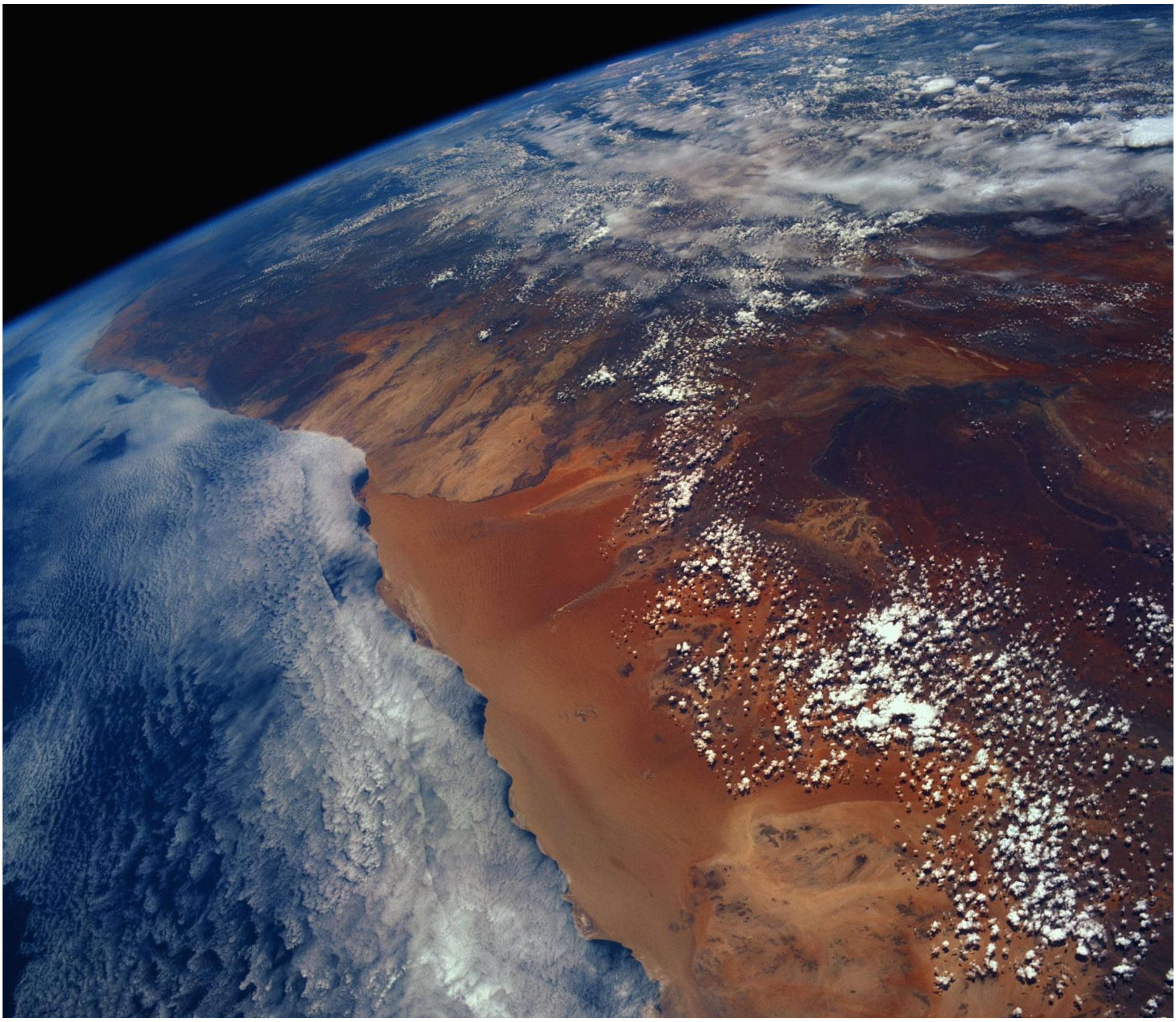
Generation Investment Management Climate and Nature Report & Transition Plan

June 2026



Generation Investment Management
is a pure-play sustainable investment manager –
it is all we do, and all we will ever do.

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Introduction

OUR WORLD AND INVESTMENT PHILOSOPHY

Our vision is a sustainable world in which prosperity is shared broadly, in a society that achieves well-being for all, protects nature and preserves a habitable climate.

We seek to pursue our vision with urgency by:

1. delivering long-term, attractive, risk-adjusted investment returns and positive impact;[1] and

2. advocating for the adoption of sustainable investing by the wider market.

We see long-term investing as best-practice and sustainability as the organising construct of the global economy.

Generation has been investing in public equity markets for over 20 years and in private markets for over 15.

Generation and Just Climate at a glance

Generation operates both public and private equity strategies.

- Global Equity and Asia Equity invest in concentrated, high-conviction portfolios of public companies.
- Growth Equity invests in growth-stage, private companies and Private Equity in large, established, private companies.

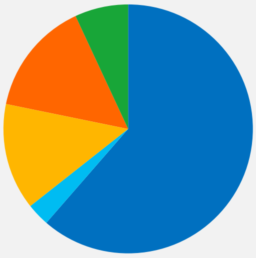
Generation's Just Climate business operates private markets growth strategies.

- Industrial Climate Solutions, which invests in solutions that it believes can achieve the highest positive climate impact in the highest-emitting and most off-track industrial sectors.
- Natural Climate Solutions, which invests in solutions seeking to achieve the highest positive climate and nature impact across food systems, land use, forestry and waste and water sectors.
- Latin America Climate Solutions strategy, targeting the region's structural climate finance gap through catalytic growth equity investments designed to mobilise institutional capital at scale.

[1] Although Generation seeks to deliver attractive returns and positive impact, there can be no guarantee this goal will be achieved.

Assets under management total (AuM) approximately USD 26 billion[2] and are directly invested by Generation and Just Climate.[3]

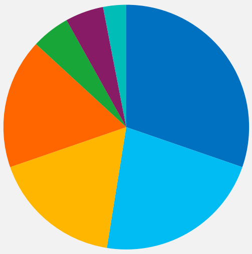
AuM BY ASSET CLASS[4]



Actively managed public equity strategies:	**65%**
Global Equity	**62%**
Asia Equity	**3%**
Private equity strategies:	**35%**
Private Equity	**14%**
Growth Equity	**15%**
Just Climate	**7%**

We seek long-term partnerships with clients who share our mission and with whom we seek to fully align our interests.[5]

CLIENT COMPOSITION[6]



Endowments & Foundations	**30%**
HNW & Family Offices	**22%**
Financial Intermediaries	**17%**
Pension Funds	**17%**
Other[7]	**5%**
Internal Capital	**5%**
Non-profit Organisations	**3%**

As at 31 December 2025, Generation, including Just Climate, comprised 195 people and the Generation Foundation six people.

[2] As at 31 March 2026.

[3] With the exception of cash invested in third-party money market funds. (footnote for the AuM by Asset Class chart)

[4] As at 31 March 2026.

[5] Client data as at 31 December 2025.

[6] Percentages may not add up to 100% due to rounding. Figures are based on data as at 31 December 2025 for Generation's Global, Asia, Growth and Private Equity strategies and as at 30 September 2025 for the firm's Just Climate strategies.

[7] Includes Corporate, Sovereign Wealth Funds, Municipal Funds and Insurance.

Consideration of climate change and closely linked issues of inequality and nature loss have been central to Generation's investment philosophy since its founding, and are part and parcel of how we integrate sustainability factors into our investment process. From the start of our journey, we recognised the need to build greater awareness of climate and nature-related assessment among financial and non-financial companies alike in a manner that is fair to all. As such, we have helped launch and support several initiatives that we believe can accelerate the transition to a sustainable economic system. In 2016 we were part of the founding membership of the Taskforce on Climate-related Financial Disclosures (TCFD) and have welcomed the launch of the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. We are Founding Partners of the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) and are currently represented on the Steering Committee. Finally, we welcome and support the International Financial Reporting Standards (IFRS) Foundation's expansion, through the formation of the International Sustainability Standards Board (ISSB) in 2021.

We believe adoption of ISSB's standards can result in consistent and comparable corporate disclosure across jurisdictions. IFRS S2 has replaced the TCFD disclosure recommendations, as the IFRS Foundation has adopted the TCFD's responsibilities starting in 2024.

Developments at TCFD, IFRS and TNFD have highlighted how deeply intertwined considerations of climate and nature are. Some aspects such as deforestation are within both frameworks, some elements are positively reinforcing and others require trade-offs. What is clear is that addressing climate disclosure through IFRS S1 and S2 and other frameworks already requires incorporating some aspects of nature. TNFD adoption and the implications of the Global Biodiversity Framework will require an even more comprehensive assessment of nature alongside climate. We believe that it is rapidly becoming good practice for organisations to develop integrated climate and nature reporting frameworks and transition plans.

We need a financial system in which all financial institutions and capital allocators integrate climate and nature into their decisions across all asset classes. While we need governments to step in where markets cannot succeed on their own, we believe finance must act with or without government policy, because in our view managing climate and nature risks and opportunities is our fiduciary duty.

REPORT COVERAGE

We believe that ensuring the integrity of net-zero investing, reporting our progress and encouraging our peers and our portfolio companies to do the same are essential to industry-wide progress. Consistent disclosure of climate and nature considerations is the key to enabling all companies, managers and owners to assess their exposure and opportunity. We look forward to continuing to learn and collaborate alongside our portfolio companies and peers in accelerating a long-term, sustainable transition.

This Climate and Nature Report (the "Report") covers 1 January to 31 December 2025 and seeks to align with the TCFD Recommendations and Recommended Disclosures.

This report is also published in satisfaction of the TCFD entity-level disclosure obligation applicable to Generation Investment Management LLP ("GIM") under Chapter 2 of the UK Financial Conduct Authority's ESG Sourcebook ("ESG 2") regarding its TCFD in-scope business relating to the investment advisory and portfolio management services delegated to it with respect to the Global Equity, Asia Equity, Growth Equity, Private Equity and Just Climate strategies.

Just Climate LLP is an independent subsidiary of GenerationIM and is authorised and regulated by the Financial Conduct Authority with Firm Reference Number 1024382. Just Climate LLP has been appointed to provide investment advisory services to GIM with respect to the management of the Just Climate strategy.

For the purposes of compliance with ESG 2, references in this report to the approach taken by Generation regarding climate-related risks and opportunities should be understood as referring to GIM with respect to the business as a whole, including Just Climate LLP and Generation's four strategies. Where approaches differ between strategies, the Report refers to "Global Equity," "Asia Equity," "Growth Equity," "Private Equity" and "Just Climate," as appropriate.

In the reasonable view of the Senior Partner, the disclosures in this report comply with the TCFD Recommendations and entity-level reporting requirements set out in Chapter 2 of the FCA's ESG sourcebook.

OUR TRANSITION PLAN

Generation's transition plan consists of two major components.

The first is the transition of our investment portfolios to net-zero greenhouse gas (GHG) emissions consistent with a 1.5C pathway by 2040. The second is our operational transition plan, which also sets a net-zero target of 2040. The Glasgow Financial Alliance for Net Zero (GFANZ) Recommendations and Guidance on Financial Institution Net-zero Transition Plans and Investor Agenda guidance on Investor Climate Action Plans (ICAPs) have informed the development of Generation's transition plan.

Our transition plan already incorporates some aspects of action on nature such as deforestation. We believe that further elements of nature will need to be incorporated into our transition plan over time.

OUR INVESTMENT PORTFOLIOS

Generation has set a goal of aligning all of the investment portfolios we manage with net-zero GHG emissions by 2040 or sooner and notified our clients of this in July 2020. We believe that it is right for us to set an early goal for net-zero GHG emissions given our mission to promote sustainable investing. Our corporate climate action standard – net-zero emissions by 2040 – is required if we are to meet our net-zero goal and is within the thresholds of what is required if the world is to achieve the Paris Agreement.

In 2025 we started the verification process under the Science Based Targets initiative's (SBTi) new Financial Institutions Net Zero Standard. We hope to be able to share our verified targets later this year.

The targets will consist of interim near-term targets for 2030 and our long-term net-zero targets for 2040.

Following our commitment in 2020, we worked with peers and partners – in particular the Institutional Investors Group on Climate Change (IIGCC) – to establish the Net Zero Asset Managers initiative (NZAM): a coalition of like-minded managers committed to supporting investing aligned with the global goal of net-zero GHG emissions.

NZAM relaunched in February 2026, and Generation was pleased to sign on to the updated Commitment Statement. We believe NZAM remains the robust route for asset managers globally to be clear and transparent about how they manage climate-related financial risks and opportunities on behalf of clients.

As at 31 December 2025, 72% of assets under management are invested in companies that are participating in the SBTi either with a validated target or a commitment to set a validated target, and 64% of assets under management are invested in companies that have their targets validated.

The following table outlines the proportion of each strategy's AuM that is invested in companies participating in the SBTi and then shows the extent of portfolio coverage by validated targets, all as at 31 December 2025. It is critical to the fulfilment of our targets that companies' commitments to set SBTs are followed through and result in validated targets.

Given that the majority of our assets are in strategies that typically invest in more mature businesses compared to our Growth Equity and Just Climate funds, we place emphasis on these teams to ensure investee companies set and progress towards ambitious SBTs. While we acknowledge the challenge of achieving 100% compliance in portfolios where we do not hold controlling positions, we believe it is necessary to set a high ambition. Our primary approach to achieve this is through active engagement with investee companies, as detailed in our 'Engagement on climate and nature risks and opportunities' section.

Generation Investment Strategy / subsidiary	Strategy type	Proportion of invested capital in companies within the SBTi (committed or validated)	Proportion of invested capital invested in companies within the SBTi (validated targets only)
Global Equity	Public markets	77%	67%
Asia Equity	Public markets	42%	41%
Growth Equity	Private markets	23%	23%
Private Equity	Private markets	100%	100%
Just Climate	Private markets	10%	0%
TOTAL		**72%**	**64%**

Source: SBTi and Generation in-house analysis. The figures are calculated based on invested capital, i.e., excluding cash.

OUR OPERATIONS

As a business with fewer than 210 full-time employees, Generation's operational footprint is relatively small. Our firm's direct environmental impact is primarily driven by the operation of our offices and business travel. We aim to minimise our carbon footprint and use of environmental resources through our sourcing decisions and carbon compensation programme, as well as through promoting behavioural changes amongst employees, suppliers and other stakeholders.

We made a formal commitment ourselves in July 2023 to submit an SBT to SBTi for validation within the next two years. In 2025 we made this submission and are now proceeding through the validation process. We hold ourselves to the same standards to which we hold our investments and are committed to achieving net-zero emissions in our own business operations by 2040.

OUR OFFICES

Generation has designed its offices to minimise the environmental impact of its operations. All offices are located centrally and are well served by public transport facilities. In London, our office at 20 Air Street achieved the 'Excellent' rating by BREEAM (Building Research Establishment Environmental Assessment Method). In addition to a rainwater harvesting system, an intelligent lighting system is in place to maximise natural light and limit wastage. A biodiverse sedum roof improves insulation and supports the local bee population. The interior modelling has the 'SKA Gold' rating. Similarly, our San Francisco office is located in a building that has been re-certified as Platinum for the LEED E-BOM, which applies to existing builds. Both offices have on-site processes for the separation, collection and recycling of different types of waste materials, including food waste. We work closely with building management on an ongoing basis to prioritise sustainability, and our London office landlord is committed to emissions reductions consistent with net-zero emissions by 2040 or earlier.

SUPPLIERS

Business-related sourcing decisions include local travel and office supplies, where we choose sustainable suppliers wherever possible. We assess our suppliers against a framework that includes questions relating to their sustainability practices. We aim to engage local suppliers where possible, or those that already service our building with the aim of reducing travel and consolidating deliveries. In 2020 we implemented an internal Environmental Management System (EMS), which provides us with a framework to monitor resource use, reduce waste, mitigate environmental risks and improve our sustainability efforts. In 2022 we initiated a process to encourage suppliers to set their own 2040 net-zero targets and will continue to engage on this theme. For some of our largest suppliers we have started to introduce contractual commitments, within our terms of business, outlining the supplier's decarbonisation schedule. In 2025 we brought on a new sustainability consulting partner to help us monitor and proliferate supplier engagements. We have also kicked off our supplier engagement programme, which aims to reduce the volume of spend-based data that we rely on, which means pushing suppliers to measure and disclose their own emissions.

OPERATIONAL FOOTPRINT

In 2025 we worked with external consultants on understanding more deeply all material aspects of our operational emissions and the levers we have, establishing interim targets and determining how to track progress. Our operational emissions have rebounded following the pandemic, due to increased headcount, office occupancy and the return of business travel. In order to address this, we are instituting an internal carbon price on our travel of £69 per tonne. This came into effect in 2025 and alongside other measures such as encouraging staff to take fewer trips, use lower carbon travel modes or trade down seat class, we saw a reduction of 16% in our business travel emissions between 2024 and 2025.

GENERATION INVESTMENT MANAGEMENT'S CARBON FOOTPRINT (TCO_2E)	2022	2023	2024	2025
Scope 1	11	9	9	12
Scope 2 (location-based)	105	98	98	87
Scope 2 (market-based)	61	51	30	35
Scope 3[8]	174,840	155,231	119,316	89,625
Scopes 1+2 emissions per full-time employee	0.42	0.41	0.21	0.23
Water consumption (m3)	280	273	271	8,465[9]
Tonnes of waste produced	11.9	13	16	13.5

[8] See the Appendix for a breakdown of Scope 3 emissions.

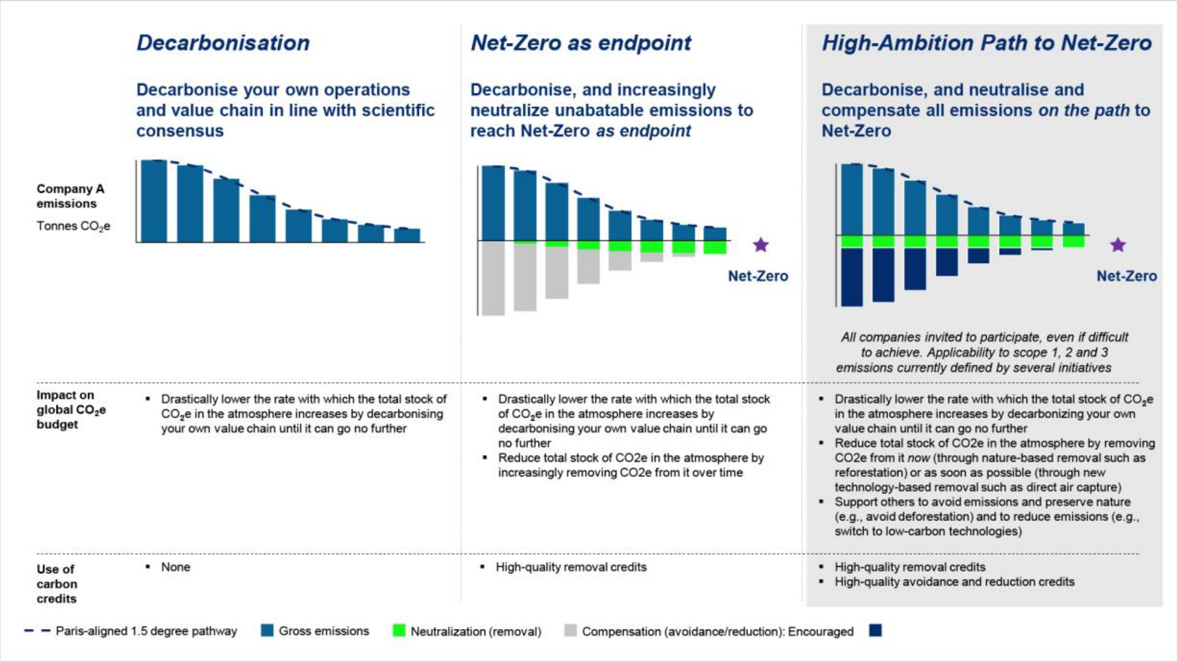
[9] This year we measured our water consumption directly through a water meter rather than relying on consultant estimates, which explains the significant increase in water usage observed in 2025.

CARBON COMPENSATION

Alongside science-based emissions reduction, Generation is committed to compensation on an annual basis for the carbon emissions of our business activities. For our 2025 emissions we compensated for all our emissions that we could directly measure, including Scopes 1 and 2 emissions as well as Scope 3 business travel, waste, couriers and employee commuting. Whilst we appreciate that carbon credits do not provide a complete solution, they contribute to mitigating our overall environmental impact while we work to reduce our emissions to as close to zero as possible. This approach has been characterised as the 'High-Ambition Path to Net-Zero' and is represented in the infographic below.

We work with a specialist platform to select a portfolio of credits. Projects include a biochar production facility in Bolivia that converts local forestry residues into stable biochar through pyrolysis, a peatland preservation programme in Indonesia and a biochar facility in Finland. We continue to take a portfolio approach so that we can finance a range of innovative solutions at different stages of maturity and diversify the risks around a single project failing.

Figure 1: High-Ambition Path to Net-Zero



Source: Taskforce on Scaling Voluntary Carbon Markets

Governance

Generation has established a governance framework designed to allow for investment management, business development and client relationships, as well as operational control and risk management, to be reviewed independently through a number of committees and oversight groups.

The key sponsor of the governance and the control and risk management environment is the Senior Partner, David Blood, who has a role similar to a Chief Executive Officer.

The Management Committee is the governing body responsible for guiding our strategy and policy, risk monitoring and control, and provides a forum for the Partners to ensure that the business is being run in accordance with the Partnership Agreement. It supports the Senior Partner to have ultimate oversight over and deliver Generation's transition plan, and ensures that our Vision and Mission, with its explicit focus on climate and nature, is integrated throughout the firm. Its practice is to meet every month.

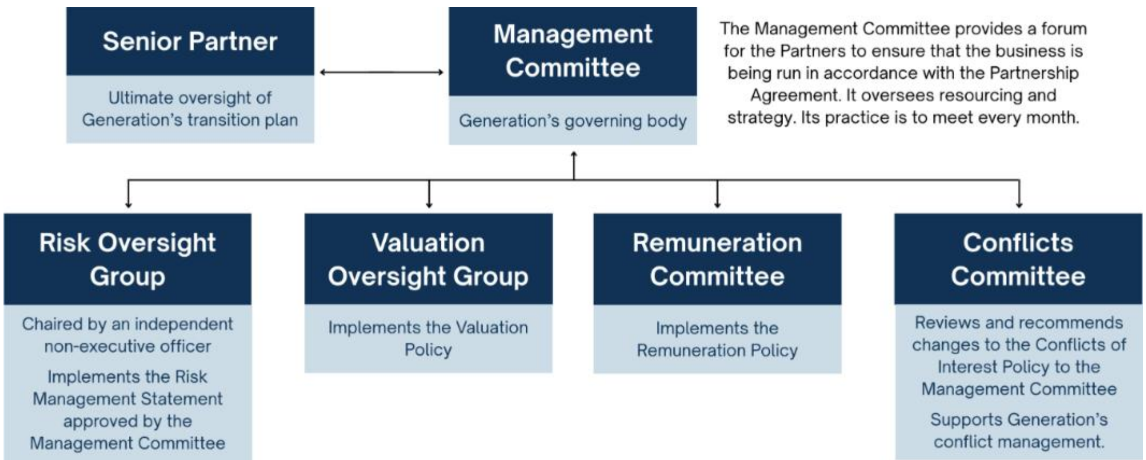
The Management Committee is supported by the following groups:

- **The Risk Oversight Group** (the "ROG") is chaired by an independent non-executive officer and implements the Risk Management Statement approved by the Management Committee.
- **The Valuation Oversight Group** (the "VOG") implements the Valuation Policy approved by the Management Committee.
- **The Remuneration Committee** implements the Remuneration Policy approved by the Management Committee.
- **The Conflicts Committee** is responsible for reviewing and thereafter recommending to the Management Committee changes to the Conflicts of Interest Policy as well as supporting Generation's conflict management.

Our Vision and Mission were re-framed in 2023 to explicitly reference the protection of nature alongside the preservation of a habitable climate and well-being for all. Our Mission specifically references the dual objective of our investment strategies seeking to deliver positive impact alongside long-term, attractive, risk-adjusted investment returns.[10]

The Management Committee, as the principal governing body of our firm, plays a crucial role in overseeing and integrating our commitment to climate and nature-related issues into every aspect of our operations. This commitment is not peripheral, but central to our purpose.

As part of this commitment, the Management Committee oversees the setting and monitoring of our climate and nature-related targets and performance across the firm, including our 2025 and 2030 climate targets. Progress is monitored through regular public reports such as the Stewardship Report, which is overseen by the Management Committee, and our quarterly investor letters, ensuring accountability and alignment with our long-term objective.



[10] Generation seeks to deliver attractive risk-adjusted returns and positive impact, but there can be no guarantee this goal will be achieved.

INCENTIVES

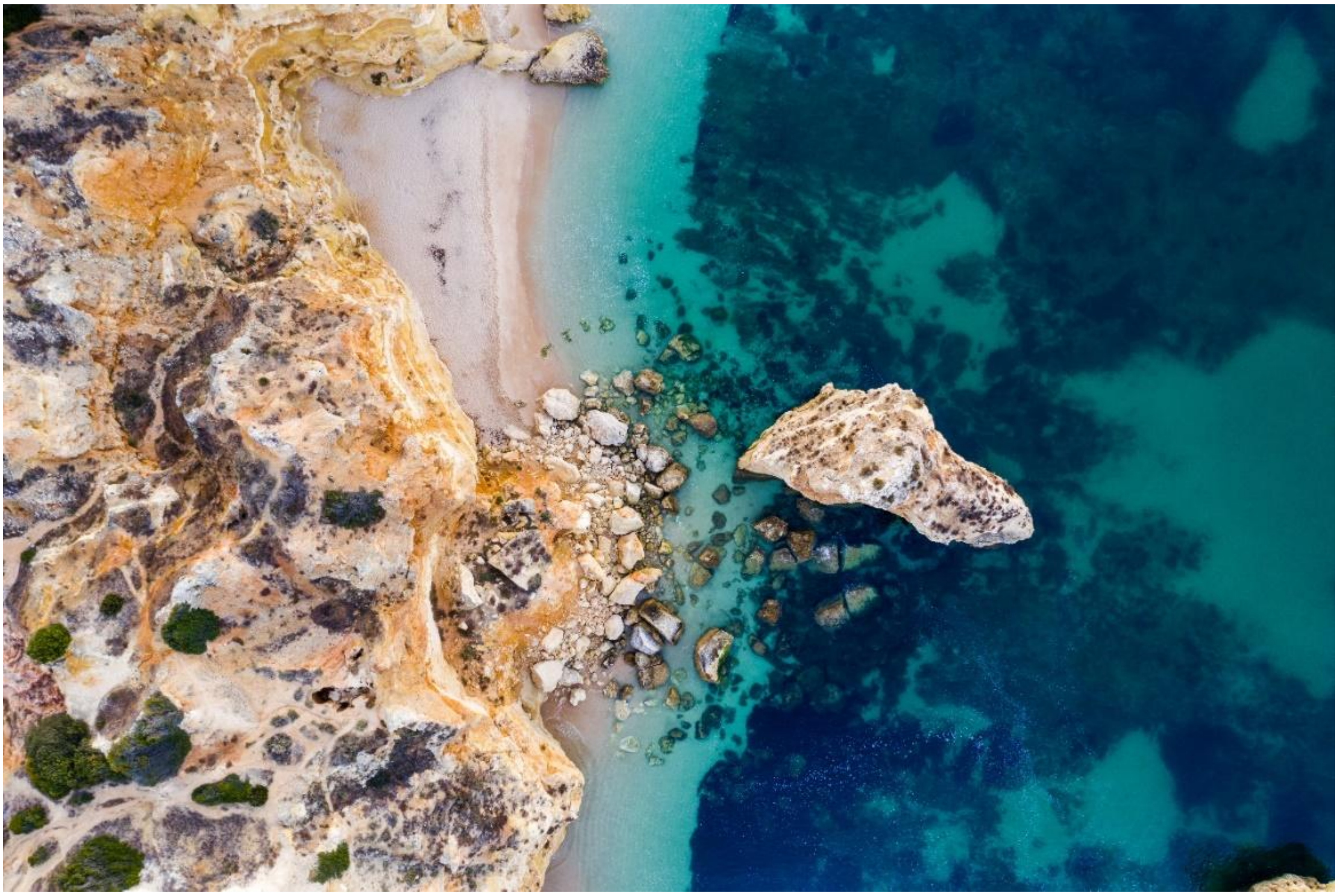
Generation is an independent, private, owner-managed partnership. Both Partners and employees participate in the firm's profits.

Our Remuneration Committee is confident that our remuneration policy and practices accurately reflect our focus on sustainability targets, including but not limited to climate targets. Our Remuneration Policy is designed to ensure that Generation has a risk-focused approach that is consistent with and promotes sound and effective risk management, while aligning with our mission, culture and business objectives.

In addition to the remuneration considerations for the whole firm set out above, Just Climate has built climate impact into their own performance fees.

Just Climate's mission is to institutionalise climate-led investing as a capital allocation imperative, targeting attractive risk-adjusted returns by backing the highest-impact climate solutions.[11]

It has therefore developed an innovative integrated performance fee designed to motivate pursuit of the highest-impact climate solutions alongside the generation of attractive risk-adjusted financial returns on those investments. The performance fee starts with financial performance similar to a traditional carry structure but is then adjusted by an Impact Factor, with a multiplication range of 0–100%. The Impact Factor is a ratio where the numerator is a weighted average of the GHG emissions abatement achieved by the portfolio measured over a ten-year period and the denominator is an ambitious fund-level GHG emissions abatement target. Just Climate defines expected GHG emissions abatement as the forecasted GHG emissions a specific investment is expected to abate over ten years, compared to a baseline scenario, based on a realistic business model, including any GHG emissions removed from the atmosphere, measured in tonnes of CO_2 equivalent. The integrated performance fee incentivises the team to focus on those solutions whose potential financial returns are driven by outsized abatement.



[11] Just Climate seeks to deliver attractive risk-adjusted financial returns, but there can be no guarantee this goal will be achieved.

LEADERSHIP OVERSIGHT OF CLIMATE AND NATURE-RELATED RISKS AND OPPORTUNITIES

Given that Generation's mission, climate and nature-related issues are considered when developing strategy, overseeing risk and setting performance objectives as a matter of course.

The Management Committee maintains ultimate responsibility for the integration of climate and nature considerations into our business processes.

The Management Committee is also responsible for maintaining appropriate skills and competencies to effectively oversee our strategies' response to climate and nature-related risks and opportunities. The Management Committee regularly considers its collective expertise in climate and nature-related issues, ensures ongoing education on climate science and policy developments and regularly engages with external experts. The Management Committee also considers climate expertise in succession planning.

A significant number of the firm's Management Committee has been with Generation since its founding and several members have expertise in climate science, biodiversity and conservation, climate policy and the implications for businesses.

Our Chairman is the founder of the Climate Reality Project, which seeks to promote education related to climate change. Our Senior Partner is Chair of the Global Board of Directors of the World Resources Institute (WRI). A member of the Management Committee serves on the Board of Conservation International and a second on its Leadership Council. Another member of the Management Committee sits on the Council of Trustees of Fauna & Flora International. Finally, another member was previously CEO of the Impact Management Project and led the establishment of the ISSB; she also sits on the Board of WRI. Since Generation's founding in 2004, the Management Committee has been critical in developing our integrated investment process and shaping the firm's research and advocacy agenda with respect to climate change and nature.

OVERSIGHT OF RISK

Across every business line of the firm, including Just Climate, business unit heads are responsible for monitoring and confirming the risks they are exposed to within their respective groups and reporting this to the ROG via a central risk register. These risks include climate and nature-related issues. Results are reviewed by the ROG and communicated to the Management Committee when necessary.

With respect to the firm's operational footprint, Generation's Environmental Management System (EMS) is reviewed internally by the Chief Operating Officer. The EMS is also reviewed by external auditors on an annual basis. The ROG and Management Committee receive annual updates on the firm's carbon compensation programme with a focus on recommended emissions reduction targets and suggested carbon compensation.

EMBEDDING SUSTAINABILITY ACROSS OUR INVESTMENT TEAMS

Our investment leadership and teams are resourced with sufficient analysts to allow for the integration of sustainability research within fundamental equity analysis and deep stewardship with the companies in which we invest. Our teams focus on what a given business does, as well as how the business operates.

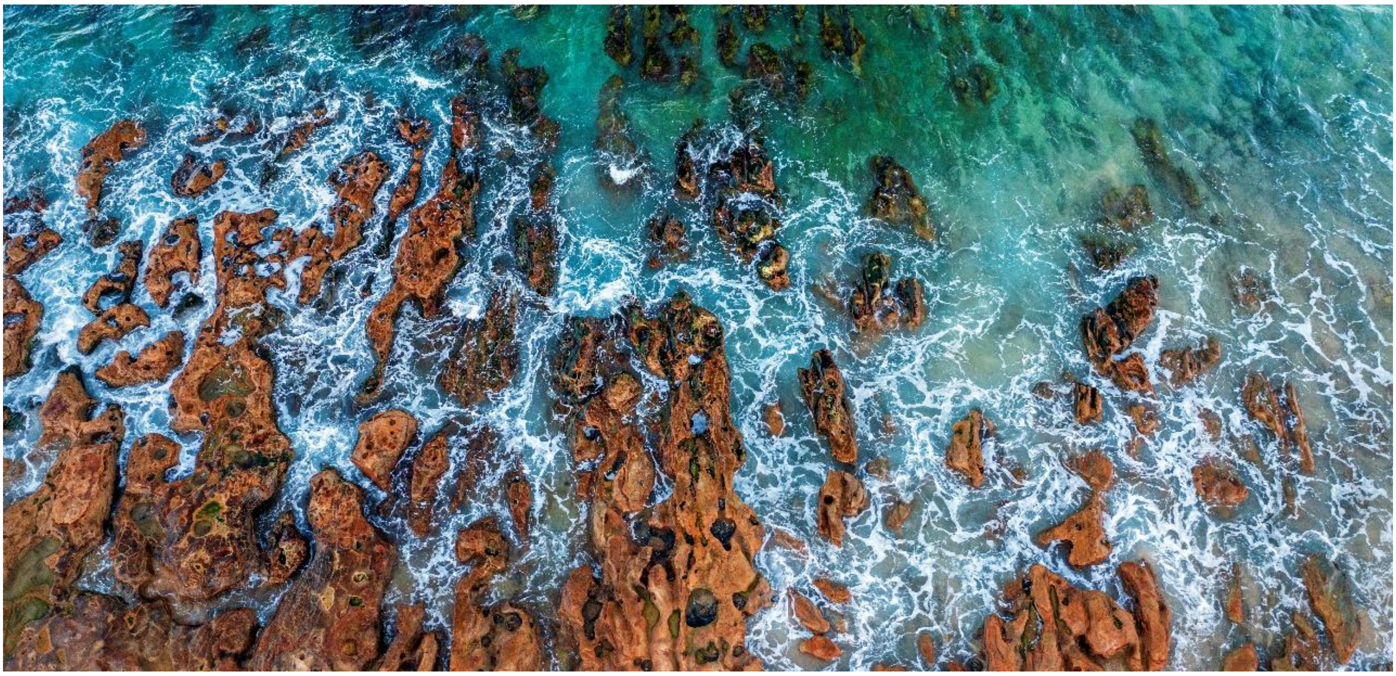
For example, our public markets analysts each cover a relatively small number of companies – typically no more than 12. We believe this permits each analyst to develop insights, gain conviction and undertake stewardship activities that others without similar levels of resourcing may find difficult to achieve. Because of the intense coverage of a company by our analysts, we expect to understand our stocks better than most managers, and to have a higher level of engagement with management teams and Boards. Although analysts are focused on different sectors, our approach is team-based, and constructive dialogue and idea-sharing across the team are valued and encouraged. Issues relating to climate- and nature-related risk and opportunity are routinely discussed at investment team meetings.

In Generation's Growth Equity and Private Equity strategies, sustainability research takes the form of an assessment of System Positivity (SP). The SP framework used by Growth Equity and Private Equity assesses the potential positive and negative impacts of the company's products and operations, impact KPIs that the team deems important to track, and Generation's potential to add value post-investment through engagement with the company.

We have dedicated 'Research Strategy' sub-teams within Global Equity and Growth Equity. These sub-teams are focused on performing primary research, which supports our investment teams in assessing climate-related risks. The teams manage relationships with traditional equity research providers, sustainability research and climate data providers and expert networks.

Finally, we have continued to strengthen our monitoring and engagement on climate- related issues in order to enhance our ability to structure and undertake more ambitious engagement programmes, use voting strategically in support of our investment objectives to accelerate climate action, collaborate more effectively with other investors and escalate engagement where necessary.

Separately, Just Climate's approach includes an assessment of Climate Impact Quality. In addition to the assessment of a solution's ability to abate GHG emissions, this framework also includes an impact measurement approach that starts with identifying all of the key stakeholder groups and then proceeds to an assessment of the most material environmental and social outcomes. Just Climate uses environmental and social thresholds to show whether performance is sustainable or unsustainable and to monitor and manage Just Climate's expectation for changes over time.



Strategy

CLIMATE AND OUR INVESTMENT PHILOSOPHY

Consideration of climate-related risks and opportunities has been embedded into our investment approach across all strategies since the firm's inception.

In 2023, we formally integrated nature protection into our Vision and Mission, acknowledging the intrinsic connection and interdependence between biodiversity loss and climate change. In our view, the financial materiality of climate change and nature loss has continued to grow, and we believe these are now some of the most critical factors impacting long-term investment returns.

In assessing climate and nature-related risks and opportunities, we consider multiple time horizons that align with both our investment strategies and the evolving landscape of climate change impacts. We define our relevant time horizons as short-term (1–3 years), medium-term (4–9 years) and long-term (10+ years).

In the short term (1–3 years), we focus on immediate transition risks and opportunities, such as regulatory changes, technological advancements and shifting consumer preferences. Our medium-term outlook (4–9 years) considers the acceleration of the net-zero transition, including the potential for stranded assets and the emergence of new market leaders in sustainable technologies. For the long term (10+ years and beyond), we evaluate the physical risks of climate change, long-term shifts in global energy systems and the potential for transformative changes in industries and economies. This multi-horizon approach allows us to balance immediate market dynamics with long-term sustainability goals, ensuring our investment strategies are resilient and adaptable to the evolving climate landscape.

We continue to believe that the transition to a net-zero economy is accelerating but has not yet reached the pace required to meet global climate goals. While renewable energy deployment is growing rapidly, overall emissions have not yet begun to decline structurally. The buildings and industrial sectors remain especially challenging areas for decarbonisation.

We see both risks and opportunities arising from this transition. Risks include stranded assets as carbon-intensive sectors face increasing regulation and challenge from cleaner technologies. There is also risk if the shift to a low-carbon economy does not happen fast enough to avoid the worst impacts of climate change. However, we believe the businesses that are adapting to and enabling this transition will be better positioned to remain profitable over the long term.

Our planet's natural assets and biodiversity continue to be degraded, with deforestation remaining an urgent global problem despite some progress in key countries like Brazil. We recognise that the climate and nature crises are inextricably linked, and that we cannot achieve net zero without also protecting and restoring natural ecosystems.

We consider climate and nature-related risks and opportunities in our investment processes across all sectors. We seek to invest in businesses that we believe are well positioned for the net-zero transition, including those whose products and services directly address these challenges or enable greater resource efficiency. At the same time, we are increasingly wary of carbon-intensive sectors that face major transition risks.

Integrating this view has led us away from industries like coal and oil and gas production. However, we recognise that some exposure to high-emitting sectors may still have a necessary and appropriate role in the transition. Our focus is on identifying companies with credible plans to decarbonise their operations and products in line with science-based pathways.

Given the interconnectedness of climate and nature challenges, we adopt a holistic strategy that aims to address both the risks and opportunities associated with these issues. Our comprehensive approach is built on three key foundations:

- Investing in sustainable companies that address climate and nature challenges.
- Actively engaging with portfolio companies to promote long-term sustainability and resilience.
- Driving systemic change through collaboration, research and advocacy.

Identifying climate and nature-related dependencies, impacts, risks and opportunities

ROADMAPS AND RESEARCH

Sourcing of investments at Generation and Just Climate is informed primarily by our research 'roadmaps' that identify macro and sector trends, including material sustainability risks and opportunities.

Roadmaps are in-depth research initiatives that allow our investment teams to investigate factors driving sector and global trends while deepening their understanding of the investment landscape. These studies may have a broader focus on countries or sustainability themes, but more typically concentrate on sectors and sub-sectors. One objective of roadmaps is to identify sustainability risks and opportunities relevant and material to particular sectors.

Just Climate has further refined this approach by selecting roadmap topics based on an impact prioritisation process rooted in an analysis of the highest-emitting most off-track sectors.

In 2025, our roadmaps spanned a diverse range of topics across our strategies.

Global Equity focused on emerging technologies and critical sectors such as: AI agents and data, AI demand, AI supply constraints, AI sustainability, veterinary medicine, agricultural sustainability, cyber security, GLP-1s, hospitality, human capital management and payroll, pharma production, rail freight and robotics.

Growth Equity explored areas such as: AI agents, AI and cyber security, AI foundation models, AI inference, AI scribes, design and simulation software, diabetes care and GLP-1s, healthcare automation, offshore wind infrastructure reliability services, SMB financial operating systems, utility operations reliability services, value-based care and web security.

Just Climate continued its focus on climate mitigation and adaptation, covering both Industrial Climate Solutions and Natural Climate Solutions Topics included: biochar, biomanufacturing, biomethane, datacentres, buildings energy efficiency, electricity grid upgrade, fertiliser, field monitoring, geothermal, green steel, Indian agriculture, industrial heat, municipal solid waste, precision agriculture sensors, precision weeding, rare earths, road transportation, soil health testing and wildfire.

Over the years, we have completed several hundred roadmaps across our public and private markets strategies, and for each of these have characterised the relevant short- and long-term climate considerations and drivers when material. They continue to inform our investment decisions and help us identify emerging trends and opportunities in the sustainable investment landscape.

SUSTAINABILITY FACTORS IN COMPANY SELECTION

Our investment process fundamentally integrates sustainability factors, including material climate and nature considerations, throughout the company selection process.

Business Quality (BQ) and Management Quality (MQ): Guided and informed by roadmap research, analysts pursue in-depth company research. This stage is structured around the robust criteria we have set, which enable us to evaluate both what a business does and how a business operates. Aspects considered include barriers to entry, business stability and alignment of management incentives.

The BQ criteria also necessitates a deeper analysis of a company's positioning with regards to the material and relevant sustainability factors within its sector. The questions that analysts consider include, amongst others:

- Do they borrow from future earnings?
- Do they impair or improve the present and/or future well-being of society? What externalities exist/who else might be 'paying a price'?
- Does the customer get a 'good deal'?
- Environmental or social vulnerabilities to be tracked?

The MQ criteria look at a company's long-term orientation, its culture and mission and its alignment with Generation's own philosophy, among other things.

System Positive framework: Building on the BQ and MQ assessments, our private markets teams also integrate the System Positive (SP) framework as a critical overlay in their investment process. The framework assesses the potential positive and negative impacts of the company's products and operations, impact KPIs that the team deems important to track, and Generation's potential to add value post-investment through engagement with the company.

Climate Impact Quality: In addition to assessments of BQ and MQ, Just Climate performs a Climate Impact Quality (CIQ) assessment, which includes and builds upon the System Positive framework assessment. This assessment considers a company's scale and timeliness of GHG emissions avoidance and/or removal relative to an ambitious abatement target, the barriers that the company addresses to support Just Climate's assessment of additionality compared to the baseline scenario, whether the company's business model is scalable/replicable such that it could address a significant percentage of global emissions, whether it is a sustainable solution by comparing performance to environmental and social thresholds, and how Just Climate can be a catalytic investor. The scale of GHG abatement is assessed over the ten-year period from investment and is calculated as the baseline emissions, i.e., the emissions that would be expected to occur in the baseline scenario in the absence of the company's activities occurring, net of the company's expected emissions and any GHG emission removal.

ACTIVELY ENGAGING WITH PORTFOLIO COMPANIES TO PROMOTE LONG-TERM SUSTAINABILITY AND RESILIENCE

ACTIVE ENGAGEMENT

Where we believe improved management of climate or nature-related issues is required, this is incorporated into our stewardship and engagement activities across all funds.

Our stewardship and engagement is focused on what we believe will promote the interests of the company, its stakeholders and shareholders over the medium and long term. On climate change, we assess companies' strategies for attaining net-zero emissions on a multi-decade basis. We never encourage companies to optimise performance for the short term. In 2025 we identified a number of priority companies in the Global Equity portfolio that we believed were exposed to particular nature-related issues. We discussed water in four meetings, pollution/waste in seven and deforestation in three meetings.

Our active engagement with investee companies is detailed in our 'Engagement on climate and nature risks and opportunities' section.

DRIVING SYSTEMIC CHANGE THROUGH ADVOCACY RESEARCH AND COLLABORATION

Generation was established in response to the concerns of its founders around the detrimental impacts and systemic risks posed by short-termism and the failure to integrate sustainability considerations into investment analysis and stewardship.

Working to address these challenges is intrinsic to Generation's purpose and our vision on how to mitigate systemic climate and nature risk. As a small firm with big aspirations, we must focus, motivate and collaborate with others. We pursued the impact initiatives outlined below in the past year to leverage our track-record, differentiated approach to investment research and convening power to drive positive systemic change.

RESEARCH

The Sustainability Trends Report (STR): We published our ninth annual STR in 2025 and hope it will become the 'go-to' resource for those seeking information on sustainability developments. Our aim is to aggregate and share insights that governments, businesses and investors can use to ensure a sustainable world in which prosperity is shared broadly, in a society that achieves well-being for all, protects nature and preserves a habitable climate.

Sustainability Insights: We launched our Insights series in 2019 to share lessons drawn from our investment work in the form of publicly available papers. In 2025, we published two papers aimed at helping raise the bar on sustainability: Viewing AI Through a Sustainability Lens and Are Companies Backsliding on Sustainability?

THE GENERATION FOUNDATION

Founded alongside Generation Investment Management in 2004, the Generation Foundation shares GIM's vision for a sustainable future for climate, nature and people. The Foundation works to unlock the power of capital markets to drive a more sustainable economic system, deploying over £8.5 million in 2025 across its grant making, research and employee matching programmes. Among the Foundation's grantees were the US Impact Investing Alliance, Commonwealth Climate and Law Initiative, and Asia Investor Group on Climate Change. Each supports the sustainable investing infrastructure that enables investors to consider sustainability as a key input to assess and manage systemic financial risks. Their work builds upon findings of the Foundation's flagship Legal Framework for Impact project – a detailed global analysis that confirms the legal framework already exists in multiple jurisdictions for investors to consider sustainability as a relevant concern.

In 2025 the Foundation also made a major grant to support Climate TRACE, a global not-for-profit coalition of more than 100 universities, scientists and AI experts that has created the world's first comprehensive accounting of greenhouse gas emissions based primarily on direct, independent observation. Through a three-year grant, the Foundation is supporting Climate TRACE's work to facilitate emissions data being used to drive concrete decarbonisation actions. The grant will also help expand Climate TRACE's coverage of non-greenhouse gas air pollutants implicated in millions of deaths around the world each year.

COLLABORATION

Generation mostly engages with companies on an individual basis, as we find personal, direct conversations are often most effective and contribute to building long-term relationships with management teams. However, where appropriate and subject to careful legal analysis around ‘concert party,’ ‘group’ and related regulatory issues, we will participate in collaborative engagement.

We participate in Climate Action 100+, the collaborative engagement initiative to ensure that the world’s largest corporate GHG emitters take appropriate action on climate change. Given our focus on sustainable investment, very few of our Focus List companies are covered by the initiative, and in 2025 we were a supporting investor in one engagement. We believe the initiative is an important collective effort to reduce corporate GHG emissions in line with the goals of the Paris Agreement and a useful vehicle for sharing best practice on climate change engagement.

We also participate in the Net Zero Engagement Initiative established by the Institutional Investors Group on Climate Change (IIGCC). This builds on and extends the reach of collaborative investor engagement on climate action beyond the Climate Action 100+ focus list. The central ask of companies engaged under the initiative is a robust corporate net-zero transition plan. Again, few of our Focus List companies are covered by the initiative. In 2025 we led engagement with one company and participated in one further engagement.

ENGAGEMENT WITH INDUSTRY

Generation is a member of the Asia Investor Group on Climate Change (AIGCC), CDP, Ceres, the Institutional Investors Group on Climate Change (IIGCC), the IFRS Sustainability Alliance, the Powering Past Coal Alliance (PPCA), the Principles for Responsible Investment (PRI), the Taskforce on Nature-related Financial Disclosures (TNFD) Forum and The Climate Pledge, all of which work on reducing systemic sustainability risks.

We are Founding Partners of the Taskforce on Inequality and Social-related Financial Disclosures (TISFD), which launched in September 2024. TISFD is a global initiative to develop recommendations and guidance for businesses and financial institutions to understand and report on impacts, dependencies, risks and opportunities related to people. Generation’s Senior Partner David Blood sits on the Steering Committee. The Generation Foundation is one of the funders of TISFD and sits on the Stewardship Council. In May, TISFD launched its Beta Framework for comment, following on the successful release of its Conceptual Foundations, highlighting the importance of disclosure on contributions to the systemic risk of rising inequality, and emphasising the central role of people in the transition to a net-zero and nature-positive economy.

Generation helped to establish the Net Zero Asset Managers initiative (NZAM) and Generation’s Head of Public Markets Engagement Edward Mason sits on the NZAM Advisory Group.

Generation’s Senior Partner David Blood sits on the Glasgow Financial Alliance for Net Zero (GFANZ) Principals Group and Edward Mason on the Steering Group. GFANZ narrowed its activities in 2025, due to the ‘ESG backlash,’ and now focuses specifically on mobilising capital for the transition, particularly to emerging markets and developing economies (EMDEs).

Generation sat on the Investor Strategic Working Group of the Finance Sector Deforestation Action (FSDA) initiative throughout 2025 until the planned expiry of the group’s mandate, and is participating in the Deforestation Investor Group (DIG), the successor platform established by IIGCC to support investors seeking to mitigate the financial risks associated with deforestation.

IN THE SPOTLIGHT

Public policy

Generation's interactions on public policy and standard setting on systemic sustainability risks are generally via industry associations. Interactions are typically via IIGCC (on whose Policy Advisory Group Generation's Head of Public Markets Engagement sits) for UK, European and global issues. Interactions are typically through Ceres for US issues.

Where we believe there is potential to materially advance sustainable investing, we respond to consultations ourselves, support group statements and meet with policymakers.

In 2025 we:

- participated in high-level IIGCC trip to Brussels in January for meetings with European Commissioners and officials calling for the simplification of sustainability regulation to take account of investor needs, real economy policy to support greater capital allocation to the transition and continued EU climate leadership;
- submitted a response to the California Air Resources Board (CARB) climate disclosure consultation in March in support of two proposed disclosure laws and encouraging CARB to ensure harmonisation and interoperability with the International Sustainability Standards Board (ISSB) Standards. One of the laws is now in force, the other is temporarily enjoined due to a legal challenge led by the US Chamber of Commerce;
- responded to EU consultations on simplification of the European Sustainability Reporting Standards (ESRS) in May and September, calling for greater harmonisation and interoperability with the ISSB Standards. Final adoption of the revised standards is awaited;
- participated in the consultation on the Science Based Targets initiative (SBTi) Corporate Net Zero Standard in May in a broadly supportive way. The final version of the revised standard is awaited. More generally, Generation also maintained regular contact with the new SBTi CEO (who was appointed in January 2025) in support of the success of the initiative given its system-wide importance. This is an example of escalated activity and followed a challenging year for SBTi in 2024, including the resignation of the former CEO. SBTi had a positive 2025 and we continue to offer support; and
- responded to a UK consultation in September supporting UK adoption of the ISSB S1 & S2 disclosure standards with only limited amendments and on a mandatory basis. Engagement on this issue continues.

Signed the following group statements or letters:

- A business support letter on strengthening and reauthorising the California Cap & Trade Programme published by Ceres in August. The programme was indeed strengthened and re-authorised.
- A private investor letter in support of the EU Deforestation Regulation (EUDR) in September that Generation initiated and worked on with IIGCC. This was followed by a joint statement on EUDR organised by Client Earth in December. Our heightened activity on this issue was an example of escalation, due to our concern about the threat to the regulation and our views on its systemic importance. Implementation of EUDR was subsequently postponed by the EU and the European Commission was mandated to consider a simplification review in 2026. Engagement continues.
- A statement in support of the EU Methane Regulation published by IIGCC in October. The next month, Commission President von der Leyen indicated support for full, effective implementation for the first time in a letter to a group of MEPs. Engagement continues.
- A Belém Investor Statement on Rainforests published by Rainforest Foundation Norway in November. While COP30 did not agree a deforestation roadmap, deforestation enjoyed a raised profile at the COP (an entire day was set aside to focus on deforestation and conversion-free supply chains) and Brazil is now leading work on a deforestation roadmap outside the COP process.

Risk management

OUR APPROACH TO IDENTIFYING RISKS

In this section, we present our current understanding of the firm's exposure to climate- and nature-related risks and opportunities.

CLIMATE

Our risk management approach uses various metrics and methodologies, reflecting the evolving nature of climate and nature risk assessments. While our climate risk assessments are more mature, our nature-related risk analyses are still developing. We acknowledge that the metrics and models used are subject to uncertainty and ongoing refinement.

Our most recent quantitative climate scenario analysis is set out in our [2025 Climate and Nature report](). We believe that running climate scenario analysis on a multi-year cycle is appropriate for our business because of our long-term investment style, and that the 2025 results remain representative of our exposures for the current reporting period. Our portfolios in aggregate experience relatively low turnover year-on-year. Additionally, given that both scenario analysis approaches used in our 2025 report[12] employ sector-average assumptions – i.e., rotating capital from one software company into another would likely yield no material change to the analysis – this means the results are unlikely to change significantly on an annual basis. The outputs of the scenario analysis inform our assessment of climate-related risks and opportunities at the strategy and portfolio level, and feed into our investment research, engagement priorities and risk monitoring processes. We keep the frequency and methodology of our scenario analysis under regular review and will refresh the quantitative analysis where there is a material change in our portfolios, in the underlying methodologies, or in market practice.

It is important to note that while quantitative metrics offer valuable insights, they have limitations. The complex, interconnected nature of climate and biodiversity issues means that some risks may be underrepresented or difficult to quantify accurately. Furthermore, the long-term and potentially non-linear impacts of these risks add another layer of complexity to our assessments.

By sharing our methodologies, findings and challenges, we aim to contribute to the advancement of reporting practices. We actively fund research and engage with academics, market participants and initiatives to enhance our understanding and capabilities in addressing nature-related issues.

Evaluating climate- and nature-related risks and opportunities is an intrinsic part of all our investment strategies. For each of our strategies, we track a wide range of sustainability indicators at the portfolio level and hold regular monitoring meetings with companies.

We start by identifying sustainability factors that we believe are material to a broad set of stakeholders. It is only by understanding the significant impacts and dependencies of a company on people and planet that we are then able to assess whether they will come back to the company in the form of risks and opportunities, which in turn can affect its financial position or performance over the short, medium and/or long term. Our process is aligned with the UN-backed Principles for Responsible Investment, NZAM, the ISSB, TNFD and the UK Stewardship Code.

With respect to our internal operations, business unit heads are responsible for tracking the risks that their individual teams are exposed to within their respective groups. This is documented within a central risk register, which the ROG has a responsibility to oversee. Building on our existing process, we will continue to introduce a more granular assessment of climate- and nature-related risks, although we recognise that given our small employee base and footprint, our greatest potential exposure lies with our investment strategies.

DATA QUALITY AND COVERAGE

We use multiple sources to analyse climate and nature risks and opportunities. A large share of the data stems from corporate reporting and our engagement and monitoring of investee companies. Other data may be estimated by external data providers. In addition, we are expanding our use of data from alternative sources including geospatial data to better understand our portfolio's interdependencies with nature risk.

Despite the limitations, we see the landscape of climate and nature data improving and continue to test some of the new products that have come to market.

PORTFOLIO ALIGNMENT MEASUREMENT

Generation has led work on portfolio alignment measurement since 2020. The Implied Temperature Rise metric is a forward-looking measure, expressed in degrees Celsius, designed to show the temperature alignment of companies, portfolios and funds with global temperature goals.

[12] https://www.generationim.com/media/p3qpqohc/gim-tcfd-report-june-2025-final.pdf

The ITR metric works by comparing the current and projected GHG emissions of a company with its share of the remaining global carbon budget.

These are the results of the Implied Temperature Rise (ITR) tool from MSCI ESG Research, for the Global Equity portfolio for 2021–25. The MSCI tool takes account of Scopes 1, 2 and 3 emissions.

SCOPE	ITR 2021	ITR 2022	ITR 2023	ITR 2024	ITR 2025
S1+2+3	2.0°C	1.9°C	1.7°C	1.8°C	2.0°C

Using the ITR tool, the Global Equity portfolio was aligned with a 2°C outcome or below throughout the assessment period. This was significantly better than the benchmark, which was at 2.8°C in 2021, 2.5°C in 2022, 2.4°C in 2023 and 2024 and 3°C in 2025. In 2025 MSCI updated their ITR methodology to uncap company level ITR budget overshoot potential. Previously a company's overshoot potential was capped at a 10°C scenario maximum. This resulted in a 0.2°C uplift to the portfolio ITR and a 0.6°C uplift in the benchmark figure.

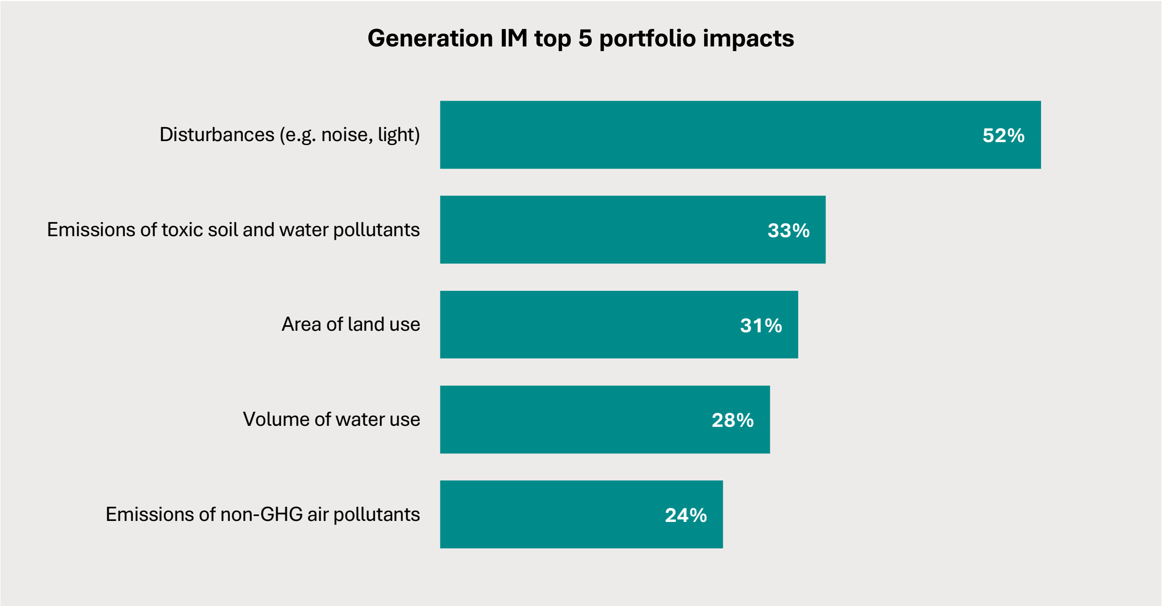
NATURE

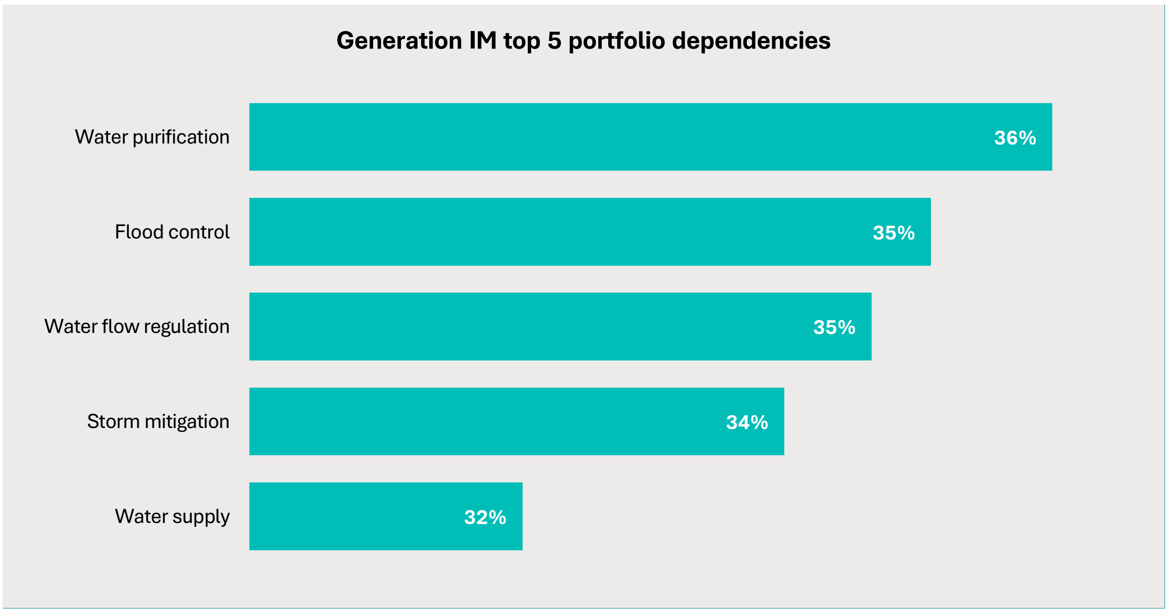
Our analysis of nature risk consists of data from different sources covering impacts and dependencies on ecosystem services, key biodiversity areas, protected areas, threatened species and satellite data-powered tools for nature conservation monitoring and forest integrity.

‘ENCORE’ ANALYSIS

We use the ENCORE tool in our analysis of our portfolio companies’ potential impacts and dependencies on ecosystem services. This tool, developed by Global Canopy, UNEP FI and UNEP-WCMC, is based on extensive research and both quantitative and qualitative data. It provides materiality ratings for pressures and dependencies at the sector level.

Similarly to the scenario analysis we conduct, we believe it is appropriate to update this analysis on a multi-year cycle because of the low turnover in our portfolios and because this tool is also based on sector level assumptions. We re-present last year’s analysis here as it remains relevant to our portfolios.





Companies can cause impacts to the drivers of nature loss through land or freshwater use, or by emitting pollutants to air, water and soil. Companies can also depend on the provision of ecosystem services, including water supply and purification, for their operations. Healthcare, industrials and materials have some of the highest potential materiality ratings across several impact drivers, including emissions of pollutants to air, water and soil, and dependencies, including water purification, regulation and supply.

While financial services and information technology are the largest sectors in our portfolio, they generally have moderate materiality ratings.

These ENCORE materiality ratings offer valuable insights into how different sectors depend on ecosystem services and impact drivers of nature loss. However, as the data is aggregated and not company-specific, it serves as an indication of potential impacts and dependencies for the portfolio, rather than providing detailed company-specific information. This has limitations, especially with regard to Just Climate where investments are intentionally directed towards innovative businesses that are breaking the mould in hard to abate sectors.

Our investment methodology is rooted in developing a comprehensive understanding of, and strong relationships with, our investee companies, and our dialogue and ongoing monitoring with companies means that we can dive deeper on these company-specific nuances. As a result of our ENCORE analysis in 2023, we identified a number of priority companies in the Global Equity portfolio exposed to particular nature-related issues, including water and pollution/waste. This complements our existing work on commodity-driven deforestation, detailed later in this section.

LOCATING JUST CLIMATE'S INTERFACE WITH NATURE

Just Climate's Natural Climate Solutions strategy focuses on investments in nature-positive solutions that can support the delivery of net zero through avoided GHG emissions and carbon sequestration. The north star for the strategy is therefore a solution that can deliver both significant GHG emissions abatement and nature-positive outcomes.

Central to this strategy is understanding changes in the state of nature and biodiversity, recognising that nature-related impacts and dependencies vary not only by investment type but also by geographical location. Understanding these location-specific risks, impacts and potential for positive outcomes is crucial for our investment process and ongoing management. To this end, Just Climate continues to integrate the Integrated Biodiversity Assessment Tool (IBAT) into its investment process to better assess its interface with sensitive locations and biodiversity hotspots.

IBAT provides several biodiversity data points that Just Climate uses for both pre-investment due diligence and post-investment monitoring and management. These include overlap with protected areas, key biodiversity areas (KBAs), presence of species from the IUCN Red List of Threatened Species and STAR (Species Threat Abatement and Restoration) scores.

Just Climate prioritises site-specific data when it is available. For enabling technologies within complex value chains where asset-level nature data may not be directly obtainable, Just Climate uses carefully selected samples or proxies.

These tools help Just Climate to identify environmentally sensitive locations in its portfolio, assess proximity of investments to key biodiversity areas and areas of high water stress, evaluate potential biodiversity impacts and guide its investment decisions and ongoing management strategies to support both significant GHG emissions abatement and nature-positive outcomes.

INNOVATION

Just Climate has invested in NatureMetrics, a global nature intelligence company powered by eDNA technology. Environmental DNA, or eDNA, refers to genetic material released by organisms into their surroundings, such as water, soil or air. Measuring eDNA allows for detection and identification of species present in an ecosystem by analysing trace amounts of DNA from samples collected from the environment. eDNA analysis can reveal the presence of individual species and assess the overall biodiversity of a given area. For investors looking at companies or projects where site-specific biodiversity impacts are material to the value-proposition, eDNA serves as an ideal metric for post-investment validation, alongside other geospatial and biodiversity measurement tools.

PHYSICAL RISK

At present, physical climate risk is tracked by our investment analysts at the company level (along with other sustainability issues and aligned with the way Generation has always approached climate risk and opportunity).

Many of the issues that we have highlighted previously still stand, including incomplete data on the location and value of all company assets, and methodologies that focus on first-order effects (such as physical damage of a flood), whereas we believe second- and third-order effects of climate-driven crises are likely to pose even greater challenges for our companies. Methodologies also tend to focus on mean changes in climate variables, rather than tail risks and tipping points.

Trex Analysis, a provider spun out of the University of Exeter that is developing both scenario analysis (already referenced earlier in the report) and physical risk modelling for investors, answers many of these criticisms.

Trex's approach includes probabilistic modelling to investigate the impacts of low-likelihood but high-intensity physical risk events. It provides the tail-risks captured by multiple return periods, i.e., helps understand the relative damage caused by '1-in-50 year' versus '1-in-200 year' events. This is then downscaled to provide company level insights. The data currently provides insights into 6 hazards: floods, droughts, sea-level rise, wildfires, storms and heatwaves.

Engagement on climate and nature risks and opportunities

As an investment manager focused on sustainability, we acknowledge that the economy in which we invest is not sustainable, and that the companies in which we invest are not fully sustainable.

Across all our investment strategies, we seek to invest in companies with better sustainability characteristics. We work to nurture and grow these characteristics through stewardship. And we seek to drive the economic system as a whole in a sustainable direction, including, according to the mandates of each of our strategies, by investing in companies we believe are providing sustainability solutions.

Generation has three core beliefs about what a sustainable company should look like. These inform our investment and stewardship practice.

First, a sustainable company will offer products or services that improve, or at minimum do not impair, the well-being of society; what they bring to the market helps to address social or environmental challenges, not cause them.

Today a company can generate returns from products or services that impose significant costs on society or the environment. We believe that such companies will face regulatory and consumer pressure that will jeopardise their growth, profitability and, potentially, existence. They will pay a price for the social or environmental harm their products or services cause.

Second, a sustainable company will have a long-term orientation.

While a company can increase its profitability by reducing product quality or postponing investment, our view is that this will weaken its ability to generate future growth and profits. Again, such companies are borrowing from their future earnings.

Thirdly, a sustainable company will seek to address harms associated with its operations and have a positive regard for stakeholders, including customers, employees, suppliers and regulators.

Companies that do not act responsibly towards the environment or fairly towards stakeholders do not, in our view, position themselves to prosper in the long run.

Generation engages with its investee companies across all strategies on the measurement and management of emissions. Our engagements with individual companies generally focus on company-specific matters where our investment team's judgement suggests that a specific action or inaction by the company may generate material opportunities or risks.

On climate change, across our public and private market strategies, we seek to engage with companies to improve management awareness of climate-related opportunities and risks, to ensure that all companies disclose their carbon emissions and encourage all companies to set SBTs for carbon emissions reductions, or to make progress on their targets.

We may escalate engagement when a company has not succeeded in achieving what we view as key objectives. Our main recourse in public markets strategies is usually to exercise votes against management at company general meetings, such as voting against the re-election of directors or voting against management on remuneration. Where appropriate and subject to careful legal analysis around 'concert party,' 'group' and related regulatory issues, we may also seek the views of other investors and consider collaborative engagement. Finally, in public markets, we may exit the investment and can additionally choose to remove the company from the Focus List of investable companies for the strategy.

PUBLIC EQUITIES

Our Global Equity strategy has been using a framework for climate change engagement since 2020. Our framework identifies four levels of performance.

- **Level 1** companies disclose GHG emissions either to CDP or in their own reporting.
- **Level 2** companies disclose on climate-related risk and opportunity, in line with the recommendations of the TCFD/ISSB.
- **Level 3** companies participate in the SBTi.
- **Level 4** companies are aligned with our goal of net-zero emissions no later than 2040 and are, in our opinion, showing leadership on climate action.

We believe that our active engagement and scrutiny of climate action have contributed to a rapid increase in participation in the SBTi in the Global Equity portfolio.

A significant focus of Global Equity climate engagement in 2025 remained portfolio companies that have not formally committed to setting SBTs with SBTi. However, we were also increasingly focused on understanding whether companies are successfully executing against their targets and transition plans. We are seeing a small number of companies being removed from SBTi because they have not been able to follow up their commitment to the initiative with securing target validation from SBTi. In all, climate change featured in 34 Global Equity engagement meetings in 2025. The corporate response to the climate crisis is by far the issue on which we engage most in the Global Equity strategy.

In 2023, we generally started to vote against the re-election of Chairs of Global Equity portfolio companies that had not formally committed to set SBTs with the SBTi. This is in line with our view that emissions-reduction targets aligned with the Paris Agreement and climate science must be the norm for every business.

Our climate engagement efforts in the Asia Equity strategy have been more focused, as we targeted first the companies that we think can lead the way for example: iconic Asian firms that compare themselves not only to local peers but also global ones, and that we believe can drive ambition and set the tone in their markets. We have particularly prioritised Alibaba, Taiwan Semiconductor Manufacturing Company (TSMC) and Tencent. Climate change was discussed in six Asia Equity engagement meetings in 2025.

PRIVATE MARKETS

With our private markets strategies, where investee companies tend to be younger, our engagement might involve helping businesses to assess their carbon footprint for the first time or set their first emissions reduction target. This also might include helping companies introduce new products or services to accelerate the climate transition or helping companies measure the carbon avoided due to their products and service in use.

Although objectives of a given engagement may vary, the overarching objective of our engagements is to enhance long-term business and investment value by reducing risk and driving financial performance and impact on sustainability objectives in lock-step.

In 2025, the Growth Equity team engaged with its portfolio across companies in the following funds: Climate Solutions Fund II (CSF II), Sustainable Solutions Fund III (SSF III) and Sustainable Solutions Fund IV (SSF IV).

Highlights included:

- making introductions to C-suite representatives at Fortune 500 enterprises, to help companies scale climate impact and growth;
- supporting multiple companies to measure the carbon avoided by their product and/or service, including creating a carbon-avoided measurement for Redis for the first time;
- continuing to encourage carbon footprinting across companies, with over 80% of portfolio companies in SSF III and SSF IV reporting Scopes 1–3 carbon footprints for the year. Several of our new investments in SSF IV are still at early stages of ramping up their carbon accounting efforts, and we expect the coverage ratio to improve over time; and
- engaging companies in Sustainability Performance Reviews (SPRs), with benchmarking to the portfolio, helping companies identify areas of outperformance and opportunities for improvement, across climate, nature and governance, among other topics.

Over 2025, the Private Equity team closely engaged with its three portfolio companies, FNZ, Octopus Energy and IFS.

Highlights included:

- worked closely with Octopus Energy to accelerate the next phase of growth for its Kraken technology platform as an upcoming independent platform. With Kraken scaling globally to 73 million contracted utility accounts across 14 countries, we believe their upcoming independence not only unlocks significant commercial potential but impact potential as well;
- continued active engagement with FNZ through another year of organisational transition, and supporting the company to scale its Sustainability Solutions platform to a fully modular, API-first architecture;
- initiating an intensive active engagement programme with IFS – the Private Equity Team's newest investment announced mid 2025 – focused on sharpening its sustainability positioning, developing core impact KPIs and supporting their thought leadership at the intersection of industrial software, AI and decarbonisation.

Since investment, the Private Equity team have worked closely with the Head of Sustainability at FNZ to develop and promote the 'FNZ Sustainable Solutions' product. The Sustainable Solutions product allows individual savers and financial advisers to understand the impact of their portfolios, with the goal of driving a shift toward more sustainable capital allocation. In addition, the Private Equity team continued to sit on the FNZ and Octopus Energy Boards, and to have monthly calls with the Head of Sustainability at IFS, providing opportunities to support effective stewardship of all companies.

ENGAGEMENT ON NATURE RISKS AND OPPORTUNITIES

Generation engages its portfolio companies on certain aspects of nature, such as deforestation, and is working to broaden and deepen its efforts over time. Our approach is informed by key developments such as the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, the 2022 Kunming-Montreal Biodiversity Agreement and the anticipated ISSB reporting standards for nature.

Companies' relationship with nature can be characterised by impacts and dependencies. We seek to understand the ways in which biodiversity and ecosystem services are relevant to companies, and for the companies that Generation invests in this is largely, albeit not exclusively, indirectly through sourcing practices and supply chains. That said, our portfolio's relationship to nature is not confined to potential negative impacts and risks. There are also significant opportunities for positive impact. Generation's Private Markets platform (Growth Equity, Private Equity and Just Climate) has identified opportunities to drive positive impact on nature through its investment activities. One example is the Private Equity team's engagement with portfolio company FNZ, to drive transparency on nature impacts and risks in investment portfolios.

Building on the Climate Change Engagement Framework, Generation developed a targeted engagement framework for deforestation in 2023. The framework addresses the complex interplay between deforestation and broader net-zero goals, focusing on sectors and companies where the issue is most material, including consumer goods companies that use forest-risk commodities in the products that they sell or financial institutions that have exposure through their financing activities.

As a result of our ENCORE analysis in 2023, we identified a number of priority companies in the Global Equity portfolio exposed to particular nature-related issues, including water and pollution/waste. This led to engagement meetings focused on topics such as enhancing water efficiency in semiconductor manufacturing through greater use of closed loop systems, and minimising active pharmaceutical ingredient pollution in waste water releases in the healthcare sector, to give two examples.

As part of our deepening engagement work on nature, Generation also joined Nature Action 100 (NA100), a global collaborative investor engagement initiative focused on nature. This initiative consists of over 240 investors representing over USD 30 trillion in AuM.[13] NA100 has the aim of supporting greater corporate ambition and action on tackling nature and biodiversity loss, including through adoption of the TNFD reporting framework.

In order to build and expand on our nature engagement work we also hosted an event during London Climate Action Week. The event included policymakers from the UK's Department for Environment, Food and Rural Affairs, a respected academic from the University of Oxford and innovative nature-focused companies. Our discussions focused on which dimensions we should use to measure nature, how corporates can credibly set nature targets and lessons learnt from companies that have successfully integrated environmental and financial performance metrics.

[13] As at October 2025.

Metrics and targets

‘GHG accounting’ is the process required for the historical measurement of the seven gases mandated under the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). This process is a crucial foundation for the transition to a net-zero world by 2050.

For ease of accounting, these gases, which have different impacts on global warming over different time-horizons, are usually converted to and expressed as carbon dioxide equivalents (CO_2e). GHG emissions are further categorised as direct (Scope 1) or indirect (Scopes 2 and 3).

Transition planning combines GHG accounting with SBTs and disclosure of actions taken to deliver on targets. This parallels financial and operational reporting, requiring the same levels of reliability, precision of terminology, accuracy of measurement and internal controls to ensure quality.

Another parallel with financial and operational reporting is that GHG accounting involves varying degrees of certainty. Scope 1 emissions often use activity-based primary data, while Scope 3 often relies on a mix of primary, secondary and estimated data.

The maturation of GHG accounting and transition planning, and the resulting reliability of this information to inform decision-making, is essential in understanding the interplay between climate impact and company performance. It is therefore a priority for Generation and Just Climate to work with our portfolio companies, policy-makers, regulators, standard-setters and technology solutions providers to establish robust and reliable GHG accounting practices.

The quality and consistency of carbon data available to us is improving rapidly but continues to lag behind the quality of financial data. Our metrics use the best data available, but a lot of companies and data providers do not disclose and reproduce emissions consistently. For this reason, our metrics necessarily use the latest available carbon data (in our public strategies this largely means 2024 data rather than 2025), and not all of the companies that we own disclose all of their material emissions yet. This is something that we engage with companies on regularly and we will continue to do so.

In public equities, we held discussions with one of our sustainability data providers, MSCI, about the time taken to update companies’ GHG emissions data and the provider’s failure to distinguish between location-based and market-based Scope 2 emissions data.

Metrics we continue to track and use, across all of Generation’s strategies, to inform portfolio alignment include:

- GHG emissions over time (absolute and intensity, for Scopes 1–3);
- portfolio coverage by SBTs; and
- net-zero 2040 commitments.

Our headline metric for NZAM is the proportion of assets represented by companies with SBTs verified, but we also track the percentage of companies that have committed to set an SBT and the share of SBTs that apply the 1.5-degree methodology.

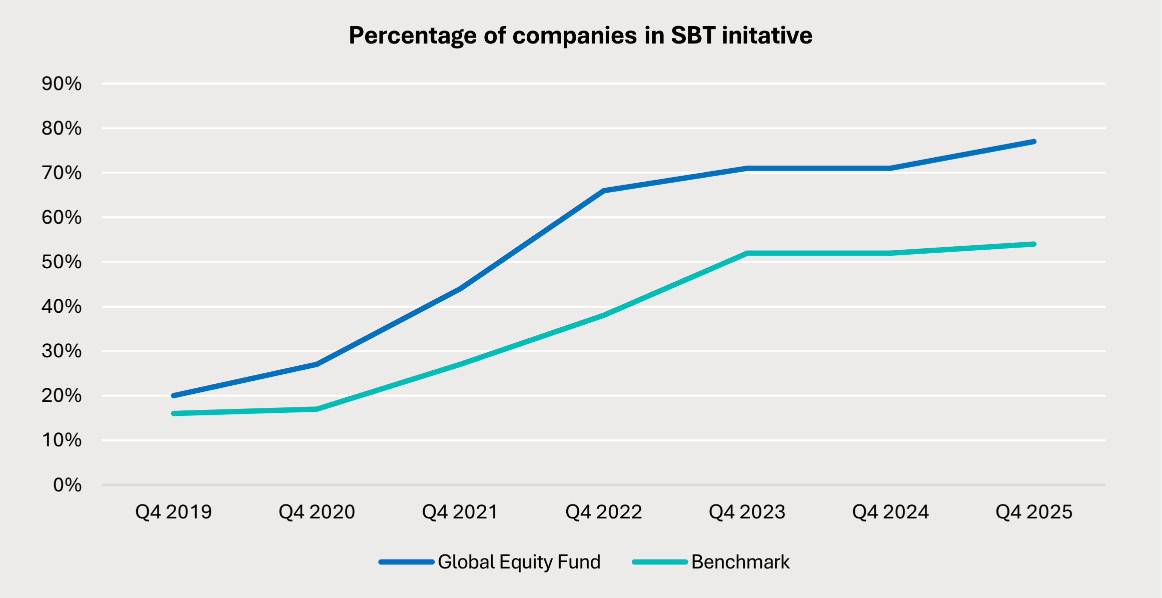
The Financed Emissions metric disclosed has been calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF). This metric is designed to give a representative view of the emissions associated with our investments by considering the size of each investment across the year relative to the company’s outstanding equity and debt.

Many additional metrics are considered at the strategy level and reported within the relevant quarterly and impact reports.

PUBLIC EQUITY

Global Equity

Generation's Global Equity strategy, accounting for USD 21 billion of assets as at 31 December 2025, had 77% participation (committed or validated) in the SBTi on a portfolio weighted basis as displayed in the chart below. This figure has increased significantly since we first began to track portfolio coverage by SBTi participation systematically in 2019.



Since 2018, we have undertaken regular comparative analysis of our listed equity strategies against their benchmarks on a range of sustainability metrics as a check on the outcomes of our investment and stewardship process. This includes select climate-related metrics, which are presented against a benchmark (the MSCI World index).

	PORTFOLIO				BENCHMARK			
FACTOR	Q4 2022	Q4 2023	Q4 2024	Q4 2025	Q4 2022	Q4 2023	Q4 2024	Q4 2025
Scope 1 Emissions – tCO_2 equivalent	18,521,047	18,330,700	19,731,595	18,757,011	4,345,376,100	3,680,735,664	3,436,266,326	3,254,954,046
Scope 2 Emissions – tCO_2 equivalent	20,591,906	14,939,146	27,342,084	33,967,493	850,398,819	736,475,635	749,984,645	662,031,946
Scope 3 Emissions – tCO_2 equivalent	590,173,791	451,872,216	474,572,335	536,640,548	37,409,372,571	30,975,964,250	31,806,866,314	31,077,525,295
Scopes 1–3 Emissions – tCO_2 equivalent	629,286,744	485,142,062	614,794,910	589,365,052	42,605,147,490	35,393,175,549	35,993,117,285	34,994,511,288
Emissions Intensity – tCO_2 equivalent (Scopes 1+2)/$m (revenues)	25	21	21	22	141	98	102	90
Emissions Intensity – tCO_2 equivalent (Scopes 1+2+3)/€m (revenues)	531	497	414	397	1038	834	852	846
Percentage of companies in SBT initiative (targets set or committed)	66%	71%	71%	77%	38%	52%	52%	54%
Implied Temperature rise S1+2+3 (degrees C)	1.9	1.7	1.8	2	2.5	2.4	2.4	3
Financed Emissions	144,269	135,155	97,744	75,597	n/a	n/a	n/a	n/a
Carbon Footprint	6.0	4.7	3.8	3.6	n/a	n/a	n/a	n/a

Portfolio data as at December 2025 (unless otherwise stated). This information may no longer be current. To the extent not sourced from Generation, it is from sources believed reliable. However, Generation does not represent that it is accurate or complete, and it should not be relied upon. It should not be deemed representative of future characteristics for the Portfolio. Source: MSCI Data, Generation analysis based on data from the Science Based Targets initiative, MSCI, and CapIQ as at December 2025. MSCI data covers listed companies within the fund.

Financed emissions calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions).
Carbon footprint calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions)/current portfolio value in $ million.

The calculation emissions Intensity disclosure (tCO_2 equivalent (Scopes 1+2)/$m (revenues)) is equivalent to the Weighted Average Carbon Intensity calculation outlined under TCFD guidance.

81% of carbon data is based on 2024 figures, 15% is based on 2025 figures and 4% is based on 2023 figures. This is primarily due to an update lag on the MSCI platform. Two companies are not covered by the MSCI platform. 96% of EVIC data is based on 2025 figures and 4% is based on 2024 figures.

Asia Equity

As we do for Global Equity, we provide select climate-related metrics alongside sustainability and financial metrics for the Asia Equity portfolio as at December 2025 below. The Benchmark represents the MSCI Asia ex-Japan Index.

	PORTFOLIO				BENCHMARK			
FACTOR	**Q4 2022**	**Q4 2023**	**Q4 2024**	**Q4 2025**	**Q4 2022**	**Q4 2023**	**Q4 2024**	**Q4 2025**
Scope 1 Emissions – tCO_2 equivalent	7,910,616	5,248,372	4,829,592	3,737,032	6,333,124,856	6,666,577,147	6,480,920,777	6,386,226,145
Scope 2 Emissions – tCO_2 equivalent	21,120,269	21,331,883	21,939,333	25,728,181	925,393,762	956,373,695	1,014,789,089	1,065,270,697
Scope 3 Emissions – tCO_2 equivalent	241,427,872	158,573,471	160,759,167	174,077,980	19,861,821,809	21,853,147,947	22,073,107,517	23,180,963,094
Scopes 1–3 Emissions – tCO_2 equivalent	270,458,757	185,153,726	187,528,092	203,543,192	27,120,340,427	29,476,098,790	29,568,817,383	30,632,459,935
Emissions Intensity – tCO_2 equivalent (Scopes 1+2)/$m (revenues)	60	48	54	57	291	279	295	252
Emissions Intensity – tCO_2 equivalent (Scopes 1+2+3)/€m (revenues)	448	485	449	384	1121	1184	1288	1151
Percentage of companies in SBT initiative (targets set or committed)	26%	31%	45%	42%	21%	23%	18%	18%
Implied Temperature rise S1+2+3 (degrees C) at Q1 2022	1.9	1.9	2.1	2.5	3.3	3.3	3	4.2
Financed Emissions	24,206	12,769	9,149	5,021	n/a	n/a	n/a	n/a
Carbon Footprint	16.1	9	9	7	n/a	n/a	n/a	n/a

Portfolio data as at 31 December 2025 (unless otherwise stated). This information may no longer be current. To the extent not sourced from Generation, it is from sources believed reliable. However, Generation does not represent that it is accurate or complete, and it should not be relied upon. It should not be deemed representative of future characteristics for the Portfolio. Source: MSCI Data, Generation analysis based on data from the Science Based Targets initiative and MSCI, as at 31 December 2025.

Financed emissions calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions).

Carbon footprint calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions)/current portfolio value in $ million.

The calculation emissions Intensity disclosure (tCO_2 equivalent (Scopes 1+2)/$m (revenues)) is equivalent to the Weighted Average Carbon Intensity calculation outlined under TCFD guidance.

100% of carbon data is based on 2024 figures. This is primarily due to an update lag on the MSCI platform. 36% of EVIC data is based on 2024 figures and 64% based on 2025 figures.

2024 Scope 3 and Scopes 1–3 figures have been restated due to a minor error being identified in last year's data.

PRIVATE MARKETS STRATEGIES

Growth Equity

For our Growth Equity strategy, we focus primarily on measuring outcomes (i.e., the effects of outputs on an issue we aim to address), as opposed to outputs themselves (i.e., what a company's activity produces). We measure these outcomes across the three thematic areas of focus for the strategy: Planetary Health, People Health and Financial Inclusion. Further information can be found in the fund impact reports.

We share emissions metrics for Sustainable Solutions Fund III and Sustainable Solutions Fund IV below:

SSF III	**PORTFOLIO**				
FACTOR	**2021**	**2022**	**2023**	**2024**	**2025**
Scope 1 Emissions – tCO_2 equivalent	2,801	4,807	4,521	5,839	3,522
Scope 2 Emissions – tCO_2 equivalent	11,585	9,676	11,915	10,551	5,500
Scope 3 Emissions – tCO_2 equivalent	148,736	619,723	247,445	296,901	266,023
Scopes 1–3 Emissions – tCO_2 equivalent	163,122	634,206	263,881	313,292	275,044
Emissions Intensity – tCO_2 equivalent (Scopes 1+2)/$m (revenues)	7	6	5	5	2
Emissions Intensity – tCO_2 equivalent (Scopes 1+2+3)/$m (revenues)	76	274	84	87	62
Financed Emissions – attributable tCO_2 equivalent (Scopes 1+2)	476	663	799	712	346
Carbon Footprint – attributable tCO_2 equivalent (Scopes 1+2)/$m (invested)	0.38	0.64	0.85	0.78	0.38

As at 31 December 2025. This information may no longer be current. To the extent not sourced from Generation, it is from sources believed reliable. Generation does not represent that it is accurate or complete and it should not be relied upon. It should not be deemed representative of future characteristics for the Portfolio.

Most of our portfolio companies are software-enabled and therefore Scope 3 emissions are driven by spend on technology infrastructure, such as spend on datacentre capacity and online advertising. Scope 3 emissions are approximated using sector-specific emissions factors.

For Portfolio Companies with non-USD reporting currencies, FY revenue is converted to USD using the spot rate of the day of the applicable FYE.

Financed emissions calculated as: $\sum$(outstanding amount / EVIC * Scope 1 + 2 emissions)

Carbon footprint calculated as: $\sum$(outstanding amount / EVIC * Scope 1 + 2 emissions)/current portfolio value in $ million

SSF IV

FACTOR	**2022**	**2023**	**2024**	**2025**
Scope 1 Emissions – tCO_2 equivalent	3	118	376	1,594
Scope 2 Emissions – tCO_2 equivalent	2,729	10,557	9,719	3,592
Scope 3 Emissions – tCO_2 equivalent	7,153	299,388	57,415	73,637
Scopes 1–3 Emissions – tCO_2 equivalent	9,885	310,063	67,510	78,823
Emissions Intensity – tCO_2 equivalent (Scopes 1+2)/$m (revenues)	63	12	7	3
Emissions Intensity – tCO_2 equivalent (Scopes 1+2+3)/$m (revenues)	229	354	50	45
Financed Emissions – attributable tCO_2 equivalent (Scopes 1+2)	35	364	162	380
Carbon Footprint – attributable tCO_2 equivalent (Scopes 1+2)/$m (invested)	0.29	0.88	0.14	0.33

As at 31 December 2025. This information may no longer be current. To the extent not sourced from Generation, it is from sources believed reliable. Generation does not represent that it is accurate or complete and it should not be relied upon. It should not be deemed representative of future characteristics for the Portfolio.

Most of our portfolio companies are software-enabled and therefore Scope 3 emissions are driven by spend on technology infrastructure, such as spend on datacentre capacity and online advertising. Scope 3 emissions are approximated using sector-specific emissions factors.

WEKA, a software data platform for AI and High Performance Computing workflows, began reporting Scopes 1–3 emissions in 2025, which led to an increase in Scope 1 emissions. A number of companies have transitioned to a partially or fully remote operating model, as well as streamlined offshore back office operations (e.g., Innovaccer) with the increased use of AI, leading to a reduction in Scope 2 emissions.

We have incorporated Scope 3 data where available across all funds featured in this TCFD report. In 2024 Service Titan became a publicly listed company and has subsequently stopped producing ESG disclosures. The omission of their data explains the decrease in portfolio emissions, particularly Scope 3 after 2023. In 2025, Innovaccer ceased to report Scope 3 emissions from Category 1 "purchased goods and services," which led to lower Scope 3 emissions reported for the Portfolio.

For Portfolio Companies with non-USD reporting currencies, FY revenue is converted to USD using the spot rate of the day of the applicable FYE.

Financed emissions calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions).

Carbon footprint calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions)/current portfolio value in $ million.

Source: Watershed, Emitwise, Greenly, Novata, Generation analysis

Private Equity

Our Private Equity strategies, the Long-term Equity Fund I and Sustainable Private Equity Fund II hold investments in three portfolio companies: FNZ, Octopus Energy and IFS. Throughout 2025, our Private Equity team maintained close and highly active partnership with these companies. We have worked with our companies to be able to disclose relevant carbon metrics this year.

LTE I

FACTOR	2024	2025
Scope 1 Emissions – tCO_2 equivalent	2,792	4,324
Scope 2 Emissions – tCO_2 equivalent	1,167	675
Scope 3 Emissions – tCO_2 equivalent	14,174,601	16,789,232
Scopes 1–3 Emissions – tCO_2 equivalent	14,178,560	16,794,231
Emissions Intensity – tCO_2 equivalent (Scopes 1+2)/$m (revenues)	0.22	0.23
Emissions Intensity – tCO_2 equivalent (Scopes 1+2+3)/$m (revenues)	772	764
Financed Emissions	206	220
Carbon Footprint	0.45	0.43

As at 31 December 2025. This information may no longer be current. To the extent not sourced from Generation, it is from sources believed reliable. Generation does not represent that it is accurate or complete, and it should not be relied upon. It should not be deemed representative of future characteristics for the Portfolio.

For Portfolio Companies with non-USD reporting currencies, FY revenue is converted to USD using the spot rate of the day of the applicable FYE.

Financial and carbon reporting dates vary by company.

Financed emissions calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions).

Carbon footprint calculated as: ∑(outstanding amount / EVIC * Scope 1 + 2 emissions)/current portfolio value in $ million.

Source: FNZ, OE, Generation analysis

SPEF II

FACTOR	2024	2025
Scope 1 Emissions – tCO_2 equivalent	2,720	4,710
Scope 2 Emissions – tCO_2 equivalent	933	532
Scope 3 Emissions – tCO_2 equivalent	14,174,601	16,825,025
Scopes 1–3 Emissions – tCO_2 equivalent	14,178,255	16,830,267
Emissions Intensity – tCO_2 equivalent (Scopes 1+2)/$m (revenues)	0.21	0.23
Emissions Intensity – tCO_2 equivalent (Scopes 1+2+3)/$m (revenues)	822	750
Financed Emissions – attributable tCO_2 equivalent (Scopes 1+2)	11	39
Carbon Footprint – attributable tCO_2 equivalent (Scopes 1+2)/$m (invested)	0.37	0.15

As at 31 December 2025. This information may no longer be current. To the extent not sourced from Generation, it is from sources believed reliable. Generation does not represent that it is accurate or complete, and it should not be relied upon. It should not be deemed representative of future characteristics for the Portfolio.

For Portfolio Companies with non-USD reporting currencies, FY revenue is converted to USD using the spot rate of the day of the applicable FYE.

Financial and carbon reporting dates vary by company: for example, Octopus Energy does not provide calendarised emissions information, and as such data provided is for the Financial Year ending in April.

Financed emissions calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions).

Carbon footprint calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions)/current portfolio value in $ million.

Source: OE, IFS Generation analysis

Just Climate

In our Just Climate subsidiary we now have two funds: Climate Assets Fund I, our flagship fund that we have reported on for the last two years, and a new Natural Climate Solutions fund that we report on for the first time this year.

CLIMATE ASSETS FUND I

FACTOR	2023	2024	2025
Scope 1 Emissions – tCO_2 equivalent	231	1,172	2,120
Scope 2 Emissions – tCO_2 equivalent	776	3,285	1,558
Scope 3 Emissions – tCO_2 equivalent	1,645,215	1,245,680	823,303
Scopes 1–3 Emissions – tCO_2 equivalent	1,646,222	1,250,137	826,981
Emissions Intensity – tCO_2e (Scopes 1+2)/$m (revenues)	1.36	6.53	15.39
Emissions Intensity – tCO_2e (Scopes 1+2+3)/$m (revenues)	2,222	1,831	3460
Financed Emissions	90	383	372
Carbon Footprint	0.30	0.65	0.54

As at 31 December 2025. This information may no longer be current. To the extent not sourced from Generation, it is from sources believed reliable. Generation does not represent that it is accurate or complete and it should not be relied upon. It should not be deemed representative for future characteristics for the Portfolio.

Financed emissions calculated as: ∑(outstanding amount / EVIC * Scope 1 + 2 emissions)

Carbon footprint calculated as: ∑(outstanding amount / EVIC * Scope 1 + 2 emissions)/current portfolio value in $ million

Source: portfolio company reporting and Generation analysis

NATURAL CLIMATE SOLUTIONS

FACTOR	2025
Scope 1 Emissions – tCO_2 equivalent	5,153
Scope 2 Emissions – tCO_2 equivalent 1	2,152
Scope 3 Emissions – tCO_2 equivalent	197,413
Scopes 1–3 Emissions – tCO_2 equivalent	204,718
Emissions Intensity – tCO_2e (Scopes 1+2)/$m (revenues)	67.83
Emissions Intensity – tCO_2e (Scopes 1+2+3)/$m (revenues)	1,901
Financed Emissions	666
Carbon Footprint	9.03

As at 31 December 2025. This information may no longer be current. To the extent not sourced from Generation, it is from sources believed reliable. Generation does not represent that it is accurate or complete, and it should not be relied upon. It should not be deemed representative of future characteristics for the Portfolio.

Financed emissions calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions).

Carbon footprint calculated as: ∑(outstanding amount / EVIC * Scopes 1 + 2 emissions)/current portfolio value in $ million.

Source: portfolio company reporting and Generation analysis

The path ahead

Our conclusion is based on the remarks of our Senior Partner, David Blood, delivered via his annual Senior Partner Letter in March 2026:

The year 2025 was marked by escalating 'climate realism' – a new and cynical term for climate denialism – and policy reversals attempting to slow the transition to more sustainable systems. Corporations, investors and asset managers faced increased political, legal and regulatory pressure to step away from sustainability commitments.

Numerous global initiatives meant to galvanise collective action stalled, disbanded or diluted their efforts. At the same time, we must acknowledge that sustainable investing alone – despite some genuine and encouraging progress – is not delivering real-world impacts at the scale or the pace required. This challenging state of affairs could easily lead one to fear that sustainability, and by extension sustainable business and investing, have run their course. We at Generation categorically believe that is not the case. Indeed, beyond the news and rhetoric, evidence from the real economy bears out that the green transition is still happening, albeit less noticeably.

And herein lies a noteworthy contradiction: while progress on sustainability commitments has stalled in some cases, the technology powering the energy and wider sustainability transitions continues to flourish. Even in President Trump's first year back in office, the energy transition gained strength. Clean energy accounted for approximately 90% of the new electricity capacity added in the US, and globally the figure is 92.5%.[14,15] Worldwide, the sale of new petrol-powered cars peaked almost a decade ago in 2017, and cars with electric motors are now approximately 25% of the global market.[16] China's CO_2 emissions from fossil fuels and cement have now been flat to down for almost two years running.

The business case for sustainable investing remains both relevant and robust. We believe strongly that the sustainability revolution will continue to be transformational. We think it is undeniable that looking at investments through the lens of sustainability helps investors identify future opportunities and risks. Across Generation's portfolios, in public and private markets, we see the companies we invest in on clients' behalf sticking with sustainability. These companies are staying firm on climate strategy and doubling down on emissions reduction initiatives.

Sustainable investors must also remake the case that sustainability is a vital part of fiduciary duty. More than 20 years ago, we at Generation and others established the imperative to consider sustainability-related risks and opportunities as a part of best-in-class investment practice. We said then and restate now: if an issue is relevant to the long-term health of a business or a portfolio, it is every investor's duty to consider it. In fact, in many jurisdictions ignoring material environmental, social or governance factors is now against the law. Encouragingly, asset owners and managers are beginning to work together in new and powerful ways, including through the first-ever Asset Owners Summit at COP30 in Belém, Brazil, which brought participants representing about $10 trillion in assets under management directly into the global climate talks.

**"Fight for the things you care about.
But do it in a way that will lead others to join you."**

Ruth Bader Ginsburg, former Associate Justice of the US Supreme Court

With each year that passes, the threats posed by the climate crisis, destruction of nature and inequality grow larger. At Generation we are not turning away from sustainability in the face of challenge; rather we are as committed and determined as ever. Our 2026 advocacy priority is action.

Through our engagement with clients and others, we will work to develop a more approachable narrative for sustainable investing and reestablish the fiduciary imperative; we will contribute in the effort to harmonise and enhance the carbon disclosure framework and seek to develop proof statements that investing in developing markets is attractive.

We are the generation that has both the resources and the obligation to transition to a sustainable world. We must be determined.

[14] BloombergNEF in partnership with the Business Council for Sustainable Energy, Sustainable Energy in America 2026 Factbook.

[15] International Renewable Energy Agency (IRENA), Renewable Capacity Statistics 2025.

[16] International Energy Agency, Global EV Outlook 2025.

Appendix

Generation's carbon reporting methodology is aligned to the GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) standard.

In 2024, Generation transitioned its corporate carbon accounting to a new platform for improved data analysis and to access more granular, supplier-specific emissions factors. As part of this transition, our 2024 Scope 3 inventory has been remeasured under the new methodology and restated to provide a like-for-like comparison with 2025.[17] The original 2024 figures are available in last year's disclosure. 2022 and 2023 figures have not been restated.

SCOPE 3 BREAKDOWNS	2022	2023	2024	2025
1. Purchased goods and services	3,271	3,610	3,291	3,337
2. Capital goods	153	35	NA[18]	NA[18]
3. Fuel- and energy- related activities, not included in Scope 1 or Scope 2	24	30	54	36
4. Upstream transport	17	1	NA[18]	NA[18]
5. Waste generated in operations	0.2	0.27	3.1	3.7
6. Business travel	696	1,899	4,196	3,527
Conference travel	1,122.97	0	857	0
7. Employee commuting	88	87	182	157
8. Upstream leased assets	0	0	0	0
9. Downstream transport	0	0	0	0
10. Processing of sold products	0	0	0	0
11. Use of sold products	0	0	0	0
12. EoL of sold products	0	0	0	0
13. Downstream leased assets	0	0	0	0
14. Franchises	0	0	0	0
15. Investments	169,468	149,569	108,189	82,564
TOTAL	**174,840**	**155,231**	**119,316**	**89,625**

[17] The restated 2024 numbers show an increase from the original methodology, which reflects the new supplier's use of producer-price USEEIO and CEDA spend-based factors, which differ from the Exiobase factors used previously, together with industry-specific inflation adjustment using BEA price indices and the application of supplier-specific emissions factors for major suppliers where CDP-reported data is available.

[18] Due to methodology changes, categories 3.2 and 3.4 have not been reported. These categories are not material to our overall footprint. We plan to report on them again next year.

Important information

Please note that this communication is for informational purposes only and describes our investment strategies. It is not and does not constitute a solicitation of any financial product in any jurisdiction. It is not intended to be, nor should be construed or used as, an offer to sell, or solicitation of any offer to buy units or interests in any Fund managed by Generation. The information contained herein is not complete, and does not represent all holdings, or material information about an investment in the Global Equity Fund, including important disclosures and risk factors. It is intended for existing investors only. Units in Generation's Global Equity Fund are offered only on the basis of the Fund's prospectus. Specifically, units in the Global Equity Fund are only available for offer and sale in the United States or to US Persons (as that term is defined in Rule 902 of Regulation S promulgated under the Securities Act of 1933, as amended ("Securities Act"), that qualify as both (i) accredited investors and (ii) qualified purchasers (as such terms are respectively defined in Regulation D promulgated under the Securities Act and the Investment Company Act of 1940, as amended). In the European Union, Generation's Global Equity Fund is only available in certain countries to Professional Investors as defined in the Alternative Investment Fund Managers Directive (2011/61/EU).

Any reference to individual securities does not constitute a recommendation to purchase, sell or hold the investment. Details of the entire portfolios of the Global Equity strategy are available on request. Further, this communication does not constitute investment research. Opinions expressed are current opinions as of the date of appearing in this material. Any projections, market outlooks or estimates are forward-looking statements and are based upon internal analysis and certain assumptions that reflect the view of Generation, and which may not be indicative of actual events that could occur in the future. No assurances can be given that the Fund's investment objectives will be achieved. Past performance is not a guide to future performance and the value of investments may vary substantially from month to month, and can go down as well as up. Future returns are not guaranteed, and a loss of principal investment may occur.

If you require more information, please contact Generation Client Service (clientservice@generationim.com or +44 (0)207 537 4700).

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