

2025

Introduction

Mondrian is pleased to publish our annual Climate Report which discusses the management and impacts of financially material climate-related risks and opportunities on our business and client investment portfolios.

The report is written in line with the recommendations from the Taskforce for Climate-related Financial Disclosures ("TCFD") and considers the TCFD Supplemental Guidance for the Financial Sector, as well as the UK Financial Conduct Authority ("FCA") ESG Sourcebook.

TCFD's reporting framework is organized under four pillars and includes the following recommended disclosures:

- **Governance:** organization's governance of climate-related risks and opportunities.
- **Strategy:** identification of actual and/or potential climate-related risks, opportunities on business, strategy, and financial planning.
- **Risk Management:** Process for identification, assessment, and management of climate-related risks.
- **Metrics and Targets:** Metrics and targets used to assess and manage climate-related risks.

This report has implemented the recommended framework, covering the period of 1 January – 31 December 2025, and its focus is to set out Mondrian's approach to climate-related governance, strategy, risk management and metrics and targets. Additionally, we offer portfolio-level climate reports aligned with the TCFD recommendations to our clients, which can be requested from their respective Client Service Officer.

The measurement of financially material climate-related risks and opportunities continues to evolve. We expect our TCFD report to evolve with industry standards and UK regulations, as well as data availability.

Background

Mondrian is an independent, employee-owned investment manager headquartered in London with offices in Philadelphia and Singapore. We have a diverse global client base, investing on behalf of leading corporations, public and private pension plans, endowments, and foundations in a range of equity and fixed income mandates, and employ a long-term, fundamental approach to research when valuing markets and companies for potential investment. Mondrian acts solely as an investment manager and does not engage in any other business activities.

As a global, long-term valuation-oriented investment manager, our focus is on generating alpha for our clients and providing a rate of return meaningfully greater than our clients' domestic rate of inflation with strategies that seek to preserve capital during protracted market declines. In pursuit of these investment benefits, Mondrian employs a long-term, fundamental approach to research in which the assessment of financially material environmental, social and governance ("ESG") risks and opportunities play an important role when valuing markets and companies for potential investment. We believe it is the responsibility of active investors to be effective stewards of capital in order to protect the long-term interests of clients. Except as required by law, Mondrian does not have any firm-wide exclusions. Clients may implement restrictions for their own separate account mandates.

Governance

Board Oversight of Risks and Opportunities

Mondrian's Board of Directors has ultimate responsibility for risk oversight and relevant business areas as set out in their Statements of Responsibility under the FCA's Senior Managers and Certification Regime ("SMCR"). Day to day responsibility is delegated to appropriate committees appointed by the Board and to the senior management of each business area with oversight by the relevant Senior Manager. Mondrian's Board meets on a quarterly basis, during which they review the overall risk profile of the business. Each of the Board's appointed Committees and functions that have specific responsibility for risk assessment (Compliance and Risk Committee, Internal Audit and Chief Investment Officers) provide reports to the Board to allow them to assess the overall risk profile of the business.

The Board will consider all significant risks in the decision making and strategic planning process and focus resources on any areas where substantial risk mitigation is required. Mondrian believes that risk management should be embedded in Mondrian's corporate ethos and that all employees are responsible for maintaining a control culture throughout the business. We consider systemic and market risks as part of the stress testing that we perform in relation to ICARA (formerly ICAAP) which determines capital requirements assessing business, market and operational risk using extreme but plausible scenarios.

The Mondrian Committee structure is shown below:

Board and Sub Committees



Other Relevant Committees



Board Processes for Oversight of Climate-related Issues

Mondrian's Board is updated on material climate-related risks and opportunities through regular reporting mechanisms to ensure that relevant issues are escalated appropriately. This is conducted through reports provided by the various Board Sub Committees and other relevant committees. Day to day oversight is delegated to appropriate committees appointed by the Board and to the senior management of each business area.

Management's Role in Managing and Assessing Climate Risks and Opportunities

Investment Risk Oversight Committee

Mondrian's Investment Risk Oversight Committee provides independent investment risk oversight and challenge. It is chaired by Mondrian's CEO and Group CIO and includes the Chief Compliance Officer and Head of Performance. In his role as chair of the Investment Risk Oversight Committee, our Group CIO will discuss the product risk overview with individual CIOs and the CIO Forum. The Board reviews Investment Risk Reports semi-annually.

CIO Forum

Mondrian's CIO Forum meets formally at least monthly (and informally on an ad hoc basis) to discuss global valuations within the construct of our investment process, research from the portfolio management teams, current macro themes around the world including market and systemic risk, as well as country and sector positioning within our strategies. Mondrian's CEO and Group CIO, chairs this collaborative meeting with our four other CIOs. The purpose of this dialogue is to share ideas and ensure the consistency of our investment process across the firm.

Individual CIOs are responsible for managing investment risk on respective portfolios. Each product has its own strategy committee where regular internal challenges take place. In addition, we subscribe to independent risk analysis tools such as Barra and FactSet which are used to provide a check and balance, although we caution that measures used here are mostly backward looking. It is forward looking risk we aim to manage, and we believe we have a number of internal controls to help. All CIOs have to present annually to the Board of Directors on their portfolios and how risk is being managed and controlled. The Board challenges CIOs as necessary.

Compliance and Risk Committee

The Compliance and Risk Committee is chaired by Mondrian's Executive Chair and includes the Chief Executive Officer and the Chief Operating Officer. Meetings are also attended by the Chief Compliance Officer, Internal Audit Manager and General Counsel. The Compliance and Risk Committee meets quarterly and acts on behalf of the Board in monitoring the adequacy of the firm's regulatory compliance arrangements.

ESG Investment Steering Committee

Mondrian's ESG Investment Steering Committee, sets and reviews firm-wide initiatives to ensure that our resources and investment staff are capable of meeting ongoing developments associated with ESG-related issues. Chaired by the Head of ESG Investment, committee members include senior members from each Investment Team, as well as our Legal, Compliance, and Client Service/Business Development Teams. Mondrian's Board is ultimately responsible for overseeing all firm practices, including ESG ones, and the Committee reports to the Board annually.

Strategy

Introduction to climate risks and opportunities

Operations

As a value investor with a long-term investment horizon, Mondrian's forward-looking methodology is also applied internally within our organization to include a long-term plan for operational climate change mitigation.

With respect to corporate environmental practices, we look to reduce our operational emissions footprint through energy efficiency, waste management and more efficient business travel.

In June 2022, Mondrian's London headquarters moved to its current location at 60 London Wall. Our new office building supports our ambitions to have a lower operational environmental impact in several ways:

- It was rated BREEAM Outstanding for its construction practices. BREEAM is the world's leading science-based suite of validation and certification systems for sustainable built environment.
- It supports biodiversity through native plantings on our terraces, which help to attract bees.
- It utilizes renewable electricity and has an extensive waste management program.

Additionally, we have achieved a Royal Institution of Chartered Surveyors ("RICS") Ska Rating of Gold – the highest Ska accolade - for the sustainable fitouts of our office floors given their design elements and use of sustainable finishes. Ska Rating is an environmental assessment method, benchmark, and standard for non-domestic fitouts, led and owned by RICS.

Mondrian partners with independent third parties to conduct a formal carbon audit, offset and certification process. Details of operational emissions are provided in the Metric and Targets section of this report.

The most significant element of Mondrian's operational carbon footprint results from business-related air travel. This is primarily comprised of two elements: travel related to investment research and travel to meet with asset owners and consultants. As part of our fundamental research process, we carry out due diligence on the companies we invest in to help further our understanding of the company and assess its risks. Many of our clients have servicing requirements to meet with investment committees and trustees in person. Both of these elements are integral to Mondrian's service to its clients. We will look to reduce our carbon footprint through video conferencing where appropriate and more efficient travel planning, but where travel is necessary, we are committed to offsetting these emissions.

Please refer to the Metrics and Targets section for details on our operational emissions offsetting commitment.

Potential Impact of Climate-related Risks and Opportunities on Operations, Business, Strategy and Financial Planning

Time Frames

Short	Medium	Long
0-5 years	6-10 years	10-50 years

Operational Climate-related Risks

Risk Category	Risk Identified	Time frame	Impact	Management strategy	Risk Rating
Physical: Acute and Chronic	Increased severity of extreme weather events or changes in temperature	Long Term	- Business interruption - Increased capital expenditure associated with damage from climate change - Increased insurance premiums	- Business continuity process - Capabilities for remote working - Insurance for owned assets	Low
Transition: Policy and Legal	Changes to climate-related policy and regulation, including divergence in regulation across regions	Short-Medium Term	- Increased complexity in complying with new regulations and development of enhanced reporting processes. - Increased operating costs	Oversight of evolving regulatory requirements	Medium
Transition: Reputational	Divergence in climate expectations leads to perception of having not responded appropriately to climate change	Short-Medium Term	Potential for increased concern from stakeholders	- Continue communicating with clients, prospects, and consultants to understand expectations regarding climate. - Commitment to transparency in disclosures	High
Transition: Policy and Legal, Technology, Reputation	Increased operational emission-related costs	All	Costs from operational emissions (primarily business travel) are likely to rise as carbon costs increase	Implement a Travel Policy and enhance plans to reduce operational emissions	Low

Operational Climate-related Opportunities

Risk Category	Opportunity Identified	Time frame	Impact	Management strategy
Resource efficiency	Move to more efficient buildings	Short Term	Increased operational costs in the short run offset by reduced costs in the medium to long term	Continue monitoring efficiency of leased building space
Products and Services	Shifts in client preferences increase demand for new types of products	Medium Term	Revenue opportunity for low carbon or sustainability focused products	Continue communicating with clients, prospects, and consultants to understand their objectives
Markets	Shifts in client preferences lead to access to new markets	Medium Term	Revenue opportunity associated with new and emerging markets	- Continue communicating with clients regarding objectives. - Monitor key themes and emerging trends across regions.
Resource efficiency	Use of more efficient sources of energy	Medium Term	Reduced operational costs and exposure to fossil fuel price changes	Continue monitoring energy source and alternatives

Investment Process

Climate change mitigation efforts and the decarbonization journey with its accompanying policies, regulations, subsidies, incentives, levies and disclosure requirements pose both investment risks and opportunities.

Climate Change Considerations in the Mondrian Equity Investment Process

We believe Mondrian is well placed to adapt to the evolving investment environment in terms of pricing risks and opportunities. Mondrian utilizes a disciplined valuation framework to analyze companies based on their fundamentals, together with a long-term investment horizon, and scenario analysis to understand the skew of potential investment outcomes. To the extent that issues such as climate change, carbon emissions, water usage and energy usage have been identified as potentially financially material risks or opportunities to consider in evaluating the investment case of a particular company, our analysts will conduct further investigation into the extent of these exposures as well as any risk mitigation. The findings from this questioning and disclosure are incorporated into our overall investment evaluation of the company and highlighted in the ESG Summary Report, which documents the analysis of financially material ESG risks and opportunities systematically and explicitly in the equity valuation process for all current and prospective equity holdings.

Mondrian's long-term valuation approach enables us to capture a wide range of financially material ESG risks and opportunities within valuations. Some examples of financially material climate-related risks and opportunities evaluated and how they are considered in the valuation process are provided below.

- **Energy:** we often use growth rates that are lower than GDP when modelling companies involved with fossil fuels to reflect the risks of the transition to a lower carbon economy.
- **Utilities:** we will typically forecast an estimated carbon price. Depending on the forecast, lower emission power generation technologies are likely to benefit over time. The power mix also impacts the long-term growth rates applied, with higher longer-term growth expected for companies with a higher weighting towards cleaner power generation technologies notwithstanding the worst-case incorporating policy errors resulting in demand/supply mismatch.
- **Industrials:** emissions and waste management present environmental risks, but increased energy efficiency and recycling can present cost saving opportunities.
- **IT and Telecommunications:** data centers provide long term benefits with cloud migration, enabling big data analysis, Internet-of-Things (IoT), artificial intelligence and high-performance computing. On the other hand, data centers are big users of electricity.
- **Consumer:** customers may pay a premium for products seen to be sustainably and ethically sourced. Conversely, issues in the supply chain can cause product quality degradation and reputational damage.

Climate Change Considerations in the Mondrian Fixed Income Investment Process

Sovereigns: Environmental Risk

Environmental issues inform our sovereign credit adjustment; higher sovereign credit adjustments result in a greater PRY premium required to drive an allocation. Undiversified economies based on commodities, agriculture or tourism can be exposed to environment-related shocks, such as flooding and storm damage, that can place additional burdens on the sovereign balance sheet.

To assess environmental strengths, we compare countries using the Environmental Protection Index compiled by the Yale Center for Environmental Law & Policy. This ranks countries on a number of different environmental performance indicators along two dimensions of sustainability – environment health and ecosystem vitality.

Over the period Mondrian's Global Fixed Income and Currency team continued to look at ways to better monitor sovereign emissions, noting varying industry calculation methodologies, as well as to increase the transparency of emissions reporting to our clients at the sovereign and aggregate fixed income portfolio level. We continue our work in this space.

Corporates: Environmental Risk

The impact on credit quality from environmental risks varies greatly by industry. Environmental issues can present both fundamental business risks, for example that posed by the shift to renewable energy on the oil and gas industry, and reputational risks. To assess environmental risks to credit quality we reference MSCI ESG research in addition to information collated through credit analysis from sources such as annual reports, rating agencies, discussions with management and industry research reports. Our environmental assessment contributes to our corporate credit rating for each issuer, which directly impacts portfolio allocation.

Rothko Equity Investment Process

Rothko Investment Strategies is a division within Mondrian using a long-term, systematic investment approach driven by fundamentals, and valuations. Rothko's investment process is based on decision-rules, developed to identify names with superior fundamental, income-oriented value.

Portfolio level ESG risk analysis and reporting is conducted to determine the overall ESG risk exposures of our portfolios, with risk attribution monitored by our portfolio management team at the country, sector and stock levels. If the Rothko Investment Committee judges there to be a risk of non-adherence to Rothko's ESG principles, investments can be rejected or restricted by the portfolio management team. There are a small number of examples of such overrides being proactively executed, to defend portfolios from heightened risks of adverse returns brought about by poor ESG performance.

While Rothko's modelling framework actively identifies companies with indications of stronger governance, we also formally employ an ESG risk control process to ensure adherence with Rothko's ESG principles.

Stock level ESG risk monitoring also allows the Rothko team to identify and flag individual names and reject or restrict these names on the basis of excessive ESG risks. With respect to environmental considerations, including climate change, Rothko's portfolio management team assess stock and portfolio level Environmental characteristics and our ESG process can provide customizable screening to incorporate a wide range of environmental concerns.

Potential Impact of Climate-related Risks and Opportunities on Investment Products

Time Frames

Short 0-5 years	Medium 6-10 years	Long 10-50 years
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Investment Climate-related Risks

Risk Category	Risk Identified	Time frame	Impact	Portfolio management approach	Risk Rating
Physical: Acute and Chronic	Increased severity of extreme weather events or changes in temperature	Long Term	Increased capital expenditure associated with damage from climate change	Fundamental research and active engagement	High
Transition: Policy and Legal	Changes to climate-related policy and regulation	Short- Medium Term	Increased operating costs associated with compliance with new regulations		Medium
Transition: Reputational	Divergence in climate expectations leads to perception of having not responded appropriately to climate change	Short- Medium Term	Potential for changes in product demand impacting revenues and security valuations		Low
Transition: Market	Shifts in consumer preferences	Medium Term	Potential for changes in product demand impacting revenues and security valuations		Medium
Transition: Technology	Requirement to keep pace with substitution of existing products and services with low emission alternatives	Medium Term	Increased costs associated with adopting new technologies		Low

Investment Climate-related Opportunities

Risk Category	Opportunity Identified	Time frame	Impact	Portfolio management approach
Products and Services	Investing in companies that take advantage of climate-related opportunities	All	Enhanced performance of companies who effectively manage climate-related opportunities	Fundamental research and active engagement
Energy source	Investing in companies that take advantage of the energy transition	All	Enhanced performance of companies who effectively manage opportunities relating to the energy transition	
Markets	Shifts in client preferences lead to access to new markets	Medium-Long Term	Increased revenue from access to new and emerging markets	

Resilience of the Strategy Considering Different Climate-related Scenarios

As per FCA Policy Statement PS21/24, this climate scenario analysis references the Network for Greening the Financial System (“NGFS”) scenarios which explore a range of transition and physical risks and are defined as:

Orderly Transition scenarios assume that climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.

- Net Zero 2050 limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO₂ emissions around 2050. Some jurisdictions such as the US, EU and Japan reach net zero for all GHGs.
- Below 2°C gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C.

Disorderly Transition scenarios explore higher transition risk due to policies being delayed or divergent across countries or sectors.

- Divergent Net Zero reaches net zero around 2050 but with higher costs due to divergent policies introduced across sectors leading to a quicker phase out of oil use.
- Delayed transition assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. CO₂ removal is limited.

Hot House World scenarios assume that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming, leading to high physical risk.

- Nationally Determined Contributions (NDCs) includes all pledged policies even if not yet implemented.
- Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks.

Approach to Scenario Analysis

Currently ~80% of global primary energy demand is met by fossil fuels¹. In order to shift from fossil fuels to cleaner alternatives, several factors must align: (i) a regulatory environment that encourages the development of clean energy and/or penalises fossil fuels; (ii) technological progress that reduces the costs of clean energy; (iii) availability of critical raw materials to enable the transition at a reasonable cost; and (iv) strong growth in consumer demand for clean energy.

The magnitude of the energy transition project should not be underestimated. The pathway is unlikely to be linear. The regulatory backdrop is likely to ebb and flow with the political cycle. Affordability of clean energy is likely to be impacted by commodity price cycles and technological developments. Bottlenecks will emerge, triggering delays and challenges around the physical rollout of clean energy infrastructure. And consumer sentiment towards clean energy is only likely to shift materially once the economics are compelling, or the cost of not doing so becomes more tangible.

At Mondrian, we consider scenario analysis in our long-term, fundamental valuation process to help navigate this sort of uncertainty. We consider potential investments under a range of scenarios – base, best and worst cases, over a 50-year time horizon. This allows us to wrestle with challenges such as the energy transition which is both long-term and highly uncertain in nature. We focus on financial materiality, and we fully integrate financially material ESG risks and opportunities in our process. Portfolio investment decisions are made on a risk-adjusted basis. Securities are selected for portfolios based on the range of potential valuation outcomes derived from our long-term, fundamental valuation methodology and scenario analysis.

¹ Energy Institute: 2022 Key Data – Primary Energy, International Energy Agency: World Energy Balances Overview (2019 data)

Risk Management

Mondrian's Approach to Risk Management

Mondrian's overall approach to risk management supports the belief that risk-taking is a part of doing business, and therefore does not need to be, and cannot always be eliminated.

The Board of Mondrian empowers the business to be entrepreneurial and to take appropriate and controlled risks in order to do business. However, risk must be fully understood and adequately measured. This ensures that the risk exposure is appropriate for the returns anticipated and is consistent with Mondrian's long-term goals and obligations to its stakeholders. The objective is to safeguard the assets both of Mondrian and its clients, whilst allowing sufficient operating freedom to run the business profitably.

Again, Mondrian's Board of Directors has ultimate responsibility and accountability for risk management. The Board meets quarterly and reviews the following reports:

- Investment Risk Reports from the Chief Investment Officers (on a rotating basis).
- Management Risk Report output from the Risk Framework presented by the Chief Executive Officer.
- Compliance and Risk Report which summarizes the key matters arising at the Compliance and Risk Committee.
- Internal Audit Report on the activities of the Internal Audit function.

Operational Processes for Identifying and Assessing Climate-related Risks

Mondrian has a dedicated Compliance and Risk team headed by the Chief Compliance Officer ("CCO"), reporting to the Chief Executive Officer ("CEO") and also with a 'dotted' reporting line to the Executive Chairman.

The team uses the Risk Framework and business managers' input to make recommendations to the Board of Directors (or their appointed Committees and functions) in respect of setting risk appetite/tolerance.

In addition to its regulatory activities, the Compliance and Risk team perform an annual rolling Compliance Monitoring Programme ("CMP"). The CMP aims to review key areas of the business, and includes an ESG review, which assesses items that relate to climate-risk. Findings from the CMP are escalated to the CCO to determine the appropriate course of action.

The team is responsible for day-to-day oversight of Mondrian's risk management arrangements, including the design, implementation, and maintenance of Mondrian's Risk Framework, which includes climate risk and ESG. Responsibilities also include the production of management information and monitoring of Key Risk Indicators (KRIs) against agreed tolerances and escalation of breaches thereof. The team is further responsible for facilitating the errors process and undertaking risk assessments (either as analysis of errors, or targeted reviews).

Oversight of Climate-related and Other Regulatory Risk

Horizon Scanning

Compliance and Risk Team

Mondrian's Compliance and Risk Team is responsible for monitoring the regulatory landscape and maintains a record of regulations in their various stages: implementation, proposals, and guidance as they would apply to Mondrian's operations and clients.

ESG Investment Steering Committee

Mondrian's ESG Investment Steering Committee, sets and reviews firm-wide initiatives to ensure that our resources and investment staff are capable of meeting ongoing developments associated with ESG-related issues. Through the work of the Committee, we look to support our investment team to enhance and evolve our analysis of financially material ESG risks and opportunities and stewardship practices. The Committee meetings provide a regular forum for discussion, helping to ensure Committee members and in turn their respective teams, stay up to date on ESG and stewardship practices at Mondrian and within the industry.

Regulation Implementation

Compliance and Risk Committee

Mondrian's Compliance and Risk Committee acts on behalf of the Board in monitoring the adequacy of the firm's regulatory compliance arrangements and ensures that all investors receive the appropriate level of protection in accordance with relevant regulations, laws, and contractual obligations. The Committee also reviews the updated Mondrian Risk Management Framework. The Risk Management Framework is used to plot the risk profile of all the key functions performed at Mondrian and takes account of regulatory risks, including those related to ESG and climate-related regulations, across different markets as they apply to Mondrian's products and clients.

Oversight of Climate-related and Other Investment Risk

The most significant source of climate-related risks for Mondrian are associated with our investment products and depend upon the portfolio holdings during the period. Portfolio company climate risks and opportunities may be classified into transitional and physical, and may impact companies differently, resulting in different risk profiles. Ultimately climate change could impact Mondrian's assessment of a company's expected risk-adjusted return.

At the portfolio level, Mondrian's Investment Risk Oversight Committee reviews product exposures, risk, and style characteristics within our investment products, including those related to climate. The Committee meets quarterly and is supported by reports from Mondrian's external risk reporting provider Barra and is assisted by reports from our Compliance and Risk Team, Performance Team and Product CIOs as required to ensure adherence with stated objectives and risk guidelines. It reviews product exposures, risk, and style characteristics within our investment products, including those related to climate.

Metrics and Targets

Scope 1, Scope 2, and Scope 3 GHG Emissions Definitions

Greenhouse Gas Protocol provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions. Below is its definition of Scope 1, 2, and 3 emissions.

Scope 1 accounts for direct emissions released from sources that are owned or controlled by the reporting company and may include corporate car fleets, on-site power generation, fuel combustion for heating and power, and any process emissions such as refrigerant gas losses.

Scope 2 accounts for 'energy indirect' emissions associated with the generation of purchased electricity, heat, steam or cooling generated off-site or by a third party.

Scope 3 includes all other indirect emissions sources not accounted for within scope 1 and 2. It is also referred to as value chain emissions, and often represents most an organization's total greenhouse gas emissions. The GHG Protocol defines 15 categories of scope 3 emissions, though not every category will be relevant to all organizations. For investment portfolio emissions, Mondrian uses portfolio company reported Scope 3 data rather than estimated data.

Mondrian Entity Emissions – Operational

Mondrian's emissions auditor has carried out a GHG emissions assessment for Scope 1 and Scope 2 as set out in the "Greenhouse Gas Protocol Corporate Accounting and Reporting Standard" (GHG Protocol Standard, 2011). In addition, the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WRI and WBCSD, 2011) was referenced and applied to a subset of Scope 3 (other indirect emissions) included. This standard groups Scope 3 emissions into 15 distinct categories to provide companies with a framework to organize, understand and report their emissions from wider upstream and downstream impacts. Mondrian included the following in its operational Scope 3 assessment: purchased goods and services, capital goods, water and wastewater, waste, business travel, hotel stays, homeworking, electricity transport and distribution, electricity well-to-tank, electricity transport and distribution well-to-tank, mains gas well-to-tank, and business travel well-to-tank. Below are the emissions associated with Mondrian's operations.

Scope	Emissions Source Category	31 Dec 2025 tCO ₂ e	31 Dec 2024 tCO ₂ e
Scope 1	Direct emissions arising from owned, leased assets that consume fossil fuels and/or emit fugitive emissions (e.g., gas).	44	39
Scope 2	Emissions from the generation of purchased electricity, heat, steam, or cooling (location based)	185	190
Scope 3	Other indirect operational GHG emissions. Includes all other indirect emissions sources not accounted for within Scope 1 and 2. For Scope 3, Mondrian has opted to include water consumption, water treatment, waste, home working, business travel, and upstream emissions of purchased electricity and fuels, including those related to business travel, across all three offices, as these emission sources are deemed relevant to the activities of the company.	791	705
Total Operational Emissions		1,020	934

Operational emissions increased year-on-year, primarily reflecting higher business travel activity during the period; business travel remains the most significant component of Mondrian's operational carbon footprint.

Below are the emissions associated with Mondrian's operational Scope 3, Category 15 investment emissions across our investment portfolios.

Mondrian Entity Emissions – Investment

Corporate Emissions Metrics

Metric	Description
Total Carbon Emissions	Absolute emissions associated with the portfolio, expressed in tCO ₂ e. Calculated by attributing each company's emissions to the proportion of the company the investor owns referencing the company's enterprise value including cash. It represents the volume of emissions attributed to an investor, based on their ownership percentage of the company. This metric is not comparable with other portfolios and will change depending on company and portfolio size.
Normalized Carbon Footprint	Total emissions for a portfolio normalized by market value of the portfolio, expressed in tCO ₂ e/USD million invested. This metric allows for comparison across portfolios.
Weighted Average Carbon Intensity (WACI)	Portfolio weighted average of companies' total emissions intensity per USD million revenue, expressed in tCO ₂ e/USD million revenue. This metric normalizes company emissions by revenue and then weights it by the company's allocation within the portfolio, allowing for comparison across portfolios.

Sovereign Emissions Metrics

Metric	Description
Weighted Average Carbon Intensity (WACI) by GDP	Portfolio weighted average of countries' total emissions intensity per USD million GDP, expressed in tCO ₂ e/USD million GDP
Weighted Average Carbon Intensity (WACI) per capita	Portfolio weighted average of countries' total emissions intensity per population, expressed in tCO ₂ e/capita

Quantitative Emissions Metrics for Investments

The following metrics were calculated in line with TCFD recommendations and follow the Partnership for Carbon Accounting (“PCAF”) methodology.

Aggregated Corporate Holdings (Equity and Fixed Income)

93% of total firm holdings*

Metric	Scope	Portfolio Metrics at 31 December 2025	Previous Period Portfolio Metrics	Portfolio Coverage of Metric
Total Carbon Emissions (tCO ₂ e)	1	1,507,601	1,692,848	92
	2	654,580	558,221	92
	3	25,197,990	19,220,757	89
Normalized Carbon Footprint (tCO ₂ e/USD million invested)	1	32	43	92
	2	14	14	92
	3	539	488	89
Weighted Average Carbon Intensity (WACI) (tCO ₂ e/USD million revenue)	1	58	75	92
	2	29	26	92
	3	594	581	89

Calculation Date: 13 January 2026

Aggregated Sovereign Holdings (Fixed Income)

7% of total firm holdings*

Metric	Portfolio Metrics at 31 December 2025	Previous Period Portfolio Metrics	Portfolio Coverage of Metric
Weighted Average Carbon Intensity (WACI) (tCO ₂ e/USD million GDP)	11	14	7%
Weighted Average Carbon Intensity (WACI) (tCO ₂ e/capita)	1	1	7%

Calculation Date: 13 January 2026

* May not total 100% due to rounding and holdings data coverage.

Targets to Manage Climate-related Risks and Opportunities and Performance Against Targets

Operations

In 2021 we committed to offsetting 200% of emissions generated across our global operations from 2020 onwards. In 2025 we purchased 1,868 carbon credits to offset 200% of our total 2024 operational emissions of 934tCO₂e, as set out in the Metrics section of this report.

Investments

Mondrian has not made a net zero commitment for investment portfolios. We're happy to work with clients to achieve their net zero targets, if any, for their own accounts.

Compliance Statement

We believe the disclosures in this report comply with the FCA's requirements under the ESG Sourcebook. This TCFD Entity Report has been reviewed and approved by Senior Management.

Clive Gillmore
Chief Executive Officer and Group CIO, Founding Partner

Disclosures

Limitations

Climate scenario analysis

- Does not specify a baseline related directly to what is priced into assets today.
- Does not allow for meaningful variation in the implementation of climate policies across geographies and sectors, or alternative technology pathways.
- Scenarios are neither a forecast of what may happen nor a description of what should happen, but rather an illustration of what could happen.
- NGFS scenarios are developed based on a subset of models which make their own assumptions about technology pathways that are highly uncertain.
- There is inherent uncertainty in predicting the pace of climate change.

Emissions metrics

- Total emissions owned increase with the size of the portfolio and are therefore not comparable across funds.
- Emissions metrics are backward looking and may provide limited insights for the future.
- Emissions metrics are reported by companies and countries at different times that may not be aligned with financial year or calendar year reporting periods.

Data Challenges

- Data coverage may be limited for emerging markets, smaller market cap and newer companies. We expect that data coverage will continue to improve, particularly as more companies start to report on their emissions.
- Data quality issues may persist or take time to resolve, even with our engagement with third-party data providers on such issues.
- There may be issues with sourcing appropriate portfolio company or sovereign data points that are timely. Mondrian takes a mixed approach to the timing of calculation inputs with enterprise value including cash updated annually as of the previous calendar year end, position values updated quarterly and emissions data using the most recently available data as of the analysis date.
- Portfolio companies and sovereigns may report financials and emissions metrics at different points in time for different reference periods.
- Emissions data represents the latest information available via our data provider as of the date the data was downloaded, and metrics calculated.
- For any open source (for example from the Science Based Targets Initiative or International Energy Agency), we take the data as it is, and is subject to change.

Disclosures

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