CAPITAL INTERNATIONAL

APW Investors Limited (APWIL) Impact Report 2024

Prepared September 2025

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APW Investors Limited (APWIL) Impact Report 2024

1st December 2025

As of 30th September 2025, APW Investors Limited (APWIL) was acquired by Capital International Group Limited. While this report is presented under Capital International Group (CIG) branding, the content reflects the work undertaken by the APWIL Investment Team prior to the acquisition. In line with this transaction, APWIL has now been incorporated as Capital International (Jersey) Limited (CIJL), marking the next step in its integration into the Group.

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The Winter of Sustainable Investing

Welcome to APW Investors Limited (APWIL) 7th Impact Report

It has now been more than six years since we launched our Sustainable Growth strategy, and it would be fair to say these last 12 months have been among the most challenging for practitioners, like us, committed to helping clients mobilise capital for good. The exceptional investment returns delivered by a narrow group of US tech giants have understandably shifted attention away from this space, and this has coincided with a retracement of some public policy commitments sparked by societal pushback to 'all things ESG'. These factors have created a perception sustainability is yesterday's news and the attention it previously enjoyed has faded, to the point some commentators have described this period as a winter for sustainable investing.

While acknowledging this backdrop, we believe spring may now be arriving, and the opportunity set for investors looks increasingly attractive. A number of important impact themes – such as healthcare and the energy transition value chain – have seen valuations reset and are now trading at a considerable discount to broad markets, with strong growth potential. Moreover, for those who have supported the broader decarbonisation of the global economy, the real-world impact is becoming more demonstrable. Despite the negative mood music of recent years, the dual objective of delivering investment returns and aligning wealth with values is not only achievable but is, we sense, poised to re-emerge as a rewarding one.

Avoiding being distracted by the noise

Since our last report, it is clear we have been operating in an environment where the language of sustainability has been politicised, sentiment has turned, and the attention on this style of investing has grown increasingly critical. We believe a recent article written by Ioannis Ioannou of London Business School in April 2025, encapsulates the issues succinctly;

"Some of the backlash and anti-ESG rhetoric is entirely legitimate. The regulatory tail has been wagging the investment dog, so much so, that our (sustainability) sector collectively became too focused on acronyms and certifications - 'Net-zero by 2035'; 'Scope 3 emissions'; 'Transition taxonomies'. These terms may be essential, but they do not inspire. Moreover, when sustainability is framed as an elite project, it becomes easier for opponents to cast it as a threat to jobs, freedom or even national identity. We also underestimated the strength and sophistication of the counter narrative. Fossil fuel interests and political operatives did not just reject ESG – they reframed it as a 'cultural imposition'; an 'economic sabotage'; as a 'political ideology'. And while they were telling that story – consistently, loudly, emotionally – the sustainability industry was speaking predominately in compliance language. This made it too easy for disinformation to take hold."

(Source: Ioannis Ioannou, Associate Professor, London Business School – 'What the ESG Backlash Reveals').

But if you follow the facts - not the headlines - you will find the foundations of sustainable investing remain solid. The material risks and opportunities tied to climate, nature, and social equity are not going away. Our job, as asset allocators, is to back companies that are genuinely aligning financial and sustainability outcomes and create value for our investors. Undoubtedly the backlash described above has hurt the reputation of ESG, but for long-term, sustainability focused investors, we still see a bright future.

Examining the facts

To illustrate why we still believe in the attractive opportunities presented by investing sustainably we will focus on three key topics. Namely:

1. While politicians waver, the energy transition moves forward
2. Artificial intelligence is at the core of the sustainability story
3. Value creation is here and now

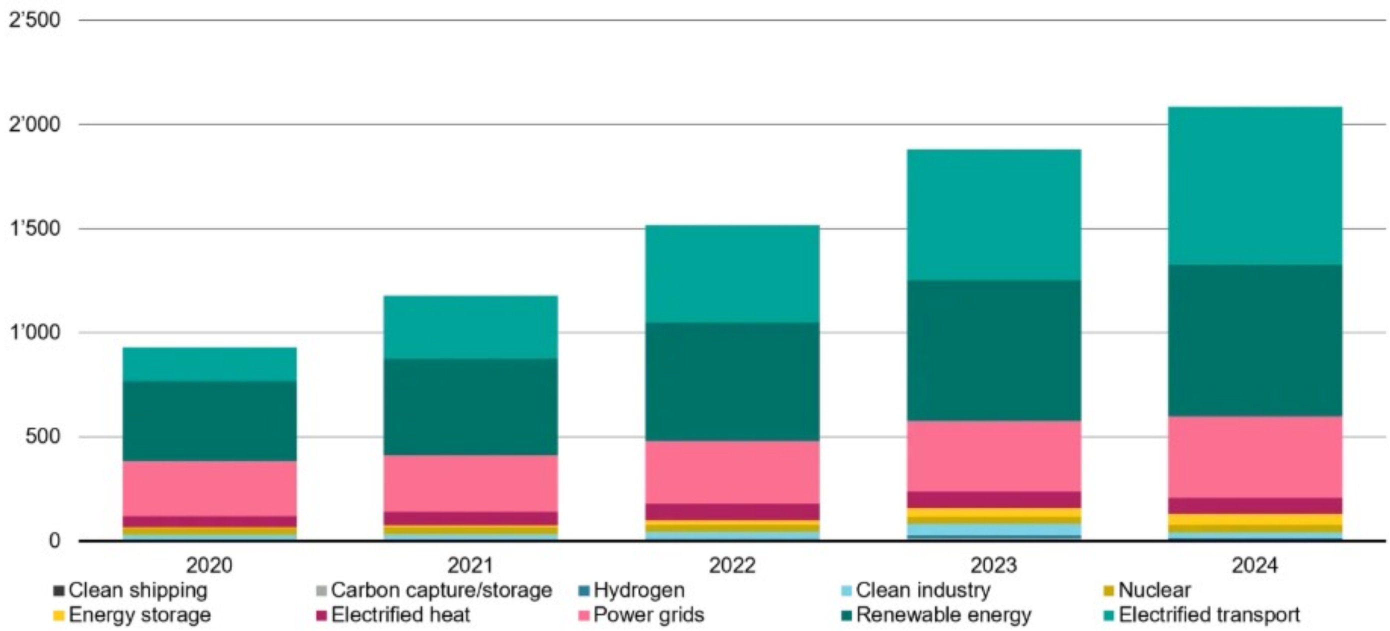
While politicians waver, the energy transition moves forward

While headlines declare setbacks, the energy transition has not reversed. Global energy investment is set to reach a record US$3.3 trillion in 2025, with clean energy technologies attracting US$2.2 trillion, twice the US$1.1 trillion flowing to fossil fuels (Source: Ninety One, Global Environment, Impact Report 2025).

According to the International Energy Agency (IEA) **renewable electricity generation is expected to surpass coal-fired output** by as early as this year or by 2026 at the latest. Following this milestone, coal's share in total generation will drop below 33% for the first time in 100 years. Solar and wind energy are central to this shift, with their combined share of global electricity generation forecast to grow from 15% in 2024 to 17% in 2025, reaching almost 20% by 2026 – **a near-fivefold increase from just 4% a decade ago.**

Global nuclear power generation is on track to reach a new record high in 2025 and will continue its upward trajectory in 2026. This is driven by plant restarts in Japan, robust output in the United States and France, and the commissioning of new reactors in China, India, Korea and several other countries (Source: International Energy Agency, Electricity Mid-Year Update 2025).

Breakdown of global energy transition investments by sector (USD bn)

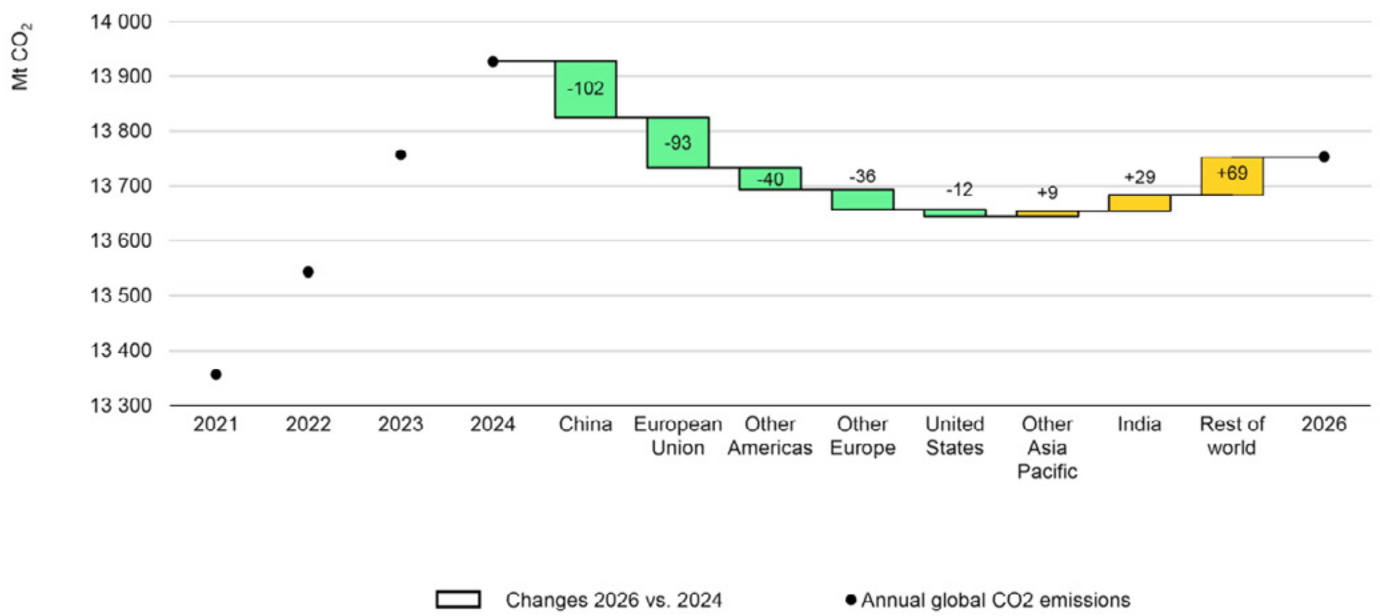


Source: Vontobel, 'One Big Beautiful Transition'- BloombergNED, 'Energy Transition Investment Trends 2025', 30 January 2025'

Real world impact

As a consequence of this accelerating progress, global carbon dioxide emissions from electricity generation are projected to decline in 2026 as low-emissions sources displace fossil-fired supply. This is illustrated in the chart below.

Forecast changes in global CO2 emissions from electricity generation, 2026 vs 2024:



Source: International Energy Agency

Furthermore, the chart demonstrates the energy transition we thought would evolve – largely policy-driven, with developed markets leading the way – has manifested itself quite differently. With surging total energy demand – partly due to data centres and artificial intelligence – and decelerating policy momentum, developed markets are transitioning more slowly than expected, and going forward in a more additive way. By contrast, the trajectory of the transition in emerging markets is being dominated by China, which is even more significant for aggregate global emissions.

According to the sustainable investment team at Ninety One, *China's exports of solar, wind and electric vehicles to the Global South now account for 47% of total exports – nearly matching its developed country exports for the first time. The scale is staggering: Pakistan alone imported 19GW of solar modules in 2024, equivalent to nearly half its grid-connected capacity. This represents the solution to what has long been the biggest challenge in climate policy: how to transition emerging markets, which constitute the majority of future emissions growth.*

The shift to wind and solar is happening as global electricity demand is forecast to grow much faster over the next two years – at 3.3% and 3.7%, respectively – than the 2.6% average for 2015-2023. The IEA reports new demand is coming from industry, domestic appliances, growing use of air conditioning, ongoing electrification of heat and transport, as well as the expansion of data centres. **By the start of the new decade, the US is set to use more electricity to process data than to manufacture all energy-intensive goods combined** (Source: International Energy Agency, Electricity Mid-Year Update 2025). It is highly noteworthy that the country from which the anti-ESG rhetoric has been loudest - following the election of President Trump – is now experiencing a growing requirement for electricity sourced from renewable energy. It is equally important to recognise it is the ambitious climate-related goals of the 'Magnificent 7' technology companies which underpin this. Despite White House messaging around renewables, leading corporates are ensuring emissions goals have progressed, not regressed.

Artificial intelligence is at the core of the sustainability story

Over the last 12 months, most of the equity market's excitement around AI has centred on the infrastructure layer, in other words, the hardware and software which is powering AI capabilities. As covered in our previous section, the implications for energy demand and related emissions have been a catalyst for the reacceleration of the energy transition.

Beyond this first level impact, as AI becomes increasingly embedded in the global economy, we see the 'application' layer (such as the deployment of agentic AI) becoming a key contributor to solving several of the environmental and social challenges faced by humankind. Identifying winners in this space presents an extremely attractive opportunity to fulfil the dual mandate of APWIL's sustainable solutions i.e. delivering investment returns with impact. Typically, these are companies that embed AI to solve real-world problems in areas like healthcare, education, financial inclusion, and natural capital management.

For example, in the healthcare space major pharmaceutical companies have embraced AI in drug discovery and clinical trials. In the renewable energy sector, firms are utilising AI for predictive maintenance, grid optimisation, and demand forecasting. These applications enhance grid stability, improve energy storage, and facilitate a more efficient transition to renewables (Source: UBAM Impact Report, 2024).

One of the key applications of AI to date, of course, has been in analysing and processing data at a speed and scale that is beyond human capability. A major hurdle the sustainable finance industry has struggled to overcome is the presentation of reliable, credible and timely data to support key metrics demonstrating real world impact. As practitioners, we have experienced this issue first hand, to the point that we refrained from publishing various sustainability metrics in earlier Impact Reports as we considered the data to be too lagged or inconsistent. **In 2024, we invested in an AI driven sustainability data provider - Clarity AI – and have become increasingly confident in the results we now have access to.** We acknowledge this data analysis remains far from perfect and will remain so for a while longer, however, the application of AI is already helping to improve availability, timeliness and accuracy of impact metrics.

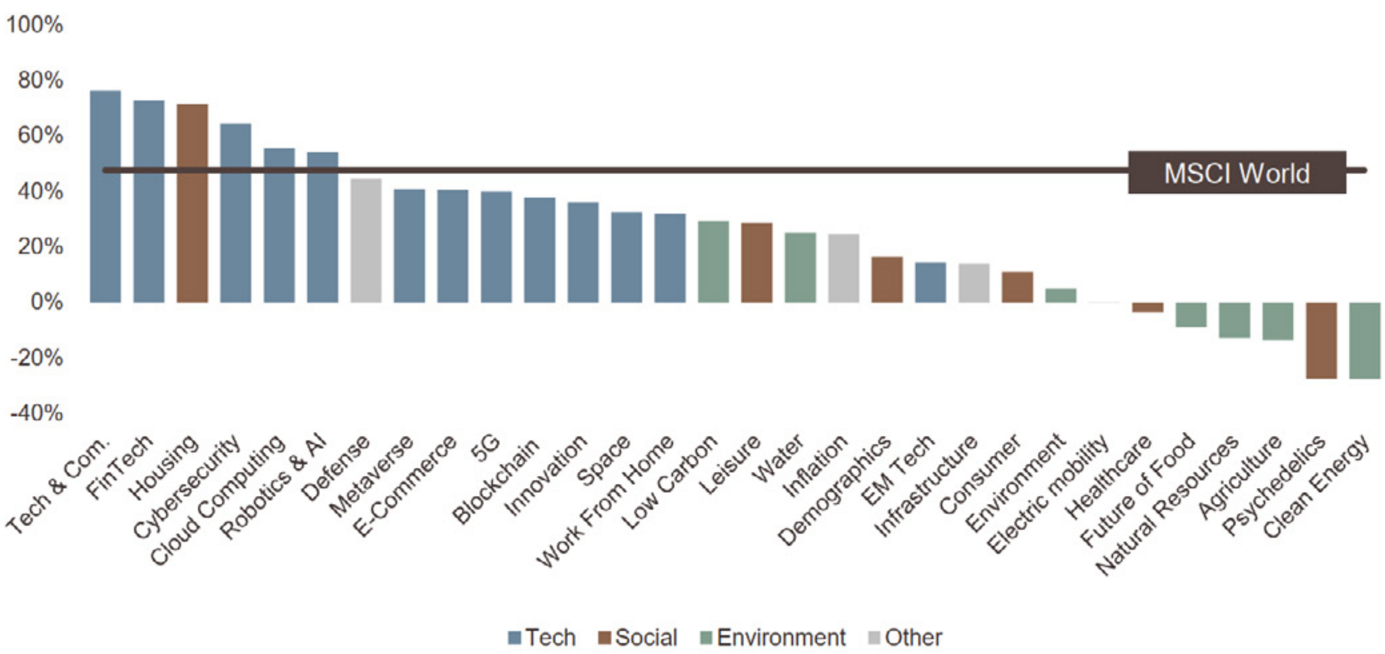
Bringing this all together, it seems to us opportunities are presenting themselves to invest in companies that not only harness AI for commercial benefit but also contribute to delivering measurable societal and environmental outcomes.

Value creation is here and now

According to Morningstar, the first quarter of 2025 saw a record USD 8.6 billion in net outflows from ESG funds globally. Europe, which has been a stronghold for sustainability-focused investing, recorded its first net withdrawals since 2018.

This chart goes a long way to demonstrating why these outflows have occurred. Over the last two years, sustainable thematics have collectively underperformed other areas of the market. The dispersion in returns between Tech & Communication Services versus Clean Energy is stark and has predictably resulted in capital flow from the latter to the former.

2023-2024 performance of thematic portfolios (abs.return):



Source: Lombard Odier Investment Managers

This said, we share Lombard Odier's view that sustainable investment returns are sometimes misunderstood, or poorly framed, rather than broken. Underperformance in sustainable strategies is partly a product of sector concentrations and passive exclusions, and not necessarily a result of the sustainability lens itself. Long-term data demonstrates sustainable investing can deliver competitive returns - especially as interest in climate and thematic investing rebounds, as it has in 2025. Recent years, while frustrating from a performance perspective, have provided a necessary valuation reset and a sharper focus on profitability. It is also important to put things in perspective: the headline grabbing European fund outflows of USD 1.2 billion represent a small fraction of the USD 2.7 trillion invested in sustainable funds. As we go to press, the most recent Morningstar report is once again highlighting inflows to sustainable investment funds.

Investor flows are returning because value is being created across the sustainable investment universe. Pages 11-18 of this Report purposefully demonstrate this for our investors; the ESG-theatre which has characterised this space is maturing to one that is more clearly focused on returns and evidence-based outcomes.

Recapping the Purpose of the Mandate

For us, sustainability means making economic prosperity long lasting, more socially inclusive, and less dependent on exploitation of finite resources and the natural environment. Today, companies which provide solutions to the challenges faced are well placed to grow strongly. **By investing in these firms, we believe our clients can make a positive contribution towards a more sustainable world, align their wealth with their values, and generate attractive capital gains.**

The purpose of our **Sustainable Growth** mandate is to provide growth with impact. The strategy targets inflation plus 3%, over a long-term investment horizon of at least ten years. The purpose of the **Sustainable Balanced** mandate is to provide risk-adjusted returns and positive impact. The strategy targets inflation plus 2% and aims to maintain the real value of capital invested over a five-to-seven-year time horizon.

UCITS Fund News

In January 2023 we launched an Irish-domiciled UCITS fund, which applies the same approach as our **Sustainable Growth** mandate. This has enabled us to offer broader access to our expertise via platforms, meaning that savers with more modest sums to invest can choose to direct capital towards positive change.

In May 2024, the European Securities and Markets Authority (ESMA) released their fund naming guidelines, requiring collectives titled using terms such as sustainable, environment, or impact meet specific thresholds to retain those names. As a fund-of-funds solution, we considered our position carefully. While confident in our approach and commitment to sustainable investing, we were concerned that an unintended consequence of this legislation could be to divert investment capital away from where we believe it can have a material impact. In our view, the decarbonisation of the global economy requires supporting companies with high emissions (as well as those with lighter footprints) as they work to significantly reduce those. Strict application

of the naming guidelines restricts this at the margin and does not align with our investment philosophy in this space. On review, we decided to change the name of our UCITS offering to the **Affinity Better World Growth Fund. This ensures we remain compliant with the legislation while enabling us to continue investing in line with the principles and objectives established since the inception of the strategy in 2018**.

Principles of Responsible Investment

As signatories of the UN PRI, we are committed to promoting the integration of environmental, social, and governance factors into investment decision-making. Like all signatories, we do this by adhering to the PRI's six key principles and submitting annual reports on our progress.

The results of our 2024 assessment once again reflected improvements in the Policy, Governance, and Strategy module. This recognises the enhancements we have made to our Responsible Investment Policy and Exclusions Framework over the last 12 months, further strengthening the governance structures that underpin our responsible and sustainable investment process.

PRI Principles for Responsible Investment

Our 8 Investable Themes

We allocate capital, using funds, **across 8 key themes; each relating to important** long-term challenges and trends. The funds we use to access these are focused on addressing and contributing towards the themes over the medium to long-term. Each theme maps to one or more of the **17 UN Sustainable Development Goals (SDG's).**

Health and Wellbeing

Featured Fund: HSBC Global Sustainable Long Term Equity

Fund overview:

This fund applies a low turnover global sustainable equity strategy, with a well-differentiated, fundamentally driven approach. The very clear and intuitive focus is on companies which are **'expressions of resilient growth and long-term sustainability'**, and investments in such businesses are made with an intended 10 year holding period. The fund aims to make a positive environmental, social and governance impact, by investing in equities issued by companies that actively contribute to UN Sustainable Development Goals, while also delivering compelling financial returns. The team believe sustainability is a necessary condition for the long-term investor, and don't separate 'ESG' and fundamental analysis.

Portfolio Holding: Stryker

Providing smarter, sustainable healthcare solutions

Stryker is a global leader in medical technologies, offering products in Orthopaedics, Medical & Surgical devices and Neurotechnology that improve health outcomes while enhancing both healthcare efficiency and sustainability across its value chain. **In 2014 its 657 mobile labs brought advanced technology directly to healthcare professionals in rural and remote areas**, reducing travel and associated emissions while expanding access to training and knowledge. Single-use, pre-sterilised surgical kits, such as the Artelon FlexBand Systems, streamline operating room workflows, minimise instrument reprocessing, and cut medical waste. By supporting minimally invasive and robotic-assisted procedures, as well as ambulatory surgical centres, Stryker helps lower energy use, waste, and overall environmental footprint. At the same time, these initiatives directly improve patient care, enable safer and more efficient procedures, and ensure that advanced medical technologies reach more people globally.

(Source: HSBC Asset Management)

Financial Performance:

Stryker has delivered robust financial performance in 2024.

As of the end of 2024, Stryker achieved a 3-year total return of 74.15%, outperforming the S&P 500's 50.73% return over the same period, with revenue rising 10% year-over-year to $22.6 billion. Net income increased by 5.4% to $2.99 billion in 2024, driven by strong demand for its medical and surgical devices, particularly in non-urgent procedures.

The holding contributed positively to the HSBC Global Sustainable Equity Fund throughout 2024. Looking ahead, Stryker's diverse portfolio positions it well for sustained growth, supported by an expanding installed base of MAKO robotic systems and rising demand for medical implants.

Future Mobility

Featured Fund: Ninety One Global Environment

Fund overview:

Ninety One Global Environment is a global equity fund investing in businesses addressing decarbonisation, through a concentrated portfolio of 25-30 high-quality environmental solutions companies. Led by experienced fund manager Deirdre Cooper, the team targets opportunities across renewable energy, resource efficiency, and electrification, focusing on firms with structural growth and competitive advantage. Despite recent challenges in the energy transition sector, the fund has protected capital and is optimistic about the prevailing opportunity set, with industrials and utilities now making up two-thirds of the portfolio.

Portfolio Holding: AECOM

Building pathways to sustainable, connected mobility

AECOM is a global leader in infrastructure design and consultancy, ranked the top design services firm worldwide, with expertise across water, transport, and environmental projects. The company leads in sustainable infrastructure, **supporting the shift to lower-carbon, future-ready mobility and transport systems.** Through its ScopeX initiative, AECOM targets a 50% reduction in carbon emissions from its largest projects, aiming to avoid 84 million tonnes of CO_2e in the built environment. The company has cut Scope 1 and 2 emissions by 61% since 2018, achieving operational net zero in 2022, with a further 9% intensity reduction in 2023. In sustainable transport, AECOM advances low-carbon urban mobility via active travel infrastructure, zero-emission bus planning, EV charging and electrified lanes, and hydrogen fuelling projects, alongside carbon assessment tools for lifecycle emission tracking. Continued focus on carbon disclosure, land use, and human rights reinforces AECOM's commitment to responsible infrastructure development.

(Source: Ninety One)

Financial Performance:

AECOM's shift to a consultancy-led, high-margin model has delivered strong shareholder value alongside its environmental progress.

AECOM has sustained operating returns on invested capital above 20% and achieved incremental returns of around 40%, supported by consistently high win-rates on key projects. Its selective bidding strategy has focused growth on impact-driven, higher value opportunities, enhancing both profitability and climate-aligned outcomes. AECOM was a leading contributor for the Ninety One fund in 2014, underlining its ability to deliver competitive financial results while advancing the infrastructure and mobility systems of the future. Over the past five years, the company's share price has risen 214%.

Education

Featured Fund: BlueBay Impact Aligned Bond Fund

Fund overview:

This fund is predominantly an investment grade corporate bond-focused strategy, investing globally in both labelled (green, social and sustainability bonds) and unlabelled (corporate bonds issued by ESG leaders) sustainable debt instruments. The fund targets total returns via a largely unconstrained, benchmark-agnostic approach, and a portfolio diversified across geographies and sectors, with circa 100 individual positions. The fund's holdings are selected only from issuers whose core economic activities offer investment opportunities, while also helping to address key environmental and social challenges.

Portfolio Holding: McGraw Hill – 7.9%, Sept 2031

Unlocking the potential of each learner

McGraw Hill (McGraw) is a US education science company providing educational content, software, and services for students and educators across various levels—from K-12 to higher education and professional learning. McGraw acts as a global provider of quality, accessible, and affordable education solutions, facilitating both academic and professional growth for millions worldwide. The company distributes its products in over 100 countries, produces solutions in more than 80 languages, and partners with 27,000+ authors and educators. Its digital platforms deliver a personalised learning experiences to approximately 25 million paid digital users globally. McGraw has a wide reach, serving 98% of US Pre-K–12 districts, 86% of higher education institutions, and 95% of medical libraries. The company continues to invest in innovation, including AI-enhanced tools, to further improve access, outcomes, and engagement in learning.

(Source: RBC BlueBay Asset Management)

Financial Performance:

Financially, the bond's spread tightened significantly in 2024, from 348bps to 242bps over Treasuries, delivering returns which outperformed peers within the BlueBay Impact Aligned Fund.

During their fiscal year ending March 2025, McGraw generated approximately $2.10 billion in revenue, a 7% year-on-year increase, while reducing its net loss to $85.8 million from $193 million the previous year, reflecting **ongoing digital transformation momentum.** Digital revenue grew by over 7%, and recurring revenue followed a similar trajectory, contributing to improved margins. The company's successful IPO in July 2025 raised $415 million, demonstrating investor confidence in its long-term growth strategy and market positioning.

Resource Efficiency

Featured Fund: Federated Hermes Sustainable Global Equity

Fund overview:

Federated Hermes Sustainable Global Equity seeks to deliver attractive long-term returns while maintaining a reduced environmental footprint, through a concentrated portfolio of 40–60 global equities. The fund invests in high-quality businesses whose products, operations and activities contribute to building a more sustainable future. Its capital is directed across four core impact pillars: efficient production and resource usage, social inclusion, environmental preservation, and health and wellbeing. Within these areas, the fund looks for companies with strong fundamentals and the ability to drive positive outcomes for stakeholders, alongside durable financial performance. The team's guiding philosophy is that high-conviction, fundamental investing – strengthened by rigorous ESG integration and active engagement – can generate both outperformance and meaningful change over time.

Portfolio Holding: Epiroc

Swedish company Epiroc is a global leader in mining and infrastructure equipment, supporting the transition to a more resource-efficient industry. Mining accounts for over 24% of global GHG emissions, with 40–50% from internal combustion vehicles. Epiroc's electrification, automation, and digitalisation solutions directly address this challenge by improving efficiency and reducing emissions. Its electric mining trucks help to lower emissions, while also cutting ventilation requirements and improving worker safety, by reducing exposure to diesel fumes and underground noise. Digital tools enable energy optimisation and process efficiency, and automation further enhances productivity and health and safety outcomes. Epiroc has committed to Science Based Targets to reduce Scope 1 and 2 emissions by 50% and Scope 3 product-related emissions by 50% by 2030. Through remanufacturing, recycling, and partnerships such as the use of SSAB's near-zero steel, Epiroc embeds circularity across its value chain.

(Source: Federated Hermes)

Financial Performance:

Since the end of 2021, Epiroc's share price has risen by around 39%, despite challenging and volatile conditions that have weighed particularly on sustainability-oriented businesses. The solid share price performance is reflective of both Epiroc's strategic resilience and market confidence in its business model.

Beyond market returns, Epiroc's financial foundations remain robust. Its operating cash flow has grown steadily over recent years, while profitability metrics are also very healthy. Gross margins have held above 36%, while return on equity has remained elevated, at circa 28% across 2022–23, demonstrating stable and disciplined execution.

Natural Capital

Featured Fund: Lombard Odier Circular Economy

Fund overview:

The Lombard Odier Circular Economy fund aims to capture growth opportunities across four natural capital sub-themes: Circular Bio-Economy, Resource Efficiency, Outcome-oriented Economy, and Zero Waste. By focusing on companies providing solutions and innovative technologies, the fund offers investors the chance to benefit from businesses harnessing nature's regenerative power and preserving natural capital through the transition to leaner, more sustainable industries. The team at Lombard Odier evaluates shifting consumer behaviour, the policy environment, and the technological and economic viability of innovations, in order to identify the most compelling opportunities for the portfolio. The fund targets outperformance of the MSCI World SMID Cap Index by 2.5–3% per year over the long-term.

Portfolio Holding: Waste Connections

Protecting natural capital through smarter waste solutions

Waste Connections is a North American integrated waste services company providing non-hazardous waste collection, transfer, disposal, and recycling solutions. Its operations extend beyond basic waste management to include initiatives which recover value from waste streams, such as recycling programmes and the beneficial use of landfill gas for energy generation. These efforts not only reduce the company's operational emissions but also contribute to a cleaner environment by diverting materials from landfills and lowering methane emissions. By mitigating terrestrial and water pollution risks associated with urban and industrial development, Waste Connections plays a vital role in protecting ecosystems and maintaining the health of natural habitats. Its direct contribution to safeguarding land and water resources, reducing harmful pollutants, and enhancing resource recovery – all support the sustainable management and restoration of the natural environment.

(Source: Lombard Odier Investment Managers)

Financial Performance:

Waste Connections delivered strong and consistent performance through 2024, with revenue approaching $9 billion and adjusted net income exceeding $1.2 billion. **Over the past five years, its share price has risen 86%.** Growth has been supported by steady demand for integrated waste services across North America and a record year of acquisitions, adding around $750 million in annualised revenue.

As a disciplined long-term performer, Waste Connections combines sustainable operations with solid commercial outcomes. Its focus on resource recovery and reducing environmental impact make it a positive contributor to the Lombard Odier Circular Economy portfolio, highlighting the link between financial resilience and environmental stewardship.

Clean Energy

Featured Fund: Vontobel Global Environmental Change

Fund overview:

Vontobel Global Environmental Change invests in companies providing technologies or services enabling urgently needed environmental change, and driving more sustainable urbanisation and industrialisation. Its value chain approach targets lifecycle management, resource-efficient industry, building technology, clean energy, low-emission transport and clean water. Vontobel, a sustainable investing pioneer since the 1990s and an early signatory to the UN PRI, has delivered strong returns over the past 18 months despite a correction in many energy transition stocks, aided by a focus on proven, profitable products and astute sub-sector allocation. Vontobel's 2024 shift away from more specific themes, towards a more flexible approach, has proved additive for investors.

Portfolio Holding: Iberdrola

Advancing the Energy Transition

Iberdrola SA has been a pioneer in renewable energy for over two decades and is now a global leader, operating more than 79 GW of renewable capacity, primarily onshore wind and hydro. A holding within the Vontobel Global Environmental fund, Iberdrola already generates 100% zero-emissions electricity in the United Kingdom, Germany and Portugal, and is targeting carbon neutrality for scopes 1 and 2 by 2030, with full net-zero across all scopes by 2040. In 2024 alone, Iberdrola produced 83,000 GWh of renewable energy, avoiding an estimated 20.3 million tonnes of CO_2 emissions (Potentially Avoided Emissions or PAE). Its initiatives extend beyond generation, with goals such as 100% blade and panel recycling by 2030, modernising electricity grids, and supporting the energy transition. These achievements, coupled with a carbon intensity already below peers and on a clear downward trajectory, underline Iberdrola's strong alignment with this fund's environmental objectives.

(Source: Vontobel Asset Management)

Financial Performance:

Iberdrola's leadership in renewables has been matched by strong financial delivery.

In 2024, the company's share price achieved an absolute return of 16.4%, contributing nicely to the Vontobel Global Environmental Change fund's total return.This performance reflects both robust earnings growth and investor confidence in Iberdrola's long-term strategy of combining renewable energy expansion with grid modernisation. By executing on its decarbonisation roadmap and reinforcing its competitive position, Iberdrola continues to demonstrate the potential for sustainable infrastructure leaders to deliver attractive financial returns alongside meaningful environmental impact.

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Sustainable Infrastructure

Featured Fund: Wellington Global Impact Bond Fund

Fund overview:

The Wellington team assess whether bond proceeds are linked to operations tackling some of the world's biggest challenges in a measurable way. Leveraging deep research resources (with AUMs over $1 trillion), they uncover opportunities globally and combine them into a diversified fixed income portfolio. Their proprietary impact framework focuses on three major categories: Life Essentials, Human Empowerment, and Environment. For each investment, they track key performance indicators to measure progress toward the desired impact. Wellington's philosophy extends beyond corporate bonds to include debt from government agencies, supranational organisations, and municipalities. For impact-focused government bonds such as financing renewable energy or affordable housing - they first ensure the issuer meets key humanitarian and human rights standards. Despite a challenging period for sustainable investments, the fund has grown impressively over the past 12 months.

Portfolio Holding: Aegea Finance Sarl Bond

Aegea's operations directly address critical sustainable infrastructure needs by expanding access to clean water, sanitation, and hygiene across Brazil. Investments in these services deliver tangible environmental and social benefits, including reduced water pollution, lower disease transmission, and decreased healthcare costs. Aegea, as the largest private sanitation company in the country, plays a pivotal role in delivering these outcomes at scale. Its performance against key impact metrics has been particularly strong: between 2021 and 2024, Aegea achieved a core KPI saving of 600 million cubic meters of water. The sustainable bond issued by Aegea supports the expansion and maintenance of this critical sustainable infrastructure, enabling continued improvements in public health and environmental management. Based on these outcomes, the Wellington Impact Bond Fund classifies Aegea's impact as meeting expectations in the 2025 KPI Matrix.

(Source: Wellington Asset Management)

Financial Performance:

From a financial perspective, the fund holds two Aegea bonds: a non-labelled bond with a 6.75% coupon maturing in May 2029 and a sustainable bond with a 9.00% coupon maturing in January 2031. These positions are sized modestly, but still contribute meaningfully to income generation and portfolio diversification. The higher coupon on the sustainable bond enhances the yield profile, while the staggered maturities provide a degree of duration management. Furthermore, the bonds' exposure to Brazil's essential utility sector offers resilience through steady cash flows underpinned by regulated services. By integrating strong sustainability outcomes with reliable financial returns, Aegea supports the fund's objective of delivering total stakeholder impact alongside performance.

Reduced Inequalities

Featured Fund: Schroder BlueOrchard Emerging Markets Impact Bond

Fund overview:

This bond fund is dedicated to generating lasting positive impact for communities and the environment, while also targeting attractive returns. The fund invests in emerging and frontier debt issues which engage or contribute directly towards the UN SDGs. Driven by a UN initiative, BlueOrchard was founded in 2001, as the first commercial manager of global microfinance debt and has since evolved into a leading global impact investment manager, investing over $9bn across more than 90 countries. It is estimated to have helped provide financial and related services to over 230 million low-income people. The team utilises BlueOrchard's broad network to identify, assess and selectively invest in the most compelling debt instruments within its investment universe – primarily financial institutions, supranationals and sovereigns.

Portfolio Holding: Impact Investment Exchange – Women Livelihood Bonds

Women Livelihood Bonds ('WLBs'), issued by the Impact Investment Exchange (IIX), are **designed to empower women and minorities, driving positive social and economic outcome by providing women with access to financial resources.** To date, more than 85,000 women from low-income communities have gained access to financial services and more than 75,000 female micro-entrepreneurs have received affordable credit to sustain their businesses. The proceeds of the WLBs support financial institutions operating across six sectors: microfinance, affordable housing, affordable mobility, SME lending, clean energy, and agri-lending. This fund was among the first investors, contributing to the development of the bond series which has now seen seven issuances, each increasing in size. Fully aligned with the fund's impact objectives, WLBs not only support SDG 10 (Reduced Inequalities) but also contribute more broadly to advancing financial inclusion.

(Source: Schroder BlueOrchard)

Financial Performance:

BlueOrchard Emerging Market Impact Bond's holding in the 3.9% December 2025 issue continues to perform in line with expectations as it nears maturity. The most recent report, published in the second half of 2024, confirms all underlying loans are current with no missed coupon payments. Backed by first-loss and guarantee provisions, the bond remains a stable contributor to both financial performance and impact.

The Impact of your Investments

Sustainable Growth Strategy & CI Better World Growth Fund (as at 31/12/2024)

(Source: Clarity AI)

Weighted revenue alignment by UN Sustainable Development Goal (UN SDG):

UN SDGs Alignment evaluates how a company's operations, products, and services correspond with the UN SDG's. It offers a comprehensive 360° view, incorporating both operational practices and product/service-level insights. The assessment also includes a screening for potential breaches of the Do No Significant Harm (DNSH) principle, as well as violations of the UN Global Compact (UNGC) and OECD guidelines.

Additionally, the **distribution of revenue alignment** across the SDGs is assessed at the portfolio level. This reflects the percentage of revenue from underlying organisations that aligns with specific SDGs, weighted by their portfolio allocation. Revenue from certain business lines may contribute to multiple goals, highlighting the interconnected nature of sustainable business activities.

Aligned organisations show strong positive net revenue alignment or outperform peers on key operational indicators relevant to their industry. They do not cause significant harm through products, operations, or norms violations, and therefore pass the DNSH screen. Whereas, **misaligned organisations** fail the DNSH screen by causing notable harm to the Sustainable Development Goals (SDGs) through their products, operations, or norms violations.

Financed Emissions (Scopes 1 & 2):	Sustainable Growth / Better World Growth:	Reference Benchmark*:
Financed emissions represent the total greenhouse gas (GHG) emissions associated with a portfolio's investments. This figure is calculated by multiplying the portfolio's attribution factor by the emissions of the underlying investee companies. *The portfolio's Revenue Alignment is derived by aggregating the Revenue Alignment percentages of the underlying organisations, weighted by their share in the portfolio.* *Out of 1,132 organisations assessed, 1,009 are covered - representing 80.29% of the portfolio's total value.* *This metric is higher than the benchmark given the strategy's relative overweight to transition companies.*	43.8 tonnes CO2e	37.5 tonnes CO2e
Diversity in Governance:		
Board Diversity: The weighted proportion of women on boards within our Sustainable Growth strategy and fund is based on data covering 94.2% of the portfolio.	28%	34%

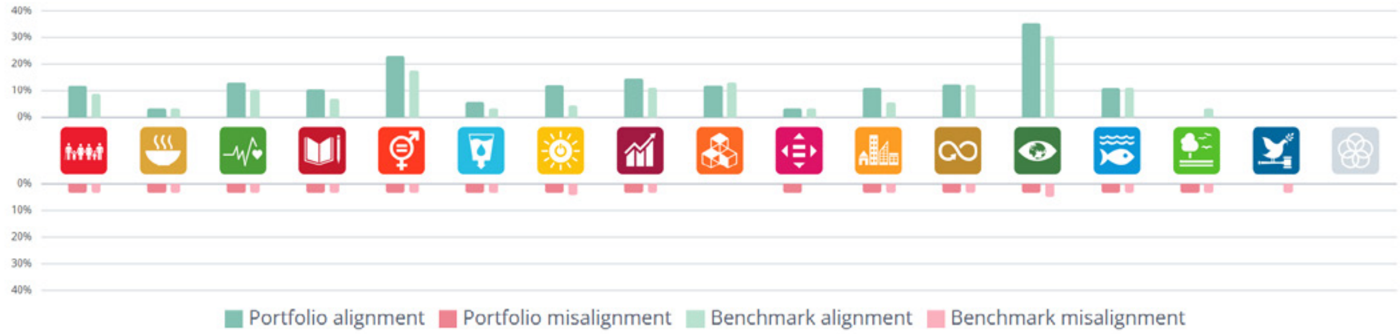
** Reference benchmarks are calculated based on blended MSCI ACWI (global stocks) and Bloomberg Global Aggregate (global bonds) figures. For Sustainable Balanced the mix is 65/35 and for Sustainable Growth 80/20, to represent asset allocations of the two strategies in 2024*

The Impact of your Investments

Sustainable Balanced Strategy (as at 31/12/2024)

(Source: Clarity AI)

Weighted revenue alignment by Sustainable Development Goal:



UN SDGs Alignment evaluates how a company's operations, products, and services correspond with the UN SDG's. It offers a comprehensive 360° view, incorporating both operational practices and product/service-level insights. The assessment also includes a screening for potential breaches of the Do No Significant Harm (DNSH) principle, as well as violations of the UN Global Compact (UNGC) and OECD guidelines.

Additionally, the **distribution of revenue alignment** across the SDGs is assessed at the portfolio level. This reflects the percentage of revenue from underlying organisations that aligns with specific SDGs, weighted by their portfolio allocation. Revenue from certain business lines may contribute to multiple goals, highlighting the interconnected nature of sustainable business activities.

Aligned organisations show strong positive net revenue alignment or outperform peers on key operational indicators relevant to their industry. They do not cause significant harm through products, operations, or norms violations, and therefore pass the DNSH screen. Whereas, **misaligned organisations** fail the DNSH screen by causing notable harm to the Sustainable Development Goals (SDGs) through their products, operations, or norms violations.

Financed Emissions (Scopes 1 & 2):	Sustainable Balanced Strategy:	Reference Benchmark*:
Financed emissions represent the total greenhouse gas (GHG) emissions associated with a portfolio's investments. This figure is calculated by multiplying the portfolio's attribution factor by the emissions of the underlying investee companies. *The portfolio's Revenue Alignment is derived by aggregating the Revenue Alignment percentages of the underlying organisations, weighted by their share in the portfolio.* *Out of 846 organisations assessed, 666 are covered - representing 67.1% of the portfolio's total value.* *This metric is higher than the benchmark gibven the strategy's relative overweight to transition companies.*	34.88 tonnes CO2e	27.14 tonnes CO2e
Diversity in Governance:		
Board Diversity: The weighted proportion of women on boards within our Sustainable Growth strategy and fund is based on data covering 94.2% of the portfolio.	20.7%	20.8%

** Reference benchmarks are calculated based on blended MSCI ACWI (global stocks) and Bloomberg Global Aggregate (global bonds) figures. For Sustainable Balanced the mix is 65/35 and for Sustainable Growth 80/20, to represent asset allocations of the two strategies in 2024*

Our Social Responsibility

Over the past 12 months, APWIL has been proud to support a range of initiatives, a few of which are highlighted below. As we enter our new chapter with Capital International, we remain committed to supporting clients, people, and communities - both locally and further afield - while continuing to act as a global corporate citizen.

Durrell - 100K donation milestone:

Since 2018, APWIL has supported Durrell Wildlife Conservation Trust (Durrell) through our Sustainable strategies, donating a portion of fees to fund their vital conservation work. During 2024, we were proud to have reached £100,000 in contributions. Our partnership has grown beyond financial support, from sponsoring GoWild Gorillas and the Tortoise Takeover, to connecting clients with Durrell's rewilding project in the Scottish Highlands. The ongoing collaboration reflects our shared values of sustainability and inclusivity, while strengthening Jersey's international identity. This achievement highlights what can be accomplished when values and action align. It is a testament to the collective impact of our clients, our team, and Durrell - working together to make a lasting difference for people and planet. We are pleased to confirm this relationship with Durrell will continue following our acquisition by Capital International.

The Greening Jersey Trust:

The business was proud to be among the first members of The Greening Jersey Trust, working alongside other members of the local financial services community to rewild, restore, and build a sustainable future for a selection of Jersey's green spaces. Through collaboration, the objective of the Trust is to make a lasting impact - ensuring nature thrives on our island for generations to come.

UN Global Compact:

APWIL continued to be participants of the UN Global Compact (UNGC), submitting their annual Communication on Progress (COP) in July 2024. The COP highlights the business's progress across the Ten Principles of the UNGC and can be viewed on the UNGC website.

Conclusion

Maintaining our integrity

Reflecting on our journey, in managing sustainable investment mandates since 2018, the team have navigated a rapidly evolving landscape featuring dramatic macroeconomic shifts, both 'hot and cold' geopolitical conflict between global superpowers, and equity markets which have become increasingly concentrated. We have seen Russia's invasion of Ukraine, the rise of political 'populists' globally and a cost-of-living crisis – not to mention a global pandemic - combine to create significant headwinds for values-orientated investors. It is clear economic priorities have changed and this is perhaps best illustrated by the vast amounts of public money now being committed by nations to rearmament; this at a time when 3.3bn people live in countries where the cost of servicing the national debt is greater than the spend on health and education (Source: United Nations Press Release 2023).

Despite this backdrop – or perhaps, because of it – our belief in the long-term merits of mobilising capital for good has been steadfast. Through this period, the investment team recognised the need to adapt, re-think and continuously learn from these changing priorities to ensure our approach remained relevant. For this reason, we were particularly pleased to win the Jersey Finance Leadership in Sustainable Finance – Investment Management award for the third year running. The judges highlighted our role in directing capital towards long-term environmental and social goals, our integration of ESG across the business, and our strong culture of corporate social responsibility. Over the past year, the team has also made significant contributions to Jersey's wider progress around sustainable finance, contributing to key forums such as the Government of Jersey's Sustainable Finance SteerCo and the local Future Sustainable Finance Leaders group. Furthermore, 2024 saw the Government of Jersey publish its Sustainable Finance Action Plan and launch a series of workstreams to guide its implementation - initiatives in which APWIL has been actively involved. These forums have offered invaluable opportunities to collaborate with industry peers who share our commitment to sustainability and to exchange best practices across a broad range of sustainable finance topics.

As a company we have also been proud to become a founding member of The Greening Jersey Trust – a local initiative dedicated to environmental recovery and the rewilding of land in Jersey, delivered in partnership with charities including the National Trust Jersey and Jersey Trees for Life.

Looking ahead

As we publish this year's Impact Report, we do so at a pivotal moment in our journey. The forthcoming integration of APWIL into Capital International marks both an ending and a beginning – one that we believe will strengthen our ability to deliver on the sustainable investing principles we have championed. Capital International's Conscious Capital approach – investing in companies which create more value while consuming fewer resources – resonates strongly with our own philosophy, and the newly combined business will have greater scale and capabilities through which to further our sustainable investing ambitions.

If you have read this report in full, your engagement demonstrates the shared commitment underpinning our style of investing. We remain grateful for your trust, patience and partnership, particularly through a challenging period for sustainable investment returns, even as positive impact has continued. As mentioned in previous Impact Reports, our team continue to invest their own capital into these solutions, supporting our belief that sustainable investing is not only the right approach but also a powerful driver of long-term value creation.

The last few years have felt like a winter for sustainable investing – a time of slower growth and adverse conditions. Yet we believe spring is now approaching, with green shoots appearing in the form of more attractive valuations, more powerful structural tailwinds, and the promise of AI-enhanced solutions to key challenges. We agree that the world's transition to a more sustainable economy is complex and far from linear, but progress is gaining momentum despite the noise that surrounds us. As we embark on this next chapter as Capital International, we remain as committed as ever to help shape a future where businesses thrive by creating value efficiently, responsibly, and sustainably.

CAPITAL INTERNATIONAL

Disclaimers

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All opinions expressed are those of Capital International (Jersey) Limited as of the date of publication and are subject to change without notice.

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