research
- Cross reference and synthesis all inputs
- Intelligently follow up with targeted web-searches to find updates



OUTPUT

At-a-glance decision card with assessment, key risks, opportunities and next trigger

Company Name

Positive

AI-generated headline summarising the synthesised ESG view...

Risk

Opportunity

Company Name

Positive

- Summary....
- Material Themes....
- Strengths....
- Monitoring Triggers....
- Source Notes....

Theme-by-theme ESG analysis with severity calibration, cross-source evidence and forward-looking triggers — the reasoning behind every scorecard verdict.

Japan Equity Team — Research Active Management Team

Strengthening our ESG consideration

The Research Active Management Team manages Japanese equity strategies across a broad range of styles based on bottom-up research.



Toshinori Kobayashi
Team Leader and Lead Portfolio Manager,
Research Active Management Team

While our company analysis process centres on close collaboration with sector analysts, we have also strengthened coordination with the Japan Sustainable Investment Department on the consideration of environment, social and governance (ESG) factors and engagement with our companies. To further improve this collaboration, we established additional

quarterly ESG Integration Meetings in 2025. These meetings focus on two main areas of discussion. The first is the ESG factors considered by portfolio managers in making investment decisions. In particular, through discussions on whether changes in governance at companies we invest in are likely to contribute to improvements in corporate



“By bringing together the different viewpoints of portfolio managers, sector analysts and the Japan Sustainable Investment Department, we are enhancing the effectiveness of our engagement activities”

value over the medium term, we are able to carry out ongoing follow-up in a coordinated manner.

The second is the sharing of perspectives on issues identified at companies selected for engagement. By bringing together the different viewpoints of portfolio managers, sector analysts and the Japan Sustainable Investment Department, we are enhancing the effectiveness of our engagement activities.

Portfolio managers are also increasingly participating directly in meetings with companies, and the greater alignment in our understanding of key issues is contributing to more substantive dialogue with the companies.

Through continued discussion in these meetings, we aim to further strengthen ESG integration and enhance investment performance.

Investment Technology Fund Management Department

Human capital investment and corporate value in an ageing society

The Investment Technology Fund Management Department is primarily responsible for the management and development of index and quantitative funds, while also actively engaging in ESG (sustainable investment) through investment management, research and external communication.

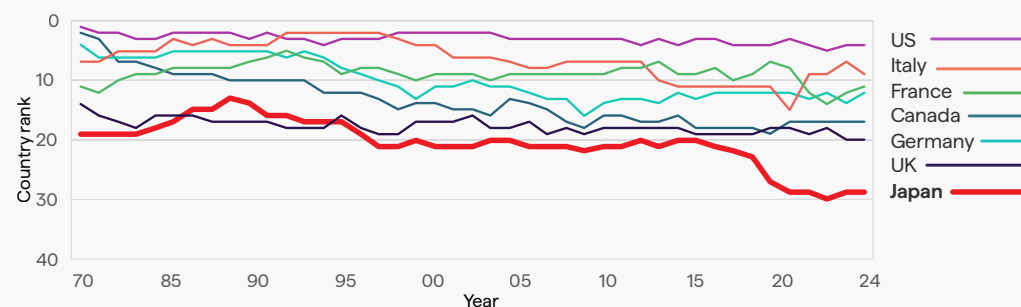
Here we present our approach to human capital investment as a response to Japan's structural challenges and as a relevant theme for investors. We also highlight the growing traction of this approach, reflected in rising assets under management and external recognition.

Why human capital investment matters now A critical perspective shaping corporate value amid demographic change

SDGs Goal 8, "Decent Work and Economic Growth", represents one of the most significant structural social challenges in Japan. Against the backdrop of a shrinking labour force resulting from a declining birth rate and ageing population, enhancing the value added per employee, or labour productivity, has become a critical issue for both companies and society in the medium to long term.

In fact, Japan's labour productivity remains the lowest among G7 countries and ranks 29th out of 38 OECD member countries. Factors contributing to this include insufficient investment in human capital and the lack of a virtuous cycle between wage growth and economic growth.

Figure 1: International Comparison of Labour Productivity per Worker



Source: Japan Productivity Center (JPC), "International Comparison of Labour Productivity 2025"; compiled by Amova Asset Management



Chief Operating Officer of Investment-Japan (COOI-Japan), Head of Investment Technology Fund Management Department and Head of Portfolio Control Department, Masayuki Teraguchi (Public Symposium organised by the Consortium for Human Capital Management to Enhance Corporate Value, March 4, 2026)

Wage growth in Japan has reached the 5% range for three consecutive years (source: Rengo, April 1st, 2026), indicating early signs of structural change driven by increased investment in people. Investment in human capital is a theme that can address social challenges and the enhancement of corporate value, and it is therefore an area of strong focus for the department.

Changes in the regulatory environment surrounding human capital

From the fiscal year ending March 2026 onward, companies must disclose their human capital strategies and wage determination policies in annual securities reports, with clear links to corporate strategy in securities reports. Furthermore, the revised Guidelines for Human Capital Disclosure, published in March 2026 by the Cabinet Secretariat, the Financial Services Agency and the Ministry of Economy, Trade and Industry, call for more concrete and enhanced disclosure of human capital strategies aligned with management strategy. The guidelines state that the realisation of a company's management strategy is dependent on whether it is able to secure the human capital required, based on its vision of the organisation and workforce it seeks to achieve in the future.

Japan Investment Technology Fund Management Department

They also note that investments such as recruitment, training, appropriate wage setting, employee benefits and efforts to enhance employee engagement influence human capital outcomes.

These developments highlight the close link between companies and human capital, and reinforce its relevance to long-term corporate performance.

Human capital from an investor's perspective The department's "Japanese Equity Human Capital Empowerment Strategy"

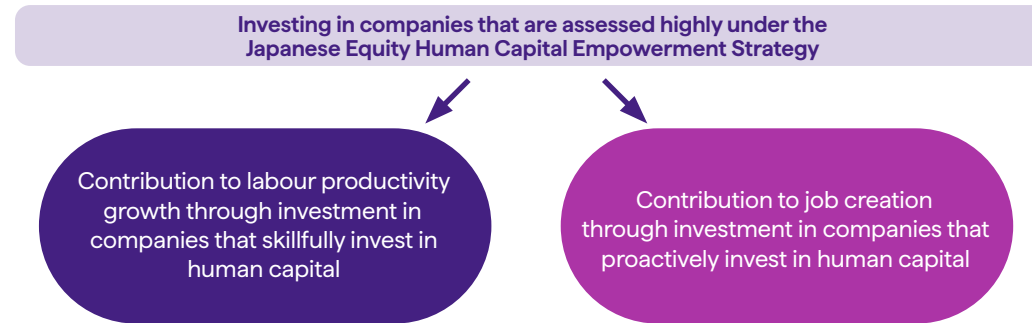
In managing its Japanese Equity Human Capital Empowerment Strategy, the Investment Technology Fund Management Department evaluates human capital as a quantitative factor rather than a purely qualitative concept. In this strategy, companies are evaluated from three perspectives, as shown in Figure 2.

Figure 2: Three perspectives used to evaluate human capital

Evaluation metric	Key focus areas
Human resources investment efficiency	Whether companies are skillfully investing in human capital investments, as measured by improvements in labour productivity following workforce expansion
Labour share	Whether companies are proactively investing in human capital, including the extent to which earnings are distributed to and invested in employees
Prudence of management forecasts	Whether management demonstrates disciplined practices, including avoiding overly optimistic sales forecasts that could lead to excessive investment

Source: Amova Asset Management

Figure 3: Addressing social challenges through sustainable investing



*For illustrative purposes only
Source: Amova Asset Management

Using these three perspectives, our department identifies companies that invest skillfully and proactively in human capital while maintaining disciplined management. We evaluate those expected to achieve both corporate value enhancement and contributions to society, such as job creation, and construct portfolios accordingly. Through this strategy, our department aims to contribute in part to addressing social challenges through higher productivity and job creation (Figure 3).

Growing interest in human capital investment

Investor interest in human capital investment has increased in recent years, contributing to growth in assets under management for the Japanese Equity Human Capital Empowerment Strategy. This trend suggests growing investor recognition of human capital investment as an investable theme.

External recognition of ESG related strategies

The department's ESG-related investment and research activities, including its approach to human capital investment, have also received external recognition. In May 2025, Amova Asset Management was awarded ESG Asset management Company of the Year-Japan at the Triple A Awards 2025, hosted by Asia-based financial magazine The Asset. The evaluation highlighted the department's Japanese Equity Human Capital Empowerment Strategy and Climate Change Solutions – Japanese Equity Strategy* for pursuing returns while considering investors' environmental, social and governance objectives through proprietary methodologies.

Knowledge sharing through the human capital management consortium

In 2023, Keio University SFC Research Institute and PERSOL Research and

Consulting Co., Ltd. launched the Consortium for Human Capital Management to Enhance Corporate Value, an industry-academia collaboration aimed at improving corporate value through the advancement of human capital management in Japan.

In support of the consortium's objectives, Amova AM has been an active participant since its establishment in 2023. In fiscal year 2025, the Investment Technology Fund Management Department delivered presentations at a research meeting in November 2025 and at a public symposium in March 2026.

At the symposium, Amova AM delivered a presentation titled "Human Capital as a Driver of Corporate Value: Data Analysis from an Institutional Investor's Perspective". The event brought together corporate executives, HR and sustainability professionals, IR specialists and academic researchers, highlighting the potential of industry-academia collaboration.

Looking ahead

Human capital investment in a declining and ageing society: a potential investment theme originating in Japan

Investment in human capital is closely linked to social issues specific to Japan and remains an important theme from an investor perspective in terms of corporate value and investment returns.

The Investment Technology Fund Management Department will continue to embed investment in human capital into its investment strategies and to promote it as a sustainable investment theme with origins in Japan.

*The Climate Change Solutions – Japanese Equity Strategy is a semi passive strategy that focuses on the "E" (environmental) component of ESG. It seeks to manage tracking error against the TOPIX while maintaining a portfolio with low greenhouse gas (GHG) emissions.

Japan Fixed Income Team

The focus of our sovereign ESG analysis

Sovereign bonds, both domestic and foreign, are a major component of our current fixed income investments.

As they do with corporate bonds, major rating agencies such as S&P, Moody's and R&I* in Japan provide ratings for debt issued by leading countries in both their local currencies and foreign currencies. Ratings are based on analyses of the risk of default, which generally take into account countries' fiscal balances and their debt levels, as well as other information such as financing structures, economic growth trends and the stability of their markets.

On the other hand, the ESG (Environmental, Social and Governance) factors that we consider in our sovereign ESG analysis are not intended to directly assess a country's debt position or fiscal soundness. Rather, they are designed to provide a multi-faceted view of

the sustainability of its economic and social infrastructure, policy management and civil society.

Our sovereign ESG scoring currently integrates the following items, which we monitor regularly. We consider these useful for analysing qualitative risks that are not captured in country credit ratings.

Interpreting our sovereign ESG analysis

If, for example, a country scores extremely poorly on environmental factors, it may be prone to more frequent and severe disasters associated with environmental degradation over the long term. This may undermine social stability more than in countries that have



Osamu Matsubayashi
Fund Manager, Japan Fixed Income Team
Global Bond Fund Management Team

achieved a low-carbon society. In turn, this may adversely impact a country's sustainable growth. Also, a nation with poor social factors may not be fully utilising its human capital. In the long term, this may widen the gap between rich and poor, contribute to widespread social unrest and hinder long-term growth. Similarly, poor governance factors will result in a decline in voter confidence, which will likely increase political risks. In extreme cases, alongside greater risks of terrorism and conflict, elevated political risks raise the likelihood of adverse effects on debt soundness by increasing unsound government spending.

Over the past year, several developments have underscored the growing importance of ESG factors. Rising trade tensions between the United States and other countries, particularly

Key factors monitored in the sovereign ESG scores

Environmental (E)	Social (S)	Governance (G)
Greenhouse gas emissions per capita	Human development	Corruption
Greenhouse gas emissions relative to GDP	Gender equality	Government effectiveness
Climate change vulnerability and resilience	Average life expectancy	Political stability
Sustainability of forest resources	Secondary education penetration	Regulatory quality
Sustainability of mineral resources	Electricity penetration rate	Rule of law
Sustainability of energy resources	Modern slavery (forced labour)	Government response to modern slavery
Sustainability of freshwater resources	Gini coefficient	Freedom of speech

Source: Amova Asset Management

*Rating and Investment Information, Inc. (R&I) is a leading Japanese credit rating agency.

Japan Fixed Income Team

in relation to tariffs, highlight how protectionist policies can undermine international cooperation and disrupt global supply chains, with potential implications for economic stability. In addition, recent conflicts in the Middle East and the prolonged conflict in Ukraine have contributed to energy supply volatility and persistent inflationary pressures. These developments reinforce the close link between geopolitical risk, government governance and social stability.

Moreover, the Trump administration has made clear that it prioritises energy production over environmental protection, with a particular focus on deregulation in climate change measures, air and water quality and energy development. The main reasons for deregulation include promoting economic growth and energy development. However, if such policies are promoted to the extent that they actually have a negative impact on the environment and public health, they will ultimately increase economic risk. Therefore, we believe that the importance of ESG analysis will not change in the long term.

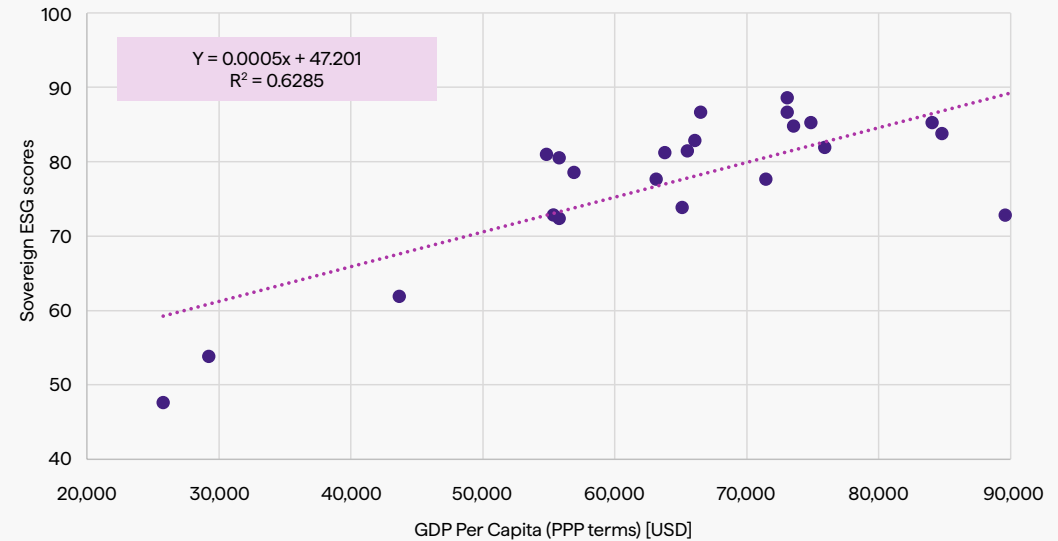
Environmental, social and governance factors are not standalone considerations. They are closely linked to geopolitical risks and policy frameworks, shaping the stability of economies and the sustainability of long-term growth. Given these interconnections, the importance of sovereign ESG analysis continues to increase, irrespective of short-term market conditions.

The scatter plot on the right shows the relationship between the International Monetary Fund (IMF) estimate of GDP per capita in purchasing power parity (PPP as of end-2025 terms) and the sovereign ESG score calculated by our department (as of March 2026). It covers sovereign debt that the Fixed Income Fund Management Department has invested in, all of which is issued by countries included in the FTSE World Government Bond Index. Most of these countries are developed nations and the deviation in their sovereign ESG scores is relatively small. Even so, the sovereign ESG score and GDP per capita (in PPP terms) of these countries show a relatively strong correlation.

We see ESG factors as useful measures of the sustainability of a society as well as the stability and soundness of its economic, political and social infrastructure. ESG factors are also thought to have an effect on a country's debt over a long period of time. Monitoring these factors to supplement credit ratings, which focus on the fiscal conditions of a country, is therefore seen as an effective way of enhancing the long-term stability of bond investments.

As these examples illustrate, ESG factors are closely interrelated and deeply linked to geopolitical risks and policy implementation. Together, they exert a significant influence on economic stability and the sustainability of growth across countries. Against this backdrop, we believe that the importance of sovereign ESG analysis continues to increase, regardless of short-term market conditions.

Sovereign ESG Scores and GDP per Capita (PPP Basis)



GDP per capita (PPP terms) data: International Monetary Fund (as of end-2025)
Source: Amova Asset Management

Japan Fixed Income Team — Credit Research Team

The importance of ESG factors

The Japan Credit Research Team believes ESG considerations are important factors when analysing qualitative risks that cannot be covered exhaustively by financial analysis. We focus on eight ESG items, displayed in the diagram on the right: two of these are related to the environment, three are related to society, and three are related to governance. We periodically review and update these areas of focus based on case studies we conduct.

Integration of ESG analysis

Credit analysts responsible for assessing creditworthiness incorporate ESG factor analysis alongside the fundamental analysis of individual issuers. By undertaking a holistic evaluation of the sectors and issuers under coverage from both fundamental and ESG perspectives, and reflecting these insights in investment decisions, ESG considerations are integrated into our investment process.



Members of the Fixed Income Fund Management Department Credit Research Group

Key ESG Themes

Environmental (E)	Social (S)	Governance (G)
Changes in environmental regulations	Human capital	Corporate governance
Environmental pollution	Manufacturer responsibility	Accounting fraud
	Relationship with antisocial forces	Corporate ethics

Source: Amova Asset Management

Case study

Engagement and investment action with a leading pulp and paper manufacturer



The company is a major player in the pulp and paper industry, producing printing paper, paperboard and household paper products. Amid the structural decline in demand driven by the shift towards a paperless society, business model transformation has become a critical priority for the industry. We seek to achieve sustainable investment performance by investing in issuers whose transformation efforts we can positively assess.

Issue

We believe the structural challenge facing Japanese pulp and paper companies is excess production capacity resulting from declining demand due to digitalisation. While large-scale facilities can deliver efficiency benefits, they also pose a risk that assets acquired in the past may become underutilised during periods of declining demand, resulting in increased management and operational burdens.

Against this landscape, major paper manufacturers, including this company, are pursuing business model transformation through the development of wood based products for applications in chemicals, food and pharmaceuticals, aiming to make effective use of surplus assets. Recently, progress has been observed in the expansion of applications and advancement into pilot phases. Through site visits, we have also confirmed tangible pathways for development. We believe the company is approaching a phase in which engagement and investment can increasingly translate into concrete outcomes.

Engagement

We have maintained dialogue with the company's investor relations team approximately once a year, requesting disclosure on the progress of its green strategy. Taking into account the company's statements and insights gained from the site visit, we requested an explanation of the progress of commercialisation and the business scale in the following areas during the regular meeting in June 2025.

- Food & Agriculture, including food- and agriculture-related applications
- Mobility & Industrial, including bioethanol products (such as jet fuel applications) and cellulose nanofibre (CNF)

Outcome

In response to our requests, this company explained that in the Food & Agriculture area, commercialisation and customer adoption have progressed for food additives and animal feed, and that there are positive prospects for potential alliances. In the Mobility & Industrial area, the company shared its recognition of the long-term potential of sustainable aviation fuel (SAF), considering the advantages of non-food competing, wood based feedstocks and existing infrastructure. In addition, improvements in overseas operations were confirmed.

Reflecting these developments, we upgraded our investment assessment of the issuer, contributing to portfolio performance. We will continue to support the enhancement of corporate value through ongoing engagement.

Asian Equity Team (Ex. Japan)

Integrating ESG from the start

Integrating environmental, social and governance (ESG) considerations is embedded throughout our Asian equity investment process.

This reflects our view that companies with strong ESG practices, or those demonstrating clear improvement, are better positioned to generate resilient long-term returns.

While ESG considerations can translate into material investment risks, we also see opportunities where companies manage sustainability factors effectively and with discipline.

Our Asia-tailored ESG Materiality Map helps us identify the sustainability topics most likely to affect each company's business model and investment case. These insights feed directly into our proprietary ESG assessment approach and support consistent, decision-useful analysis across our coverage universe.

We evaluate companies across environmental, social and governance factors alongside our fundamental analysis. The outputs are synthesised into an overall company assessment, strengthening our understanding of risk, return potential and the durability of competitive advantage.

Asian Equity Team ESG Materiality Map

Environmental Pillar (50%)				Social Pillar (30%)			Governance Pillar (20%)		
Climate Change	Nature Capital	Pollution & Waste Management	Environmental Opportunities	Human Capital	Product Liability	Social Opportunities	Corporate Governance	Corporate Behaviour	Governance Opportunities
GHG Emissions from Operations	Water	Toxic Emissions & Waste	Clean Tech	Labour Management	Product Safety & Quality	Access to Basic Services (Food, HC, Finance, Power, Comms, Education)	Beneficial Ownership Assessment (Individual, SOE or Capital Market)		Ownership & Management Change
GHG Emissions from Product/Customers	Land & Biodiversity	Packaging Material & Waste	Green Building	Labour Development	Privacy & Data Security		Minority Interest Alignment	Business Ethics & Fraud	
Physical Risk	Resource Management	Electronic Waste	Renewables	Health & Safety	Responsible Investment	Opportunities in Health & Well-being	Principal-Agency Alignment	Anti-Competitive Practices	
Financing Environmental Impact				Supply Chain Management	Financial System Instability	Community Development	Board	Corruption & Instability	
							Pay	Past Transactions	
							Accounting Practices	Transparency & Disclosure	

Primary Risk Issues which can put a company out of business
 Secondary Risk Issues which can have a material impact on shareholder returns
 Opportunities Issues which can lead to a material enhancement in shareholder returns
 Pre-defined General Secondary Risk Climate Change and ESG-Governance

Asian Equity Team (Ex. Japan)



Members of the Asian Equity Team (Ex. Japan)

Across Asia, issuer ESG disclosures have continued to improve, although data quality, consistency and assurance remain uneven. In markets where sustainable investing practices are still maturing, this reinforces the value of active ownership and bottom-up research to build a robust view of material ESG risks and opportunities.

We complement company engagement with ESG-focused research to support investment decision-making. Our analysts' ongoing dialogue with management teams and relevant stakeholders helps us identify, assess and monitor financially material sustainability considerations and how these may influence long-term value creation.

Given Asia's diverse and rapidly evolving markets, we apply ESG integration in a context-specific manner rather than using a uniform template. Our materiality assessments take account of differences in ownership structures, regulatory environments, cultural considerations and stages of economic

development relative to more developed markets.

We have continued to strengthen our ESG-integrated investment framework to reflect evolving global standards and regulatory developments, and to understand their potential implications for issuers and shareholder outcomes. This work is supported through close collaboration with our dedicated Asia ex-Japan ESG Analyst and the broader Global Sustainable Investment Team.

Engagement

Engagement is a core component of our ESG-integrated investment framework. We engage with portfolio and prospective companies to deepen our understanding of sustainability-related risks and opportunities, and to encourage enhanced disclosure, stronger governance and improved practices over time. As ESG awareness increases across Asia, we are seeing more issuers take practical steps to address key risks and strengthen performance.

Case study

Active ownership in action: encouraging ISSB alignment at Venture Corporation (Asia ex-Japan Equity)



Venture Corporation Limited (Venture Corp)* is a Singapore-listed small- and mid-cap electronic manufacturing services and Original Equipment Manufacturer company. Historically, small- and mid-caps (SMIDs) in Singapore have faced low liquidity, limited research coverage and slower adoption of sustainability reporting standards.

Issue

The launch of the International Sustainability Standards Board (ISSB) standards in 2023 created a new global baseline for sustainability disclosures. Singapore is phasing in ISSB-aligned climate-related disclosures (CRDs), and Venture Corp will need to report CRD-aligned information for FY2025 in 2026. Without stronger governance and ESG transparency, Venture Corp risked lagging peers, potentially constraining valuation and long-term capital access. We identified its preparedness for ISSB adoption as a material stewardship priority.

Activity

In 2025, our firm was appointed by the Monetary Authority of Singapore (MAS) to manage a Singapore equity portfolio under the Equity Market Development Programme (EQDP). The programme seeks to improve liquidity, research coverage and corporate strategies, creating an opportunity to embed stronger governance and disclosure expectations. In August 2025, we re-engaged Venture Corp to encourage improved board-level governance and sustainability frameworks, alignment of its future reporting with ISSB standards, and better articulation of long-term

performance indicators. We responded to Venture Corp's investor materiality survey and provided our views on sustainability-related risks and opportunities, including climate-related transition and physical risks, non-climate environmental risks, employee health, safety and well-being, human capital management, supply chain, product design and lifecycle management and governance.

Outcome

Venture Corp confirmed that findings from the materiality assessment including our responses will inform its next sustainability report, expected in 2026 and aligned with ISSB requirements. Our engagement demonstrates how active ownership can help drive meaningful ESG progress in smaller issuers by encouraging stronger governance and disclosure practices, supporting timely adoption of ISSB standards and contributing to MAS's EQDP objectives of a more transparent and competitive Singapore equity market.

*The individual issue names identified on this page are not a recommendation to sell or purchase an individual issue and do not guarantee holding or non-holding in a fund or strategy.

Asian Fixed Income Team (Ex. Japan)

Combining ESG and materiality assessments

We embed environment, social and governance (ESG) considerations within our credit research through our Internal Credit Rating (ICR) framework.

This integration supports a more complete assessment of issuers, strengthening both opportunity identification and risk management. Financially material ESG factors are assessed as part of the evaluation of credit quality and long-term risk. We believe that issuers with strong ESG practices or those showing clear improvement are often better positioned to deliver more resilient performance to outperform peers.

Within our research workflow, analysts use our ESG Materiality Map to pinpoint the ESG topics most relevant to each sector and issuer (see Materiality Map). The map is informed by leading external frameworks, including the Sustainability Accounting Standards Board (SASB) standards and MSCI, and has been tailored to reflect region-specific considerations across Asia.

Guided by the ESG Materiality Map, our analysts determine the relative importance of the environmental, social and governance pillars for each issuer by assigning pillar weights. They then assess and score each pillar to reflect the issuer's performance on the most material topics. This process supports a holistic assessment of issuer fundamentals and provides context for performance relative to peers. It also helps identify both industry leaders and laggards, while giving greater consideration to issuers demonstrating positive ESG momentum.

We also assign an ESG outlook, reflecting an assessment of expected ESG trends over the next 12 to 18 months and categorised as either Deteriorating, Stable or Improving.



Members of the Asian Fixed Income Team (Ex. Japan)

Asian Fixed Income team's ESG Materiality Map

Environment		Social		Governance	
Carbon Emissions	Product Carbon Footprint	Labour Management	Health & Safety	Board	Pay
Financing Environmental Impact	Climate Change Vulnerability	Human Capital Development	Supply Chain Labour Standards	Ownership	Accounting
Water Stress	Biodiversity & Land Use	Product Safety & Quality	Chemical Safety	Business Ethics	Anti-Competitive Practices
Raw Material Sourcing	Toxic Emissions & Waste	Financial Product Safety	Privacy & Data Security	Corruption & Instability	Financial System Instability
Packaging Material & Waste	Electronic Waste	Responsible Investment	Insuring Health & Demographics	Tax Transparency	Ownership & Management Change
Opportunities in Clean Tech	Opportunities in Green Building	Controversial Sourcing	Access to Communication	Minority Interest Alignment	Principal-Agency Alignment
Opportunities in Renewable Energy		Access to Finance	Access to Healthcare	Regulator Track Record	
		Opportunities in Nutrition & Health			

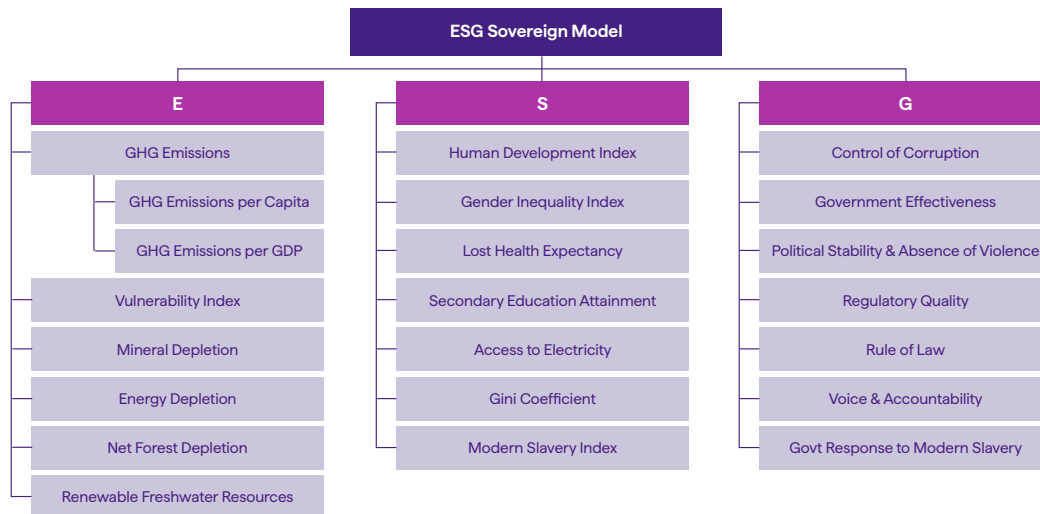
Source: Amova Asset Management

Asian Fixed Income Team (Ex. Japan)

We apply a dedicated approach to assess and quantify sovereign exposure to, and management of, ESG-related risks. Our proprietary ESG Sovereign Rating Model was developed in 2022 and further enhanced in 2023 to improve how we assess our sovereign bonds. The model was developed in partnership with the Global Sustainable Investment Team. We reviewed existing market practice, guidance and available data metrics and sources. Using publicly available sources such as the World Bank, the United Nations and the European Commission Emissions Database for Global Atmospheric Research, we selected 21 indicators that provide broad coverage across the three pillars of E, S and G.

We have incorporated this methodology into our sovereign framework, enhancing the rigour and consistency of our investment analysis. We continue to strengthen our ESG-integrated approach by monitoring emerging sustainability issues and staying abreast of global regulatory developments, and we assess how these trends may affect issuers and portfolio positioning. This work is undertaken in close collaboration with the Asia ex-Japan ESG Analyst.

Asian Fixed Income team's ESG Sovereign Rating Model



Source: Amova Asset Management

Case study

Driving change in steel manufacturing: advancing biodiversity management and decarbonisation



POSCO* is a major South Korean industrial group with activities in steel manufacturing, trading, palm-oil plantations and electric vehicle battery materials. Its diversified footprint across steel, agriculture and critical minerals creates significant biodiversity and climate-transition exposures.

Issue

Our engagement focused on two core areas. First, biodiversity and land use at PT BIA*, POSCO International's palm-oil subsidiary, which had been criticised for contributing to deforestation in New Guinea and where biodiversity governance and transparency remained limited. Second, climate-transition strategy: POSCO's 2050 net-zero ambition was not yet SBTi-aligned (Science Based Targets initiative), with plans to transition from blast furnaces to electric arc furnaces (EAFs) and to develop hydrogen-based HyREX technology by 2030, with full rollout by 2050. We sought further clarity on transition pacing, interim milestones and how POSCO would manage exposure to regulatory changes such as the EU Carbon Border Adjustment Mechanism (CBAM).

Activity

In early 2025, we followed up with POSCO on expanding biodiversity-risk analysis beyond Korean sites. Despite resource constraints after corporate restructuring, the ESG team broadened biodiversity assessments, with agriculture and steel sites priority sectors. In its 2024 Sustainability Report, published in July 2025, POSCO conducted a TNFD

LEAP (Locate, Evaluate, Assess, Prepare) assessment on PT BIA, finding no presence of estates near Key Biodiversity Areas or Protected Areas, and introduced a Supplier Due Diligence system at PT BIA with NDPE-aligned assessment criteria (No Deforestation, No Peat, No Exploitation). On climate, we engaged on POSCO in 2023 and 2024 on their relatively low carbon-usage target (around 20% by 2030) versus peers; construction of a 2.5 MtEAF in Gwangyang, expected to reduce emissions by up to 75% compared to blast furnaces, with production from 2026; plans to complete HyREX commercialisation technology by 2030; and transition the Pohang and Gwangyang mills to hydrogen-based production by 2050, which could mitigate CBAM transition risks.

Outcome

Between 2023 and 2025, engagement coincided with substantial progress. POSCO expanded nature-related analysis to PT BIA using TNFD LEAP and strengthened natural-capital governance. PT BIA launched an NDPE-aligned supplier due diligence process, improving biodiversity risk management. We view these steps as meaningful progress toward better biodiversity governance. POSCO is also executing previously announced decarbonisation plans, including constructing a new EAF backed by green-bond financing. In 2026, we plan to focus our engagements with POSCO on workplace safety, following a series of accidents last year, even as the company has recently made progress on addressing its environmental concerns.

*The individual issue names identified on this page are not a recommendation to sell or purchase an individual issue and do not guarantee holding or non-holding in a fund or strategy.

Multi-Asset Team

Embedding ESG considerations in Multi-Asset portfolios

Multi-Asset investing by definition involves a wide range of assets, including equities, fixed income securities and real estate investment trusts (REITs).

The Multi-Asset team manages a broad range of portfolios using a variety of investment approaches, and our ability to integrate environment, social and governance (ESG) considerations varies across our diverse client portfolios.

In situations where we use Amova Asset Management's active equity and credit funds, we undertake ESG integration and company engagement on material issues. But where we invest using passive funds, such as exchange traded funds (ETFs), our ability and opportunity to integrate ESG can be limited.

Firm-wide exclusions on cluster munitions apply across all our strategies where we have discretion. In addition, specific client mandates are screened to identify companies that breach social safeguards, such as those listed in the Ten Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct. Companies that have been flagged as being in breach of social safeguards will be further assessed, which might entail engagement to clarify areas of concern, before divesting as a last resort.



Members of the Multi-Asset Team

We draw on our proprietary research into the return potential of different asset classes, our experience with portfolio construction and the expertise of Amova AM's Global Sustainable Investment team to support clients with their ESG requirements. We always aim to invest with the best interests of our clients at heart, so we are always transparent in our communications and discussions of how we integrate ESG considerations in our investment process.

We assess the materiality of environmental risk to our multi-asset portfolio construction by incorporating forward looking climate

risk considerations into our strategic asset allocation framework. Using external climate risk data, we evaluate the potential impact of environmental risks on long term asset class returns and assess whether this results in meaningful changes to portfolio risk, return or asset allocation. While higher risk sectors are identified and monitored, the overall impact on portfolio construction is currently assessed to be immaterial, with only minor changes observed. We will continue reviewing this assessment as part of our strategic asset allocation process.

Global Equity Team

Remaining committed to sustainability

Amova Asset Management has long believed that sustainability should be at the core of our stock selection process.

Our Future Quality investment approach helps us to identify those companies we think are well positioned to sustain high returns into the future, while creating value for all stakeholders. Our underlying belief is that the market will increasingly recognise that these companies will not only weather future challenges but also be able to deliver solutions to the problems that we face.

Environment, social and governance (ESG) analysis is undertaken by each portfolio manager and analyst, and is fully integrated into the stock-selection process. We rely on our four-pillar Future Quality analysis, which includes in-depth evaluations of ESG factors to determine their effect on a company's risks and returns. Our research includes an analysis

of a company's corporate governance, social practices, the environmental sustainability of its products or services and its ability to fund its growth and ESG commitments.

Engaging within and across the portfolio
In creating a sustainable portfolio, picking the right stocks is only part of the job. It is also crucial to make sure the chosen companies remain committed to pursuing sustainable practices. The Global Equity team engages with individual companies to help promote better ESG practices if we believe there is room for standards to improve. From time to time, these engagements can embrace the whole portfolio when we believe there is an issue that affects many companies.



Members of the Global Equity Team

Case study

Aligning climate targets with the scale of the challenge



Linde PLC* is a global industrial gases and engineering company whose technologies play a critical role in the energy transition, including clean hydrogen and carbon capture systems. However, its operations represent the largest Scope 1 and 2 emissions footprint in our flagship Global Equity fund, accounting for around 50% of fund emissions as of December 2025.

Issue

We identified Linde PLC as a priority stewardship focus due to the need for credible decarbonisation planning and robust climate governance. Key areas for improvement included the adoption and validation of science based emissions reduction targets (SBTi), the expansion of targets to include Scope 3 emissions, more comprehensive EU Taxonomy reporting and the integration of climate metrics into executive remuneration.

Activity

In 2022, we initiated engagement with Linde PLC as part of a portfolio wide outreach on climate strategy. Since 2023, we have maintained regular dialogue through written correspondence and meetings with Investor Relations and management.

Engagement has focused on achieving SBTi validation of emissions reduction targets, encouraging the development of Scope 3 targets, reviewing the company's approach to EU Taxonomy reporting and advocating for the inclusion of climate linked KPIs in executive remuneration, particularly within long term incentive plans. In 2025, engagement concentrated on implementation and data quality, including Scope 3 methodologies, board level oversight and the structure of climate related incentives.

Outcome

Since 2022, we have observed meaningful progress. Linde PLC's emissions reduction targets received SBTi validation in 2022, and climate related KPIs have been integrated into executive remuneration since 2023. The company has committed to advancing Scope 3 target setting and improving EU Taxonomy disclosures. Approximately 47% of research & development expenditure now supports transition related initiatives, and Linde PLC has committed \$3 billion USD to internal decarbonisation by 2035.

We are comfortable with the direction of travel and will continue to engage to secure comprehensive Scope 3 targets, full EU Taxonomy alignment and robust governance, ensuring the company's climate strategy reflects the scale of its emissions profile.

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Global Fixed Income Team

Maximising our impact

The Global Fixed Income team recognises that the world economy is steadily shifting towards more sustainable practices. It is therefore incumbent on us to incorporate environment, social and governance (ESG) principles into our investment process.

Our philosophy has consistently been to apply a consistent process that relies on quantitative and qualitative input to generate ideas and construct high-conviction portfolios that are appropriately rewarded for the risks assumed.

ESG approach and philosophy

ESG factors are considered across our products at the research and screening stage of the investment process. In particular, we consider how material ESG factors may affect an issuer's ability to repay its debt, credit quality and, ultimately, risk-adjusted returns. We continue to develop our proprietary ESG monitoring tools and increasingly integrate

ESG considerations into bond-selection decisions. Our assessment of corporate governance focuses primarily on management quality, while environmental and social analyses focus on risks and opportunities that are material to specific industries or regions.

For corporate credit, we focus on ESG-related risks that could undermine an issuer's capacity to service and repay its debt; insufficiently managed risks may contribute to deteriorating credit quality and potentially lower returns for debt investors. For SSA issuers (sovereigns, supranationals and agencies), we similarly consider the potential impact of ESG factors



Members of the Global Fixed Income Team

on debt sustainability and on the issuer's reputation among investors (which can influence secondary-market liquidity). While environmental and social factors may be considered, for sovereign issuers political risk, corruption and human rights issues are often more material than other ESG factors.

We recognise that investor expectations regarding environmental and social outcomes can vary across the market. We therefore seek to ensure that our approach is consistent with relevant standards, including the UN-supported Principles for Responsible Investment, and that ESG considerations are incorporated where they are deemed material and aligned with clients' risk appetite and perspectives on ESG investing. For example, clients with high sustainability expectations,

our Global Green Bond strategy has historically invested strictly in green bonds from global AAA-rated SSAs with the strongest sustainability credentials. Issuers include the World Bank, the European Investment Bank and KfW, the German state-owned investment and development bank. In 2023 we expanded our investable universe to include corporate credit reflecting clients' growing interest to help fund the transition to a net-zero future.

The Amova Global Green Bond Strategy relaunched in October 2023. Managed from London, it invests primarily in green bonds as well as social and sustainable bonds.

We currently do not invest in sustainability-linked bonds, which are a separate product category. It complies with Article 9 of the EU's

Global Fixed Income Team



Members of the Global Fixed Income Team

Sustainable Finance Disclosure Regulation, providing investors across the EU access to bonds that finance affordable and clean energy, sustainable cities and communities and climate action. It falls under the impact category of our proprietary ESG classification system, covering funds that invest in companies that deliver environmental or social impact, while also pursuing return objectives.

Stewardship

It is more difficult for a fixed income investor to have a direct influence on the direction of our companies. A bondholder lacks the voting rights that accompany equity ownership. Even so, it is important for us to engage with management when we identify areas for improvement.

With regard to corporate credit, our Global Fixed Income portfolio managers and research analysts work alongside our ESG specialists to engage with our companies. These discussions cover the companies' earnings and financial strategies, as well as other non-financial information including their management policies, business strategies and material ESG matters, as part of an assessment of corporate value that ultimately informs our investment decisions.

Case study

Getting to the root of land rights and biodiversity risks

Smurfit WestRock* operates longstanding forestry plantations in Colombia and is held in our Green Bond Fund. We assess the credibility of the company's environmental and social practices as a core part of our investment thesis.

Issue

In 2025, ESG controversy alerts highlighted alleged disputes with the Misak Indigenous community, concerns related to historical land acquisition, and potential environmental impacts associated with monoculture plantations. For a green bond issuer, clarity on land rights, biodiversity management, and community relations is critical to assessing alignment with responsible use of proceeds commitments and the credibility of its sustainability profile.

Activity

We initiated a targeted engagement, requesting detailed clarification on historical land use and ownership in the Cajibío region. We also sought information on biodiversity, water, and soil impacts; the quality of environmental and social impact assessments and their alignment with international standards; compliance with Colombian forestry regulations; community engagement and safety procedures; and independent oversight through certification and audits.

Smurfit WestRock responded with extensive documentation, including FSC audit history and outcomes, biodiversity management and water stewardship data, sustainability reports, and descriptions of interactions with community representatives. These included AGM invitations, meetings with Indigenous delegations, and a reconciliation focused visit organised with diplomatic support.

Outcome

The engagement significantly improved our understanding and reduced perceived risk. Land rights risk appeared lower, as operations are located on land purchased from farmers more than 50 years ago and outside recognised Indigenous reserves. Environmental safeguards were supported by FSC certification (since 2003), 19 independent audits, and no corrective findings related to biodiversity or Indigenous rights.

Community engagement practices appeared constructive, with non-defensive responses to concerns and repeated attempts to engage Misak representatives. We concluded that the company's practices are broadly consistent with responsible forestry management and maintained our position in the Green Bond Fund. We will continue to monitor developments and remain ready to re-engage should material issues arise.



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New Zealand Equity and Bond Teams

Engaging for effective change

Environment, social and governance (ESG) integration

Amova Asset Management's New Zealand Equity and Bond teams work side by side on ESG issues. As medium- to long-term investors, we use our extensive experience to understand and evaluate the materiality of industry and company ESG factors and how they may impact our investment decisions through our bottom-up fundamental approach. While ESG factors are an important part of our analysis, they are assessed alongside other relevant considerations, and our conclusions depend on their materiality.



Members of the New Zealand Bond Team

We rely on the experience of team members to understand ESG impacts and document them in our investment research reports.

Using ESG insights to inform investment decisions

Every quarter, we screen the investments we hold across our portfolios, together with investments on watch or under active assessment, using MSCI ESG Research tools. This process provides an additional layer of independent assessment to complement our internal analysis. As many debt issuers are also listed on the New Zealand Stock Exchange, they are also included within this screening process.

The outcome of this process is that companies are rated against the standards and performance of their industry peers on a scale from AAA to CCC. We engage with companies where we believe improvements in ESG practices or disclosure could support long-term value creation for stakeholders. These areas may be identified by MSCI ESG Research or by our own analysis. We prefer companies that have a rating of BBB or higher, however, a rating of BB or less does not necessarily mean



Members of the New Zealand Equity Team

we should not invest in a company. We may engage with the company on the main issues causing poor ratings.

Similarly, a higher MSCI rating does not, on its own, dictate a higher investment weight. The primary driver of a company's weight in our portfolios will still be determined by the relevant portfolio manager, based on a range of both quantitative and qualitative factors.

The MSCI rating is only one of the quantitative factors that feeds into our investment process. For instance, we monitor the carbon footprint and weighted average carbon intensity of our portfolios. This information helps to form a baseline, which we use to find opportunities in areas that we can invest in. We use engagement to encourage companies, where appropriate, to strengthen their approach to

decarbonisation, then try to encourage these firms to move towards a lower carbon future. We believe companies that have higher ratings or are actively improving their ESG standards will ultimately be recognised by market participants, so our process should highlight these opportunities.

Analysis of a company's corporate governance structure helps to form our view of the quality of a management team. Voting is one way we can influence governance and is an integral part of responsible stewardship of capital. We exercise proxy voting rights independently and solely in the interests of our clients and beneficiaries. When we vote against a company resolution, it is our policy to write to the management to explain our reasons in an endeavour to advance the company's development.

New Zealand Equity and Bond Teams

Case study

Strengthening flight path resilience amid rising climate risks (New Zealand Fixed Income)



Auckland International Airport* operates critical aviation infrastructure in New Zealand, enabling national and international air transport and supporting the country's broader economic activity.

Issue

Auckland International Airport faces increasing physical climate risks, such as sea-level rise, intensified rainfall and flash flooding. These risks threaten critical infrastructure and operational continuity, illustrated by the 2022 Auckland Floods.

Activity

2025 marked our first engagement specifically on flooding risk following the 2022 Auckland Floods, establishing an expectation framework for climate resilience, infrastructure adaptation and long-term planning. Our objective was to ensure the issuer is adequately preparing for sea-level rise, extreme rainfall and flooding risks that could materially affect asset integrity and operations. Our engagement focused on a dual track:

- reviewing operating and financial performance and discussing potential participation in bond issuance; and
- assessing physical climate risk exposure and the strength of adaptation planning.

The company assessed topography and climate projections confirming runways are elevated and not immediately threatened by

sea-level rise. It confirmed maintaining options to reinforce or elevate sea walls as future adaptation and upgrade drainage for runways and terminals to manage heavy rainfall and prevent flooding. When it comes to airfield expansion, an additional runway in a higher elevation northern area to mitigate redundancy and enhance resilience has been mentioned.

Outcomes

The actions taken secure runway integrity and operability for at least the next 30 years, establish a clear adaptation pathway for future climate scenarios, enhance national aviation resilience through strategic runway positioning and reduce operational disruptions during extreme weather events.

Based on the dialogue and materials shared, we were satisfied with the airport's resilience efforts for terminals and runways and therefore participated in the five-year fixed bond issuance.

We will continue to monitor progress on the execution of resilience measures.



Aerial view of Auckland International Airport

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US Investment Team

Sustainable collaborations

The US investment team continues to take sustainability considerations into account in its investment process. We do this through the support of our sub-advisers, which provide us with investment advice for managing our different equity mandates.

Each sub-adviser has their own dedicated approach to analysing companies from a sustainability perspective. We hold monthly and ad hoc conversations with the sub-advisers, where we discuss the potential risks to the investment strategies as well as the opportunities that may arise from the changing environment. The US investment team adds a layer of risk management to the portfolios, one aspect of that is using environment, social and governance (ESG) ratings from third-party providers.

Getting the chemistry right

An example of our collaboration with sub-advisers is the Positive Change Innovation Fund, managed by ARK Invest, a US-based

investment firm. The strategy is built around a proprietary framework that evaluates how a company's technologies, product and business model contribute to the 17 United Nations Sustainable Development Goals (SDGs). ARK's methodology begins with a top-down analysis of transformative technologies and their potential to drive change, followed by a bottom-up assessment of how each company's offerings align with specific SDGs targets.

Our US investment team, in close coordination with the Global Sustainable Investment team and supported by third-party data providers, plays a critical role in reinforcing this process through a risk management lens. This includes validating both positive and negative SDGs



alignment data, identifying potential discrepancies across data sources, and ensuring that sustainability-related risks are appropriately flagged and addressed.

The importance of board of directors elections

The area where the US investment team believes we can have the strongest impact in implementing our sustainability approach is through proxy voting. Our proxy voting process involves a team-based review of all ballots before votes are cast. We also use a proxy adviser, which recommends how we should vote, and its recommendations are based on our group voting policy. When assessing proxy ballots, we find it useful to engage with companies to complement the proxy adviser's recommendations.

Exercising our voting rights on board composition remains a cornerstone of our approach to responsible stewardship. We view director elections not merely as procedural

matters, but as opportunities to influence the quality of oversight, strategic direction, and accountability across our companies. Our proxy voting decisions are informed by analysis of board effectiveness, governance structures and alignment with long-term value creation.

During the most recent proxy season, we supported several contested director elections where the case for board refreshment was compelling. In instances where activist investors put forward nominees with relevant expertise and a clear mandate to enhance accountability, our analysis led us to vote in favour of change. These decisions contributed to meaningful governance outcomes, including leadership transitions and structural reforms at major corporations. Through our active participation in director elections and our support for governance improvements, we continue to advocate for oversight structures that promote transparency, independence and sustainable performance aligned with our long-term objectives. ➤

Portfolio Solutions Group

Partnering for responsible stewardship

Philosophy and policy

The Portfolio Solutions Group evaluates, selects and monitors external managers, which are used for a small proportion of our assets under management where specialist investment expertise for certain strategies sits outside the firm.

Amova Asset Management believes that environment, social and governance (ESG) factors are integral to long-term corporate value creation and sustainable economic growth. We therefore integrate ESG considerations to better manage investment risk, deliver sustainable long-term investment outcomes, contribute positively to society and fulfil our responsibilities as responsible stewards of capital. We uphold a high standard for ESG integration within our investment processes and apply defined expectations to external

managers to ensure delegated activities remain aligned with our investment principles and the long-term interests of our clients.

Before appointing any external manager, the Portfolio Solutions Group undertakes a comprehensive qualitative and quantitative assessment, including a review of historical performance, organisational stability and investment processes. As part of this process, external managers are required to provide detailed disclosures on firm level sustainability policies, ESG integration approaches and proxy voting practices. We also evaluate the transparency of managers' voting outcomes and engagement track records; supported, where appropriate, by case studies.

As part of the selection process, external managers are required to sign a



Members of the Portfolio Solutions Group

memorandum on ESG prepared by Amova AM, ensuring a shared understanding of our expectations regarding ESG integration and stewardship responsibilities. Once appointed, managers are expected to maintain robust processes for assessing and monitoring ESG related risks and opportunities within their investment activities.

To support ongoing oversight, the Portfolio Solutions Group operates an inter-regional ESG Working Group for external manager management, comprising members from our Tokyo, Singapore and New York offices. The working group is led by the Sub-Advised Fund Management Department in Tokyo

and conducts research into evolving ESG investment practices, regulatory developments and market expectations. Insights from this research are embedded into our external manager assessment framework and used to support continuous dialogue with managers.

Updating our ESG evaluation framework

Attention to ESG factors continues to increase across the asset management industry, particularly with respect to climate change and the transition towards a net-zero economy. We believe asset managers have an important role to play in managing climate-related risks and in

Portfolio Solutions Group

supporting the transition to a more sustainable economic system.

To strengthen our oversight of external managers in this context, we updated our ESG Evaluation Framework and ESG Due Diligence Questionnaire in 2024. The updated framework enhances our ability to assess climate strategy, governance, risk management, research capabilities and portfolio level implementation. These tools are reviewed regularly to ensure they continue to reflect evolving ESG requirements and best practices across the asset management industry.

Engagement and voting

Engagement with our companies and the exercise of voting rights are key tools for fulfilling our stewardship obligations. For funds managed under discretionary investment contracts, we exercise voting rights in line with Amova AM's proxy voting policy rather than delegating voting authority to external managers.

When exercising voting rights, we refer to recommendations from Institutional Shareholder Services (ISS) alongside internal reviews of proposals. Particular attention is given to resolutions relating to executive remuneration, board composition, board independence and the reappointment of directors, reflecting our emphasis on sound corporate governance.

Improving external managers' ESG integration

While we aim to apply consistent ESG expectations across all mandates, the level of ESG integration among external managers varies. Where integration is assessed as insufficient, we engage constructively with managers and request improvements, maintaining ongoing dialogue to support the enhancement of ESG practices.

For example, we identified a case where an external manager was investing in growing capitalisation companies with limited ESG disclosure, particularly on environmental issues. Through repeated engagement and guidance on ESG processes, the manager deepened its understanding of ESG considerations and developed an internal ESG checklist to support investment research and stock selection.

The manager further enhanced this approach by replacing a basic binary assessment with a more granular five level rating system, strengthening the integration of ESG insights into investment decision making.

Across our external manager universe, some managers are now explicitly embedding ESG factors into their core investment processes, while others have strengthened partially integrated approaches through internally developed models. Increasingly, managers are also incorporating climate related

considerations into financial analysis to better understand potential impacts on investment performance.

We exercise active and ongoing oversight of external managers to ensure stewardship and fiduciary responsibilities are fulfilled effectively. This includes annual reviews of ESG integration, engagement activities and proxy voting records, complemented by regular review meetings. Where performance deteriorates or significant operational issues arise, we engage with managers through structured escalation processes, including requests for root cause analysis, corrective actions and ongoing monitoring.

ESG integration among our external managers continues to develop rapidly. We will continue to apply defined standards, active dialogue and appropriate escalation to ensure ESG considerations become a consistent and effective element of external managers' investment processes. ➤

“Engagement with our companies and the exercise of voting rights are key tools for fulfilling our stewardship obligations”

Engagement on ESG Topics

Advancing ESG progress through engagement



Members of the Global Sustainable Investment Team

Amova Asset Management recognises that stewardship is an important component of our fiduciary duty. We engage with our companies on their strategy, operations and financial decisions, as well as their performance and management of material ESG issues.

Investment teams engage with companies on sustainability issues, both before and during the period of investment. Our Global Sustainable Investment Team also participates in industry-led engagements through collective investor groups, such as the Asia Investor Group on Climate Change and Climate Action 100+. The analysts and portfolio managers in our investment teams are ultimately

responsible for assessing the ESG risks and opportunities that inform portfolio buy and sell decisions.

The principal objectives of our engagements are:

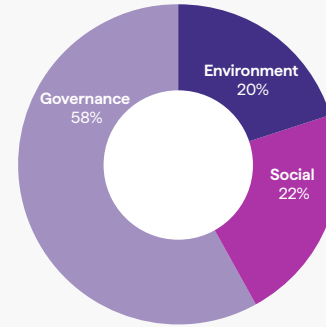
- **Receiving management's stance** and strategy on raised material issues to deepen our understanding
- **Monitoring performance** on material issues and setting milestones, where appropriate
- **Shaping corporate behaviour** at our companies through fostering enhanced ESG disclosure and performance aligned with our expectations of best practices.

Through this approach, we aim to support long-term value creation for our clients while encouraging our companies to maintain high standards of corporate conduct and responsible business practices.

Three overarching principles guide our engagements:

Materiality: Engagement focus on issues that are material to long-term value creation, especially ESG factors

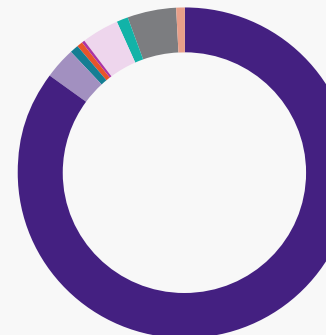
Firmwide ESG engagement by theme



	E	S	G
Japan	166	214	575
Asia ex-Japan	30	5	23
EMEA	4	6	3
Australia & New Zealand	16	13	26
North America	0	0	3
Total	216	238	630

Source: Amova Asset Management

ESG engagement by investment team



Source: Amova Asset Management

Intentionality: Engagements are undertaken with clear objectives and expectations

Effectiveness: Engagements are conducted in a constructive, positive and pragmatic manner

Within these principles, several key factors decide how we prioritise companies for engagement, which can differ by region and asset class:

- the size of our holding and/or our influence
- a poor ESG score or the scope for improvement
- the materiality of the issue
- the nature of an issue and/or the severity of a breach

- a voting event
- our ESG thematic priorities
- the client's priorities

— the company's openness to dialogue

The details of our engagement approach are outlined in our [Group Engagement and Stewardship Strategy](#). It formalises our engagement and stewardship activities, ensures unity across regions, and supports consistency across regions and provides transparency to stakeholders regarding our global engagement commitments. More details on our stewardship activities in 2025 can be found in our [Global Stewardship Report 2026](#).

Engagement Case Studies

Navigating best practices in human rights and working conditions (Japan Equity)



Issue

A major grounding and oil spill involving a chartered bulk carrier in 2020 heightened scrutiny of operational oversight and safety. Although this shipping company strengthened technical safety and ship-maintenance standards, our engagements identified a significant gap: insufficient human-rights oversight for crews on chartered vessels. Compared with peers, the company lagged in monitoring labour conditions, lacked a structured human-rights governance framework and did not have robust data systems to assess conditions aboard contracted vessels. This created a material reputational and operational risk exposure.

Activity

Recognising the materiality of this governance gap, we made human rights oversight the focus of a multi-year engagement, including a dedicated annual meeting. Over 2023–2025, we repeatedly highlighted the absence of structured oversight and emphasised the associated reputational risks. We encouraged formal recognition of human rights as a priority topic within the Sustainability Committee and pressed for practical monitoring mechanisms, such as written surveys, stronger supply-chain oversight and improved data systems aligned with sector good practice. We also sought evidence of internal system-building, value-chain risk mapping, and the development of data infrastructure to support

chartered-vessel procurement decisions.

Outcome

By 2024–2025, our engagement coincided with a substantive governance shift. Human rights oversight was formally integrated into Sustainability Committee deliberations. The company introduced written human-rights surveys for logistics operations and crew, and new systems and data infrastructure enabled more rigorous monitoring of labour risks on chartered vessels. Disclosures in the July 2024 Integrated Report demonstrated increased transparency on value-chain human rights issues and supplier-engagement processes. By 2025, we confirmed that essential measures and oversight mechanisms had been implemented, materially mitigating reputational risk and bringing practices closer to industry good practice. We will continue to monitor the evolution of these systems and the quality of data underpinning human-rights risk management.

Understanding the human side of high-intensity operations (Global Equity)



Amazon* is a global e-commerce and logistics company whose fulfilment-centre network relies on high-intensity warehouse operations. We have monitored ongoing debates around labour management, worker safety, and supply-chain standards as long-term shareholders.

Issue

Tulipshare, an activist shareholder group, has repeatedly filed AGM proposals requesting an independent report on warehouse conditions. Combined with media scrutiny and an ESG rating downgrade in 2024, this raised questions about whether Amazon's health-and-safety programmes and monitoring systems were adequate, and whether independent assurance would add value. Labour practices are material for Amazon given potential impacts on regulatory scrutiny, reputation, workforce stability and long-term operational resilience.

Activity

In 2024, we contacted Amazon following renewed controversies surrounding labour and supply-chain standards. The company provided detailed information on investments in compensation and inclusive benefits, worker feedback mechanisms, upskilling initiatives, and workplace health and safety programmes. Amazon also outlined its responsible-sourcing approach, including transparency measures, supplier assessments, and industry collaborations. Throughout 2025, we monitored developments, including new

safety data published in March 2025 showing improvements, even as negative media coverage persisted. We re-evaluated Tulipshare's recurring proposal in this context and concluded that an additional independent audit would be unlikely to provide materially new information. We therefore supported management and opposed the proposal at the 2025 AGM. In July 2025, we visited an Amazon fulfilment centre, speaking directly with workers about robotics integration, job design, and perceived implications for safety. This provided an important qualitative context on how automation and human labour interact on the ground.

Outcome

Two years of engagement and research enhanced our understanding of Amazon's warehouse-safety practices and metrics, increased confidence that the company is investing in safety and monitoring systems and clarified the role of activist proposals in focusing attention on workplace conditions, even where we ultimately disagreed on the best route forward. While our engagement did not directly trigger specific policy changes, it meaningfully informed our stewardship position. Given the absence of clear evidence of inappropriate practices or material financial harm, we are not currently pursuing further escalation and will continue to monitor labour-management practices as part of ongoing due diligence.

Engaging on emissions allocation and data consistency (New Zealand Equity)



NextDC (NXT)* is an Australian data-centre operator that provides secure facilities and power infrastructure, while customers supply their own hardware and often bear energy costs directly. This business model complicates attribution of emissions between operator and customer.

Issue

Historically, NXT's emissions figures differed across ESG data providers due to conflicting allocation methodologies. NXT's own reporting allocated emissions to customers, as it does not charge a margin on electricity. Bloomberg ESG largely followed this customer-allocation approach, while MSCI ESG, in line with the Australian National Greenhouse and Energy Reporting (NGER) framework and Clean Energy Regulator, attributed all emissions to NXT. These discrepancies reduced data comparability and created uncertainty for investors trying to assess NXT's true carbon profile and transition risks.

Activity

Over several years, and more intensively in the year leading up to 2025, we engaged with NXT management to understand its rationale for customer allocation, track discussions with regulators and data providers and encourage harmonisation of methodologies to reduce ESG-data risk. We also engaged with and monitored how data

providers aligned with the NGER framework and compared their approaches to NXT's own disclosures. We emphasised the importance of consistent, authoritative emissions data for investment analysis and external reporting.

Outcome

In 2025, NXT's reported emissions fully aligned with NGER requirements, establishing a clear and authoritative allocation method. Bloomberg ESG subsequently updated its methodology to align with MSCI ESG's NGER-consistent approach. This resolved the longstanding inconsistency, delivered improved data integrity and comparability, reduced ESG-data uncertainty for investors and provided a stronger platform for future engagement to focus on substantive decarbonisation initiatives rather than data methodology. We continue to monitor and engage with NXT on its emissions profile, including ongoing dialogue on the development of more sustainable energy sources to power its data centres, as part of our broader, continuous engagement on emissions with high-impact companies.

Proxy voting on ESG topics

Serving long-term interests through proxy voting

Proxy voting is a core element of being a responsible steward of our clients' assets. We take great care to ensure that our voting decisions serve the long-term interests of both our companies and our clients.

This is particularly important in sustainability related matters, where our approach is guided by our sustainability commitments and our broader stewardship responsibilities.

We seek to vote all shares for which we have voting authority, subject to legal or technical constraints. We regard voting as a key mechanism for holding boards and senior management accountable, particularly in

passive strategies where divestment may not always be a feasible option.

Our firmwide approach to proxy voting is set out in the [Amova Asset Management Group Proxy Voting Policy](#). This policy establishes the core principles that guide how voting rights are exercised at the group level. Responsibility for implementation sits with our regional offices, which apply these principles in a

manner that reflects local regulatory, market and cultural considerations.

As a result, there are appropriate variations in how proxy voting and wider stewardship activities are implemented across the firm. For example, our Global Equity strategy in the UK applies a supplemental proxy voting policy, while in Japan, voting is guided by a separate framework, the [Standards for Exercising Voting Rights on Japanese Stocks](#).

Our detailed [Guidelines on Exercising Voting Rights](#) form part of the firmwide proxy voting framework and outline the key factors considered when assessing proposals. These include, among others:

- shareholder returns
- the separation of executive and supervisory functions
- the size, structure and composition of boards of directors
- executive remuneration frameworks
- new share issuance
- company control and takeover defence mechanisms

A summary of our firmwide voting activity is presented in the table below. During the year,

we reviewed 6,649 shareholder meetings and voted on a total of 67,395 resolutions. Across all regions, votes were cast against management recommendations in 12% of cases. The most frequent reason for opposing management recommendations related to the election of directors. Concerns regarding board independence, particularly among non-executive directors, or dissatisfaction with a company's strategic direction often led us to vote against management proposals.

We use Institutional Shareholder Services (ISS) to support the execution of our proxy voting decisions. ISS provides voting research and customised recommendations based on our proxy voting policies. Portfolio managers and analysts review this research critically, supplementing it with proprietary analysis and company specific insights. While ISS provides important support, final voting decisions rest with our investment teams. Further examples of our voting activities are shown in the case studies that follow.

Breakdown of voting by region, January to December 2025

Region of Company Incorporation	Number of Shareholder Meetings	Number of resolutions	Votes for Management (Number)	Votes for Management (%)	Votes Against Management (Number)	Votes Against Management (%)
APAC ex-Japan	2,527	19,299	16,127	84%	3,172	16%
EMEA	943	15,419	14,220	92%	1,199	8%
Japan	2,031	19,831	17,372	88%	2,459	12%
The Americas	1,148	12,846	11,869	92%	977	8%
Total	6,649	67,395	59,588	88%	7,807	12%

Proxy Voting Case Studies

Building transparency into executive compensation (Global Equity)



Worley* is a global professional services company of energy, chemicals and resources experts. Worley's core activity is providing project and asset services to help its clients design, build, operate, repurpose and retire large, complex industrial facilities.

Issue(s)

Effective remuneration structures are a fundamental component of strong corporate governance. For Worley, a holding in our Global Equity strategy, our concerns came into focus at the 2024 Annual General Meeting (AGM), where we voted against several remuneration-related proposals due to a lack of transparency, a complex incentive structure and limited alignment between executive outcomes and shareholder experience. Key focus areas included the opacity of the Annual Bonus individual modifier and the repeated maximum vesting of the Deferred Equity Plan (DEP). The AGM vote confirmed that remuneration concerns were widely shared among shareholders, strengthening our conviction that this area warrants focused engagement.

Activity

Following the 2024 AGM, our investment team alongside our ESG analysts undertook a structured engagement to understand the company's approach to remuneration and to encourage improvements consistent with our stewardship priorities: clarity, challenge, proportionality and long-term value alignment.

We believed that elements of the pay framework could benefit from stronger disclosure and more robust performance calibration.

Through a written submission and a subsequent discussion with the Board chairman and the Remuneration Committee Chair in September of 2025, we focused our message on the importance of transparent target setting and pay outcomes that are meaningfully aligned with longer-term

performance. We believe we were able to make meaningful progress including:

- Greater visibility into the functioning and oversight of the Annual Bonus pool and individual modifiers
- Confirmation of the intention to review the DEP's performance structure for the 2026-2031 strategic cycle
- A strengthened dialogue with the company to ensure that remuneration outcomes reflect both short-term execution and longer-term value creation, alongside recognition of the value of improving disclosure so that performance expectations are better understood by investors

Outcome

At the AGM in November 2025, we voted in favour of all remuneration resolutions with the exception of the approval of the DEP award to the CEO. On the one hand, by increasing our support for management resolutions in comparison to the previous year we acknowledged recent engagement progress, mitigating some of our concerns over the annual bonus transparency. On the other hand, by voting against the DEP, we maintain pressure on an element of pay that we believe could be improved, in order to reinforce expectations around pay for performance alignment.

Worley will update its strategic objectives and DEP targets in mid-2026, at which point we will reassess performance and disclosure as part of our ongoing stewardship review cycle, with a focus on securing clear, proportionate and appropriately challenging remuneration structures that reflect long-term value creation for shareholders.

A dual push for board renewal across American boardrooms (US Equity)



Two separate US companies, one in the energy sector and the other in the industrial gases and chemicals sector, faced separate proxy contests driven by activist investors over major governance challenges. Though unrelated, both cases underscore how targeted shareholder pressure can reshape board composition, leadership and oversight structures.

Issue(s)

At the energy company, the activist investor highlighted chronic underperformance, conglomerate complexity and weakened board accountability. Particular attention was given to the company's multi-layered governance structure, classified director terms and an 80% supermajority requirement, which repeatedly prevented efforts to declassify the board despite approximately 99% shareholder support among votes cast in 2023. Following a few years of engagement the activist investor cited the company's failure to meet performance targets and a lack of accountability from leadership, despite initial signs of cooperation.

At the industrial gases and chemicals company, a separate activist investor targeted board composition, succession failures and capital allocation issues, arguing that the board had neglected its core oversight duties. This campaign sought a broader leadership reset, including the removal of the CEO/Chairman and the Lead Independent Director, alongside four dissident director nominations.

Activity

On the 2025 proxy, both activists advanced campaigns built around meaningful board change, each nominating four directors to catalyse stronger oversight and strategic discipline. Across the two contests, the activists argued that adding independent directors with relevant operational and governance expertise was essential – whether to counteract entrenched structures in one case

or to drive a broader board and leadership reset in the other. After engagement and analysis, the US investment team supported all four dissident nominees in both situations, concluding that significant board refreshment (and, where necessary, leadership change) was warranted to improve accountability and long-term value creation.

Outcome

Shareholders delivered meaningful, albeit varied, change. One contest resulted in two dissident nominees joining a larger, classified board, representing an incremental but important step towards stronger oversight within an otherwise defensive governance structure. The other resulted in three dissident nominees being elected, the removal of the CEO/Chair and Lead Independent Director and the subsequent appointment of a new CEO, independent Chairman and Vice Chairman.

Collectively, the outcomes reinforced investor expectations for board responsiveness, leadership accountability and disciplined capital allocation, and signalled that even partial board refreshment can trigger broader governance reform.

Proxy Voting Case Studies

Driving capital discipline and reducing policy holdings at a Japanese industrial group (Japan Equity and Global Equity)

This company is a large Japanese manufacturer with a diversified portfolio spanning industrial ceramics, semiconductor devices, power tools and printers/copiers. The stock is held in our Japanese Equity and Global Equity portfolios.

Issue(s)

We have spoken in previous annual reports about the issue of cross-shareholdings, where one public company holds a significant stake in another and vice versa. These have been a controversial business custom for years in Japan (as well as in some other countries). Critics argue that investments in crossholdings are often an inefficient use of capital that could be used for the expansion of the business, and that by reducing the number of shares traded in the public market, they help protect the firm from takeover and may induce managers to act more for their own benefit than for that of third-party shareholders.

Activity

For many years, our Japan Sustainable Investment Department has been actively encouraging the phasing out of cross-shareholdings in Japan through engagement. In 2023, we strengthened our stance on this by updating our proxy voting policy. As a result, we now vote against the re-election of directors if the firm has cross-shareholdings totalling 20% or more of its net assets if there is no clear guidance for a reduction plan. In previous reports, we have illustrated how we have implemented this policy practically by describing our engagements with a large Japanese group that makes a wide range of products, from industrial ceramics and semiconductor devices to solar energy and medical equipment. This has been a holding in some of our Japanese Equity and Global Equity portfolios across active and passively managed accounts.

The company's financial results have been sluggish for some years. A new president has overseen an aggressive investment in growth and a multi-year organisational restructuring programme since the early 2020s. Sales growth has picked up in recent

years, but a point of contention with us remained the company's poor return on equity, with cross-holdings in one other company accounting for equivalent to 46% of net assets as of March 2022.

Between August 2022 and June 2023, our Japan Sustainable Investment Department held eight meetings with the company, including three with the president, during which we conveyed our concerns about the company's low capital efficiency and gave notice that the large telecoms stake contravened our new policy that cross shareholdings should not amount to more than 20% of net assets.

The company subsequently announced a plan to cut the stake in crossholdings by the equivalent of 5% of book value, but this still fell well short of our expectations and so the Japanese Equity and Global Equity teams voted against both the president and chairman at the 2023 annual general meeting, in line with our voting guidelines. Although the two individuals were re-elected, their support was less than overwhelming, with votes in favour of 66% and 65%, respectively. This clearly had a galvanising effect, for, at the second quarter earnings presentation in November 2023, the president stated that the company was reconsidering its reduction target for the shares, with a revised plan due by the autumn of 2024. He acknowledged that the lower-than-expected support for top management at the shareholders' meeting was a trigger for this reconsideration.

We again met the president of the company in November 2024 to exchange views on additional reduction in the large holding announced, and subsequently at the announcement of its third quarter results in February 2025, it made a number of shareholder-friendly announcements including an acceleration of the reduction in cross shareholdings, a buy-back of its own shares — equivalent to about 9% of total shares outstanding — in the next fiscal year and shares worth another 200 billion yen in the three-year

period from the next fiscal year onward, and also a cut in the term of office of directors from two years to one year. Additionally, in May 2025, the company introduced its first quantitative target to reduce policy holdings below 20% of net assets in the coming years.

Across two and a half years, we held more than 10 meetings, including four with the president, and an on-site visit to the company headquarters. At the June 2025 AGM, reflecting the progress made, our Japan Equity and Global Equity teams did not oppose top management on the cross-shareholdings issue, although we did vote against management on other performance criteria

Outcome

Although it is difficult to assign credit for change to the efforts made by one investor, we believe this outcome represents a vindication of our approach to what had been a seemingly intractable problem. Persistence, teamwork and a willingness for open dialogue and escalating in a constructive manner has resulted in perceptible improvements in corporate governance. We will continue monitoring whether the actions taken by the company translate into sustained ROE improvement and ensure policy holdings are reduced below 20% within a reasonable timeframe.



Context-driven decisions to oppose Institutional Shareholder Services (ISS) recommendations (New Zealand Equity)



Issue

In 2025, ISS recommended voting against the re-election of Mainfreight* independent director, Simon Cotter, citing tenure, committee roles and a historic advisory relationship. ISS also recommended voting against the re-election of the Chair at Chorus* due to the company's virtual-only Annual General Meeting (AGM) format, which it viewed as limiting shareholder voice. The core stewardship question was whether to follow ISS's recommendations or to rely on our contextual, policy-based assessment.

Activity

Following our standard practice when considering votes against board recommendations, we engaged with both companies. At Mainfreight, we discussed the ISS concerns with management, reviewed Simon Cotter's tenure, committee responsibilities and historical merger and acquisition (M&A) advisory relationship, and considered the Board's formal response. We noted that committee appointments are determined collectively by the Board or nominations committee, that the addition of two new independent directors mitigated entrenchment risk, and that Cotter's advisory work had been minimal since 2011, with no material financial dependence.

At Chorus, we engaged with the Chair to understand the rationale for a virtual-only AGM, examining historical attendance levels, cost and sustainability considerations, compliance with NZX Listing Rules and the company constitution and the nature of resolutions, which were largely administrative and non-contentious.

Outcome

In both cases, we concluded that ISS's recommendations did not fully capture local context or company-specific factors. We therefore supported Simon Cotter's re-election at Mainfreight, while recognising that his tenure will require continued monitoring, and supported the re-election of the Chair at Chorus, accepting the virtual-only AGM format given low prior in-person attendance, sustainability benefits and full regulatory compliance.

We voted against ISS's recommendations in both instances, reaffirming that proxy advisers are an important input but do not determine our voting. This underscores our commitment to context-sensitive, principle-based stewardship in the New Zealand market.

Collaborative Engagement

Working together to improve sustainability

Engaging directly with companies is a key way in which we seek to support positive change. However, there are situations where individual engagement alone may not deliver sufficient momentum. In these circumstances, working collaboratively with other investors can provide additional leverage, while allowing us to continue exercising independent judgement and acting in the best interests of our clients.

Collaborative engagement enables us to address sustainability issues that are often complex, systemic or shared across sectors. By engaging alongside other investors and, where relevant, additional stakeholders, we are able to broaden perspectives, exchange insights and build a more informed view of company specific sustainability challenges and wider industry practices.

Our collaborative engagement activities are primarily conducted through established, investor led initiatives that focus on material

sustainability topics across regions and asset classes. These include Climate Action 100+, the Asian Utilities Engagement Programme of the Asia Investor Group on Climate Change, Nature Action 100 and the CDP (formerly Carbon Disclosure Project).

Participation in these initiatives allows us to engage with companies on issues such as climate transition, nature related risks, governance and social considerations. While collaboration can enhance influence, we continue to pursue our engagement objectives independently and in line with our own stewardship priorities.

We also contribute to industry-wide standard setting through promoting standards such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Targets initiative (SBTi), helping to promote consistent and credible sustainability practices across sectors.



Collaborative engagement in 2025

Throughout 2025, we remained actively involved in collaborative engagement initiatives, working through established industry platforms to address priority sustainability themes. Our engagement during the year focused on areas including climate transition, nature related considerations, governance and social issues.

These activities complemented our direct engagement with companies, supporting the exchange of views with other investors and contributing to our understanding of issuer specific sustainability risks and opportunities. As in previous years, collaborative engagement was undertaken selectively and proportionately, and only where we considered it to be an effective way of supporting our stewardship objectives.

Our criteria for collaboration

Decisions to participate in collaborative engagement initiatives are taken following careful assessment. When considering whether to engage alongside other shareholders or external organisations, our regional investment teams typically evaluate:

- the extent to which the initiative aligns with our responsible investment and stewardship approach, as well as the specific issues we wish to address
- the likelihood that the initiative will be effective, taking into account its objectives, structure and participants
- whether the expected commitment of time and resources is appropriate in relation to the potential impact
- the suitability of the organisation leading or sponsoring the initiative

Collaborative Engagement

Case study: collaborative engagement in practice

The following case study highlights how collaborative engagement can support progress in situations where acting alone may be less effective. Through an established collaborative initiative, we worked alongside other investors to engage with a company on material ESG issues relevant to its operations

and market context. The engagement focused on encouraging improved practices and disclosures, while respecting the ability of each participating investor to engage independently.

This case study is presented as one example of our broader collaborative engagement activities during the year.

Advancing net-zero delivery at a heavy engineering group (Japan Equity)



Issue

The company operates across heavy industries including aerospace, energy and industrial machinery, making it central to Japan's decarbonisation pathway. Our engagement focused on implementing decarbonisation technologies (including gas turbine combined-cycle [GTCC], hydrogen and ammonia co-firing, carbon capture and storage [CCS] and carbon capture, utilisation and storage [CCUS]), improving transparency around lobbying activities and monitoring progress against GHG-reduction targets across Scopes 1, 2 and 3; not only Scope 3 Category 11. We sought greater clarity on implementation timelines, governance oversight and alignment of emissions pathways with long-term investor expectations.

Activity

As lead investor, we held CA100+ meetings in October 2023, July 2024 and December 2025, maintaining close communication with the secretariat. Across these engagements, we confirmed progress in developing decarbonisation technologies and discussed emission-reduction objectives with other CA100+ investors in January 2025, agreeing to focus more strongly on Scope 1 and 2 where the company has greater control. We emphasised the need for clearer disclosure of lobbying and assessed the impact of leadership changes on climate-strategy continuity. Our questions

centred on how quickly technologies would be rolled out, the capital expenditure required and how governance structures would support delivery.

Outcome

Engagement coincided with several notable developments. One major manufacturing complex achieved a 98% emissions reduction, cutting nearly 10,000 tonnes of CO₂ annually, with similar technologies to be rolled out to other sites. The company underscored its leading GTCC position, citing more than 3.2 million operating hours for J-series turbines and projected global demand of 40–50 GW over the next decade. On hydrogen and ammonia co-firing, the company highlighted a US project targeting 100% hydrogen co-firing by 2045, a gas-power plant already operating at 50% hydrogen co-firing and ongoing research and development at Japanese facilities. In CCUS, the company continues to play a key role in a UK-based industrial cluster, which moved into execution in 2025. The company confirmed that climate commitments remain intact under new leadership and that lobbying in the US is transparently disclosed.

We will continue engagement towards late 2026, focusing on the rollout of decarbonisation technologies, the clarity of lobbying disclosures and the trajectory of Scope 1 and 2 reductions relative to the 2040 carbon-neutrality objective.



Promoting Sustainable Investment

Contributing global insights

Amova Asset Management contributes to the wider development of sustainable investment by engaging with global industry initiatives and investor networks.

Through these platforms, we share practical insights from our experience, integrating sustainable investment considerations into investment decision making and take part in dialogue aimed at advancing stewardship, governance and long-term value creation across the market.

In 2025, Amova AM participated in the Principles for Responsible Investment (PRI) in Person conference in São Paulo. Natalia Rajewska, Global Head of Sustainable Investment, contributed to two panel discussions alongside international peers. The sessions explored the role of investors in addressing environment, social and governance (ESG) risks and opportunities,

as well as how ESG analysis is applied across different markets and investment contexts. The event provided an opportunity to exchange perspectives with other asset owners and managers on evolving practices within the industry. Following São Paulo, the team began preparations for PRI in Person 2026 in Amsterdam, using insights from the conference to inform internal discussion on priority themes expected to feature in future investor dialogue.

Amova AM also participated at the International Corporate Governance Network (ICGN) through its 30th Anniversary Conference — Asia, held in Tokyo on 4 and 5 March 2025. Stefanie Drews, President and



Natalia Rajewska (far left), Global Head of Sustainable Investment, at the PRI in Person conference in São Paulo

CEO, and Natalia Rajewska participated in two panel discussions addressing corporate governance, investor stewardship and the use of ESG-related information in investment decision making. Stefanie contributed the perspective of a global asset manager to discussions on governance and stewardship, engaging in dialogue with investors, companies and other market participants. These sessions reflected the conference's broader focus on strengthening governance practices and sustainable value creation across Asian and global markets.

In a separate session, Natalia discussed the use of ESG ratings in investment

decision-making, noting that while external datasets can be useful reference tools, they do not replace investor judgement. She emphasised the continued importance of proprietary research and company engagement, particularly for active strategies and investments in emerging markets.

Through participation in industry forums such as PRI and ICGN, Amova AM continues to engage with peers across the investment industry, contributing to dialogue on sustainable investment and the effective integration of ESG considerations into investment processes.



Advancing Human Capital



A Message from Tomoya Narikiyo, Global Head of Human Resources and Ken Cogger, Deputy Head of Human Resources Division and International HR and Global Talent

Strengthening human capital through embedding values, advancing inclusion and building capability



Tomoya Narikiyo,
Senior Corporate Officer,
Global Head of Human
Resources



Ken Cogger,
Deputy Head of Human
Resources Division and
International HR and
Global Talent

“We believe our people are fundamental to delivering sustainable performance for our clients”

Values in practice

In a highly regulated industry, policies and standards provide structure, but many decisions still depend on individual judgement.

At Amova Asset Management, our four values: Champion Integrity, Cultivate Collaboration, Embrace Challenge and Pursue Excellence, are particularly important in situations where formal rules do not provide a clear answer. They guide day-to-day decision-making and support consistent judgement across teams, roles and regions.

Our values are closely linked to behaviour and performance, reinforcing how outcomes are achieved, not only what is achieved. They underpin expectations for good conduct as a practical standard reflected in how colleagues interact, challenge assumptions, raise concerns, and take accountability in their work.

They are reinforced through team discussions, training and performance dialogue, often

drawing on real scenarios where judgement and ethical considerations are central.

A network of approximately 40 Values Champions, drawn from colleagues across our offices, supports the application of our values by recognising positive behaviours and encouraging constructive dialogue.

Our inclusive leadership strategy

Advancing gender diversity is one example of how we strengthen human capital. In 2021, we launched the #30by2030 initiative, aiming to increase the percentage of managerial positions held by women to at least 30% by 2030.

Progress is supported by disciplined succession planning, targeted development and clear leadership accountability, with diversity considerations embedded throughout talent and succession discussions. We also contribute to wider industry initiatives through the Asset Management Women's Forum in Japan and remain focused on sustaining momentum towards 2030.

Building capability through structured development

In asset management, performance depends on people, especially in conditions of market volatility and regulatory complexity. We view capability building as a source of institutional resilience, ensuring the organisation remains effective under pressure rather than seeing development solely as a training activity.

In FY2025, we delivered 24 open enrolment programmes (415 participants) and level-based training for new managers, Assistant Vice Presidents and Vice Presidents, focused on performance management, leadership and communication. A core component is an internally designed curriculum delivered in Japanese and English, typically held twice a month.

We complement internal programmes with external learning available to over 700 employees, with demand increasingly focused on practical digital and Artificial Intelligence enabled tools.

Management capability is a particular focus, reflecting the significant impact leadership transitions have on performance. Senior leaders participate in an annual 360-degree assessment, typically with input from up to 20 raters. This structured feedback strengthens self-awareness, supports stronger judgement and decision-making, and informs targeted development actions such as executive coaching where appropriate. Particular attention is given to key transition points, especially first time management, where capability building has the most direct influence on team performance and engagement.

We believe our people are fundamental to delivering sustainable performance for our clients. By reinforcing our values, building inclusive leadership and strengthening our capabilities across the firm, we continue to invest in culture and talent that underpin our long-term success.

Remuneration and DEI Policies

A culture that supports growth and performance

Our people are at the core of our ability to deliver sustainable value. Based on our materiality assessment, “diversity, equity and inclusion (DEI)” and “human capital development and well-being” have been identified as priority issues and are closely related to our human capital initiatives.

We recognise that attracting, developing and retaining diverse talent is essential to strengthening our organisational resilience and long-term competitiveness.

At Amova Asset Management, we are committed to creating an environment in which all employees can perform at their best, supported by fair opportunities, continuous development, and a culture that values both outcomes and the behaviours that drive them.

Through our human capital initiatives, we aim to foster engagement, enhance capabilities, and build a workplace that reflects our values and supports sustainable growth.

Global diversity and inclusion policy

Amova AM recognises DEI as fundamental to its corporate value as a global asset management firm and is committed to fostering a working environment in which all colleagues are treated with respect and dignity. We believe that enabling individuals from diverse backgrounds to fully realise their potential is a key driver of sustainable growth and a source of competitive advantage.

Our Diversity and Inclusion Policy applies across all aspects of our employee lifecycle, including recruitment, performance evaluation, compensation, development and promotion. We maintain a workplace that is fair, inclusive and free from discrimination and harassment, while actively encouraging teamwork and decision-making that reflects a broad range of perspectives.

In addition, we promote flexible working arrangements and support diverse communities to further strengthen our inclusive corporate culture. Through these initiatives, we aim to foster innovation, enhance the quality of our services, and deliver sustainable value to our clients and society.



Remuneration policy

All eligible employees are compensated through a combination of fixed remuneration and a variable bonus. Amova AM's basic approach to remuneration and performance appraisal is designed to ensure transparency and accountability for both employees and management.

The remuneration framework is structured with reference to a skills matrix and the market value of each professional discipline. Employees, including senior management, are assessed comprehensively based on individual performance as well as their overall contribution to the organisation, with appropriate incentives provided in line with performance outcomes.

Performance assessment consists of both achievement and behaviour evaluations. Achievement assessment focuses on business execution in accordance with applicable laws and internal rules, a client- and stakeholder-oriented approach to work, contributions to individual and organisational growth, as well as initiatives related to sustainability and the effective use of digital and Artificial Intelligence

“We recognise that attracting, developing and retaining diverse talent is essential to strengthening our organisational resilience and long-term competitiveness”

(AI) technologies. Behaviour assessment, on the other hand, evaluates the actions and conduct demonstrated in the process leading to outcomes, based on the firm's Values, through ongoing dialogue between employees and their line managers.

Through these mechanisms, Amova AM seeks to enhance employee motivation while maintaining a performance-driven environment that places equal importance on results and on how those results are delivered, in line with the firm's Values. In doing so, we aim to strengthen the organisational foundations that support sustainable value creation.

Advancing Diversity and Inclusion

Advancing inclusion through action

At Amova Asset Management, Diversity, Equity and Inclusion (DEI) are foundational to our culture and long-term value creation. By fostering an environment where individuals feel respected and included, the firm strengthens employee engagement and empowers them to make better business decisions.

Our DEI approach focuses mainly on four core dimensions: racial equality, gender equality, disability inclusion and LGBTQ inclusion. These focus areas reflect both the diversity of our global workforce and the social issues most relevant to creating fair, inclusive and high-performing workplaces.

While DEI priorities are supported through firmwide policies and senior leadership commitment, our approach is equally shaped by strong, bottom-up participation. These efforts are led primarily through Sustainability

Groups, with oversight and support from the Global Corporate Sustainability team.

In 2025, these groups deepened involvement, strengthened learning and increased the prominence of DEI themes through a combination of flagship initiatives and year-round activities, translating our values into practical action across the organisation.

Sustainability Groups: flagship initiatives in 2025

Each Sustainability Group anchors its activities around a flagship initiative, complemented



Colleagues in Amova AM Asia office gathering over a Potluck to mark Elimination of Racial Discrimination Day

Advancing Diversity and Inclusion

by year-round events designed to reinforce inclusive behaviours across the organisation.

Racial equality

In March 2025, the Global Racial Equality Group (GREG) marked the United Nations' Global Day for the Elimination of Racial Discrimination by hosting a global potluck across multiple offices, bringing colleagues together to reflect on racial equality through shared food and culture. The event reinforced a shared commitment to inclusion across regions where our offices are located.

By creating informal spaces for dialogue and cultural exchange, the potlucks encouraged participation from colleagues with diverse backgrounds and experiences. These interactions helped deepen mutual understanding and demonstrated how inclusion can be fostered through everyday workplace experiences, strengthening cross-cultural connection within a global organisation.

Gender Equality through our Women's Groups

International Women's Day (IWD) 2025 served as the anchor for the International Women's Group's activities, aligned with the global theme 'Accelerate Action'. To celebrate, colleagues across regions contributed to a firmwide International Women's Day visual collage campaign, providing images that highlighted collective support for gender equality and reinforced International Women's Day as a global movement advancing visible allyship and inclusion across the firm. In Japan, the Japan Women's Group hosted its annual International Women's Day seminar featuring a prominent female profile at a major,



Promoting open dialogue at a Career Chat Lunch in the Japan office

public financial institution. The session provided space for colleagues to reflect on women's career progression and the importance of role models and taking bold steps in professional development. The International Women's Group-Asia delivered fundraising and awareness initiatives in support of Daughters of Tomorrow, alongside educational programmes focused on environmental and social sustainability. In the EMEA offices, our colleagues fundraised through two teams raising funds and awareness for the Step Up for Smart Works challenge that helps coaching and job readiness initiatives. In New Zealand, members of the International Women's Group-New Zealand

marked International Women's Day by fostering community engagement while supporting women in marginalised circumstances through a donation to Dress for Success, reinforcing the link between internal inclusion and positive social impact.

Disability Inclusion

In 2025, Amova AM was proud to be one of the corporate sponsors at the Tokyo 2025 Deaflympics, marking the 100th anniversary of the Games and their first time being hosted in Japan. The sponsorship reflected our dedication to inclusion beyond the workplace and into wider society, supporting

greater awareness of Deaf culture and athletic excellence. As part of this involvement, the Japan Abilities Group delivered a Deaflympics learning series that included a special talk session featuring a Deaf athlete together with a sign language interpreter. Through this session, employees learned directly about competitive sport in a Deaf environment, communication experiences, and the role of accessibility in enabling performance and inclusion. The dialogue provided first-hand insight into lived experience, helping participants better understand barriers faced by Deaf individuals and the importance of inclusive practices. Complemented by sign language learning sessions and volunteering opportunities, these activities encouraged reflection, challenged assumptions and strengthened employees' ability to contribute to more accessible and inclusive workplace environments. This momentum was further strengthened through the launch of the International Abilities Group across Asia, EMEA and New Zealand, establishing a coordinated platform for colleagues to share perspectives, build capability and advance accessibility-focused programmes across regions. Rooted in employee-led participation and supported by the firm, the regional chapters enable locally relevant action while fostering collaboration and shared learning globally.

Amova AM has a long-standing commitment to advancing inclusion through sport, with a particular focus on supporting employees who compete at the highest levels of wheelchair rugby. In 2025, the firm continued its involvement through employee participation and volunteering at competitive wheelchair rugby

Advancing Diversity and Inclusion

events in Japan, while maintaining visibility for the sport across the organisation. Updates on athlete achievements, competitions and related media coverage are communicated via the dedicated Wheelchair Rugby dedicated intranet site, reinforcing our commitment to disability inclusion, high performance and long-term involvement through sport.

LGBTQ+ Inclusion

The Japan LGBTQ Group continued to strengthen awareness and allyship in 2025 through sponsorship in Tokyo Pride 2025, one of Asia's largest LGBTQ+ awareness events. Colleagues supported parade participation and booth displays alongside the broader Sumitomo Mitsui Trust Group, demonstrating solidarity and commitment to equal rights. Internally, programmes such as educational seminars encouraged reflection on inclusion, respect and unconscious bias. These activities support psychological safety, enabling employees to bring their authentic selves to work and collaborate more effectively.

As a Rainbow corporate sponsor, we also participated in Diversity Career Forum 2025, one of Japan's largest DEI-focused career events. At the executive session, Daisuke Kono, Joint Global Head of Corporate Sustainability, joined a panel discussion on "Management and DE&I," while the Japan LGBTQ Group colleagues led interactive booth sessions, introducing the firm's DEI initiatives and interacting directly with students and job seekers. The forum provided an opportunity to contribute to broader dialogue on inclusive working environments.

Since 2022, the firm has collaborated with LGBT Great, a specialist external organisation supporting workplaces in advancing LGBTQ+ inclusion, to strengthen internal understanding and inform ongoing policy and talent discussions. This collaboration helped reinforce a more structured, informed approach to allyship and inclusive practices across the organisation.

To complement Sustainability Group-led activity, we have continued to strengthen allyship through its LGBTQ Ally Network, an internal platform open to all employees globally. The network promotes visible allyship through an Ally Declaration framework and is supported by learning opportunities, including allyship training sessions delivered in collaboration with external specialists. By encouraging employees to actively express support and deepen understanding, the programme contributes to creating a workplace environment where LGBTQ colleagues feel supported and included.

Beyond flagship events: embedding DEI in everyday work

In addition to flagship initiatives, we advanced DEI efforts in 2025 through a wide range of



Colleagues from the New Zealand office gathering for International Women's Day

smaller, employee-led activities that reflected local priorities while reinforcing shared organisational values. Experiential learning and accessibility-focused interaction featured strongly, with inclusive sessions delivered by Deaf and hearing facilitators in Singapore, alongside practical learning programmes related to assistance dogs and everyday accessibility.

External engagement was complemented by internal capability building across regions. Colleagues participated in fundraising and awareness events, supporting visible allyship beyond the workplace, while structured internship programmes supported early career development through skills-based contribution and mentoring.

In New Zealand, the firm supported education and social mobility by partnering with First Foundation, which helps talented young people from financially disadvantaged

backgrounds access tertiary education. The contribution included a scholarship and paid summer internships over the multi-year programme, reflecting a longer-term, skills-based approach that combines financial support, work experience and mentoring to expand access to opportunity.

Locally tailored initiatives also played an important role in sustaining everyday inclusion. In Japan, career dialogue events such as the Career Chat Lunch (CCL) offered small group forums for open discussion on female career development and work experience, complementing global initiatives with locally relevant interactions.

Together, these everyday actions translated DEI principles into daily practice and strengthened employee ownership of inclusion and reinforced DEI as a shared, organisation-wide responsibility.



Daisuke Kono, Joint Global Head of Corporate Sustainability, participating in a panel discussion on Management and DE&I

➤ Social Impact and Human Capital

Translating resources into impact

Financial impact and social inclusion

Financial impact and social inclusion are increasingly material to our stakeholders and to how Amova Asset Management thinks about long-term value creation. Beyond our investment activities, we seek to generate positive outcomes by supporting people and communities through focused philanthropy and inclusive initiatives.

The initiatives outlined here demonstrate how targeted donations, skills-based volunteering and employee-led programmes translate into meaningful real-world impact, addressing immediate needs while supporting more inclusive and resilient communities over time.

Putting financial impact into action

We pursue measurable financial impact through structured donation schemes linked to designated funds, complemented by sustained investment of time and resources in firm-sponsored and employee-led initiatives.

Fund-linked giving through designated funds

We channel capital towards social outcomes through donation schemes linked to designated investment trusts, under which a portion of investment management fees that Amova AM earns is directed to charities and organisations addressing meaningful causes.

One such scheme is linked to a global bond fund that supports the World Bank's International Development Association (IDA). Established in 2007, the IDA Scheme provides grants and low-interest loans to support development in low-income countries. In 2025, we donated approximately JPY 5 million through this scheme, bringing cumulative contributions since the fund's inception to over JPY 560 million.

Another scheme is linked to a thematic fund that invests in companies in the genomics industry. The donations go to organisations that improve outcomes for patients with rare diseases and advance the practical application of genomic medicine. In 2025, we donated approximately JPY 6 million to four patient



📷 Colleagues taking part in the FIT For Charity Run 2025

organisations and two research institutions, bringing cumulative donations since the programme's inception in 2018 to JPY 74 million.

Firm-sponsored and employee-led action (donations and volunteering)

We work with community partners through donations or volunteering, and where possible, both. Our initiatives span multiple social inclusion themes: humanitarian relief and displacement (such as the Myanmar Earthquake Appeal, and Japan for UNHCR), community care and poverty-related needs (such as the Yong En Care Centre, Salvation Army, and Cash for Kids), health and well-being (such as Maggie's), and education and access to learning (such as the Children's Book Project, and the Care Corner Student Care Centre).

Financial education: strengthening financial capability

In Japan, the Japan Philanthropy Group hosted a financial education class titled "The Truth About Money that Even Adults Don't Know" in collaboration with the non-profit organisation

Bridge for Smile. The programme engaged students from fifth to twelfth grade living in child welfare facilities or foster homes, as well as their guardians, aligning with the company's focus to reduce inequalities through financial education.

Related capability-building

Teams also support social inclusion through initiatives that build skills and readiness for future opportunities. Examples include the Americas Sustainability Group's engagement with South Bronx United through workforce development support (including office-based learning and mock interview experiences), and youth-focused mentorship by the Asia Sustainability Group through programmes such as Network For Teaching Entrepreneurship, which helps students build confidence and foundational skills.

Employee giving programmes

We enable employee-led financial contributions through formal giving mechanisms. In Japan, the Amova AM Employee Charity Program, running since 2011, is at the core of our employee giving activities. Under this programme, employees can donate a portion of their salaries to pre-selected partner organisations, which the company matches. In the UK, employees can contribute via Payroll Giving (Give As You Earn) through a regular, salary-deduction arrangement.

We will continue to build on our existing donations, volunteering and employee-led programmes, while also exploring opportunities for more skills-based volunteering. We also aim to support the growth of our partner organisations through long-term commitments. ➤



Protecting Our Planet



A Message from Natalia Rajewska, Global Head, Sustainable Investment

Our approach towards climate change



Natalia Rajewska, Global Head of Sustainable Investment

The environmental landscape investors face continues to shift. The energy trilemma around affordability, security and sustainability has taken on greater significance as the world navigates energy transition alongside rising geopolitical tension and growing demand from Artificial Intelligence (AI).

Climate policy is increasingly shaped by these competing priorities, creating a more complex backdrop for decarbonisation. At the same time, the physical consequences of climate change are becoming harder to ignore, with extreme weather events across Asia and beyond reinforcing that transition and adaptation are not sequential challenges but parallel ones.

For Amova Asset Management, climate change remains a systemic, market-wide risk and an important component of our fiduciary responsibility. Our approach is deliberately investment-led: grounded in materiality, supported by data and designed to enhance investment judgement.

During the reporting period, we made

deliberate progress in strengthening the analytical foundations of our climate work. We started developing a proprietary AI-powered net-zero assessment tool, enabling more consistent and scalable evaluation of company-level transition alignment. We also embarked on establishing an emissions attribution framework, allowing us to better distinguish between financial effects and real-world decarbonisation when assessing portfolio carbon trajectories. Both tools are being tested and scheduled for launch in 2026. These capabilities reflect our belief that climate analytics must be decision-useful, not merely reportable.

Stewardship remained a central lever. Across all regions, 20% of our ESG-related



engagements focused on environmental topics, with climate governance, targets, transition planning and disclosure as recurring themes. Through collaborative initiatives such as Asian Utilities Engagement Programme by the Asia Investor Group on Climate Change (AIGCC), we continued to press for credible decarbonisation pathways in sectors critical to Asia's energy transition. Through AIGCC and other initiatives, we also engaged in policy-related discussions on energy transition alongside other market participants.

Over the last year, Amova AM has also reaffirmed its position as a signatory to the Net Zero Asset Managers (NZAM) initiative. As a member of the NZAM Global Advisory Group, Amova AM is closely involved in the initiative's evolution, contributing to discussions on how the framework can remain credible, practical and globally aware, while aligning with the realities of a complex transition.

Our interim 2030 net-zero target will undergo formal review in 2027, and preparatory work

“Alongside portfolio-level efforts, we continued to monitor and manage emissions from our own operations, recognising that accountability begins at home”

is already underway to ensure our targets, scope and methodologies remain aligned with evolving data and market practice. Alongside portfolio-level efforts, we continued to monitor and manage emissions from our own operations, recognising that accountability begins at home.

Progress in this space is neither linear nor simple. Our commitment is to approach it with discipline, transparency and a clear-eyed focus on what is credible, material and where we can drive the greatest impact for our clients and the companies we invest in.

Global Climate Change Report Excerpt

A summary of our climate change work

This summary draws on the Amova Asset Management Global Climate Change Report 2026 and is intended as a concise summary of our climate change work. Climate change remains material to investment outcomes, and the report sets out our commitments, approach and progress over the reporting period, together with the analytical tools, stewardship activity and investment processes supporting implementation. This abstract focuses primarily on Strategy and Metrics and Targets. Selected risk and opportunity considerations are included only where particularly relevant to this summary. Governance is addressed elsewhere in this report [\[Sustainable Investment and Corporate Sustainability Governance, p.21\]](#).



[Global Climate Change Report 2026](#)

Strategy

Amova Asset Management became a signatory to the Net Zero Asset Managers (NZAM) initiative in 2021. In 2022, we completed our initial target disclosures, committing 43% of assets, or USD 115.68 billion, to be managed in line with net-zero. Our interim 2030 target is to reduce the carbon footprint of committed assets by 50% relative to the 2019 baseline, covering Scope 1 and 2 emissions. The initial scope of this commitment focused on equity strategies, principally Japan Equities funds, reflecting their share of assets under management, the relative maturity of analytical methodologies for equities and stronger data coverage.

The NZAM initiative underwent a strategic review during 2025 and relaunched in February 2026 with an updated commitment statement. Amova AM contributed to this process through the NZAM global advisory group, endorsed the revised commitment, and continues to apply the current 2030 target ahead of the formal review scheduled for 2027.

Climate change presents a broad spectrum of risks and opportunities across markets, sectors and geographies. As an active global asset manager, Amova AM considers it a core fiduciary responsibility to understand and manage climate-related factors in a way that supports long-term, risk-adjusted returns for clients. There is no single approach that applies across all portfolios. To support investment decisions and monitor outcomes, climate considerations are integrated through a combination of top-down and bottom-up approaches.

At the portfolio level, Amova AM uses tools including climate scenario analysis, implied temperature rise and other climate-related tools to help inform strategic direction, portfolio construction and long-term alignment. These tools are intended to support investment judgement rather than replace it, helping teams identify areas for closer analysis and engagement. At the issuer and portfolio level, bottom-up analysis considers transition readiness, physical exposure and opportunity potential as part of investment research and decision-making, with direct engagement and stewardship supporting risk mitigation where material. Amova AM's broader climate strategy is delivered through five interconnected levers: scenario analysis, temperature alignment, integration of climate considerations into investment decisions, active stewardship and sustainable investment solutions.

Stewardship remains a central lever in delivering climate objectives, particularly as a significant share of assets is managed through passive approaches. In this context, engagement and proxy voting are important tools for influencing company behaviour in line with the best interest of our clients. During 2025, climate-related engagement focused in particular on governance, transition planning and disclosure. Alongside stewardship, climate-related investment solutions continue to form part of Amova AM's broader response, supported by ongoing development of internal analytical capabilities such as a proprietary net-zero assessment tool and an enhanced emissions attribution framework.

Global Climate Change Report Excerpt

Climate-related risks and opportunities

Amova AM considers climate-related risks and opportunities over short-, medium- and long-term horizons. The report distinguishes between transition risk and physical risk, while recognising that risks and opportunities are closely linked dimensions of the same economic transition. Their effects vary by geography and sector, making context-specific analysis important. The significance of these risks and opportunities is not uniform, but depends on factors such as sector, geography and business model.

Across portfolios, transition risk is often assessed as more material, while physical risk remains important, particularly where exposure is location-specific. Climate-related opportunities are also assessed with reference to company, sector and regional context. Broad data tools can provide a high-level indication, but bottom-up analysis remains important for understanding opportunity potential more fully. Together, these considerations inform both top-down assessment and bottom-up investment analysis.

Metrics and Targets

Amova AM uses a range of climate metrics to track progress towards net-zero, support the management of climate-related risks and identify climate-related opportunity areas. Climate metrics are reported across a defined scope of equity and fixed-income portfolios representing USD 151.6 billion of assets under management as of 31 December 2025, with total data coverage of approximately 99.94%.

For 2025, absolute emissions across portfolios in scope were 9.63 million tCO₂e. Carbon

footprint was 51.3 tCO₂e per USD million invested, while weighted average carbon intensity was 70.4 tCO₂e per USD million revenue.

Temperature alignment indicators provide an additional perspective on portfolio positioning. The implied temperature rise was about 2.5°C for Amova AM Japan assets and about 2.4°C for Amova AM ex-Japan assets. At firmwide level, around 49.9% of investments in scope were assessed as aligned with 1.5°C and 2°C pathways.

Absolute emissions increased compared with 2024, largely reflecting growth in assets under management. However, over the same period, carbon footprint and weighted average carbon intensity both declined.

Progress towards the firm's net-zero commitment is measured through the carbon footprint of committed portfolios. As of 31 December 2025, this stood at 54.31 tCO₂e per USD million invested, representing a 36% decrease from the 2019 baseline of 84.7. The target remains under review ahead of 2027, while the current commitment remains in force.

The table on the right summarises the main climate-related commitments, targets and reported metrics referenced in this abstract.

For a comprehensive account of our approach and progress, including carbon emissions methodology, scope and coverage of reported metrics, scenario analysis, target-setting framework, stewardship activities, third-party data sources and associated limitations, please

refer to the [Amova AM Global Climate Change Report 2026](#).

Conclusion

Taken together, the commitments, approach and metrics set out in the Global Climate Change Report 2026 show how Amova AM is continuing to embed climate considerations into investment decision-making, stewardship and progress monitoring. This abstract highlights the main elements of that approach for the reporting period.

Summary of climate targets and reported metrics

Item	Figure / Summary
Assets committed under initial NZAM disclosures	43% of assets, or USD 115.68 billion
Interim target	50% reduction in carbon footprint by 2030 relative to the 2019 baseline
2019 baseline carbon footprint	84.7 tCO ₂ e per USD million invested
Carbon footprint of committed portfolios (2025)	54.31 tCO ₂ e per USD million invested
Progress from baseline	36% decrease
AUM in scope for reported metrics (2025)	USD 190.5 billion
Absolute emissions (2025)	9.63 million tCO ₂ e
Carbon footprint (2025)	51.3 tCO ₂ e/USD million invested
WACI (2025)	70.4 tCO ₂ e/USD million revenue

Source: Amova Asset Management

Environmental Footprint

Managing our global environmental footprint

Every year since 2019, Amova Asset Management has partnered with UK-based consultant Carbon Footprint Ltd. to measure the greenhouse gas (GHG) emissions from our corporate operations, based on firm-wide energy consumption and transportation data.

The assessment covers the direct and indirect emissions from our operations in Scope 1 (i.e. fuel combustion) and Scope 2 (i.e. consumption of purchased electricity), as well as certain indirect emissions in Scope 3 (e.g. business travel and activities not included in Scopes 1 or 2 that require fuel and energy use), as defined by the Greenhouse Gas Protocol.

We have set a goal to reduce our GHG emissions from corporate operations by 40% per employee by 2030, compared with 2019

levels. We share the annual carbon footprint assessment results to senior management through the Corporate Sustainability Steering Committee.

Our total market-based carbon footprint, which recognises a reduced emission factor for green energy contracts was 2,504.4 tCO₂e in 2025 (2.5 tCO₂e per employee) versus 2,795.6 tCO₂e in 2024 (2.8 tCO₂e per employee). Compared with our baseline year of 2019, when we generated 5,477.3 tCO₂e (5.9 tCO₂e per employee), this represents a 57.6% reduction in emissions per

Carbon Footprint Assessment by Scope and Source Activity

Scope	Activity	2019 Tonnes CO ₂ e (baseline year)	2023 Tonnes CO ₂ e	2024 Tonnes CO ₂ e	2025 Tonnes CO ₂ e	% Change from Baseline Year
Scope 1	Site gas	8.6	8.5	6.6	100.8	1,078.9%
Scope 2	Electricity generation	833.2	144.2	141.0	140.8	-83.1%
	District cooling	N/A	43.7	54.8	47.2	N/A
Scope 3	Home-workers	N/A	404.3	382.7	371.6	N/A
	Commuting	N/A	N/A	149.5	122.1	N/A
	Flights	4,491.7	1,412.8	1,812.6	1,478.3	-67.1%
	Rail travel	95.3	48.3	117.1	97.7	2.5%
	Electricity transmission & distribution	N/A	5.8	8.7	7.8	N/A
	District cooling electricity transmission & distribution	N/A	1.1	0.9	0.8	N/A
	Water	N/A	N/A	N/A	1.0	N/A
	Waste/waste water	N/A	N/A	3.6	3.1	N/A
	Taxi travel	23.9	18.8	16.9	61.1	155.3%
	Non-controlled site electricity	N/A	74.7	87.9	63.8	N/A
Scope 3	Hire cars	18.6	6.7	10.7	5.5	-70.5%
	Hotel stays	N/A	N/A	N/A	2.5	N/A
	Employee owned car travel (grey fleet)	4.2	1.3	0.2	0.3	-92.8%
	Bus travel, ferry	1.9	0.0	0.0	0.1	-94.6%
Total tonnes of CO ₂ e		5,477.3	2,170.1	2,795.6	2,504.4	-54.3%
Tonnes of CO ₂ e per employee		5.9	2.2	2.8	2.5	-57.6%

Including full time staff & directors, contract and part time staff of Amova AM (As of 31 Dec 2025)

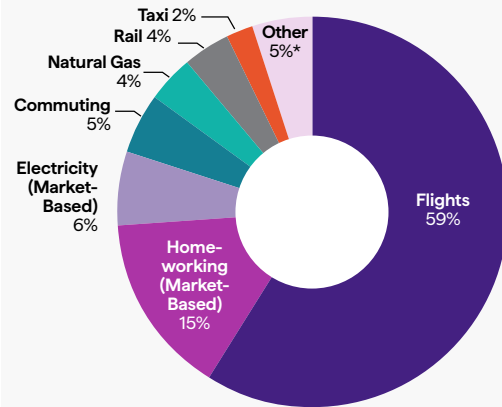
*Past performance is not indicative of future results.

Natural gas consumption from the London office has increased significantly due to improved accuracy in the data calculation by the landlord (through the use of submetering rather than whole building apportionment). This is not able to be backdated to previous years due to data unavailability.

Source: Amova Asset Management

Environmental Footprint

Market-based emissions breakdown (excl. Well to Tank)



*Other = Electricity (Data Centres) (Market-Based), District Cooling (Market-Based), Transmission & Distribution (Market-Based), Hire Cars (Fuel), Transmission & Distribution (Upstream) (Market-Based), Hotel Stays, Waste, Electricity (Upstream) (Market-Based), Water, Wastewater, Grey Fleet (Fuel), Bus & Refrigerants.

Source: Amova Asset Management

employee. Business flights accounted for 59% of our total carbon footprint in 2025, while electricity usage from our offices and remote-working employees' homes accounted for 6% and 15%, respectively. Year-on-year, emissions from business flights decreased by 18.4%, while emissions from rail travel decreased by 16.6%.

Regarding emissions from electricity usage, the Tokyo, London, Edinburgh and Osaka offices are on green tariff contracts, which significantly reduce our market-based emissions for site electricity. Emissions from site electricity were broadly flat year-on-year, while emissions from estimated homeworking electricity usage decreased by 2.9%.

Carbon offset projects

Once our annual carbon footprint assessment is complete, we offset the greenhouse gas emissions from our operations through the purchase of an equivalent amount of verified voluntary carbon credits from projects that help capture or reduce carbon emissions from the atmosphere.

For 2025, we offset our emissions by supporting two methane-reduction projects: the Huizhou Landfill Gas Power Generation Phase III and IV Project in Guangdong Province, China, which captures landfill methane to generate electricity, and the Brascarbon Methane Recovery Project (BCA BRA 16) in Brazil, which captures and destroys methane from animal effluent management systems.

While carbon offsets may contribute to climate action, we recognise that they are not an alternative to reducing our own operational carbon footprint, which is our ultimate goal.

Reducing GHG emissions

Business travel is crucial for our operations, but we have implemented steps to raise awareness among employees about its impact on the environment. Since 2022, employees making overseas travel requests are required to include the carbon footprint of their international flights on the application forms. This policy helps the employees and their managers to understand how much each flight adds to our firm's total carbon footprint. The aim of this initiative is to encourage them to reduce the number of people travelling per trip, bundle more meetings into a single trip, and plan routes more efficiently.

This thinking is also consistent with reducing



Tree-Nation's Trees for Tigers project in India

our business costs. Every quarter, the overseas flight data for each region is posted on our intranet platform for all employees to see. We focus on international flights, because they result in the bulk of the emissions from business flights. This data is also presented at the Corporate Sustainability Steering Committee periodically.

Expanding the Forest of Amova AM

Since 2021, we have supported reforestation projects around the world through the external platform Tree-Nation. These tree-planting and forest restoration initiatives are collectively known as the "Forest of Amova AM." To date, we have supported projects equivalent to the planting of 31,975 trees. Most recently,

we contributed to the planting of 2,855 trees across five projects. These include reforestation and forest recovery initiatives in the US (National Forest Recovery and Lost Forests Recovery in California), community and biodiversity-focused tree planting in India (Trees for Tribals and Trees for Tigers), and a forest restoration project in Tanzania (Replanting the Burnt Mkussu Forest).

We plan to continue expanding the "[Forest of Amova AM](#)" over the coming years to do our part to stop deforestation and fight climate change.

Employee-led Environmental Initiatives

Employee-led action at the core of our environmental efforts

Alongside firmwide environmental priorities, Amova Asset Management's progress in 2025 was reinforced by strong employee engagement across regions.

Throughout the year, colleagues participated in a wide range of environment related initiatives that reflected a shared commitment to environmental stewardship and helped translate awareness into practical action. These initiatives ranged from hands on conservation and environmental education to community based activities, providing accessible ways for employees to engage while reinforcing the role individuals can play in supporting environmental efforts within their local communities.

Employees actively contributed to conservation and restoration efforts through initiatives

such as biodiversity protection activities with Friends of the Pentlands in Scotland, and cleanup projects along coastlines and waterways in Singapore and Japan. These activities addressed local environmental challenges while also deepening understanding of broader themes including ecosystem preservation, marine pollution and climate resilience.

Learning and awareness building formed an equally important pillar of employee-led action in 2025, complementing hands on activities. Environmental seminars and teach-in sessions across regions provided opportunities

to deepen understanding of topics such as forest conservation, water resource management and sustainable land use. These included a hybrid forest and water stewardship seminar delivered with the environmental NPO "SHU" — the Network for Forest Conservation and Sustainable Use — coordinated from the Tokyo office, as well as learning sessions in the Americas focused on the clean energy transition.

Together with Earth Day linked discussions and regionally tailored engagement such as World Environment Day waterway cleanup in Singapore with Waterways Watch Society and the Earth Day teach-in in our New York office, these initiatives encouraged reflection on environmental issues where colleagues live and work and highlighted how small, everyday actions can contribute to broader stewardship.



Colleagues in Singapore at the Pedal Boat Waterways Cleanup

Many of these initiatives were designed and led at the regional level, enabling locally relevant approaches while contributing to a shared global direction. From urban environmental events in Tokyo to conservation efforts in Edinburgh and Singapore, employees were empowered to take action in ways that were meaningful to their communities and aligned with the firm's environmental objectives. The US office also rescued food to be donated to the communities.

Employee-led Environmental Initiatives



Colleagues in Edinburgh cleaned up the gardens at Maggie's Centre

“Through a combination of employee-led action and organisational support, the firm continues to foster awareness and participation across regions, helping to embed responsible behaviours into everyday working life”

In 2025, Amova AM also introduced new approaches to employee engagement that complemented traditional volunteer activities. One example was an employee survey organised by the Japan Environmental Group, which was conducted across regions between Earth Day and Environment Month. Building on a similar questionnaire conducted in 2019, the survey was completed by 268 employees across the firm. It gathered candid feedback and ideas from employees, enabling a better understanding of regional perspectives and helping to shape follow up initiatives. This approach reinforced the firm's commitment



Colleagues in Japan at the Fujisawa Beach Cleanup Activity

to ensuring that employee input is reflected in the ongoing development and design of environmental programmes.

In addition, collaboration extended beyond the firm through a group-wide environmental engagement initiative with Sumitomo Mitsui Trust Group. Employees from Amova AM, Sumitomo Mitsui Trust Asset Management and Sumitomo Mitsui Trust Bank participated together in the Forest of SMTAM and Ogouchi Dam Tour, presented by the Tokyo Metropolitan Government Bureau of Waterworks, learning first hand how long term forest conservation supports water resources and urban

sustainability in Japan. This joint initiative provided an opportunity to share knowledge and strengthen collaboration across Group companies.

Taken together, these initiatives reflect the strength of Amova AM's bottom-up approach to environmental engagement. Through a combination of employee-led action and organisational support, the firm continues to foster awareness and participation across regions, helping to embed responsible behaviours into everyday working life.



Our Journey



A Message from Joyce Koh and Daisuke Kono, Joint Global Heads of Corporate Sustainability

Continuing the journey

2025 was a milestone year in many ways.

The firm officially adopted Amova Asset Management as its new brand name on 1 September 2025, following a year of preparation. Colleagues across the globe worked exceptionally hard to ensure a smooth transition. Despite the increased workload and pressure of the rebrand, our Sustainability Groups remained committed and continued to thrive.

Our Sustainability Groups met regularly, launched new programmes for colleagues, and hosted external initiatives that strengthened our contribution to communities and the environment. From volunteering and charitable giving, to helping people with disabilities and taking part in environmental conservation efforts, our colleagues have shown remarkable creativity, energy, and compassion.

Over the past two years, the Global Corporate Sustainability team has led several strategic initiatives that have strengthened our commitment to sustainability. Our role has evolved from corporate social responsibility programmes and employee awareness-building to driving broader strategic alignment at the senior management and organisational levels.

In 2024, we led a firmwide effort to refresh our Mission Statement, and subsequently partnered with Human Resources to develop our new Values, which are closely related. Together, these initiatives embed long-term sustainability objectives in our business strategy and corporate culture, and are now reflected in our communication materials and employee appraisal system.



Stefanie Drews in the Hong Kong office with global colleagues

“we aim to deepen our impact by building on the passion of our colleagues to create lasting value for our stakeholders, support our communities, and contribute to a healthier planet”

In 2025, we transformed our former Corporate Sustainability Advisory Council into the Corporate Sustainability Steering Committee, establishing a stronger governance structure that involves senior management and key stakeholders across the firm. This forum allows for active discussion of key corporate sustainability issues, supports the approval of strategic sustainability initiatives, and enhances accountability and transparency.

We also led Amova AM's first double materiality assessment, which gave us a more complete view of sustainability issues that matter most to internal and external stakeholders. The framework will help us set priorities within our corporate sustainability strategy, monitor progress, and allocate resources more effectively.

As we continue to embed sustainability across the organisation, we aim to deepen our impact by building on the passion of our colleagues to create lasting value for our stakeholders, support our communities, and contribute to a healthier planet. The Global Corporate Sustainability team is inspired by this collective vision and energy to continue the journey.

Additional Information



External commitments

	Asia Investor Group on Climate Change (AIGCC)		Japan Association of Value Creating ERM (Amova Asset Management Co., Ltd.)
	CDP		Principles for Financial Action for the 21st Century (Amova Asset Management Co., Ltd.)
	Climate Action 100+		30% Club Investor Group (Amova Asset Management Co., Ltd.)
	International Corporate Governance Network (ICGN)		GX Future Consortium (Amova Asset Management Co., Ltd.)
	United Nations-supported Principles for Responsible Investment (PRI)		Japan Association of Corporate Directors (Amova Asset Management Co., Ltd.)
	The Investor Agenda	Stewardship Codes – UK Stewardship Code (Amova Asset Management Co., Ltd.) – Japan's Stewardship Code (Amova Asset Management Co., Ltd.) – Singapore Stewardship Principles for Responsible Investors (Amova Asset Management Asia Limited) – Stewardship Code Aotearoa New Zealand (Amova Asset Management New Zealand Limited)	
	Nature Action 100	Global Investor Statement to Governments on the Climate Crisis	
	The Net Zero Asset Managers Initiative		LGBT Great
	Women's Empowerment Principles		

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GRI content index

GRI (Global Reporting Initiative) is an independent, international organisation that provides the [GRI Standards](#), which represent global best practice for reporting publicly on a range of economic, environmental, and social impacts.

STATEMENT OF USE	Amova Asset Management has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.	
GRI 1 USED	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	Corporate Profile & About This Report / Contact Information
	2-2 Entities included in the organization's sustainability reporting	Corporate Profile & About This Report / Contact Information
	2-3 Reporting period, frequency and contact point	Corporate Profile & About This Report / Contact Information
	2-4 Restatements of information	Errata: Sustainability Report 2025
	2-5 External assurance	Corporate Governance
	2-6 Activities, value chain and other business relationships	Corporate Profile & About This Report / Affiliate Spotlight
	2-7 Employees	Corporate Profile & About This Report
	2-8 Workers who are not employees	-
	2-9 Governance structure and composition	Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Investment and Corporate Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	Sustainable Investment and Corporate Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	Sustainable Investment and Corporate Sustainability Governance
	2-15 Conflicts of interest	Japan Sustainable Investment Department / Conflict of Interest Control Policy
	2-16 Communication of critical concerns	Corporate Governance
	2-17 Collective knowledge of the highest governance body	Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance
	2-19 Remuneration policies	Remuneration and DEI Policies
	2-20 Process to determine remuneration	Corporate Governance / Remuneration and DEI Policies
	2-21 Annual total compensation ratio	-
	2-22 Statement on sustainable development strategy	Message from President and CEO / Materiality Assessment / Sustainable Investment and Corporate Sustainability Governance / Message from Joint Global Heads of Corporate Sustainability
	2-23 Policy commitments	Compliance / Remuneration and DEI Policies
	2-24 Embedding policy commitments	Corporate Governance / Sustainable Investment and Corporate Sustainability Governance / Risk Management
	2-25 Processes to remediate negative impacts	Policy on Complaint Handling Measures & Dispute Resolution Measures
	2-26 Mechanisms for seeking advice and raising concerns	Compliance
	2-27 Compliance with laws and regulations	-
	2-28 Membership associations	External Commitments
	2-29 Approach to stakeholder engagement	Sustainable Investment and Corporate Sustainability Governance / Japan Sustainable Investment Department
	2-30 Collective bargaining agreements	-
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	Materiality Assessment
	3-3 Management of material topics	Materiality Assessment
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Footprint
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Footprint
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Footprint
	305-4 GHG emissions intensity	Environmental Footprint
	305-5 Reduction of GHG emissions	Environmental Footprint
	305-6 Emissions of ozone-depleting substances (ODS)	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-

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