Asset Value Investors

2025

ESG REPORT

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Introduction

We are pleased to present our third ESG Report, detailing our ESG-related activities during the calendar-year 2025. We believe there is no universal approach to ESG, and this report provides an opportunity to clearly set out our philosophy and demonstrate how environmental, social, and governance considerations are embedded within our investment process. Building on last year's report, we combine snapshots of portfolio performance against ESG metrics, derived from our proprietary monitoring system, with qualitative insights and a case study that illustrate our approach in practice.

As responsible stewards of our clients' capital, we believe these considerations offer an important perspective in understanding long-term value creation, with active engagement central to this belief. During 2025, this included several public campaigns at Wacom, Rohto Pharmaceutical, Synchro Food and Gerresheimer, demonstrating our willingness to escalate concerns where necessary to protect shareholder rights and unlock value. While such outcomes highlight the effectiveness of active engagement, our view that escalation to the public domain should be a last resort remains unchanged. Although we cannot disclose the full extent of our private engagements, we remained highly active throughout the year, making encouraging progress at a number of portfolio companies while also identifying a continued pipeline of opportunities.

Our goal is to foster constructive, private dialogue that builds strong, mutually beneficial relationships with portfolio company boards and management teams. Throughout 2025, we continued to engage with companies on a range of ESG-related topics, sharing our perspectives on the key factors underpinning long-term value creation and resilience. These discussions often centre on how companies can better align strategy, governance and capital allocation with long-term shareholder interests. While the specifics of our engagements are not always public, we believe these ongoing, candid conversations are critical in driving meaningful change and lay the foundations for continued progress over time.

Internally, we continue to formalise our processes and strengthen our approach to ESG integration. The Stewardship and Sustainability Risk Committee, established in 2024, remains central to this effort, providing oversight and promoting the consistent and effective integration of ESG considerations across the investment process. Chaired by the Director responsible for ESG and sustainability, the committee brings together a cross-section of the team to support accountability and informed decision-making. Responsible investment is not static, and we continue to review and refine our approach as expectations and best practices evolve, remaining committed to transparent reporting and providing regular insight into our activities.

The first section of our report outlines how ESG and sustainability considerations are integrated into AVI's investment process, while the second provides an overview of how this philosophy underpins our culture as a firm and informs our broader approach to stewardship and responsible investment.

Signatory of:

PRI PRINCIPLES FOR RESPONSIBLE INVESTMENT

ICGN MEMBER
Inspiring global governance standards
www.icgn.org

Capital Market Signatory
CDP
2025

Global Coalition on Workplace Mental Health
CCLA
INVESTOR SIGNATORY

#10000 BLACK INTERNS

aic
The Association of Investment Companies

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Milestones

2021

Develop proprietary ESG monitoring system

Publish ESG Policy

Become signatories of PRI

PRI Principles for Responsible Investment

TCFD Task Force on Climate-Related Financial Disclosures

Become supporters of TCFD

Welcome 1st summer intern through 10,000 Interns programme

#10000 BLACK INTERNS

Define exclusion policy

2022

Become a member of CDP

CDP DISCLOSURE INSIGHT ACTION

Build engagement log into our proprietary database

Begin calculating and reporting annual emissions from commuting and business travel

2023

Join CCLA's collaborative investor initiative seeking to improve the corporate approach to workplace mental health.

Global Coalition on Workplace Mental Health CCLA INVESTOR SIGNATORY

Welcome 2nd intern through 10,000 Interns programme

Report through the PRI for the first time

Publish Stewardship Policy and Proxy Voting Guidelines

[View Policy >]

2024

Publish first ESG Report

[View Report >]

Establish Stewardship & Sustainability Risk Committee

Welcome 3rd intern through 10,000 Interns programme

2025

Publish second ESG Report

[View Report >]

Become a member ICGN

ICGN MEMBER Inspiring global governance standards www.icgn.org

Our ESG Measurement Approach

What drove the development of our proprietary ESG monitoring system and scoring methodology?

We feel that a reliance on third-party ESG data and scores is not appropriate for us for three reasons:

- Coverage does not extend to all portfolio companies, reflecting both their size and our deliberate focus on businesses that are often overlooked by sell-side and third-party ESG research providers.
- Standard methodologies are not well suited to the way we assess the often complex structures of the companies in which we invest and do not adequately reflect the depth and nuance of our look-through analysis.
- The opacity of ESG ratings is fundamentally at odds with our bottom-up approach, where transparency and the ability to interrogate underlying drivers are critical.

Rather than an awkward add-on, we wanted to create a bespoke system that is fully integrated into our investment process which complements our way of thinking and our unique portfolio. We have eschewed a box-ticking approach to ESG and invested significant resources into building a bespoke system into our proprietary database. Our ESG monitoring system provides a formalised framework to assess ESG and sustainability, which is naturally contextualised in our deep knowledge of portfolio companies, and strengthens our analytical capabilities and scope.

Aside from our exclusion policy, we do not impose blanket minimum ESG thresholds that companies must comply with to enter the portfolio. Instead, we want to see our companies improve over time and are committed to supporting in this process. We assess companies against defined ESG metrics using a clear scoring methodology. In this way, we produce annual scores for each company which is also aggregated at the portfolio and firm-wide level. Our scoring system is designed so that we can easily assess direction of travel as well as helping to highlight weaknesses and areas where we can effectively engage with companies to promote sustainable attitudes and address material risks.

Our proprietary system complements our deep fundamental analysis and supports tailored, constructive engagement with companies to drive positive change. It allows for nuance and informed judgement in how we prioritise and respond to ESG-related issues across our various portfolios.

ESG is inherently complex and evolving, and we expect our approach to continue developing in step with it.

Summary of key factors underlying the qualitative and quantitative metrics used in our assessments

ESG

Environmental

Identifying a company's impacts and dependencies on the environment as well as assessing the extent to which a company is effectively managing these issues and integrating them into business strategy, is key to understanding a company's long-term prospects and preparedness in the face of increasing regulation and the urgency of climate action.

- Environmental Impact
- Tackling Climate Change
- Resource Use
- Sustainable Management

Social

We believe that long-term value is most effectively created by serving the interests of all stakeholders. A company culture that invests in the wellbeing and development of its employees and actively respects wider stakeholders not only positively impacts society, but the company's long-term sustainability.

- Equality and Diversity
- Responsible Supply Chain Management
- Labour and Human Rights
- Community Engagement
- Human Capital Management

Governance

We believe that the dynamism and knowledge necessary for strong governance is supported by the presence of diverse perspectives and skills.

- Board Leadership and Independence
- Board Diversity
- Shareholder Rights
- Remuneration
- Ethics and Integrity

ESG & Sustainability

A stock's path through AVI's investment process

As bottom-up investors, we believe our judgement and expertise are central to what differentiates our approach. Rather than relying on a mechanistic set of screens or automated controls, our process is driven by intensive, fundamental research and a detailed understanding of each company within its specific context. While no two companies follow an identical path through our investment process, we apply a consistent framework that guides our analysis. The following outlines the key stages and considerations that underpin our approach.

ESG & Sustainability

A stock's path through AVI's investment process

Pre-Investment

Investment Period

1 - **Exclusion Policy**

2 - **ESG Due Diligence**

3 - **Investment Team Meetings**

4 - **ESG Assessments**

5 - **Tailored Questionnaires**

6 - **Ongoing Controversy Monitoring**

7 - **Bespoke Engagement**

8 - **Proxy Voting**

1 - Exclusion Policy: Before considering any company, we first assess its compliance with our exclusion policy.

2 - ESG Due Diligence: We assess the company's exposure to material ESG and sustainability risks and opportunities as an integral part of our fundamental, bottom-up analysis of each investment.

3 - Investment Team Meetings: New ideas are discussed in regular team meetings.

4 - ESG Assessments: We conduct annual assessments based on in-house research to monitor portfolio companies' performance against defined ESG metrics.

5 - Tailored Questionnaires: We send ESG questionnaires, tailored to portfolio companies, to better understand their approach to ESG and encourage improved corporate sustainability disclosure.

6 - Ongoing Controversy Monitoring: We continually monitor company involvement in controversies.

7 - Bespoke Engagement: We identify specific areas for improvement and work closely with companies to enhance sustainable corporate value.

8 - Proxy Voting: We use proxy voting to drive outcomes aligned with our stewardship responsibilities and objectives.

Our approach to ESG in a differentiated portfolio

ESG and sustainability considerations cannot be meaningfully applied through a universal framework - there is no single blueprint that can be replicated across all companies. Businesses vary widely in structure, geography and stakeholder exposure, and both influence and are influenced by their environments in different ways. At AVI, our portfolio is predominantly concentrated in three core areas: holding companies, Japanese operating companies, and closed-ended funds. Each category carries its own structural characteristics and underlying investment logic, which shapes our starting point and informs the lens through which we assess and integrate ESG and sustainability considerations when evaluating long-term value and risk.

Holding companies

Active ownership and a truly long-term time horizon

AVI has invested in holding companies for over 40 years. We have long contended that the influence of the right kind of controlling shareholder can be a strength rather than a weakness, contrary to what is often suggested. Many family-controlled holding companies are focused on preserving and compounding wealth across generations, naturally positioning them as long-term, active stewards of capital. This long-term orientation often aligns closely with sustainable value creation, as these shareholders are both incentivised and accountable for managing systemic risks and adapting to a changing global landscape.

Rather than prioritising short-term profitability, such companies tend to take a longer view, evolving alongside the businesses they oversee and, in many cases, proactively driving innovation and operational improvements. We observe this across our portfolio, including at EXOR, the Agnelli family's holding company, which has played an active role in advancing electrification initiatives at Stellantis and Ferrari.

While the values and track record of the controlling shareholder provide an important lens, our analysis is ultimately grounded in the quality and direction of the underlying businesses. It is here that the true extent to which ESG and sustainability considerations are embedded becomes evident. We therefore conduct detailed research on both the controlling shareholder and the underlying portfolio companies, forming a holistic view of long-term prospects. Our focus remains on identifying holding structures where disciplined capital allocation, strong governance and high-quality underlying assets support sustainable long-term value creation.

Closed-ended funds

Responsible companies flow from good governance

We believe strong governance is the foundation of ESG, without which environmental and social considerations cannot be effectively managed or sustained. This is particularly true for closed-ended funds, where governance is the primary lens through which we assess long-term quality. The board plays a central role as the oversight function of the fund and the guardian of shareholder interests, responsible for setting priorities, monitoring strategy and holding the investment manager to account. As such, a high-quality board can be a key indicator of an attractive opportunity.

We place significant emphasis on board composition, independence and effectiveness. A strong board should not only bring the appropriate range of skills and perspectives, but also operate with genuine independence from the investment manager, enabling robust challenge and effective oversight. This dynamic is critical in establishing the right 'tone from the top', ensuring that long-term considerations are prioritised and that key risks, including those related to sustainability, are properly scrutinised.

While the underlying portfolio companies form an important part of our analysis, including an assessment of their exposure to and management of sustainability-related issues, our ability to directly influence these is often limited. Our focus is therefore concentrated at the board and manager level, where we believe engagement can be most effective. We assess the robustness of the investment manager's philosophy and process, including the extent to which sustainability considerations are meaningfully integrated into decision-making rather than treated as a peripheral exercise.

A nuanced understanding of both qualitative and quantitative factors is essential in evaluating how these funds are managed in practice, beyond stated policies and marketing materials. Drawing on our experience, we engage constructively with boards and managers to promote strong governance practices and address areas of concern where they arise. We believe that effective governance is not only a safeguard, but a key driver of sustainable long-term returns.

Japanese operating companies

Don't judge a book by its cover (or its ESG score)

A lack of ESG disclosure is often interpreted as a lack of awareness or commitment, and smaller Japanese companies frequently fall into this blind spot. The inconsistency of ESG ratings is well documented, but less attention is given to the reliance on corporate disclosure, which can disproportionately disadvantage smaller companies with fewer resources dedicated to reporting. As a result, we do not view weak or absent ESG ratings as a reliable indicator of underlying practices.

In many cases, the principles underpinning ESG are already deeply embedded. The concept of shuchu kiyaku - that companies should act in the interests of society as well as the business - has long been part of Japanese corporate culture, predating the global rise of ESG frameworks. What is often perceived as a strategic pivot elsewhere is, in Japan, frequently an extension of existing philosophy.

Our approach is therefore grounded in developing a deep understanding of each company's underlying practices and long-term prospects, rather than relying on external scores. We prioritise building close, constructive relationships with management teams, and in several cases, including Wacom and TSI Holdings, companies have actively sought our perspective on ESG matters. We believe this reflects both their recognition of the importance of these issues and the value of our tailored, engagement-led approach.

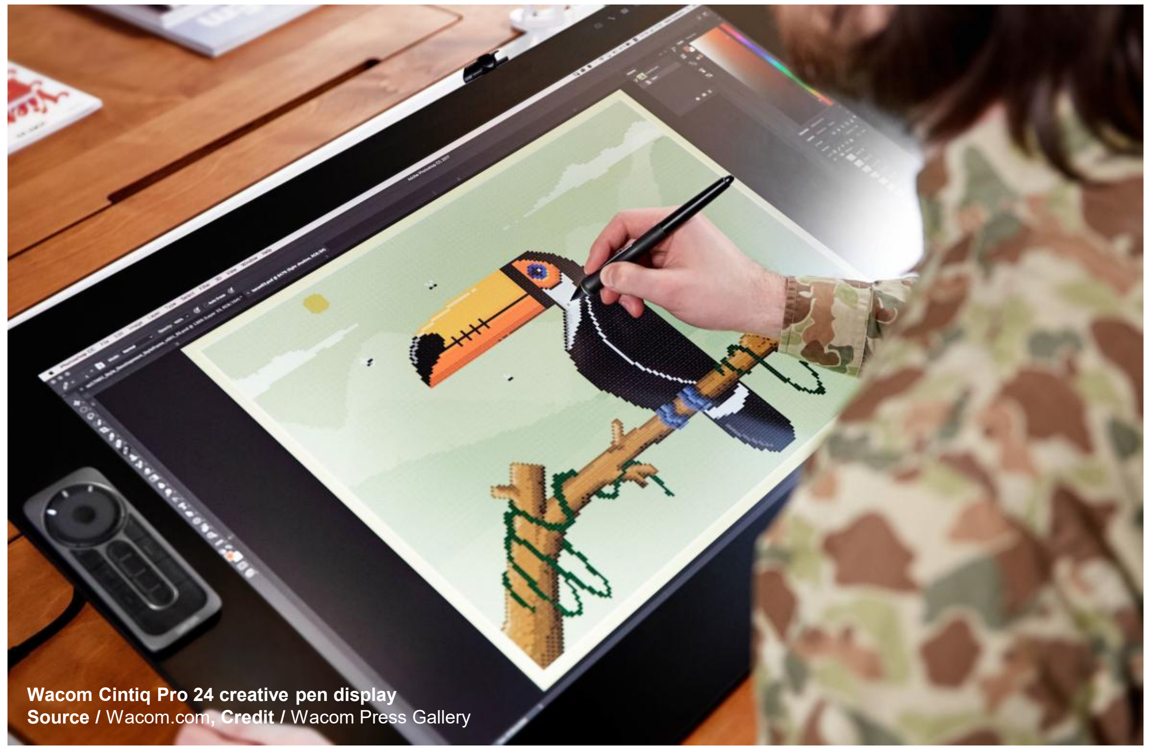
The ongoing corporate governance reforms in Japan provide a supportive backdrop for this work. Our focus on smaller companies allows us to engage directly with boards and management, supporting the embedding of sustainable practices at an early stage. When necessary, engagement is escalated through mechanisms such as shareholder proposals and public campaigns. This not only strengthens long-term resilience but also enhances our ability to unlock value and drive meaningful, lasting change.

Portfolio Company Engagement Examples

Wacom Co Ltd (TSE: 6727)

AVI's engagement with Wacom Co., Ltd. (Wacom) illustrates our commitment to escalating constructive shareholder activism where private dialogue alone proves insufficient to drive meaningful governance improvement and long-term value creation. Wacom, a global leader in digital pen and tablet technology, has been identified by the investment team at AVI as a business with genuine underlying quality yet persistent governance shortcomings. Our concerns centred on board composition and independence, inadequate oversight of the Branded Business restructuring, and insufficient alignment with capital market best practice.

As Wacom's largest shareholder*, AVI engaged extensively through private dialogue but concluded that the pace of change remained inadequate. In May 2025, AVI publicly launched the "Draw Wacom's Future" campaign, submitting six shareholder proposals at the 2025 AGM — including a Transformation Plan Supervisory Committee, an independent director with capital markets expertise, a ¥5 billion share buyback, and TSR as an executive compensation KPI. The campaign generated meaningful shareholder engagement and heightened scrutiny of Wacom's governance, demonstrating AVI's willingness to move from private engagement to public activism to unlock long-term value.


Wacom Cintiq Pro 24 creative pen display
Source / Wacom.com, Credit / Wacom Press Gallery

Synchro Food Co Ltd (TSE: 3963)

AVI's engagement with Synchro Food Co., Ltd. (Synchro Food) illustrates our commitment to escalating constructive shareholder activism where private dialogue alone proves insufficient to drive board renewal and disciplined capital allocation. Synchro Food, operator of Inshokuten.com, a business-to-business platform connecting Japanese restaurants with suppliers and services, has been identified by the investment team at AVI as a business with attractive margins and revenue growth, yet undisciplined capital allocation and inadequate board oversight. Our concerns centred on the issuance of new shares despite ample cash reserves, an acquisition that breached the company's own budget guidance, and insufficient independent challenge at board level.

AVI first built a position in Synchro Food in March 2025 and engaged extensively through constructive private dialogue, but again concluded that the pace of change remained inadequate. In October 2025, AVI requisitioned an EGM, seeking the dismissal of an entrenched director and the election of Kaz Sakai, AVI's Portfolio Manager - Japan, as an independent outside director. The EGM, held in December 2025, was successful: two internal directors were dismissed, and Kaz Sakai was appointed to the board - the first time AVI has placed a member of the AVI investment team directly onto an investee company's board.

Source: AVI (as at 31/12/25)

* AVI have been the largest shareholders of Wacom since Q3 2022.

Pre-Investment

1. Exclusion Policy

AVI introduced an exclusion policy in 2021.

Exclusionary screening is not our guiding framework, however, there are certain exceptions to this.

AVI will not invest in a company with direct involvement* in:

- **Tobacco**
- **Controversial Weapons**
- **Pornography**

or companies that engage in child labour or human exploitation as defined by the relevant ILO conventions.**

Resources:

- Data from ISS Norms Based Research is fed directly into our database and flags any violation of international norms and standards associated with our investment universe.
- Our in-house order management system contains an automatic alert system to alert us to any breaches of our exclusion policy.
- Our analysts continually monitor holdings, including new acquisitions, that may violate our exclusion policy.

*whereby more than 5% of that company's NAV is derived from these activities
**The International Labour Organization is known as the ILO.

Pre-Investment

2. ESG Due Diligence

Sustainability risks can have direct financial implications for companies and influence the resilience of the markets in which they operate. As long-term, bottom-up investors, assessing each company's exposure to sustainability-related risks and opportunities is integral to forming a comprehensive view of its ability to generate and sustain value over time. This forms a core part of our pre-investment due diligence process.

Our analysts undertake a detailed assessment of material ESG factors, taking into account the company's sector, geography and specific structural characteristics. This work is embedded within our fundamental analysis and contributes directly to our investment thesis and conviction around long-term prospects.

We also consider the broader ownership structure, including the shareholder register, to understand the governance environment and assess how our engagement efforts are likely to be received. Where we identify entrenched positions or a lack of openness for constructive dialogue at board or management level, we are less likely to proceed, reflecting our belief that the ability to engage and drive change is a key component of long-term value creation.

Resources :

- Intensive in-house research and investment team expertise
- SASB Materiality Map and other tools such as the Transition Pathway Initiative (TPI) may be used as a starting point
- ISS Norms Based Research to aide assessment of any patterns in company involvement in controversies that may indicate unmanaged risk
- Expert networks

Pre-Investment

3. Investment Team Meetings

AVI operates a highly collaborative, team-based approach that enables continuous scrutiny and challenge throughout the investment process. Regular fortnightly meetings provide a structured forum in which potential new investments are presented and debated across the team, complemented by frequent ad hoc discussions as ideas develop and new information emerges.

Material ESG considerations, including specific risks and opportunities identified through analysts' independent research, are fully integrated into these discussions alongside valuation and broader investment factors. We also assess the potential for meaningful active engagement as part of building a comprehensive investment case.

These meetings are characterised by rigorous debate and open dialogue, drawing on the collective experience of the team, and often serve to refine initial views, identify additional areas for analysis, or strengthen conviction. This iterative process is central to ensuring well-informed decision making and a robust assessment of both risks and long-term opportunity.

Resources:

- Structured team-wide investment dialogue
- Depth of investment team experience
- Integrated ESG expertise within the investment process

Investment Period

4. ESG Assessments (AVI, AGT, AJOT, MIGO)

Once we have invested in a company, we adopt an active approach to supporting and enhancing its long-term prospects. We believe that a company's ability to create sustainable value is underpinned by a responsible approach to environmental, social and governance considerations, which also contributes to broader financial market stability through the effective management of sustainability-related risks. As such, ESG analysis remains a continuous and integral part of our investment process rather than a one-off exercise.

Our ESG assessments draw on both quantitative and qualitative publicly available information. While corporate disclosure provides a useful foundation, it is rarely sufficient in isolation, particularly for the types of companies in which we invest. We therefore supplement this with our own research and analysis to build a more comprehensive understanding of underlying practices and risks.

Given the often complex structures within our portfolio, a look-through approach is critical to accurately assessing environmental and social impacts, as well as exposure to ESG-related risks and opportunities. Accordingly, we extend our analysis beyond the companies in which we hold direct stakes to include their major underlying assets, ensuring a more holistic and investment-relevant view.

Resources:

- Internal ESG framework and scoring guidance
- Company disclosures and reporting
- Access to specialist ESG data sources

Environmental

4.1 ESG Assessments

We monitor emissions at the individual company level and assess the extent to which companies have made commitments to reduce emissions and negative environmental impacts from their operations. We assess the direction of travel, year on year, and together these metrics give us a better insight into the credibility and effectiveness of environmental commitments and strategies implemented by our portfolio companies. Currently, emissions-related data that we capture is only used for internal analysis, however, we will consider publicly disclosing our carbon footprint and weighted average GHG emissions at the portfolio level in the future.

Emission Disclosure and Environmental Commitment

AVI		2021		2022		2023		2024		2025	
		#	%	#	%	#	%	#	%	#	%
Companies publicly disclosing emissions	Parent	27	49%	35	65%	41	75%	59	65%	41	44%
	Look-Through	19	66%	14	58%	16	80%	11	69%	3	50%
Emissions privately disclosed to us upon request	Parent	0	0%	3	6%	2	4%	4	4%	0	0%
	Look-Through	0	0%	0	0%	1	5%	4	25%	0	0%
Defined environmental strategy and set clear targets	Parent	16	29%	22	41%	28	51%	34	37%	27	29%
	Look-Through	14	48%	11	46%	11	55%	10	62%	3	50%
Formally committed to having targets approved by SBTi	Parent	4	7%	4	7%	7	13%	2	2%	15	16%
	Look-Through	4	14%	6	25%	2	10%	1	6%	0	0%
Had targets validated by SBTi	Parent	1	2%	5	9%	6	11%	13	14%	12	13%
	Look-Through	3	10%	2	8%	8	40%	6	38%	0	0%

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Environmental

4.2 ESG Assessments

Emission Disclosure and Environmental Commitment

AGT		2021		2022		2023		2024		2025	
		#	%	#	%	#	%	#	%	#	%
Companies publicly disclosing emissions	Parent	19	56%	27	77%	32	84%	33	89%	20	61%
	Look-Through	15	68%	9	50%	12	80%	11	73%	3	100%
Emissions privately disclosed to us upon request	Parent	0	0%	1	3%	1	3%	1	3%	0	0%
	Look-Through	0	0%	0	0%	1	7%	1	7%	0	0%
Defined environmental strategy and set clear targets	Parent	10	29%	16	46%	19	50%	18	49%	27	29%
	Look-Through	14	64%	8	44%	8	53%	10	67%	3	50%
Formally committed to having targets approved by SBTi	Parent	4	12%	2	6%	6	16%	1	3%	15	16%
	Look-Through	4	18%	5	28%	2	13%	1	7%	0	0%
Had targets validated by SBTi	Parent	1	3%	3	9%	4	11%	9	24%	12	13%
	Look-Through	3	14%	1	6%	5	33%	6	40%	0	0%

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Environmental

4.3 ESG Assessments

Emission Disclosure and Environmental Commitment

AJOT		2021 #	2021 %	2022 #	2022 %	2023 #	2023 %	2024 #	2024 %	2025 #	2025 %
Companies publicly disclosing emissions	Parent	11	41%	11	48%	15	68%	16	73%	14	65%
	Look-Through	0	0%	1	33%	1	100%	0	0%	0	0%
Emissions privately disclosed to us upon request	Parent	0	0%	2	9%	2	9%	3	14%	0	0%
	Look-Through	0	0%	0	0%	0	0%	0	0%	0	0%
Defined environmental strategy and set clear targets	Parent	6	22%	9	39%	12	55%	9	41%	11	42%
	Look-Through	1	25%	1	33%	0	0%	0	0%	0	0%
Formally committed to having targets approved by SBTi	Parent	0	0%	2	9%	1	5%	0	0%	6	23%
	Look-Through	0	0%	0	0%	0	0%	0	0%	0	0%
Had targets validated by SBTi	Parent	0	0%	0	0%	1	5%	1	5%	5	19%
	Look-Through	0	0%	1	33%	0	0%	0	0%	0	0%

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Environmental

4.4 ESG Assessments

MIGO joined AVI in December 2023 and has therefore been integrated into our ESG process since 2024. Given that the majority of MIGO's portfolio is comprised of closed-ended funds, disclosure is often less comprehensive than operating companies.

Emission Disclosure and Environmental Commitment

MIGO		2024		2025	
		#	%	#	%
Companies publicly disclosing emissions	Parent	19	46%	10	37%
	Look-Through	0	0%	0	0%
Emissions privately disclosed to us upon request	Parent	0	0%	0	0%
	Look-Through	0	0%	0	0%
Defined environmental strategy and set clear targets	Parent	10	24%	11	42%
	Look-Through	0	0%	0	0%
Formally committed to having targets approved by SBTi	Parent	1	2%	6	23%
	Look-Through	0	0%	0	0%
Had targets validated by SBTi	Parent	4	10%	5	19%
	Look-Through	0	0%	0	0%

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Social

4.5 ESG Assessments

We assess the measures that our portfolio companies have in place to foster a work environment that is inclusive, safe, and rewarding. Moreover, we track the company's approach to community engagement and steps taken to actively ensure responsible conduct throughout their supply chain. We believe these are indicators to the management of risks that are key to companies' long-term success..

Employees, Supply Chain and the Community

AVI		2021		2022		2023		2024		2025	
		#	%	#	%	#	%	#	%	#	%
Discrimination and harassment policy	Parent	27	49%	41	76%	44	80%	66	27%	43	46%
	Look-Through	17	59%	13	54%	16	80%	12	71%	3	50%
Labour and human rights policy	Parent	28	51%	35	65%	41	75%	66	27%	46	49%
	Look-Through	14	48%	13	54%	16	80%	12	71%	3	50%
Responsible supply chain policies and processes	Parent	15	27%	20	37%	19	35%	10	11%	10	11%
	Look-Through	12	41%	7	29%	8	40%	5	31%	5	31%

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Social

4.6 ESG Assessments

Employees, Supply Chain and the Community

AGT		2021		2022		2023		2024		2025	
		#	%	#	%	#	%	#	%	#	%
Discrimination and harassment policy	Parent	19	56%	29	83%	31	82%	32	86%	22	67%
	Look-Through	14	64%	10	56%	13	87%	10	67%	3	100%
Labour and human rights policy	Parent	17	50%	27	77%	29	76%	31	84%	22	67%
	Look-Through	14	64%	10	56%	12	80%	10	67%	3	100%
Responsible supply chain policies and processes	Parent	12	35%	17	49%	13	34%	10	27%	14	42%
	Look-Through	10	45%	6	33%	5	33%	5	33%	2	67%

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Social

4.7 ESG Assessments

Employees, Supply Chain and the Community

AJOT		2021		2022		2023		2024		2025	
		#	%	#	%	#	%	#	%	#	%
Discrimination and harassment policy	Parent	9	33%	17	74%	18	82%	16	73%	14	54%
	Look-Through	1	25%	2	67%	1	100%	0	0%	0	0%
Labour and human rights policy	Parent	9	33%	14	61%	16	73%	16	73%	15	58%
	Look-Through	1	25%	1	33%	0	0	0	0%	0	0%
Responsible supply chain policies and processes	Parent	0	0%	2	9%	3	14%	1	5%	9	35%
	Look-Through	0	0%	0	0%	0	0%	0	0%	0	0%

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Social

4.8 ESG Assessments

Employees, Supply Chain and the Community

MIGO		2024		2025	
		#	%	#	%
Discrimination and harassment policy	Parent	16	39%	12	44%
	Look-Through	1	50%	1	25%
Labour and human rights policy	Parent	17	41%	13	48%
	Look-Through	1	50%	1	25%
Responsible supply chain policies and processes	Parent	1	2%	2	7%
	Look-Through	1	50%	1	25%

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Governance

4.9 ESG Assessments

We examine the composition, representation and independence of the governing body, its integration of sustainability, and the policies and procedures in place to ensure corporate integrity. We also assess the mechanisms available to ensure misconduct can be reported and remedied.

Board Composition and Ethics

AVI		2021		2022		2023		2024		2025	
		#	%	#	%	#	%	#	%	#	%
Whistleblowing policy and anonymous reporting mechanism	Parent	19	35%	25	46%	37	67%	44	18%	41	44%
	Look-Through	11	38%	11	46%	13	65%	12	71%	3	50%
Average board independence		49%		54%		53%		50%		63%	
Average board diversity		18%		22%		22%		28%		29%	

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Governance

4.1.0 ESG Assessments

We examine the composition, representation and independence of the governing body, its integration of sustainability, and the policies and procedures in place to ensure corporate integrity. We also assess the mechanisms available to ensure misconduct can be reported and remedied.

Board Composition and Ethics

AGT		2021		2022		2023		2024		2025	
		#	%	#	%	#	%	#	%	#	%
Whistleblowing policy and anonymous reporting mechanism	Parent	12	35%	16	46%	24	63%	25	68%	19	58%
	Look-Through	11	50%	8	44%	9	60%	10	67%	3	100%
Average board independence		52%		58%		53%		49%		62%	
Average board diversity		21%		25%		24%		30%		35%	

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Governance

4.1.1 ESG Assessments

We examine the composition, representation and independence of the governing body, its integration of sustainability, and the policies and procedures in place to ensure corporate integrity. We also assess the mechanisms available to ensure misconduct can be reported and remedied.

Board Composition and Ethics

AJOT		2021		2022		2023		2024		2025	
		#	%	#	%	#	%	#	%	#	%
Whistleblowing policy and anonymous reporting mechanism	Parent	6	22%	10	43%	11	50%	11	50%	14	54%
	Look-Through	0	0%	0	0%	0	0%	0	0%	0	0%
Average board independence		41%		42%		44%		43%		46%	
Average board diversity		7%		11%		16%		12%		16%	

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Governance

4.1.2 ESG Assessments

We examine the composition, representation and independence of the governing body, its integration of sustainability, and the policies and procedures in place to ensure corporate integrity. We also assess the mechanisms available to ensure misconduct can be reported and remedied.

Board Composition and Ethics

MIGO		2025		2025	
		#	%	#	%
Whistleblowing policy and anonymous reporting mechanism	Parent	7	17%	10	37%
	Look-Through	1	50%	1	25%
Average board independence		91%		90%	
Average board diversity		40%		36%	

Source: AVI, data includes all portfolio companies held across any AVI fund as at end of stated year, excluding companies with <0.5% weight.

Investment Period

5. Ongoing Controversy Monitoring

We closely monitor any controversies associated with our portfolio companies and the wider universe. To support this, we use data from ISS Norms Based Research which continually monitors a wide range of sources for controversies, mapping them to international norms and standards. A traffic light system is used so that we are alerted to new cases whilst evidence is still emerging, allowing us to monitor developments and giving us time to engage with the companies and share our views or call for action when this is appropriate. Whilst we hope that controversies do not occur, they can be a marker of how well a company's policies are integrated into business operations and culture, highlighting vulnerabilities or structural problems, and indicating where improvements can be made. Company involvement in controversies forms part of our ongoing risk management and may impact investment decisions.

ISS Norms Based Research Cases	AGT	AJOT	MIGO
	2025	2025	2025
Parent Companies Held Within Period	67	40	67
Companies With Updated Cases	10	0	0
Updated Green Cases	5	0	0
Updated Amber Cases	9	0	0
Updated Red Cases	0	0	0

Resources:
Media sources and corporate announcements are continually monitored by analysts
NGO and industry reports
ISS Norms Based Research data is fed directly into our database

Investment Period

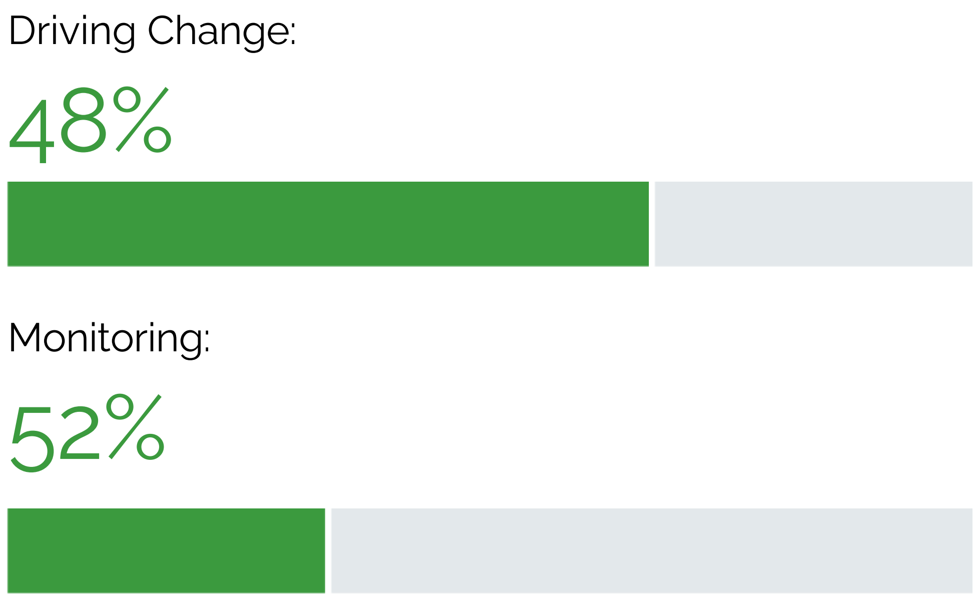
6. Bespoke Engagement

Active engagement is at the core of our investment strategy. Successful engagement requires a deep understanding of the company, and this is always our starting point. Our ESG monitoring system also plays an important role in helping us to identify weaknesses and potential areas for engagement, where we can promote sustainable attitudes and build resilience to ESG risks.

No two engagements are the same; we do not believe that a 'one-size-fits-all approach is the optimal way to achieve results. We do not have a prescriptive escalation process, however there is a natural evolution to our engagement. As long-term investors, we seek to be constructive partners with the board and management of our portfolio companies and the majority of our engagement takes place behind the scenes. Where we feel our concerns are understood and credible action is being taken, we are willing to be patient and supportive in this process. However, if necessary, we will take our concerns public to raise awareness and compel change.

Engagement activities are undertaken by the analyst responsible for each company, working closely with the portfolio manager. Our dedicated ESG analyst works alongside the investment team to highlight potential areas for ESG engagement and provide support in this process.

AVI's Engagement Purpose Breakdown 2025



Resources:
- Expert networks
- Industry reports facilitating deep analysis
- Investment research
- Team expertise, experience and collaboration

Source: AVI, figures reflect all engagements during 2025, including ESG engagements.

Investment Period

6.1 Bespoke Engagement

In 2022 we built a centralised engagement log into our proprietary database which enables all engagements with companies to be logged and tagged according to the topics addressed. We also monitor progress made by companies against our engagement objectives. We continue to make enhancements to our engagement log to increase its internal and external uses and ensure it aligns with best practice.

Our engagement is highly bespoke and takes a holistic approach, covering a wide range of topics including ESG themes. AVI has traditionally focused on the 'G' in ESG, however we do not take a hands-off approach to the 'E' or 'S'. We identify ESG engagement topics on a case-by-case basis and avoid generic guidance, instead carefully analysing the issue within the company's particular context and offering detailed analysis and specific suggestions. We are committed to actively engaging with our portfolio companies to address ESG risks and promote sustainable attitudes for the long-term benefit of the company, its wider stakeholders, and our clients. Not only do our engagements cover a broad range of topics, but we employ a wide variety of engagement methods to ensure our views are clearly understood.

Engagement Method Breakdown 2025

Engagement Method	AVI		AGT		AJOT	
	# engagements	# companies	# engagements	# companies	# engagements	# companies
Meeting	149	32	47	8	146	30
Letter	12	9	5	4	9	7
Presentation	12	11	4	4	12	11
Shareholder Resolution	3	3	1	1	3	3

Source: AVI, data includes all engagements during 2025, including ESG engagements.

Collaborative Engagement
We recognise the value of collaborative engagement in addressing collective issues.

We continue to participate in CCLA's collaborative initiative which seeks to improve the corporate approach to workplace mental health globally. AVI joined the initiative in 2023.

Visit website >

Investment Period

6.2 Bespoke Engagement

ESG Engagement Breakdown 2025

Theme	ISS Norms Based Research Cases	AVI		AGT		AJOT	
		# engagements	# companies	# engagements	# companies	# engagements	# companies
Environmental	Improving Disclosure	13	4	6	2	6	2
	GHG Emissions	9	3	5	2	5	2
	Science-Based Targets	8	2	4	1	4	1
	Energy Management	4	2	3	1	3	1
	Low-Carbon Transition	4	2	2	1	2	1
Social	Improving Disclosure	21	8	9	3	9	3
	DE&I	9	4	1	1	1	1
	Employee Wellbeing	5	2	1	1	1	1
	Human Rights	5	2	1	1	1	1
	Supply Chain	4	2	2	1	2	1
Governance	Board Independence	20	11	9	4	9	4
	Board Diversity	23	9	12	4	12	4
	Remuneration	20	11	5	3	5	3
	Committee Structure	12	4	1	1	1	1
	Board Tenure	13	7	4	2	4	2

Source: AVI, data includes all engagements during 2025, including ESG engagements.

The depth and bespoke nature of our engagement requires significant resources. We identify and prioritise companies for focused engagement by considering:

- The size of our stake in the company and the size of its position in our portfolio(s).
- The environment in which our engagement efforts will be met and the likelihood of driving change.
- The effectiveness of the company's governance and leadership.
- The urgency and scale of any ESG issues identified.
- The materiality of ESG factors on financial and/or operational performance and the extent to which it contributes to systematic sustainability issues.
- ESG performance and track record, considering the extent to which improvement is being demonstrated and the adequacy of ESG-related public disclosures.

Investment Period

7. Proxy Voting

We consider proxy voting to be an important lever in engaging with the portfolio companies, ensuring that our perspectives on environmental, social and governance issues are represented, and reinforcing views that have been shared through private engagement. AVI has a duty to vote carefully and thoughtfully in the best interest of its clients and takes this duty seriously. AVI aims to vote at every meeting when eligible.

AVI published ESG voting guidelines in September 2023 which can be viewed on our website. AVI receives proxy voting research from ISS, however we carefully assess each vote on its own merit, contextualised within our deep knowledge of the company. If instances occur where AVI decides to vote against ESG-related proposals at portfolio companies' AGMs, we will transparently disclose our voting rationale going forward.

Proxy Voting Record 2025

Proxy Voting	AVI			AGT			AJOT			MIGO	
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2024	2025
Total Voted	100%	100%	100%	100%	100%	100%*	100%	100%	100%	100%	100%
Voted Against Management	25%	9%	10%	23%	16%	9%	45%	24%	28%	0%	3%
Voted With Management	75%	91%	90%	77%	84%	91%	55%	79%	72%	100%	97%
Voted Against ISS	25%	13%	10%	22%	20%	12%	26%	19%	17%	2%	96%
Voted With ISS	75%	87%	90%	78%	80%	88%	74%	81%	72%	98%	4%

Source: AVI, as at 31/12/25

* 9% of these votes were not officially counted for technical reasons.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD REPORT

Introduction

AVI continues to report with reference to the TCFD framework because it remains a practical and widely recognised way to present climate-related disclosures.

Although the Financial Stability Board confirmed in 2023 that the ISSB Standards represent the culmination of the TCFD's work, and TCFD was disbanded in 2023, IFRS S1 and IFRS S2 fully incorporate the TCFD recommendations.

This section therefore uses the TCFD structure to explain how AVI oversees and integrates climate-related considerations within its investment process, while recognising the broader transition toward ISSB-based reporting.

Asset Value Investors became supporters of TCFD in May 2021.

Governance

AVI has established a structured governance framework to oversee climate-related risks and opportunities across all funds. Ultimate responsibility sits with the board, supported by the Stewardship and Sustainability Risk Committee, which was created in 2024 to provide formal oversight of ESG and sustainability integration in the investment process. The Committee, chaired by the Director responsible for ESG and Sustainability, brings together investment, operations and risk representatives to review climate-related trends, portfolio exposures and stewardship priorities on a regular basis.

A dedicated ESG analyst leads ESG research and supports its integration throughout AVI's proprietary ESG monitoring system, while all investment team members are expected to incorporate climate and broader sustainability considerations into their bottom-up analysis. Climate-related insights from company-level assessments, controversy monitoring and engagement activity are fed back into the Committee and board, ensuring that governance, strategy and risk management decisions are informed by a consistent view of material climate-related issues.

Strategy

AVI integrates climate-related considerations into its bottom-up investment process as part of assessing long-term value, resilience and stewardship priorities. Climate-related risks and opportunities are considered at the individual company level, where analysts assess how environmental exposures, business strategy and disclosure may affect long-term shareholder outcomes.

This work is supported by AVI's proprietary ESG monitoring system, which is embedded within the wider research process and helps to identify unmanaged risks, track progress over time and inform engagement priorities.

Rather than relying on top-down screens, AVI takes a case-by-case approach, using analysis and active ownership to encourage stronger management of material climate-related issues and more credible long-term strategies at investee companies.

Risk Management

AVI integrates climate-related risk assessment into its wider investment risk framework across both pre-investment analysis and ongoing portfolio monitoring.

Climate-related risks are considered on a case-by-case basis, with analysts assessing the potential financial implications of transition risks, such as policy, regulatory and technological change, as well as physical risks where relevant to the company's operations, supply chains or underlying assets.

Once invested, climate-related risks are monitored through AVI's proprietary ESG monitoring system, annual company assessments and ongoing controversy screening supported by ISS Norms-Based Research.

This helps identify unmanaged risks, emerging controversies and areas where further analysis or engagement may be required, while material developments are fed into AVI's broader risk oversight processes and stewardship activity. AVI also monitors regulatory developments and market practice to help ensure its approach to climate-related risk management remains up to date.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD REPORT continued

Metrics and Targets

As an investment management company, AVI seeks to reduce the environmental impact of its own operations where practicable and has started by measuring emissions to help inform future reduction efforts. Further detail on AVI's operational footprint and related initiatives is provided in the 'ESG at AVI' section of this report.

Within the investment process, AVI systematically monitors climate-related metrics at the portfolio company level as part of its proprietary ESG monitoring system and annual assessments. These metrics include, among other indicators, greenhouse gas emissions, emissions trends, environmental targets, and the extent to which companies are demonstrating credible progress in managing climate-related impacts and dependencies.

This information is used to deepen analysis, assess direction of travel over time and identify areas where further engagement may be needed.

AVI has not set portfolio-level climate targets at this stage, and does not apply climate-related thresholds as a condition of investment. Instead, the focus is on understanding each company in context, encouraging improvement over time and using engagement to support stronger disclosure, target-setting and risk management where these are material. This reflects AVI's bottom-up investment approach.

At present, portfolio climate and emissions data are used primarily for internal analysis rather than formal public portfolio-level reporting. Over time, AVI will continue to review the development of its climate-related dataset and may consider future disclosure of measures such as carbon footprint or weighted average greenhouse gas intensity where this would be decision-useful and sufficiently robust.

ESG & Sustainability at AVI

It is our view that a responsible approach to the environment, society and governance is key to long-term sustainable businesses. This guiding principle is embedded not only in our investment philosophy but in how we manage Asset Value Investors as a company.

ESG at AVI

1. Environment and Resources

Climate change is perhaps the biggest global challenge we face. AVI supports the Paris Agreement and recognises that urgent action is needed to curb the worst effects of climate change. As a small investment management company, with one office in London, our direct operations have minimal environmental impact. However, there is a collective responsibility to act, and we believe it is important to lead by example.

During 2022, we began tracking business travel and sent questionnaires to all AVI employees to gather information on employee commuting habits. We continue to do this annually.

We actively consider the need for in-person meetings and opt for virtual meetings or modes of transport with lower emissions whenever possible.

Emission reduction is, and must always be, the priority. However, we are also researching methods to offset the unavoidable emissions incurred from travel.

AVI's 2025 Emissions

Scope 1*: Direct Emissions	Negligible
Scope 2	
Electricity Consumption (MWh)	24.6
Location-based emissions (tCO_2e)	4.36**
Market-based emissions (tCO_2e)	0.0***
Scope 3	
Category 6: Business Travel (tCO_2e)	111.05
Category 7: Employee Commuting (tCO_2e)	3.76
Total:	139.41

The voluntary carbon market is currently an unregulated market and there is much speculation on the real impact of carbon offsets. We want to get it right and we haven't yet found a project that we believe is suitable.

We are conscious of our environmental footprint and have made a number of decisions to ensure sustainability is at the forefront in our office and daily lives.

AVI offers various schemes to its employees to promote more environmentally sustainable commuting. Our offices have showers, lockers, and bike storage to facilitate this.

Travel to Work Scheme

No. of employees using cycle to work scheme	2
No. of employees using EV lease scheme	1

- We use Nespresso coffee capsules in our office. We participate in its Podback recycling service, sending off our used capsules to a dedicated processing facility so that the aluminium can be recycled, and the coffee grounds can be used to create soil improvers, generate renewable energy or even make shoes!
- We replaced water coolers and kettles with cold and boiling water taps to improve energy efficiency and reduce plastic waste.
- We reduce our resource consumption by recycling our paper, plastic, toner cartridges, electronic equipment, and batteries through Loop Recycle.
- We only use FSC-approved paper and opt for paperless operations wherever possible.

*Under the GHG Protocol's Operational Control approach, AVI's Scope 1 emissions are evaluated as zero (or negligible). The firm operates from leased office space where all direct emission sources – including heating infrastructure and refrigerant systems - are physically managed and controlled entirely by the landlord. AVI does not have any company-owned or operated vehicles.

**Using UK Government 2025 (DEFRA) emission factors (0.17700), AVI's Scope 2 (location-based) emissions for 2025 were 4.36 tonnes CO_2e, based on total electricity consumption of 24.6 MWh.

***AVI procures 100% renewable electricity under contracts backed by REGOs, sourced from solar, wind and hydro generation. As a result, market-based Scope 2 emissions are reported as 0.0 tonnes CO_2e.

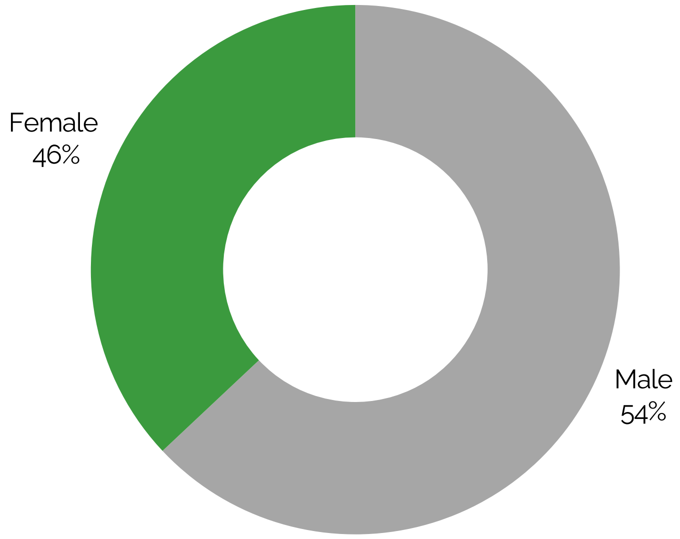
Source: AVI (as at 31/12/25). Emissions calculated in accordance with GHG Protocol Standards (distance-based method)

ESG at AVI

1.1 Employees and Community

People are the most important asset at AVI. Our goal is to create a place where colleagues can do their best work within an environment that values everyone's unique contribution. AVI's turnover is very low - 38% of our employees have been with the company for over 14 years and over 58% of the employees have been with the company for over 4 years. We believe this speaks to the culture at AVI.

Diversity and Inclusion
We recognise that our industry is traditionally skewed towards a less diverse workforce. We are actively challenging this.
AVI is a small company with 24 employees, which means that as people join and leave at different stages of their careers, this may have a significant impact on diversity statistics. We are working in the direction of a more balanced gender split as well as increasing diversity.



AVI specifically seeks to encourage female and minority applicants for positions when hiring through the wording of the recruitment ad. Our Code of Ethics and Employee Handbook which every employee at AVI confirms on an annual basis supports the fair treatment of all individuals and includes specific policies on diversity, harassment, and anti-bullying.

10,000 Interns Foundation
AVI is proud to be one of the original 200 investment management firms to support the 100BlackInterns Initiative which has now grown to be the 10,000 Interns Foundation. We welcomed our third intern from this programme in the Summer of 2024 who joined our ESG team. We are also participating in the 10000blackinterns Mentors programme and providing financial support.

The 10,000 Interns Foundation champions underrepresented talent and promotes equity of opportunity, offering students and graduates paid internship opportunities across a range of UK industries.

#10000 BLACK INTERNS

Employee well-being and benefits
We offer a comprehensive benefits package to all our employees which includes access to private healthcare including mental health support, as well as flexible maternity/paternity leave.

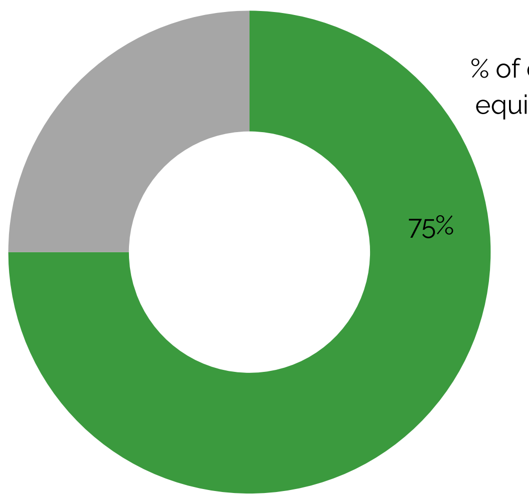
AVI also has a flexible working hours policy to address the individual needs of employees.

Source: AVI (as at 31/12/25)

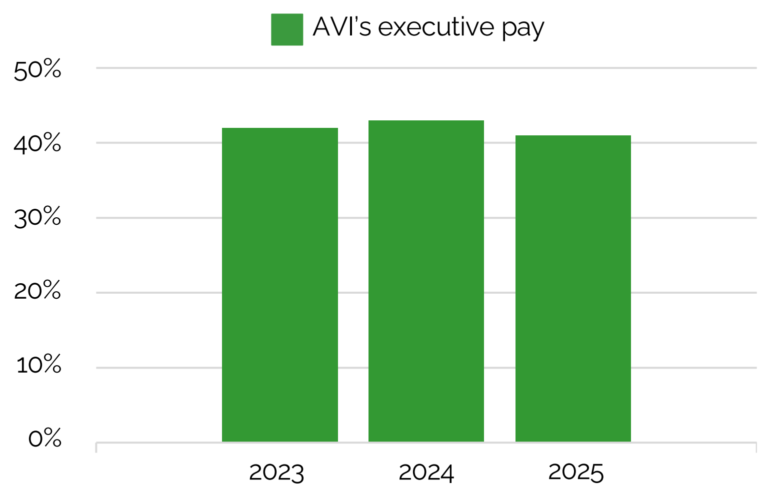
ESG at AVI

1.2 Governance and Stakeholders

AVI believes that shareholders stakeholders need not be in conflict and in fact 75% of the shareholders are also employees of the company. We believe the greatest long-term incentive and motivation comes from the alignment of interest created via equity ownership in the business.



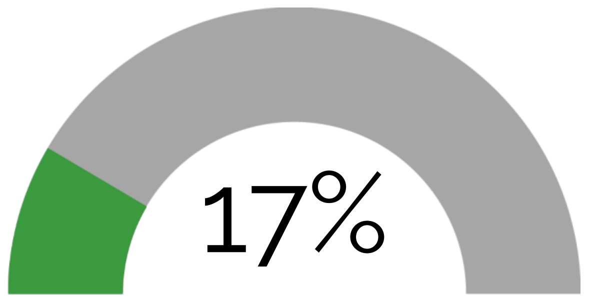
AVI believes in transparency in Executive pay and will cite the total executive pay as a percentage of total company annual pay.



AVI operates with a Code of Ethics which includes Anti-bribery & corruption policies, whistleblowing policy and grievance mechanisms.

AVI as a private company is governed by a set of policies and best practice guidelines that are approved by the Board of Directors. AVI operates in a regulated environment and is subject to the regulations and guidelines of the UK FCA and the US SEC.

AVI's Board consists of six Directors which is comprised of two Non-Executive Directors, one of which is an Independent Non-Executive Director.



The gender diversity of AVI's Board is 17%.

AVI has established a Stewardship and Sustainability Committee (SSRC). As well as helping to provide oversight to ensure sustainability considerations are integrated into our investment process and our stewardship activities align with our long-term objectives and responsible investment commitments, this committee is also responsible for overseeing the implementation of strategies, policies, and practices to foster a culture of environmental and social responsibility in the day-to-day operations at AVI and drive new initiatives.

Source: AVI (as at 31/12/25)

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