



ESG and Investment Stewardship Report

2025

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Cover photo: (from left)
Tom Pidgeon, Ross Cameron,
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2004

Established

A\$19.6B

Total assets under management



PRI Assessment rating 4 stars in each of three pillars

100%

Owned by staff

3 Strategies

Australian and Emerging Markets

Signatory of:



32

Employees

67

ESG issues stewarded with portfolio companies



22YRS

Average investment experience

1,225

Proxy meeting resolutions voted



Foreword

Amid market volatility, regulatory change, and heightened geopolitical tension, responsible investment remained central to Northcape's management of long-term risks and opportunities for clients. In 2025, the global ESG landscape was shaped by climate risk, security and resilience, human and labour rights, and, above all, corporate governance. This report shows how these themes were addressed through our investment and stewardship activities.

The case studies in this report show how global ESG themes shaped stewardship priorities and investment decisions. Together, they reflect Northcape's process for identifying material risks and opportunities, prioritising stewardship, and supporting long-term value creation across portfolios and markets.

Governance continued to underpin our approach across portfolios. Our long-term engagement with **Coway** on capital management shows how board oversight, incentives, and disciplined capital allocation support long-term performance. Governance also extended beyond individual companies. Our policy advocacy with **James Hardie** and **ASX** shows how by engaging, using our vote and advocating for stronger market rules we seek to reduce the likelihood of repeat failures and protect shareholder rights and portfolio outcomes.

Climate risk remained a major theme. Beyond transition risk, physical climate impacts increasingly affect asset resilience, insurance availability, and cash flows. We supported investment teams by holding an internal forum with a guest climate scientist. To strengthen our capability and impact on climate-related risks and opportunities, Northcape joined the Investor Group on Climate Change, creating further opportunities for engagement and policy advocacy aligned with client interests.

Human rights remained a priority amid heightened scrutiny of global supply chains. The case study on medical supplies companies **Top Glove** and **Ansell** illustrates our approach. While challenging, these engagements reflect rising investor expectations that companies manage human rights risks across their value chains and demonstrate results. Our Head of Responsible Investment's trip to Brazil for the PRI conference and engagements with leading listed companies also showed how climate, social licence, and governance risks and opportunities often converge in emerging markets.

Geopolitical risk, conflict, and resilience became more prominent during the year. Our internal forum on defence-related sectors supported structured, investment-focused discussion on ethically sensitive industries, examining how governance, oversight, and client expectations intersect in sectors shaped by conflict and state demand.

I'm pleased to report that we maintained our four-star rating across all three pillars of the PRI assessment, with our governance pillar score rising to 84%, reflecting continued improvement in our responsible investment approach. We also strengthened internal processes through new data tools and improved client reporting.

Looking ahead, climate change, human rights, governance, and geopolitical risk are expected to remain central to investment outcomes. Our focus will remain on applying responsible investment where it matters most, in support of long-term client objectives.

We thank our clients for their ongoing partnership and trust.

Christine Cameron

Independent Director
Independent Chair of Audit Risk
and Compliance Committee



Responsible investment progress and priorities

Continuous improvement in all aspects of our business remains a central tenet of Northcape's culture. In 2025, we further progressed our responsible investment program to ensure we continue to meet our clients' financial and sustainability goals. We also advanced our corporate responsibility initiatives to maintain a robust, independent, client-centric, and sustainable business.

	2025 Progress	2026 Priorities
Governance and resourcing	<ul style="list-style-type: none"> ✓ Updated the Responsible Investment Policy and sub-policies. ✓ Held Responsible Investment Forums to support internal collaboration and knowledge sharing on key aspects of responsible investment. ✓ Launched the internal Responsible Investment Resource Hub to centralise ESG data, engagement tools, forum materials, and training resources for access and skill development. 	<ul style="list-style-type: none"> — Develop responsible investment team capability and training opportunities for all staff. — Review of Responsible Investment Policy and commitments to ensure ongoing alignment with peer practice.
ESG integration and stewardship	<ul style="list-style-type: none"> ✓ Engaged 36 companies on 67 ESG issues and voted 1,225 meeting resolutions. ✓ Piloted integration of proprietary ESG data model into ESG research and ratings. ✓ Enhanced integration of controversies research and alert system for monitoring ESG incidents. ✓ Strengthened stewardship tools with integrated metrics and engagement tracking. ✓ Implemented materiality-based engagement planning process. 	<ul style="list-style-type: none"> — Embed ESG data model further in investment research and stewardship processes. — Enhance climate and human rights due diligence of portfolio companies, supported by ESG data. — Increase emphasis on strategic and thematic engagement. — Review voting policies and processes to support impact and efficiency.
Reporting and disclosure	<ul style="list-style-type: none"> ✓ Lodged PRI Transparency Report for the year to June 2025. Maintained four stars in all three pillars, with an increased Policy, Governance and Strategy score to 84%. ✓ Introduced 'Responsible Investment Insights' research pieces on topics of relevance for client and public distribution. ✓ Enhanced systems for monitoring and managing client information requests to improve consistency and responsiveness. 	<ul style="list-style-type: none"> — Enhance client modern slavery reporting. — Participate in PRI reporting and the RIAA Benchmark Survey to assess our approach against peers and identify improvement areas. — Continue to develop 'Responsible Investment Insights' on key topics and themes for distribution to clients and peers. — Further streamline management of client requests and reporting.
Collaboration and peer review	<ul style="list-style-type: none"> ✓ Increased policy advocacy and collaborative engagement aimed at improving shareholder rights. ✓ Joined the Investor Group on Climate Change (IGCC) to develop capability and collaborate with clients and peers on managing climate-related risks. ✓ Increased participation in peer collaboration events to support knowledge building and sharing. 	<ul style="list-style-type: none"> — Work with our clients in support of aligned objectives. — Participate in IGCC working groups to share knowledge and build capability on managing priority risks. — Examine further collaborative engagement and policy advocacy opportunities.
Operational sustainability	<ul style="list-style-type: none"> ✓ Continued to increase workforce diversity. ✓ Reduced operational greenhouse gas emissions. ✓ Began planning for mandatory sustainability reporting. 	<ul style="list-style-type: none"> — Reduce operational greenhouse gas emissions where practical. — Build on our strong culture, which values diversity of perspectives. — Continue preparations for mandatory sustainability reporting.



Our approach to responsible investment

Four pillars of our Responsible Investment Framework

- **ESG integration**

The incorporation of material ESG factors into the assessment, selection, and management of investments.

- **Stewardship**

The responsible exercise of ownership rights, including engagement and voting, to assess and manage material ESG risks and opportunities.

- **Collaboration and Policy Advocacy**

Working with peers and clients through initiatives such as PRI and RIAA, to share knowledge, insights, and leading practice, as well as to amplify our voice and impact

- **Reporting and disclosure**

Communicating to our clients on the activities and outcomes of our Responsible Investment work to meet their expectations and the needs of their stakeholders.

Responsible Investment Belief 1:

“ Consideration of financially material ESG factors enhances long-term portfolio performance through the risk-return profile of companies, industries, economies, and societies.

”

Case study

Defending Shareholder Rights and Market Integrity

Strong governance and shareholder protections are more important than ever and Northcape's 2025 engagements with James Hardie and ASX demonstrate the Responsible Investment Framework in practice.

Our engagement with **James Hardie** over its acquisition of US-listed building products company **Azek** is a clear example of Northcape's commitment to protecting shareholder rights. Through board engagement, votes on key resolutions and advocacy to market operator **ASX** for clearer Listing Rules to address systemic risks, Northcape helped support a market environment that protects long-term value.

In our view, the March 2025 James Hardie–Azek transaction was a governance failure that significantly impacted shareholder value. It exposed weak board oversight, excessive executive influence and limited shareholder protections. Most importantly, shareholders were denied a vote on a deal that permanently changed the company's risk profile, capital structure and strategy. Because the ASX Listing Rules enabled this, the case also exposed a broader systemic failure.

Collaboration and Policy Advocacy

The transaction showed how market rules can weaken or bypass shareholder rights in complex corporate actions. In our view, shareholders bore the cost of poor decision making without proper approval mechanisms or effective recourse. Shareholder engagement helped prompt ASX to begin a public consultation on reforms to the Listing Rules governing shareholder approval requirements.

The consultation focused on shareholder rights relating to changes in listing category, voluntary de-listings and material share issuances in mergers and takeovers. These rules underpin market confidence and protect investors against value dilution and governance arbitrage. From April 2025, we engaged actively with ASX over an extended period, contributing investor perspectives grounded in the James Hardie experience and the risks it exposed.

In December 2025, Northcape made a formal submission calling for stronger, clearer shareholder approval mechanisms. Our objective was to remove ambiguity from the Listing Rules, reinforce shareholder rights, and strengthen market integrity by ensuring that material, value altering decisions cannot proceed without explicit investor consent.

Investment Stewardship

Policy advocacy with ASX and company engagement with James Hardie was backed by decisive voting action. After the Azek acquisition, at the James Hardie AGM we opposed the re-election of five directors, the Remuneration Report, the revised CEO Long-term Incentive Grant, and the proposed director fee cap increase. This was due to our governance, disclosure and shareholder outcome concerns. Shareholders responded by rejecting the remuneration items and the re-election of three directors, including the chair, signalling a clear loss of confidence in the board.

ESG Integration

For clients, this work shows how stewardship and ESG integration address both company-specific and systemic risks that cannot be diversified away. Governance failures and weak shareholder protections can destroy value across portfolios. Through engagement, voting and advocacy for stronger market rules, we aim to reduce repeat failures and support a market framework that protects shareholder rights and long-term capital outcomes.

While we prefer to stay invested and engage actively with quality companies, divestment remains an option when needed to protect portfolio value. In this case, Northcape significantly reduced its James Hardie holding, limiting the impact of the share price decline driven by the market's loss of confidence in leadership and inconsistent communication on financial performance and outlook.

“Institutional investors have a responsibility to take a clear stance on corporate governance failings and advocate for practices that protect clients' long-term interests.”

”



Paul Parsons
Portfolio Manager,
Analyst, Australian
Equities

Northcape's value-added process

Northcape Capital is an international boutique equities fund manager fully owned by its staff. We specialise in managing concentrated high-quality portfolios to meet the long-term financial and sustainability objectives of our clients. We are proud of a culture of inclusion and equality, where individual contributions are valued and recognised.

The foundation of our long-term outperformance is investing in high quality companies with a meaningful competitive advantage. Critical thinking in our research supports an informed assessment of competitive advantage and facilitates portfolios of carefully selected businesses, with low portfolio turnover. This delivers resilient and sustainable performance for clients.

Protecting capital in down markets is a feature of superior long-term returns. We have a practical approach to risk that seeks to avoid business models that are structurally challenged, those with hazardous capital structures, or those that have other material threats to the long-term sustainability of returns. These threats may include Environmental, Social and Governance (ESG) factors.

Our fundamental research is focused on identifying businesses with certain investment attributes. We recognise that ESG factors have the potential to affect, to varying degrees over time, many of these attributes:

- Strong management
- Above average growth prospects
- High return on capital
- Meaningful competitive advantage
- Robust capital structures
- Sustainable business models
- Acceptable market liquidity.

Assets under management of A\$19.6 billion

Strategy	Description	Inception	Number of stocks
Australia Equities Core	Concentrated portfolio of high quality Australian companies.	2005	30-40
Australian Equities Concentrated	Targeted version of the Core fund for an even higher level of active management.	2005	15-30
Emerging Market Equities	Concentrated portfolio of high quality businesses in emerging markets.	2008	15-40

“ I am pleased to join the Northcape Board, which provides oversight of our stewardship and Responsible Investment practices, ensuring they are embedded in our investment approach and aligned with long-term client outcomes.

”



Kate Orsini
Board Director

ESG training and research

Responsible investment resourcing

Northcape endeavours to build and maintain its staff's skills and knowledge to effectively implement the Responsible Investment Framework. Capability building is supported through an internal Responsible Investment Resource Hub, which provides central access to ESG policies, guidance, learning materials, and foundational concepts. This is complemented by regular Responsible Investment Forums featuring internal and external speakers on topical ESG issues, policy learning modules to maintain awareness of evolving practice expectations, and support for accredited ESG courses and professional certifications. Staff also receive practical training in sustainability disclosures, ESG data analysis, corporate engagement, and proxy voting, alongside participation in relevant conferences and industry events. Strong collaboration within and across investment teams further supports the sharing and application of ESG knowledge in day-to-day investment decision-making.



David Whittaker, Kokila Uma, Michael Ryan

Northcape's 2025 Responsible Investment Forums

- **ESG under Trump**
Explored potential implications of a change in US policy direction for ESG regulation, climate policy and corporate disclosure, and the resulting risks and opportunities for global investors.
- **Human Rights**
Examined emerging expectations on human rights due diligence, including supply chains, and implications for company engagement and portfolio risk management.
- **Biodiversity and Nature Capital**
Considered how biodiversity loss and nature-related risks are being incorporated into corporate strategy, disclosure and investor frameworks, including implications for valuation and stewardship.
- **Mandatory Reporting**
Reviewed developments in mandatory sustainability and climate disclosure regimes, with a focus on implementation challenges and comparability across jurisdictions.
- **Climate Science and Physical Risk Impacts**
Provided an overview of developments in climate science and the increasing relevance of physical climate risks for company resilience, asset valuation and long-term investment outcomes.
- **Defence**
Examined the defence sector through an ESG lens, including legal, ethical and humanitarian considerations, and implications for investment policy and stewardship.
- **Integration of ESG data in ESG ratings**
Knowledge sharing on how the proprietary ESG data model supports consistent and transparent research in the investment process.



ESG integration

Consideration of ESG factors

The consideration by investment analysts of ESG factors is via three main mechanisms:

1. **ESG research and analysis** – to identify and assess financially material risks and opportunities and sustainability of returns.
2. **ESG ratings** – to apply a framework for judgements of investment attractiveness in the context of the investment model and client objectives.
3. **Monitoring and review** – of company progress in managing material ESG risks and opportunities.

Our research includes a review of company disclosure, practice frameworks, and third-party data and research, including, as appropriate, broker research, external ESG ratings, and proxy voting advice. Investment teams make assessments of the financial materiality of ESG factors, considering context, durability of potential impacts, and behavioural responses of companies to these factors. The research process is most often supported by corporate engagement.

Responsible Investment
Belief 2:

“

Companies with good ESG practices can contribute to clients' long-term financial and sustainability objectives, while those with poor practices will likely deliver reduced long-term value, with increased systemic risk.

”

ESG ratings

ESG rating approach

The main objectives of the Northcape's ESG research and rating process are to:

1. **Identify and assess** material ESG risks and opportunities faced by investee companies.
2. **Enhance and protect returns** through judgements on the impact of ESG factors on the sustainability of returns and company suitability for investment portfolios.
3. **Inform** investment stewardship activities to manage ESG risks and opportunities.

Northcape's investment analysts assess ESG risks and opportunities for companies considered for the Approved List. The ESG rating framework provides a structured, repeatable assessment of how companies manage financially material ESG risks and informs portfolio construction decisions. The rating is not a sustainability label and does not guarantee future outcomes.

Northcape is evolving its approach to internal ESG ratings. The new approach applies a hybrid methodology, combining Northcape's proprietary ESG data model with analyst research, judgement and insights.

“Our ESG rating process is central to our investment approach, shaping how we assess company quality and sustainability of cash flows. By combining analyst judgement with data insights, it helps identify material risks, strengthens downside protection, and ensures we account for the expanding range of ESG factors in our investment decisions.”



Fleur Wright
Senior Analyst,
Australian Equities

ESG data model

The Northcape ESG data model is tailored to our process and utilises raw Institutional Shareholder Services (ISS) data to support transparent, consistent and scalable ESG research. The platform draws on around 100 ESG indicators across governance, climate, human rights, human capital and customer considerations. Data points are chosen to align as much as possible with recognised international frameworks, guidance and standards such as those from:

- the International Corporate Governance Network,
- the ASX Governance Council,
- the International Sustainability Standards Board,
- the United Nations, and
- the International Labour Organisation.

These frameworks inform factor choice and weights. The model enables peer and index comparisons through coverage of the investment benchmarks in Australia and emerging markets.

Hybrid Assessment

While the data model offers significant advantages for research efficiency, consistency and transparency, Northcape acknowledges the limitations of relying solely on ESG data. These include data incompleteness, disclosure lags, and the risk that available data does not adequately reflect company specific circumstances. Analysts therefore test data outputs through their own research and may supplement or override indicators, with their rationale documented, to ensure assessments reflect company-specific ESG risks.

Integration

Under the updated framework, companies are classified into three tiers based on unmanaged ESG risk: Tier 1 (approved for investment), Tier 2 (approved with enhanced monitoring), and Tier 3 (not approved). Only Tier 1 and Tier 2 companies are eligible for portfolio construction. Companies with financially material ESG risks that are assessed as severe, persistent and inadequately managed, and which pose unacceptable long-term investment risk, are excluded from investment.

The ESG data model has been embedded within the Australian Equities investment process, where the tier-based framework has now replaced the ESG score out of 10 previously utilised. In the emerging markets investment team, an ESG score out of 10 continues to be used as a quantitative reference for tier assignment. As such, Tier 1 (approved) is a score of 8, 9 or 10, Tier 2 (approved) is a score of 6 or 7, Tier 3 (not approved) is a score less than 6. Full integration of the revised framework in the emerging markets team is expected by the end of 2026.

ESG factors

ESG factors that may be considered in the investment process

There are many ESG factors, both risks and opportunities, that could be relevant to our analysis of a company. Northcape acknowledges that the financial materiality of any particular factor is highly dynamic and should be considered in the context of the investment horizon.

We incorporate material ESG factors into the investment process with the objective of maximising long-term returns for clients.

This includes:

- Considering how ESG factors impact the risk-adjusted returns of individual investments and overall returns across client portfolios.
- Addressing risks to portfolio performance caused by investee company contribution to systematic sustainability issues.
- Complying with client directed responsible investment and risk objectives, and protecting client reputation, by reducing or avoiding negative sustainability outcomes associated with their portfolio.



Limitations of ESG integration and stewardship

Northcape integrates ESG considerations into its investment and stewardship processes to identify risks and opportunities that may affect long-term investment outcomes.

Notwithstanding the benefits of ESG integration and stewardship, these techniques are subject to important limitations, which investors should consider when assessing the role of ESG factors in the investment process.

ESG integration involves judgements about the relevance, materiality and likely financial impact of environmental, social and governance factors over a long-term investment horizon. The financial materiality of ESG issues can vary across companies, sectors, regions and time, and ESG factors represent only one of many drivers of investment performance. As a result, ESG integration cannot guarantee improved returns, risk reduction or the avoidance of capital loss. Data availability, quality and comparability may also be constrained by company disclosure practices, reporting standards and timing, particularly across global markets.

Stewardship activities, including engagement and proxy voting, are similarly subject to practical and structural constraints. Northcape's ability to influence company behaviour depends on factors such as the size of shareholding, company ownership structures, regulatory environments and the responsiveness of company boards and management. In certain markets, particularly in emerging economies, voting rights may be limited due to share class structures, market practices or client directed constraints.

Engagement does not guarantee change, and outcomes may be slow, partial or unsuccessful, particularly where ESG issues are deeply embedded, systemic in nature, or influenced by broader political, legal or economic factors. While engagement is Northcape's preferred mechanism for addressing ESG concerns, escalation options such as voting against management, reducing exposure or removing a company from the Approved List may be necessary where risks remain unmanaged.

Consistent with its fiduciary responsibilities, Northcape applies ESG integration and stewardship where it believes they are relevant to investment outcomes and client interests. These activities are intended to support informed decision making and risk management, but they cannot eliminate all ESG related risks or ensure positive sustainability outcomes in every case.

Northcape does not seek to be solely responsible for ESG stewardship at investee companies. We endeavour to be part of the conversation on material risks and opportunities, in most cases along with many other investors and stakeholders.

“ ESG is embedded in our investment philosophy and process, rather than treated as a standalone checklist. Our approach is grounded in identifying the issues that matter most to long-term value creation, not just those that are easiest to measure.

”



Kevin Soo
Portfolio Manager,
Analyst, Australian
Equities

Sovereign risk, ESG and cost of capital in emerging markets

Sovereign Risk

Northcape's Sovereign Risk framework is a core element of our approach to ESG integration in the Emerging Markets strategy. It recognises that country level political and governance risks materially affect company fundamentals, market integrity and long-term returns. Countries are assessed across institutional and sustainability factors, including democratic institutions, judicial independence, political stability, corruption, policy credibility, fiscal discipline and central bank independence. These are considered alongside corporate governance standards, climate risk exposure and transition readiness, and growth and demographic dynamics.

Strong democratic institutions, an independent judiciary and low corruption underpin effective corporate governance by supporting transparency, accountability and minority shareholder protection. Weaker political and legal frameworks increase the risk of governance failures, capital misallocation and adverse ESG outcomes, including heightened climate transition risk where policy credibility is limited.

Sovereign ESG assessments feed directly into valuation through country specific cost of capital assumptions. Companies in higher rated jurisdictions benefit from lower equity risk premia, while those in the lowest rated countries face cost of capital penalties, reflecting weaker investor protections and higher governance risk.

In 2025, sovereign risk changes were modest. Downgrades occurred in Indonesia, Thailand and Turkey due to weaker democratic safeguards and institutional credibility, while South Africa was upgraded on improved political stability and policy signalling. Korea, Taiwan, the Czech Republic, India and Chile remain the highest rated countries, while China, Saudi Arabia, Thailand, Turkey and Hungary rank lowest. These assessments inform portfolio construction, risk management and stewardship priorities.

Governance and capital allocation

A recurring theme across Northcape's emerging market research in 2025 is the central role of governance and capital allocation discipline in shaping long-term investment outcomes. While macro narratives often dominate headlines, our work on the ground reinforces that sustainable returns in emerging markets are ultimately driven by how governments and companies allocate capital, balance competing objectives, and respond to investor stewardship.

This is most clearly illustrated by the contrast between India and China.

In **India**, meetings with companies reinforced a strong focus on returns on capital, disciplined expansion, and long-term value creation. Promoter ownership structures embed a stewardship mindset within leading corporates, with capital allocation decisions closely tied to personal reputations and wealth. This discipline is evident across our holdings, from private sector banks expanding profitably into underpenetrated markets, to industrial and services businesses scaling adjacent opportunities while maintaining high returns on equity. In this context, ESG integration is inseparable from fundamental analysis. Governance quality, incentive alignment and balance sheet discipline are primary drivers of both financial performance and risk management.

By contrast, our research on **China** highlights the risks that arise when capital is allocated to meet national or political objectives rather than shareholder value creation. The recent rally in Chinese equities has been narrow and heavily driven by retail participation, particularly in AI linked stocks. However, company level analysis across technology, consumer, and materials sectors shows persistent overcapacity, rising debt, and declining returns on capital. Engagement outcomes in China are constrained by a system where political and social expectations encourage companies to continue investing for growth, regardless of economic signals, limiting the effectiveness of shareholder stewardship and increasing the risk of value destruction over time.



“
In EM, we believe a country's politics and governance standards are critical drivers of long-term share market returns.
”

Ross Cameron
Portfolio Manager, Analyst,
Emerging Market Equities

Governance reform and policy credibility

In **Indonesia**, the establishment of centralised state-owned enterprise holding company, Danantara, with an estimated US\$900 billion of assets, operating under direct presidential authority, highlights both the opportunity and risk inherent in state led reform. Improved governance and independence at state owned enterprises could unlock value, and investment opportunities, but only if fiscal discipline and transparency are maintained.

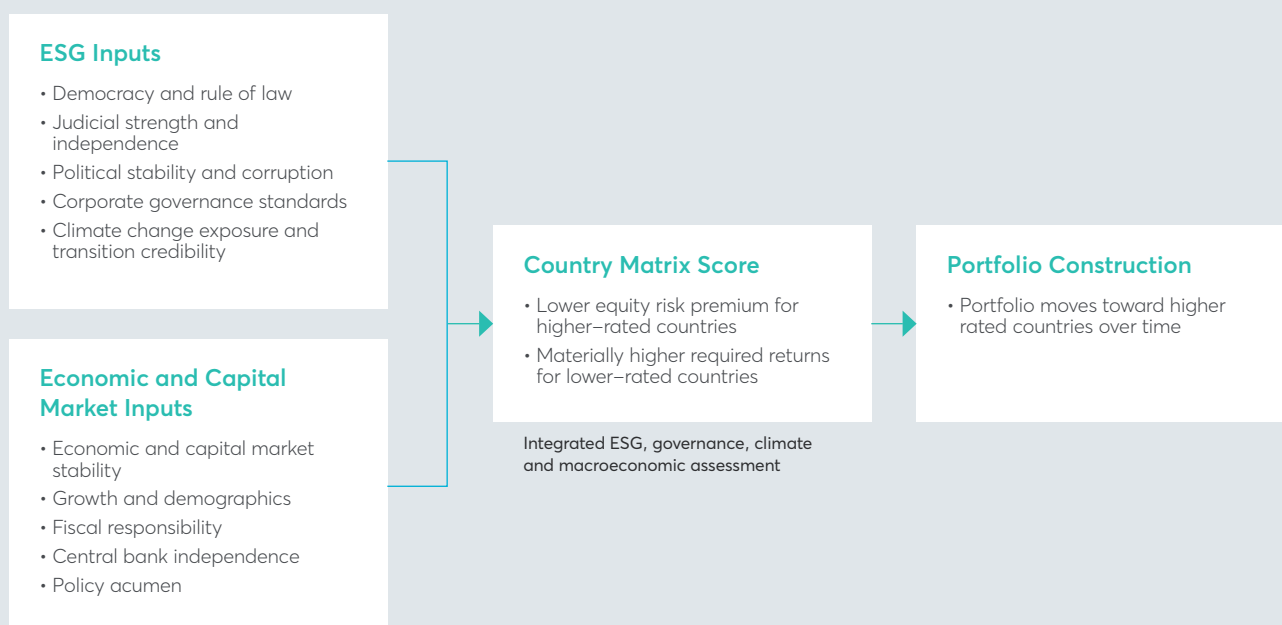
In **South Korea**, sovereign questions are central to our approach on **Samsung Electronics** and **SK Hynix** where governance reform and policy credibility remain decisive variables. Post election reforms in South Korea, including strengthened shareholder rights and limits on controlling shareholder influence, have materially improved the market's investment case by addressing long standing governance discounts. These changes demonstrate how stewardship and regulatory reform can enhance minority shareholder protections and support capital market development. An example of this is our engagement with **Coway** and voting at its shareholder meeting, which sought to enhance shareholder value through improved capital management and board effectiveness.

In **Taiwan**, political gridlock underscores the importance of institutional stability and credible policy execution in managing geopolitical and investment risk. Our analysis and engagement with **TSMC** focus on these issues.

Northcape's approach

Across these markets, our approach to responsible investment is consistent. ESG factors are not treated as separate overlays, but as core inputs into stock selection, valuation, and stewardship priorities. We engage where governance structures allow change; vote decisively where alignment breaks down; and allocate capital where policy frameworks and company behaviour support sustainable, long-term returns.

Sovereign risk framework and valuation transmission



Case study

ESG considerations in investment decisions

Northcape made several additions to the Approved List, from which the portfolios are constructed. All companies added need to pass an ESG risk assessment and as such, this assessment and subsequent monitoring is a key mechanism of Northcape's approach to ESG integration.

In assessing Indian company **GMR Airports** for inclusion on the Approved List, we evaluated ESG factors alongside traditional financial analysis, with a particular focus on governance, political risk and physical climate risk. Our review examined founder led governance and related party transactions, and sought evidence of strengthened independent oversight, which was addressed through enhanced board and committee structures. We also assessed exposure to physical risks such as flooding and air pollution, as well as the stability of the regulatory and political environment underpinning long duration airport concessions in India. Following this analysis, GMR was assessed as meeting Northcape's ESG and quality standards and was therefore approved for inclusion on the Approved List.

When adding Indian technology company **Infosys** for the Approved List, we focused on governance quality, human capital management and climate strategy. Our review recognised the company's strong board independence, with a high proportion of independent directors and fully independent key committees, alongside transparent approaches to safety, human rights and supply chain standards. Environmental considerations included emissions intensity, disclosure quality and the credibility of Infosys' decarbonisation commitments, with the company having articulated targets aligned with net-zero and climate positive ambitions.

Australian pharmacy retailer and pharmaceuticals supplier **Sigma Healthcare** was approved for investment after detailed discussions with the board and management about independent oversight of related-party transactions. Our due diligence focused on oversight of significant lease agreements with founder-owned properties. The company established an independent committee to ensure the agreements avoided conflicts of interest. We also sought an understanding of the overall level of board and committee independence and succession plans given our desire to see a majority independent board.

Australian copper mining company **Sandfire Resources** was added to the Approved List following an assessment which recognised the company's strong board independence, and transparent safety and human rights practices. The analyst noted relatively high emissions intensity at the company's African operations, but emissions disclosure and decarbonisation strategy met expectations.

Brazilian neobank **Nubank** was not added to the Approved List after our ESG assessment identified weaknesses in consumer protection. We were not satisfied that its policies and controls were strong enough to manage mis-selling risk, especially given its rapid growth and mass-market focus. We also noted governance concerns, including its dual-class share structure, which gives the founder disproportionate voting control and may limit independent oversight of strategic decisions. This was particularly relevant considering Nubank's ambitious growth plans, including proposed expansion into the US, which we believed could increase execution risk.

In addition to changes in the Approved List, ESG considerations can also impact the weighting of investments within our portfolios. As highlighted in the **James Hardie Industries** case study on page 7, as a direct result of ESG concerns, we reduced our holding in the company, as liquidity allowed, to 90% below pre-acquisition levels by the end of 2025. We believe in the long-term prospects for the company, and as such will continue to engage with the company on ESG matters.

Why governance and culture matter: Tailings dam disasters in Brazil

Mining is critical to the global energy transition, supplying minerals essential for batteries, renewable energy infrastructure, and electric vehicles. Significant capital is required to realise this opportunity, particularly in emerging markets such as Brazil. At the same time, the sector carries material environmental, social, and governance risks that require sustained oversight from responsible investors.

Northcape's Head of Responsible Investment attended the UN PRI conference in São Paulo in November 2025, meeting with Vale and other leading Brazilian companies, and joining a site visit to Vale's Brumadinho operations.

Tailings dam disasters

Vale, Brazil's largest listed company, illustrates the consequences of governance and cultural failure. Two catastrophic tailings dam failures within four years reflected a prioritisation of production over worker safety, community protection, and environmental stewardship, leaving enduring impacts on affected communities and on Brazilian society more broadly.

In 2015, the collapse of the Germano iron ore mine's tailings dam of the Samarco Mariana Mining Complex, a joint venture between Vale and **BHP**, killed 19 people and contaminated around 600 kilometres of the Doce River. Investigations identified serious design, construction, and management failures, as well as weaknesses in oversight by the joint venture owners. Vale's chief executive pledged "Mariana nunca mais" (Mariana never again), a commitment that was tragically not realised. The cost of remediation at Mariana by BHP and Vale is expected to exceed US\$32 billion.

In 2019, the Brumadinho dam collapse killed 273 people and caused severe environmental damage. Vale later acknowledged that lessons from Samarco had not been adequately implemented and that management incentives were misaligned with safety risks. Financial costs have exceeded US\$8 billion, though the human impact remains immeasurable. Following Brumadinho, both Vale and BHP faced heightened scrutiny from investors, regulators, and civil society regarding accountability, remediation, and governance oversight.

Global engagement

Vale outlined its efforts to drive cultural change, including governance reforms, independent dam audits, enhanced monitoring systems, and safety-linked remuneration. Discussions with management, workers, and board representatives indicated a clear acknowledgement of past failures and a stated commitment to improving risk management and oversight.

However, discussions with local stakeholders during the visit highlighted continuing concerns regarding the pace and adequacy of remediation and compensation. While Vale has reduced its reliance on wet tailings and strengthened disclosure and third-party verification of tailings management, rebuilding trust and social licence remains a long-term challenge given the scale of past harm.

System stewardship

While in Brazil, Northcape also engaged with **Itaú Banco, WEG, B3, JBS, Santander, Nubank, BTG Pactual, Rumo** and **Axia**. Although many of these companies, including Vale, are not on the Northcape Approved List, the discussions provided valuable perspectives on governance, capital discipline, climate risk management and social licence. These discussions are an opportunity to influence improved management of systemic risks across the economy. Strong sustainability practices and disclosure appeared driven by investor expectations, national goals and business risks, including a desire to avoid the reputational and social licence damage experienced by Vale.

Local engagement

Back in Australia, we engaged **BHP** on lessons from Samarco, governance of tailings risks in joint ventures, and expectations for accountability, disclosure and long-term oversight. These discussions emphasised that joint venture partners retain responsibility for governance and risk outcomes, even without operational control.

For investors, the Samarco and Brumadinho tragedies not only have enormous direct financial costs associated with the disasters, but also highlight the importance of avoiding or mitigating such losses through improved governance, incentives, accountability and culture in high risk operations. Mining is essential to the energy transition, but strong board oversight is critical.



Investment stewardship

Investment stewardship, or active ownership, is one of four pillars of our Responsible Investment Framework. Through stewardship, we use our ownership rights to encourage improved corporate behaviour and governance in support of long-term value creation for clients.

As an equity owner, our stewardship activities include:

- **Corporate engagement** – direct dialogue with investee companies through meetings, calls, written correspondence, and site visits, including engagement with boards and senior management on material ESG issues.
- **Proxy voting** – at statutory company meetings to promote accountability, sound governance, and shareholder rights.
- **Collaboration and knowledge sharing** – working with peer investors, clients, and industry initiatives to share insights and amplify influence on priority ESG risks.
- **Policy advocacy** – contributing to consultations, collaborative investor statements, and industry initiatives where policy settings can strengthen market integrity, transparency, and long-term value creation.

We believe active ownership supports better management of material ESG risks and opportunities, contributing to sustainable returns for client portfolios.

Responsible Investment Belief 3:

“

Through ownership rights, we can make a positive impact on companies and industries in which we invest, to benefit clients. Engagement is preferable to divestment for mitigating risks, including systemic risks.

”

Corporate engagement

Corporate engagement is central to Northcape’s investment stewardship approach and is embedded within our research, portfolio construction, and ongoing monitoring across strategies. Engagement enables direct dialogue with boards and management on financially material environmental, social and governance issues and supports informed long-term investment decisions.

In 2025, Northcape undertook 56 engagement meetings with 36 companies across Australian and international portfolios, addressing 67 distinct ESG issues. Engagement activity focused on issues most relevant to long-term value creation, with governance, climate-related risks, and people-related factors forming the core areas of discussion.

Northcape tracks engagement outcomes using a milestone-based framework, recognising that headway on material issues often occurs over extended timeframes. Northcape records when an issue is raised (Milestone 1), when the company acknowledges the materiality of the issue, (Milestone 2), when the company develops a strategy to address the issue (Milestone 3), and finally implementation (Milestone 4). As engagements move beyond the first milestone, company progress becomes observable.

Governance-related topics accounted for the largest share of engagement milestones. Progress was most evident in areas such as board effectiveness, remuneration, reporting, and regulatory issues. Climate-related engagement was also a focus, with milestones observed in energy transition planning and the management of physical climate risks. These outcomes highlight the link between climate resilience and governance, including effective oversight and capital allocation discipline.

Labour and human-rights engagement represented an increasingly important component of stewardship. Engagement focused on supply chain oversight, workforce safety, and disclosure. While outcomes often require longer engagement horizons, progress was observed through improved transparency and commitments to strengthen due diligence processes.

When viewed through a broader sustainability lens, engagement milestones in 2025 were most strongly related to UN Sustainable Development Goals around strong institutions and partnerships, reflecting the foundational role of governance in enabling progress across environmental and social issues. Climate-related engagement sought to contribute to climate action objectives, while labour and human-rights engagement sought to support outcomes linked to decent work, reduced inequality, and improved health and safety.

Northcape does not claim sole responsibility for progress observed at investee companies. Engagement outcomes typically reflect the combined influence of multiple stakeholders over time. Our role is to engage consistently and constructively on issues that matter for long-term returns, and to report transparently on the objectives and outcomes of our work.

UN Sustainable Development Goals (SDGs)



Corporate engagement

Primary engagement issue by ESG category

Environment

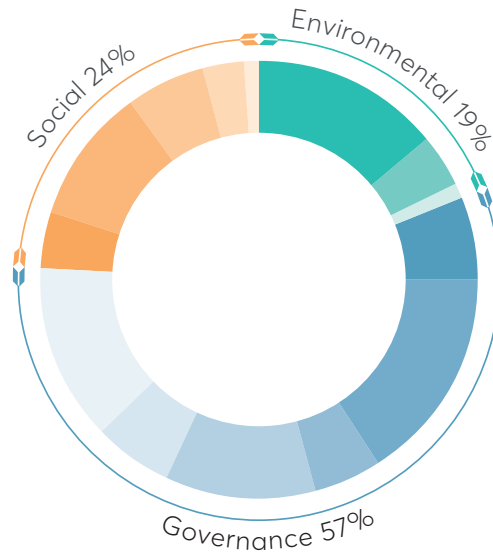
- Energy transition and emissions
- Natural capital and biodiversity
- Physical risks of climate change

Governance

- Risk and capital management
- Board effectiveness and leadership
- Remuneration and incentives
- Shareholder rights
- Reporting and audit
- Business ethics and regulatory

Social

- Customer protection and product risks
- Human and labour rights/supply chain
- Workforce health and safety
- Community relations
- Human capital



SDG mapping of engagement issues

- 17: Partnerships to Achieve the Goals
- 16: Peace and Justice Strong Institutions
- 13: Climate Action
- 10: Reduced Inequality
- 8: Decent Work and Economic Growth
- 3: Good Health and Well-being
- 12: Responsible Consumption and Production
- 15: Life on Land
- 11: Sustainable Cities and Communities
- 5: Gender Equality



Corporate engagement

Annual ESG engagement summary – calendar year 2025

Company	Country	Issues raised and progressed					
		Climate Change	Environmental ⁽ⁱ⁾	Human and Labour Rights	Social ⁽ⁱⁱ⁾	Remuneration	Governance ⁽ⁱⁱⁱ⁾
AIA Group	Hong Kong						1
Ansell	Australia			1			
ANZ	Australia	1					1
ASX	Australia						2
Auckland Airport	New Zealand					1	
Axia*	Brazil	1					
B3 SA	Brazil						1
BHP Group	Australia	1	1	1	2		
BlueScope Steel	Australia				1		
Brambles	Australia					1	
Capitec Bank	South Africa						1
Catapult Group	Australia						1
Coway	South Korea						3
Dino Polska	Poland					1	2
DKSH	Switzerland						1
Eicher Motors*	India	1		1			
Endeavour Group	Australia						1
HDFC Bank	India	1					
Itau UniBanco	Brazil						1
James Hardie Industries	Australia				1	1	2
JB Hi-Fi	Australia			1			
JBS*	Brazil		1				
Lottery Corporation	Australia				1		2
Macquarie Group	Australia	1					1
Maruti Suzuki	India	1		1			
National Australia Bank	Australia	1	1				
Novo Nordisk	Denmark						1
Nubank*	Brazil				1		
Qantas Airways	Australia	3					1
Rumo*	Brazil	1					
Seek Limited	Australia				1		1
Sigma Health	Australia						2
Tata Consultancy Services	India						1
Top Glove	Malaysia			1			
Transurban Group	Australia						2
TSMC	Taiwan	1					
Vale*	Brazil				1		1
Ventia Services Group	Australia						1
Voltronic	Taiwan			1			
WEG	Brazil			1			
Wesfarmers	Australia				1		
Xero Limited	New Zealand						1

* Denotes system-level engagement with companies outside the Approved List, including suppliers, customers and competitors through the value chain.

(i) Excludes climate change, includes natural capital and pollution.

(ii) Excludes human and labour rights, includes human capital, health & safety, product risks.

(iii) Excludes remuneration, includes board matters, voting issues, capital management and reporting and disclosure.

Proxy voting

Proxy voting is a core element of Northcape’s investment stewardship approach and is used to promote accountability, sound governance, and the protection of shareholder rights.

Voting decisions are made by Northcape investment analysts on a case by case basis, informed by company specific context, financial materiality, Northcape’s Responsible Investment Policy, and supported by proxy research. Voting is considered alongside engagement and is used to reinforce expectations communicated to boards and management over time.

In 2025, Northcape voted at 120 shareholder meetings, voting on 1,225 resolutions across Australian and global portfolios. While most company resolutions were supported, Northcape voted against management on 103 proposals, 8.4%, with at least one vote against management at approximately one in three meetings. This reflects a selective, judgement led approach focused on material governance concerns.

Votes against management were most frequently related to director elections and remuneration. Director related resolutions accounted for the largest share of opposition, reflecting concerns about board composition, independence and oversight. Remuneration related resolutions were the second most common driver, where incentive structures or outcomes were assessed as misaligned with shareholder interests or long-term performance.

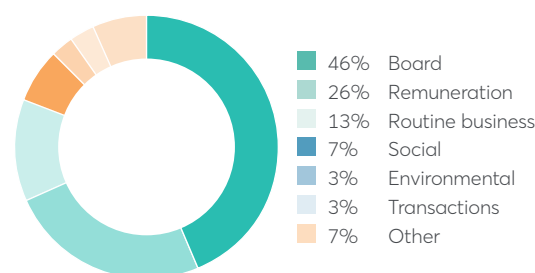
In Australian equities, Northcape voted against the election or re-election of a total of nine directors in 2025, including two at **Xero** and five at **James Hardie**. Governance concerns led to votes against the board chair at both of these companies, with the James Hardie chair ultimately removed from the board. At James Hardie, votes against directors and remuneration followed strategic decisions and remuneration outcomes that were not considered aligned with shareholder value. At Xero, voting also reflected concerns following a major acquisition, including capital allocation discipline, board oversight of strategic risk, and proposed remuneration outcomes at a time of elevated financial and integration risk.

Northcape voted against 14 remuneration related proposals during the year, including at **CSL**, **Macquarie Group**, **HUB24**, and **IDP Education**. In these cases, voting was often used to reinforce engagement on remuneration design, disclosure, and alignment with shareholder value creation.

Northcape voting summary 2025

Category	Total	Australia	International
Shareholder meetings at which our clients’ shares were voted	120	37	83
Number of meeting resolutions voted	1,225	275	950
% of resolutions voted ‘against’	10.4%	9.1%	10.6%
% of resolutions voted against board recommendations	8.4%	9.1%	8.2%
% of resolutions voted with board recommendations	91.6%	90.9%	91.8%
% of abstentions	0.2%	0.0%	0.2%
% of votes contrary to proxy advice	1.7%	2.5%	1.5%

Votes against management 2025



Proxy voting

In emerging markets, Northcape's voting reflected the prevalence of founder led or controlling shareholder structures and related independence questions. We voted against several directors to improve board independence as well as several compensation-related proposals. At **América Móvil**, votes against directors and compensation focused on strengthening independent board oversight and governance, despite some progress on capital structure reforms. More broadly, Northcape's engagement and voting in emerging markets sought to encourage improved governance, capital structure, and incentive alignment where potential conflicts exist alongside strong growth prospects

South Korea's Value Up program is relevant to Northcape's investment process as it targets governance weaknesses that are financially material in Korean equities, particularly capital efficiency, transparency, and alignment between controlling and minority shareholders. This framework informed engagement with **Coway**, where voting focused on balance sheet efficiency, shareholder returns, and board effectiveness. Supported by shareholder engagement, the company continues to make progress on these issues although not at the pace we would prefer.

Social and environmental voting

Northcape recognises that well governed companies with diverse leadership teams are more likely to make sound decisions, manage risk effectively, and build resilient businesses. Through our investment stewardship, including voting, we continue to encourage companies to strengthen governance practices that support long-term value creation and appropriate management of risks, including environmental and social.

The careful consideration of climate-related meeting proposals remained an important component of our stewardship in 2025. Northcape supports climate disclosure resolutions where reporting and targets were assessed as sufficiently credible and aligned with strategy and capital allocation. Where this alignment is lacking, we may use our vote to signal concern.

Northcape believes advisory shareholder proposals, in conjunction with active engagement, act as a valuable mechanism for minority shareholders to provide boards with feedback on long-term environmental and social risks. We will support shareholder proposals where enhanced transparency, improved governance, or clearer accountability is likely to support better long-term outcomes. Even when we do not vote in favour of a shareholder proposal, we value the engagement that supports the voting decision and the opportunity to form a view on materiality of the specific request and suitability of the company's response.

Overall, our approach to social and environmental voting reflects a preference for case by case judgement, informed by company specific context and materiality, and aligned with our broader engagement objectives.

Our full [proxy voting record](#) can be found on our website.

“ We are proud of our strong history of client returns, thought diversity and integrity. We continue to invest in people skills both at a board level and across the company. We genuinely put client outcomes at the forefront of investment decisions.

”



Steve Gliddon
Chairman

Proxy voting and corporate engagement



Company	Xero (Australia/New Zealand)
Sector	Technology
Material topic	G1 – Risk & Capital; G3 – Remuneration
SDG classification	SDG 8: Decent Work and Economic Growth; SDG 16: Peace, Justice and Strong Institutions
Context	Xero proposed substantial executive pay increases and one-off payments for the CEO and CFO. This was assessed as excessive relative to company scale and complexity, with limited performance hurdles and high fixed compensation. The US\$3bn Melio acquisition added strategic and financial risk, raising concerns about board oversight and capital discipline.
Action	We raised concerns with the Chair regarding the financial and strategic justification for the Melio acquisition.
Change objective	Improve remuneration hurdles; improve accountability of management and the board.
Company outcome	While our views were acknowledged, they did not appear to be reflected in decision-making. Given this misalignment and concerns regarding shareholder value, we divested most of our holding. At the annual meeting, we voted against the remuneration report and against the re-election of the chair of the remuneration committee and the board chair. The company received 48.7% votes against the remuneration report, resulting in its first remuneration 'strike' (more than 25% against). Directors were re-elected.

Company	Macquarie Group (Australia)
Sector	Financial Services
Material topic	G3 – Remuneration
SDG classification	SDG 8: Decent Work and Economic Growth; SDG 16: Peace, Justice and Strong Institutions
Context	Macquarie's remuneration framework is broadly sound, however the approximately 10% profit share reduction following regulatory action was assessed as insufficient. Given ongoing regulatory issues and significant compliance costs, stronger consequences for accountable executives were warranted.
Actions	We voted against the remuneration report.
Change objective	Improve remuneration structure.
Company outcome	The company received 25.4% votes against the resolution, resulting in its first remuneration 'strike' (greater than 25% against). The board acknowledged the outcome and indicated that it expects a review of remuneration arrangements to ensure alignment with regulatory expectations and shareholder experience. We will continue to engage.

Stewardship of climate-related risks and opportunities

Climate-related risks and opportunities remain a priority area for ESG integration and stewardship across Northcape strategies.

Considerations such as energy transition planning and exposure to physical climate risks are assessed as part of investment analysis and are monitored over time, with stewardship used to encourage improved governance, strategy, and disclosure by investee companies. Our approach, set out in the [Responsible Investment Policy](#), is not to seek short term reductions in portfolio level emissions metrics, rather to support credible, company level emissions pathways and transition readiness over time, recognising differences in sector, geography, and starting points.

During 2025, climate issues accounted for a material share of Northcape's engagement activity, with 17 climate-related issues raised across the year, reflecting their importance to long-term company resilience and portfolio outcomes. Engagement activity was concentrated on companies where climate risk was assessed to be financially material from a company or system perspective. Engagement patterns reflected a focus on climate issues throughout the year, with activity increasing around reporting periods and key decision points.

Milestones observed during the year indicate progress in climate-related stewardship outcomes, particularly in relation to energy transition planning and the integration of climate considerations into governance and strategy. Around one fifth of all engagement milestones observed in 2025 related to climate focused issues. Progress was often associated with improvements in board oversight, risk management processes, and the incorporation of climate considerations into capital allocation frameworks. These outcomes frequently intersected with broader governance milestones, recognising that credible transition planning depends on effective governance and accountability.

Consistent with our approach, in 2025, we joined the Investor Group on Climate Change (IGCC) to strengthen its capability and collaboration on climate-related risks and opportunities. IGCC membership supports deeper engagement on transition planning, physical climate risk, and climate governance, and enables collaboration with peers and clients on systemic climate risks that cannot be addressed through company level engagement alone. Membership also supports advocacy by IGCC for climate-related policy settings that aids responsible investment.

When considered through a broader sustainability lens, climate stewardship outcomes in 2025 supported progress aligned with climate action objectives, while also linking closely to goals related to strong institutions and partnerships. Through engagement, voting, and collaboration, Northcape aims to contribute to improved climate governance and disclosure in a manner consistent with long-term value.

“We integrate climate-related risks into investment decisions and engage with portfolio companies to encourage improved management of these risks.”



Peiting Liang
Senior Analyst,
Australian Equities



Stewardship of climate-related risks and opportunities

Carbon metrics

We estimate company and portfolio carbon metrics, including emissions exposure, carbon intensity and scenario analysis, using analysis from Institutional Shareholder Services (ISS). This supports our assessment of portfolio alignment with a low carbon transition and helps prioritise stewardship with higher-emitting companies and sectors.

As at 31 December 2025, all three Northcape sample portfolios maintained weighted-average carbon intensity, measured by tonnes of CO₂e per A\$ million revenue, well below their respective benchmarks.

The Emerging Markets strategy recorded a weighted-average carbon intensity (WACI) 75% below benchmark, reflecting significantly lower exposure to high-emitting companies and sectors. The Australian Equities Core strategy recorded a WACI 23% below benchmark, while the Australian Equities Concentrated strategy recorded a WACI 52% below benchmark, reflecting more selective exposure to higher-emitting companies.

In Emerging Markets, a limited number of companies represent a substantial share of total emissions exposure, while concentration is even more pronounced in the Australian equities portfolios.

As a result, short-term movements in portfolio emissions metrics often reflect portfolio composition decisions, rather than underlying emissions changes at the company level. For this reason, we place greater emphasis on assessing the governance and transition plans of higher-emitting companies on our Approved List, alongside targeted stewardship to support improved management of climate-related risks over time.

Transition risk analysis

ISS Carbon Risk Ratings (CRR) provide a forward-looking assessment of company exposure to climate-related transition risks and the quality of management responses. Across all strategies, Northcape portfolio CRRs exceeded the ratings of the benchmark portfolio.

As at December 2025, the Emerging Markets portfolio recorded an average CRR of 55%, outperforming the benchmark. No holdings had exposure to fossil fuel extraction or fossil fuel electricity generation.

The Australian Equities Core portfolio recorded an average CRR of 52%, with only one laggard. The Australian Equities Concentrated portfolio also recorded an average CRR of 52%, with no laggards.

ISS defines laggards as companies with high climate risk exposure due to their business model and industry, and weak management of those risks relative to peers, including governance, strategy, targets, emissions management and disclosure.

Physical climate risk exposure

In addition to transition risk, ISS analysis provides high level insights into physical climate risk exposure under a range of climate and hazard scenarios. These indicators support research, engagement prioritisation and monitoring, rather than acting as point estimates of financial impact.

Physical risk assessments rely on hazard modelling combined with asset location data and qualitative indicators of company risk management. As at 31 December 2025, ISS assessed physical risk management to be moderate or robust for a majority of issuers in the Emerging Markets portfolio. Assessments across Australian equities were more mixed, reflecting differences in disclosure quality, governance maturity and the extent to which companies have undertaken physical risk scenario analysis.

Physical risk metrics are inherently more uncertain than transition risk measures. They do not capture adaptive actions taken by companies over time, changes in asset footprints, insurance arrangements, or public infrastructure investment. They also cannot fully reflect company specific resilience measures, supply chain diversification, or management responses to extreme weather events.

For these reasons, Northcape does not rely on quantitative physical risk scores. Physical climate risks are assessed through bottom up company research, engagement with management on preparedness and resilience, and ongoing monitoring of governance, capital allocation and disclosure practices.

Mandatory climate-related financial disclosure under AASB S2 is expected to materially enhance the availability, consistency and decision usefulness of climate-related information for Australian listed companies. For December year end companies, the first reporting cycle has resulted in broader and more structured disclosure across governance, strategy, risk management, metrics and targets, compared with prior voluntary reporting.

Portfolio carbon metrics

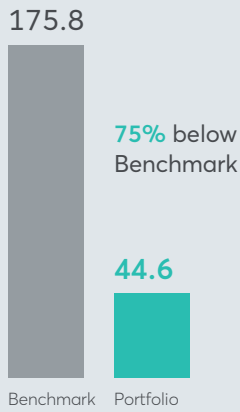
Northcape
Emerging Markets
Portfolio

Northcape
Australian Equities
Core

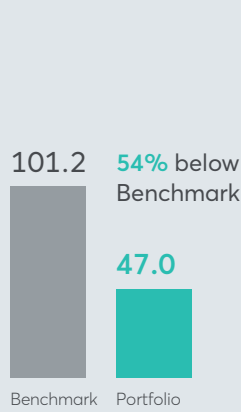
Northcape
Australian Equities
Concentrated

Weighted-average carbon intensity (WACI)

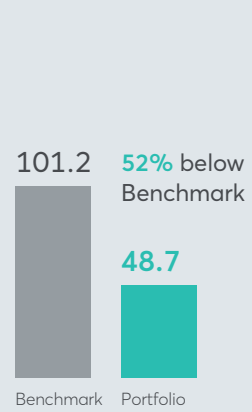
Emissions Exposure
(tCO₂e /revenue)



Emissions Exposure
(tCO₂e /revenue)



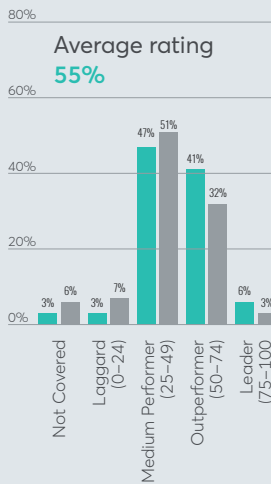
Emissions Exposure
(tCO₂e /revenue)



ISS Carbon Risk Rating (CRR)

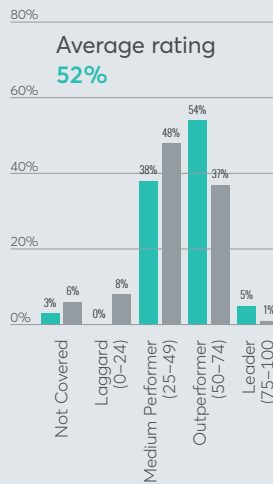
CRR Distribution

■ Portfolio vs. ■ Benchmark



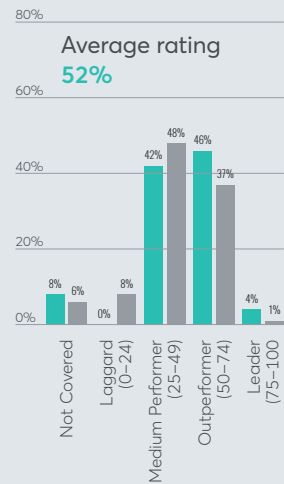
CRR Distribution

■ Portfolio vs. ■ Benchmark



CRR Distribution

■ Portfolio vs. ■ Benchmark



Source: Benchmarks are MSCI Emerging Markets Index and S&P/ASX300. Portfolio climate metrics are based on ISS analysis using holdings and benchmark weights at 31 December 2025 and reflect a point-in-time estimate using reported and modelled data. Metrics may change over time due to portfolio changes, company disclosures, or updates to methodologies and assumptions, and are not directly comparable across periods. Where data is unavailable, ISS applies modelled estimates, which are subject to uncertainty.

Financed emissions and carbon intensity are attributional measures only and do not represent emissions owned or controlled by Northcape or real-world emissions outcomes. The analysis is not a forecast or investment advice and should be considered alongside qualitative research and engagement.

Australian equities strategies use ASX200 futures for portfolio management. Derivatives are not currently captured under financed emissions standards and are excluded from ISS analysis; their inclusion would marginally increase reported intensity.

ISS Carbon Risk Rating is a third-party assessment. Northcape does not warrant its accuracy or suitability and does not rely on it as a standalone measure of climate-related risk. See [ISS Carbon Risk Rating Methodology](#).

Stewardship of long-term risks and opportunities

Companies that may benefit from long-term structural themes

Northcape's Approved List, from which portfolios are constructed, includes companies whose core products, services, or capital allocation align with long-term structural themes shaping economic activity. These themes reflect persistent demand drivers such as electrification, resource intensity, healthcare system capacity, digital infrastructure, financial inclusion, and capital deployment into essential systems.

This table below highlights an illustrative selection of companies where alignment arises from core business activity that is already meaningful, rather than aspirational plans or internal risk management alone.

Company	Theme	Sector	Country	Description
Macquarie Group	Capital allocation to essential infrastructure	Financials	Australia	Financing and asset management of renewable energy and enabling infrastructure.
TSMC	Digital infrastructure and computational efficiency	Information technology	Taiwan	Advanced semiconductor manufacturing enabling higher performance per watt in computing.
SK Hynix	Digital infrastructure and computational efficiency	Information technology	Republic of Korea	Memory and storage components underpinning data infrastructure and compute capacity.
Delta Electronics	Electrification and energy efficiency	Information technology	Taiwan	Power electronics supporting efficiency across industry, transport, and data centres.
WEG	Electrification and energy efficiency	Industrials	Brazil	Electric motors and drives, enabling industrial electrification and efficiency gains.
Samsung SDI	Electrification and energy storage	Information technology	Republic of Korea	Battery manufacturing for electric vehicles and stationary energy storage.
Capitec	Financial digitisation and inclusion	Financials	South Africa	Fintech providing financial products to previously under serviced markets.
CSL	Healthcare and inclusion	Health care	Australia	Vaccines and plasma derived therapies supporting public health and complex disease treatment.
Cochlear	Healthcare and inclusion	Health care	Australia	Implantable hearing solutions improving participation and quality of life.
Rede D'Or São Luiz	Healthcare and inclusion	Health care	Brazil	Private hospital operator delivering acute and complex care in Brazil.
BHP Group	Transition critical materials	Materials	Australia	Producer of copper and nickel used in electrification and energy infrastructure.
Rio Tinto	Transition critical materials	Materials	Australia	Supplier of aluminium and copper used in grids, electrification, and efficiency applications.
Pilbara Minerals	Transition critical materials	Materials	Australia	Lithium producer supplying electric vehicle and energy storage value chains.

Methodology and clarification

Companies included on this page are drawn from Northcape's Approved List and reflect internal analyst judgement about where core business activities align with long-term structural themes. Each strategy maintains an Approved List of 60–70 stocks, from which concentrated portfolios of 25–40 stocks are constructed. This section does not imply that downstream economic, social, or environmental outcomes can be directly attributed to individual companies, nor that companies are aligned with specific sustainability outcomes. Companies have not been assessed against a sustainable finance or other taxonomy. Inclusion also does not imply that a company is held in portfolios at any point in time, but only Approved List companies are eligible to be held in a portfolio.

Case study

Strengthening capability on climate risk and governance

Northcape integrates internal capability building, collaboration, and company level stewardship to support informed judgement on climate-related risks and opportunities.

Responsible Investment Forum

In 2025, Northcape continued to build internal capability to support effective climate-related stewardship, recognising that climate risks and opportunities increasingly intersect with governance, strategy, and capital allocation decisions. As part of this work, Northcape held a Responsible Investment Forum with a leading climate scientist and physical risk practitioner focused on emerging climate risk considerations relevant to long-term investors.

The forum explored recent developments in climate science and their implications for companies and markets, including the growing relevance of physical climate risks alongside transition considerations. Discussion focused on how climate risks are translating into financial and operational impacts, and the importance of boards and management teams having the skills and frameworks needed to oversee these risks effectively.

The discussion reinforced our expectation that investee companies demonstrate appropriate governance oversight of climate risks, including integration into risk management, strategic planning, and disclosure. These insights inform stewardship priorities by sharpening focus on governance quality and decision making, rather than expanding engagement activity in isolation.

The forum also highlighted the value of collaboration in addressing climate-related risks that are systemic in nature. This capability building activity aligned with Northcape's decision to join the Investor Group on Climate Change during 2025, strengthening access to peer learning, research, and collective engagement on transition planning, physical risk, and climate governance.



Marvan Aijaz



Kevin Soo, Richard Maynier, Peiting Liang, Rob Inglis

Stewardship of human and labour rights

Labour and human rights risks form an important component of Northcape's stewardship focus, particularly for companies with complex supply chains, labour-intensive operations, or exposure to higher-risk jurisdictions. These risks are assessed, monitored over time, and used to inform engagement priorities, with a focus on strengthening governance, due diligence and transparency rather than applying exclusionary screens.

During 2025, Northcape continued to refine its approach to identifying and managing human rights risks across operations and supply chains. Analysts integrate modern slavery considerations into issuer ESG assessments using a combination of proprietary research, an in-house ESG data model, external data sources and incident monitoring. This framework assesses exposures, including geography, sector, product and supply-chain complexity, and management performance, measured through policies, supplier oversight, disclosure quality and responses to identified issues.

Risk prioritisation focuses on identifying areas of elevated unmanaged risk, where exposure is high and disclosure or practices lag peers. These companies are subject to closer monitoring and, where appropriate, targeted engagement. Incident tracking and alert systems support ongoing oversight, recognising that risks often emerge beyond core operations and several tiers down supply chains.

Examples during the year included engagement with **Voltronic Power** on modern slavery risks linked to Asian manufacturing supply chains, with a focus on improving disclosure and supplier transparency. Engagement with **Maruti Suzuki** addressed labour and human rights risks among automotive component suppliers, encouraging stronger due diligence, audits and supplier training. In Australia, engagement with **JB Hi-Fi** focused on strengthening ethical sourcing and human rights due diligence in private-label and exclusive brands, recognising the challenges associated with diverse and outsourced supply chains. See our case study on engagement with **Top Glove** and **Ansell** on labour rights risks in their Malaysian supply chains, on the following page.

Northcape's approach to labour and human rights stewardship favours sustained engagement over divestment, reflecting the importance of retaining investor leverage to support remediation and improved outcomes for workers. Where companies demonstrate insufficient progress or an inability to manage material risks, escalation may include voting action, reassessment of ESG risk ratings or removal from the Approved List.

Responsible Investment Belief 4:

“We recognise our role as a provider of capital in contributing to SDGs and that the transition to an SDG-aligned world presents risks and opportunities for investors.”

Case study

Labour rights in Malaysia

In 2025, Northcape monitored and engaged two Approved List companies, **Ansell** and **Top Glove**, on labour-rights concerns linked to a small Malaysian ceramic mould supplier, Mediceram, within the medical supplies value chain. The case illustrates the challenges associated with multi-tier supply chains, particularly where lower-spend suppliers operate in higher-risk labour environments.

Allegations raised by migrant workers included excessive recruitment fees, withheld wages, document retention and poor living conditions. While the vendor represented a very small proportion of supplier spend for downstream companies, the nature of the allegations and the potential harm to affected workers warranted attention. The case highlighted limitations in visibility and oversight beyond tier-one suppliers, a recurring issue in complex global supply chains.

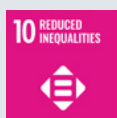
Northcape engaged with Ansell and Top Glove, to understand governance oversight, supplier due diligence processes and remediation actions. Engagement focused on ensuring affected workers were supported, advocating for reimbursement of recruitment fees and encouraging improvements in labour practices and supplier monitoring.

Consistent with recognised good practice, both companies chose to suspend rather than immediately terminate their relationship with the supplier. This approach preserved leverage to influence remediation and improve outcomes for workers, while recognising the risk that abrupt disengagement could exacerbate harm. Both companies acknowledged weaknesses in oversight of smaller suppliers and committed to strengthening screening, monitoring and due diligence frameworks.

While remediation efforts remain ongoing, the case reinforced the importance of continuous monitoring, incident tracking and escalation frameworks, particularly for lower-tier suppliers. It also informed further refinement of Northcape's approach to prioritising human rights risks, reinforcing the need to combine exposure analysis with assessments of company response and governance capability.



Marvan Aijaz, Cameron Robson, Patrick Russel





Collaboration and Policy Advocacy

Northcape views collaboration with peers, clients, and industry groups as an important way to strengthen the effectiveness of its ESG integration and stewardship approach. Collaboration supports shared learning, builds capability on complex and evolving issues, and helps amplify investor influence where collective action can support improved governance and market outcomes.

Signatory of:



Collaboration and Policy Advocacy

Northcape collaborates with other investors and industry participants through responsible investment initiatives, including RIAA and PRI. These forums provide opportunities to share insights, develop skills, and engage collectively on systemic risks that cannot be addressed through company level engagement alone. Collaboration complements Northcape's bilateral engagement with investee companies and supports informed judgement in both engagement and voting.

During 2025, Northcape expanded its collaborative activity, including joining the Investor Group on Climate Change. Membership of IGCC strengthens Northcape's participation in climate-related collaboration, providing access to peer learning, research, and collective engagement initiatives focused on managing climate risk and supporting the transition to a lower carbon economy. Participation in IGCC reflects the increasing importance of climate governance, physical risk, and transition planning across portfolios.

Collaboration also plays a role where stewardship issues highlight potential weaknesses in broader market structures or policy settings.

An example during the year was Northcape's and other investors' response to governance and shareholder rights issues arising from the James Hardie transaction, as outlined in the case study on page 7. These discussions informed Northcape's engagement with ASX as part of its consultation on proposed Listing Rule reforms.

Northcape also contributes to responsible investment networks and working groups focused on governance, human rights, and sustainability practice. Through these forums, insights are shared with investment teams and inform the ongoing development of Northcape's responsible investment approach. Where appropriate, collaboration may include participation in consultations or joint investor statements where policy settings are relevant to long-term market integrity and investor protections.

Northcape undertakes collaboration selectively and with clear objectives, maintaining independent judgement in investment decisions and voting. Collaborative activity is intended to support stronger stewardship outcomes and long-term value creation for clients, rather than to substitute for company specific analysis or engagement.

Northcape may also undertake public policy advocacy to support regulations and standards that improve transparency, integrity, and long-term value. This work complements direct corporate engagement by influencing the broader legal and financial framework.

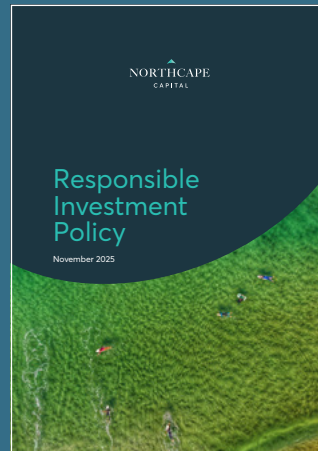
Northcape 2025 responsible investment knowledge sharing and collaboration

Group	Topic	Location
PRI in Person	Responsible Investment	In Person – Sao Paulo
RIAA Conference	Responsible Investment	In Person – Sydney
IGCC Summit	Climate Risk	In Person – Sydney
ASCI Conference	Responsible Investment	In Person – Melbourne
Macquarie ESG Summit	Responsible Investment	In Person – Sydney
Macquarie Equities	Mandatory Reporting Roundtable	In Person – Sydney
RIAA	Human Rights Working Group	Virtual
RIAA	Nature Working Group	Virtual
RIAA	First Nations Working Group	Virtual
RIAA	Sustainability Trends	Virtual
PRI	PRI Oceania Signatory Briefing	Virtual
Australian Sustainable Finance Institute	Natural Capital Report	Virtual
Glass Lewis Australia	Australian Voting Season Preview	Virtual
Smart Energy Conference	Low Carbon Energy	In Person – Sydney
The Financial Review	Chief Economists Forum	In Person – Sydney



Reporting and Disclosure

During the year, Northcape continued to enhance the clarity, consistency, and accessibility of its responsible investment reporting.



Reporting and Disclosure

Our Annual **ESG and Stewardship Report** remains the primary vehicle for communicating our approach, activities, and outcomes, with an increased focus on case studies that demonstrate how ESG integration and stewardship translate into investment decisions and risk management. We have also sought to ensure our disclosures remain aligned with client expectations and evolving market standards, including greater transparency on engagement priorities, outcomes, and escalation actions.

A key component of our external communication framework is **Northcape's Responsible Investment Policy**, which sets out the governance, processes, and principles underpinning ESG integration and stewardship. The Policy was updated during the year to better reflect developments in our approach, including enhancements to climate and human rights risk management, stewardship prioritisation, and the integration of ESG considerations into investment decision-making. As a public document, the Policy plays an important role in providing clients and stakeholders with a clear and consistent reference point for how responsible investment is implemented across the firm.

We maintained our commitment to industry transparency initiatives through submission of the **PRI Transparency Report**, achieving a four-star rating across all pillars and an improved score in Policy, Governance and Strategy. This process provides an external benchmark of our responsible investment practices and supports continuous improvement through peer comparison and detailed self-assessment.

During the year, we expanded our client-facing reporting through the introduction of **'Responsible Investment Insights'**, providing targeted research on key ESG topics. These publications complement formal reporting by offering more timely and thematic insights into issues such as climate risk, human rights, and governance, and possible implications for portfolios and stewardship activities.

Direct client reporting remained a core focus, supported by ongoing enhancements to how we respond to information requests and communicate outcomes. Clients continue to receive regular updates through reports, meetings, and ad hoc discussions, with detailed visibility on engagement activity, proxy voting decisions, and portfolio-level ESG considerations. In addition, full details of every vote cast are disclosed annually in **Northcape's Proxy Voting Record**, reinforcing our commitment to transparency and accountability in stewardship.

Finally, Northcape continued to refine its internal reporting infrastructure to support more structured and repeatable disclosure. The integration of the ESG data model and engagement tracking tools has improved our ability to capture, analyse, and report on ESG risks, stewardship activity, and outcomes across portfolios. These enhancements underpin our commitment to transparent, evidence-based reporting and support the ongoing development of our responsible investment.

“
We are proud of the longstanding relationships we have built with our clients, many of which have endured for decades. Transparent and meaningful reporting is central to these partnerships, reflecting a shared commitment to strong outcomes for our client's members and stakeholders.
”



Eliza Clarke,
Client Manager



Northcape's corporate social responsibility

We believe Northcape's multi-portfolio manager model is key to our success. The approach encourages accountability, curiosity, constructive debate, and diversity of thinking. The model is instrumental in attracting and retaining high calibre, experienced investment professionals, and this is reflected in team stability, and smooth renewal and succession.

“

We've built a culture where every voice is valued, every background is respected, and every person is empowered to bring their perspective to the table.

”



Sean Cunningham
Chief Operating
Officer

Our people

Northcape's culture and team structure are fundamental to how the firm delivers long-term investment outcomes for clients.

Stability, accumulated experience, and continuity of process underpin decision making across portfolios and contribute to resilience through market cycles.

As of 31 December 2025, Northcape employed 32 people across investment, operational, and governance functions. The firm continues to benefit from long average tenure, reflecting strong retention alongside measured renewal. Average staff experience across the organisation is approximately 25 years, while average tenure at Northcape was ten years. Fourteen employees have more than ten years' service with the firm.

Stability, experience, and renewal

Northcape views long tenure as an advantage. Many team members have worked together through multiple market cycles, supporting deep knowledge of companies, industries, and portfolio history. This institutional memory strengthens risk management and supports disciplined capital allocation over time.

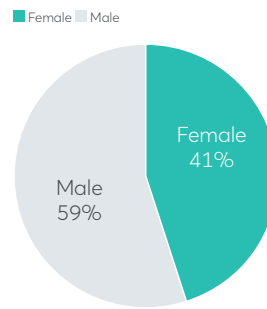
At the same time, Northcape continues to recruit new analysts and operational staff to sustain capability and succession. The recruitment of analysts with the potential to develop into portfolio managers over time supports continuity while ensuring the investment process remains adaptable. This balance between experience and renewal has contributed to consistent performance since the firm's establishment in 2004.

Organisational structure and leadership

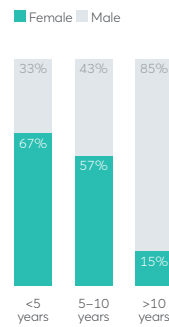
Decision making at Northcape is deliberately collegiate. Portfolio managers and analysts operate within a shared research framework that encourages debate, challenge, and accountability. This structure reduces reliance on any single individual and supports continuity across portfolios.

Board oversight and senior management provide governance and strategic direction, while experienced operational and investment support teams enable investment professionals to focus on research, portfolio construction, and stewardship activities.

Gender diversity of all employees



Gender by tenure at Northcape



Workforce composition and tenure profile

Workforce composition reflects both the firm's history and gradual renewal over time. At the end of 2025, women represented 41% of total staff. Representation is highest among employees with shorter tenure, with approximately two thirds of staff with less than five years' service female, and more than half of those with five to ten years' service.

Among employees with more than ten years' tenure, female representation remains lower, reflecting historical industry entry patterns rather than current recruitment practices. Across functions, participation varies, with higher representation in investment support roles and lower representation within investment decision making teams, consistent with broader industry dynamics.

Culture as a competitive advantage

Northcape believes that culture, experience, and stability are critical inputs to long-term investment success. An environment that values curiosity, constructive challenge, and shared accountability support better decision making and resilience during periods of volatility.

By combining long tenure with thoughtful renewal, Northcape seeks to preserve the strengths of its investment process while continuing to build capability for the future. This balance remains a defining feature of the firm's approach and a key contributor to client outcomes.

Operational emissions and decarbonisation

Northcape seeks to minimise the environmental impact of its own operations and to strengthen the quality of information used to manage emissions over time. Understanding our operational footprint supports more informed decisions and allows disclosures aligned with stakeholder expectations.

Northcape again engaged Pangolin Associates to estimate greenhouse gas emissions for the year to June 2025. The assessment covers Scopes 1 to 3 for our operations and excludes financed emissions, which are addressed elsewhere in this report.

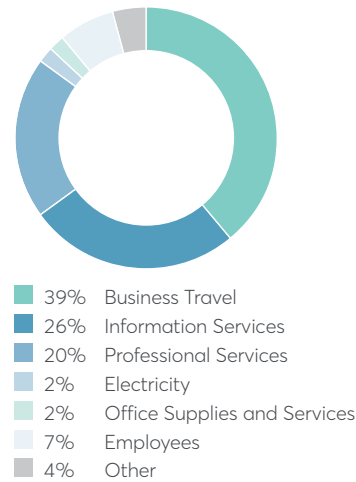
What changed in FY2025

The FY2025 assessment indicates a lower reported operational emissions profile compared with the prior year. In total, FY2025 gross operational emissions were estimated at 601.8 tCO₂ e, a reduction of approximately 32% compared with FY2024. Compared with FY2023, this represents a reduction of around 42% over two years.

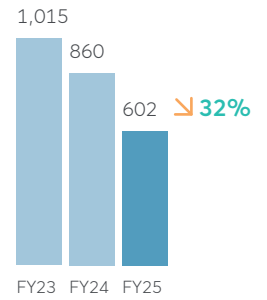
The vast majority of Northcape's operational footprint sits outside direct operational control as Scope 3 emissions. Emissions are concentrated in value chain activities that support the investment process. Business travel accounted for 39% of gross emissions in FY2025, followed by ICT services at 26% and professional services at 20%.

Significantly lower overall FY2025 emissions were mostly driven by reductions in business travel, ICT services, and electricity emissions. While air kilometres flown decreased approximately 15% in the year, the emissions factor (emissions per kilometre) used declined 35% in 2025. This resulted in a total decrease in business travel emissions compared to 2024 of 44%. The significant change in the emissions factor was due to a revision of the global benchmark following an update to more current industry data. The change was prompted by our emissions analysis provider Pangolin Associates.

Scope 1–3 Emissions FY24 (tCO₂-e) 602 tonnes*



Scope 1–3 Emissions (tCO₂-e)



Our research process

Visiting companies on the ground supports due diligence, improves understanding of assets and operating contexts, and strengthens long-term relationships with management. Northcape continues to focus on avoiding unnecessary travel, improving itinerary efficiency, and encouraging airline sector decarbonisation rather than pursuing restrictions that could undermine the investment process. Following changes to Northcape's travel policy, analysts will more frequently travel in pairs to international locations, which may result in higher passenger kilometres and emissions in future reporting periods.

Beyond travel, emissions embedded in ICT, market data and professional services reflect the broader decarbonisation challenge facing the services sector. Progress in these areas is closely linked to supplier action and improvements in the availability of credible, supplier-specific emissions data.

Source: Pangolin Associates. Greenhouse Gas Emissions Assessment for Northcape Capital, FY2025. Prepared in line with the GHG Protocol and ISO 14064-1. Excludes financed emissions.

Risk management and reporting

Northcape's operational emissions exposure creates a limited set of operational risks, primarily linked to business travel and reliance on emissions intensive service providers. These exposures may increase sensitivity to cost volatility, regulatory and reporting requirements, and stakeholder scrutiny as climate disclosures become more prescriptive. While not expected to be financially material, these risks reinforce the importance of accurate emissions measurement and clear, consistent disclosure.

Considering this profile, Northcape's approach to operational emissions remains pragmatic and incremental. Northcape will continue to refine its operational emissions disclosures and decision-making processes to manage risks in its business and provide transparency to stakeholders.

Operational emissions analysis is used to support Northcape's climate-related disclosures under the TCFD framework (see page 40) and prepare for reporting under Australia's mandatory climate-related financial disclosure regime.



Maite Carvell, Julie Korowe, Melannie Mauricio, Lee Hao

Appendix 1:

Northcape TCFD aligned reporting

For the Northcape Climate Policy please see the [Responsible Investment Policy](#).

Governance	Disclose the organisation's governance around climate-related risks and opportunities.
a) Describe the board's oversight of climate-related risks and opportunities.	Climate-related opportunity and risk governance is part of the Responsible Investment Policy, which is a Northcape board-owned policy.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	The implementation of the Policy, including climate-related risk and opportunity management, is undertaken by the Managing Director and staff, with support from the Head of Responsible Investment.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where material.
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Northcape operations and the investment portfolios it manages on behalf of clients, face risks and opportunities related to the energy transition and the physical impacts of climate-change, across a range of time horizons.
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Northcape is developing capability to understand the impact of climate-related risks and opportunities on its business strategy and the ability to deliver the financial returns and sustainability outcomes on which our clients depend.
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	More than 99% of Northcape's emissions are estimated to be Scope 3 financed emissions. Estimated portfolio emissions intensity is generally significantly below relevant equities benchmarks, which supports portfolio resilience. Northcape employs in-house research and third-party data to understand risks in portfolios and company progress, which includes potential impact on investment portfolios of transition and temperature scenarios, including a +2°C and +1.5°C scenario. Scenario analysis remains at an early stage of development and is not yet fully integrated into firm-wide risk management and portfolio risk management processes.

Risk management	Disclose how the organisation identifies, assesses, and manages climate-related risks.
a) Describe the organisation's processes for identifying and assessing climate-related risks.	The process of identifying climate-related risks and opportunities within the operations and investment portfolios is supported by in-house research and third-party climate risk analysis, including scenario analysis, as described above.
b) Describe the organisation's processes for managing climate-related risks.	Management of climate-related risks in investment portfolios is primarily through the stewardship activities of engagement and voting, which encourages investee companies to develop and implement robust transition plans. Northcape assesses its operational emissions annually for opportunities to reduce its carbon footprint.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	In regard to investment portfolios, our investment model seeks long-term sustainable cash flows and therefore is less likely to invest in businesses that are materially challenged by the energy transition. For companies that face material climate-related risks, Northcape prefers engagement over divestment, but exposure reduction or divestment may be used for high levels of risk or governance failings. Northcape manages operational climate risks by measuring its emissions profile and using this to inform risk monitoring, decision-making, and disclosure.
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	For our investment portfolios, Northcape assesses both absolute carbon dioxide emissions and weighted average carbon intensity (WACI), as measured by tonnes of carbon dioxide emitted per million Australian dollars of revenue. Northcape has undertaken an operational emissions study of Scopes 1 to 3 (excluding Scope 3 financed emissions).
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Portfolio emissions data and climate-risk assessment is disclosed on pages 26–27 of this report. Total annual Scope 3 portfolio emissions estimated for holdings at 31 December 2025 were 311,482 tonnes CO₂e. Scopes 1–3 operational emissions (excluding portfolio emissions) in the year to June 2025 were 602 tonnes CO₂e.</p> <p>More detail on operational emissions is on page 38 of this report.</p>
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Northcape reviews transition and physical risk metrics of portfolio companies, and progress toward their targets. We engage and vote to encourage companies to align with TCFD/ISSB standards. With investor action, appropriate policy settings, and consumer activation, there is a higher likelihood the companies in which we invest can transition to net zero. Given concentration of emissions in a small number of holdings, short-term outcomes are likely to reflect changes in portfolio weights, rather than company action. Northcape does not have operational or financed emissions targets, but seeks to engage value chain high emitters to reduce exposure over time.

Glossary of terms

Approved List – The set of companies assessed as meeting Northcape’s investment and ESG criteria and approved for potential inclusion in portfolios, subject to ongoing monitoring and review.

Collaboration – Working with like-minded peer investors, standard setters, industry groups, and other stakeholders in a unified way to pool resources and maximise benefits for improved governance.

Controversial weapons – Some investors focus on chemical and biological weapons, cluster munitions and antipersonnel landmines, while others include nuclear weapons, incendiary weapons, and blinding lasers.

Decarbonisation – Process by which CO₂ emissions from electricity, industry, and transport are reduced or eliminated.

Energy Transition – The economy-wide move away from fossil fuels-based energy sources to renewables.

Engagement (ESG) – Dialogue conducted between an investor and a current or potential investee (e.g., company), or other stakeholder to improve practice on an ESG factor, progress sustainability outcomes, or improve disclosure.

Environmental issues – ESG issues that arise because of a company’s interaction with the natural environment.

ESG – Environmental, Social, and Governance risks and opportunities faced by companies and investors.

Governance issues – ESG issues that arise because of an organisation’s structure and obligations to stakeholders.

Green House Gases (GHG) – Gases which absorb and re-emit infrared radiation, thereby trapping it in Earth’s atmosphere includes carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆) and specified kinds of hydro fluorocarbons and perfluorocarbons.

Investee or portfolio company – A company in which Northcape makes an equity investment on behalf of clients.

Just transition – Combines the need for climate action with consideration of social inclusion, through an economy-wide process aligned to a sustainable future with decent work, net-zero emissions, and thriving communities (IGCC).

Material ESG factors – ESG factors likely to impact the financial condition or operating performance of an entity.

Stewardship/active ownership – The exercise of the rights of ownership, including the right to engage and vote, to influence investee company behaviour to maximise overall long-term value, including systemic value.

Appendix 3:

Northcape investment and operations teams

Australian Equities



Rob Inglis
Director, Portfolio
Manager, Analyst



Peiting Liang
Senior Analyst



Richard Maynier
Portfolio Manager,
Analyst



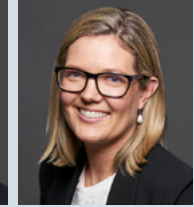
Craig McCourtie
Director, Portfolio
Manager, Analyst



Paul Parsons
Portfolio Manager,
Analyst



Kevin Soo
Portfolio Manager,
Analyst



Fleur Wright
Senior Analyst

Emerging Market Equities



Marvan Aijaz
Research Assistant



Ross Cameron
Portfolio Manager,
Analyst



Oliver Johansson
Special Projects
and Execution



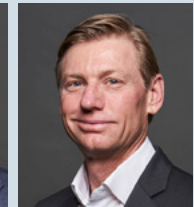
Aimee Jordan
Senior Analyst



Tom Pidgeon
Portfolio Manager,
Analyst



Cameron Robson
Portfolio Manager,
Analyst



Patrick Russel
Director, Portfolio
Manager, Analyst

Operations and Investment Support



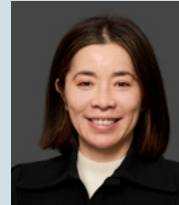
Maite Carvell
Head of Risk and
Governance



Sean Cunningham
Chief Operating
Officer



**Malony
Dayanghirang**
Senior IT Manager



Louisa Kong
Senior Operations
Analyst



Julie Korowe
Investment
Operations



Richard Brasher



Brett Lawrence
Investment
Operations



Toki Ling
Investment
Operations Analyst



Melannie Mauricio
Head of
Compliance



Collette Ryan
Administration
Manager



Savi Wijeyaratne
Head of IT and
Cyber Security



Michael Ryan
Managing Director

Equities Dealer

