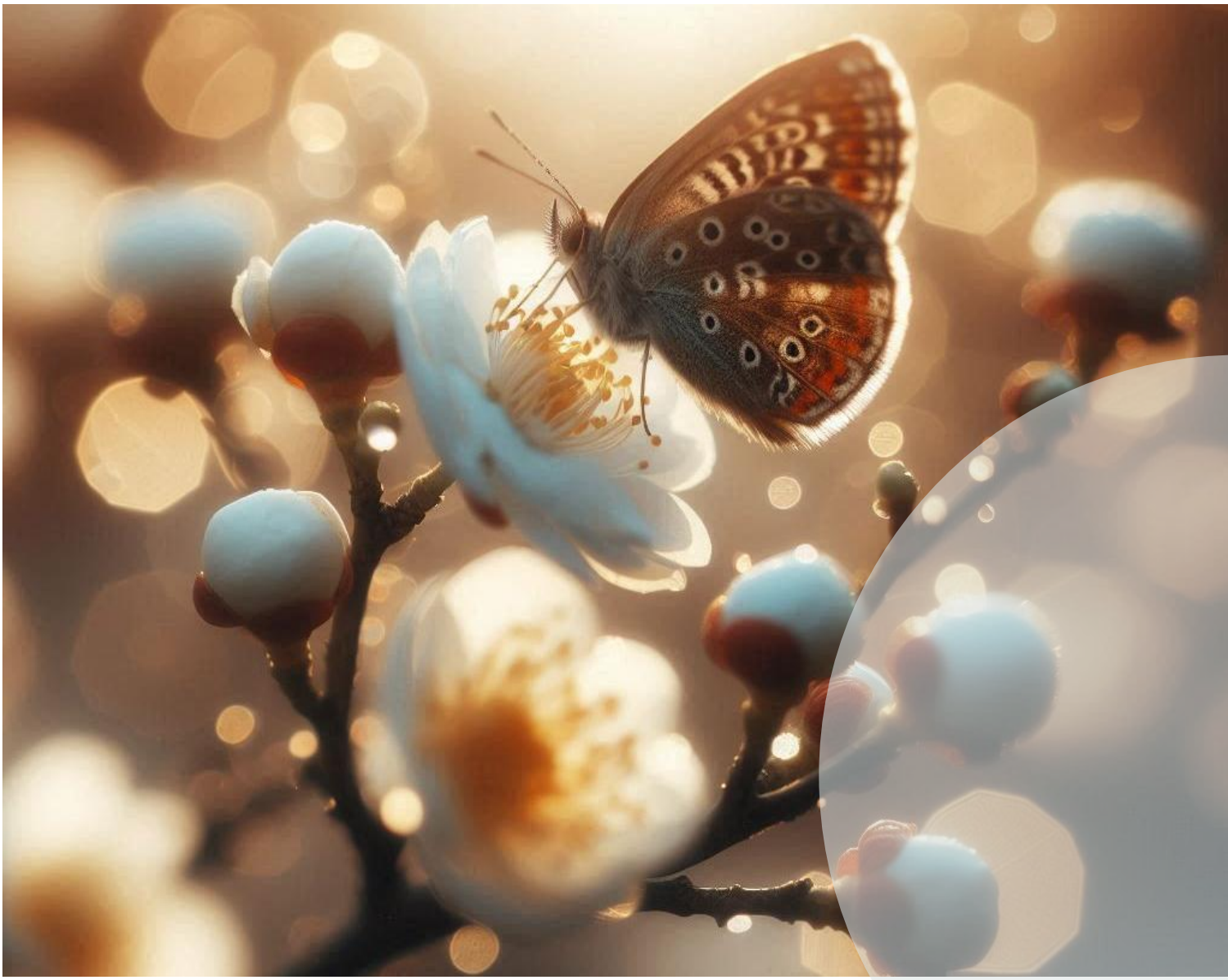

AKO Capital

Task Force on Climate-related Financial Disclosures (TCFD) Report 2025

INTRODUCTION

We are pleased to present the third annual Climate Report of AKO Capital LLP ("AKO Capital", the "Firm", "we," and "our"), consistent with the Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

It is widely recognised that global warming caused by greenhouse gas emissions poses a serious risk to the global economy and will have an impact across many economic sectors. We believe that transparent disclosures on our approach to climate-related risks and opportunities will help satisfy the information needs of our clients, investors, and the wider market.

This report presents the TCFD-aligned Firm-level disclosures of the Firm (the "**Report**"), in relation to climate-related matters, for the reporting period 1 January 2025 to 31 December 2025 (the "**Reporting Period**"). It sets out how AKO Capital LLP incorporates climate-related risks and opportunities into governance, strategy, risk management and metrics and targets, and how we respond to our stakeholders' expectations.

This Report relates to the relevant assets that the Firm manages as fund manager in respect of AIFs and UCITS funds. In this Report, the Firm's managed products and services are together referred to as "**Portfolios**."

The Firm has prepared this Report by applying the TCFD Recommendations and Recommended Disclosures to its management activities in respect of the Portfolios.

> ***Product-level approach:***
>
> This Report generally applies in respect of all the Portfolios. Where the Firm's approach to governance, strategy or risk management for a specific Portfolio or type of Portfolios materially varies from the Firm's standard approach, we have highlighted this in a text box with this format.
>
> We also refer in this Report to the "product documentation" for Portfolios. This means the formal offering documents (such as the prospectus or PPM) for a fund, the investment management agreement, and related regulatory disclosures.

This Report has been prepared on a best-efforts basis. However, climate reporting in the asset management industry particularly by fund managers is still in its infancy, and there are significant data challenges and methodological challenges associated with climate reporting. We have included TCFD-aligned disclosures where it is fair, clear, and not misleading for us to do so. We have also explained limitations on our ability to disclose, and the steps being taken to address those limitations.

COMPLIANCE STATEMENT

The disclosures in this Report have been approved by the Managing Board of AKO Capital LLP and are deemed to comply with the climate-related disclosure requirements in Chapter 2 of the FCA's ESG Sourcebook.

Satvinder Ranu
Chief Operating Officer

30th June 2026

IMPORTANT INFORMATION

This document has been prepared by AKO Capital LLP ("AKO").

The information contained in this document is believed to be accurate at the date of publication. No representation or warranty is made as to its continued accuracy after such date and the information, is subject to change without notification.

The factual information contained in this document may become inaccurate as a result of the passage of time. Future expectations are the opinions of AKO only, and is based on information available at the time which is subject to change without prior notice. Some information in this document is derived from third party sources and whilst AKO believes such sources to be reliable and accurate, AKO does not warrant the accuracy, adequacy or completeness of the information and data contained herein. No guarantee can be given as to the accuracy of the data and information we have used and on which we have undertaken our analysis.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets and/or sectors. Forward looking statements are subject to certain risks, uncertainties, and assumptions which can be subject to change and should not be relied upon. AKO accepts no liability for any loss or damage arising from the use or misuse of, or reliance on, the information provided including, without limitation, any loss of profits or any other damage, whether direct or consequential.

Nothing contained in this document constitutes investment, accounting, tax or legal advice or an offer to sell, or a solicitation of any offer to buy, any interests or shares in any investment. Any investment in the Funds will be subject to the terms, including a list of risk factors and conflicts of interest, as set out in the Funds' offering documents.

PART 1: GOVERNANCE

This Part of the Report discloses the Firm's governance around climate-related risks and opportunities.

(a) The Managing Board's oversight of climate-related risks and opportunities

The Firm is a limited liability partnership ("**LLP**"), which is managed day-to-day by a committee of two senior members of the LLP (the "**Managing Board**"). The Managing Board is ultimately responsible for governance and oversight of the fund management activities of the Firm; this includes the establishment of an effective and resilient governance and risk environment, including for climate-related issues.

The Firm separately maintains written Terms of Reference, which specify the matters for which the Management Committee is directly responsible. The Terms of Reference do not specifically include responsibility for climate-related risks and opportunities. There are no sub-committees of the Managing Board in respect of climate-related matters.

The Managing Board is scheduled to meet on a quarterly basis. Ahead of each such scheduled meeting, a pack of management information ("**MI**") is prepared for the meeting. The MI includes a report from the Sustainability team which will, as applicable, include updates on any material climate risks and opportunities.

In addition to the MI presented at formal meetings of the Managing Board, other reporting to senior management on climate-related issues includes regular updates on climate-related considerations about the investee companies and investment portfolios as well as specific climate developments that have the potential to materially impact investment returns. The Managing Board also oversees and approves all external communication on climate-related risks and opportunities.

(b) Management's role in assessing and managing climate-related risks and opportunities

Management plays a key role in assessing and managing climate-related risks and opportunities in the management of the portfolios. The Chief Investment Officer (CIO) of AKO is responsible for the implementation of the Sustainability Policy and for updating the Policy to ensure its continued relevance. The CIO and Head of Sustainability oversee and review any other related corporate governance or responsible investment matters that arise. The rest of the investment team, including Portfolio Managers, Investment Analysts, the Sustainability Team, the

Head of Research Process, as well as the Operations Team, are responsible for the day-to-day implementation of the Sustainability process.

With respect to the Firm's operational footprint, the Managing Board is involved in the tri-annual B-Corporation certification process which includes a substantial review of AKO Capital's environmental practices and initiatives. The Managing Board also receives annual updates on the Firm's energy consumption, carbon footprint and carbon compensation programme with a focus on energy consumption and emissions reduction targets as well as recommended carbon credit schemes.

The Firm has also taken part in ESOS (Energy Savings Opportunity Scheme), a mandatory energy assessment programme aimed at increasing the energy efficiency of large organisations and reducing their carbon emissions. As a qualifying organisation, the Firm has conducted a comprehensive assessment of its energy use and identified cost-effective energy-saving measures.

The Head of Sustainability is in charge of the oversight and implementation of the Firm's environmental initiatives and objectives. The Head of Sustainability and the Sustainability team also oversee and coordinate internal teams of "Sustainability Champions." These teams are formed by members of staff who volunteered to head internal efforts in environmental issues: Energy and Carbon; Water and Waste and Procurement. The Sustainability Team and the Champions meet at least quarterly to review the implementation of the Firm's environmental projects and objectives with the aim of reducing the environmental impact of our operations and improving our environmental performance.

PART 2: STRATEGY

This Part of the Report discloses the actual and potential impacts of climate-related risks and opportunities on the Firm's businesses, strategy, and financial planning in respect of the Portfolios where such information is material.

(a) Climate-related risks and opportunities of the Firm's investment strategies

This sub-section of the Report sets out the Firm's assessment of the climate-related risks and opportunities to which the Portfolios are exposed, over the short-, medium-, and long-term.

Definition of time horizons:

For these purposes, the Firm defines the relevant time horizons as follows:

- short-term: 0-3 years
- medium-term: 3-10 years
- long-term: more than 10 years

The Firm confirms that these time horizons take into consideration the useful life of the Portfolio's assets and infrastructure, and the fact that climate-related issues often manifest themselves over the medium and longer terms.

Climate risks and their potential financial impacts:

The two tables below summarise the climate risks which could have a material financial impact on the investments held within the Portfolios, and the likely time horizon (short / medium / long-term, as defined above) over which the risk might reasonably arise. We have sub-divided climate risks into two types:

- **Transition risks** are associated with the transition to a low-carbon economy and arise from the changes required to limit long-term temperature rises. These risks may arise from extensive policy, legal or regulatory changes, shifts in demand or supply-side dynamics, or technological changes resulting from efforts to mitigate or adapt to climate change.
- **Physical risks** are related to the physical impacts of more extreme weather events as a consequence of long-term climate change. They may impact business activities, asset values, transport networks and supply chains.

TABLE 1: Transition Risks for Investments in The Portfolios:

Type	Climate-related transition risks	Potential financial impacts	Time horizon
Current regulation	• Regulatory breaches from existing climate-related regulation	• Regulatory fine	Short
Future policy and legal	• Increased pricing of GHG emissions • Enhanced emissions reporting obligations • Mandates on and regulation of existing products and services • Exposure to litigation	• Increased operating costs: higher compliance costs, increased insurance premiums • Write-offs, asset impairment, and early retirement of existing assets due to policy changes • Increased costs and/or reduced demand for products and services resulting from fines and judgments	Short / Medium
Technology	• Substitution of existing products and services with lower emissions options • Unsuccessful investment in new technologies • Costs to transition to lower emissions technology	• Write-offs and early retirement of existing assets • Reduced demand for products and services • Research and development (R&D) expenditures in new and alternative technologies • Capital investments in technology development • Costs to adopt/deploy new practices and processes	Medium
Market	• Changing customer behaviour • Uncertainty in market signals • Increased cost of raw materials	• Reduced demand for goods and services due to shift in consumer preferences • Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment) • Abrupt and unexpected shifts in energy costs • Change in revenue mix and sources, resulting in decreased revenues • Re-pricing of assets (e.g., fossil fuel reserves, land valuations, securities valuations)	Short / Medium
Reputation	• Shifts in consumer preferences • Stigmatisation of sector • Increased stakeholder concern or negative stakeholder feedback	• Reduced revenue from decreased demand for goods/services • Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions) • Reduced revenue / increased costs from negative impacts on workforce management and planning (e.g., employee attraction and retention) • Litigation risk • Reduction in capital availability	Short / Medium

TABLE 2: Physical Risks for Investments in The Portfolios:

Type	Climate-related transition risks	Potential financial impacts	Time horizon
Acute	• Increased severity of extreme weather events such as cyclones and floods	• Reduced revenue from decreased production capacity (transport difficulties, supply chain interruptions) • Reduced revenues from lower output • Reduced revenue and higher costs from negative impacts on workforce (health, safety, absenteeism) • Write-offs and early retirement of existing assets (damage to property and assets in "high-risk" locations) • Increased operating costs • Increased capital costs (damage to facilities) • Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations	Short / Medium / Long
Chronic	• Long-run climate changes • Changes in precipitation patterns and extreme variability in weather patterns • Rising mean temperatures • Rising sea levels		Long

Climate opportunities and their potential financial impacts:

The table below summarises the climate opportunities which could have a material financial impact on the investments held within the Portfolios, and the likely time horizon (short / medium / long term, as defined above) over which the opportunities might reasonably arise.

TABLE 3: Climate Opportunities for Investments in The Portfolios:

Type	Climate-related transition opportunities	Potential financial impacts	Time horizon
Technology	• Development of low emission products and services • Development of patents through R&D and innovation in technologies aimed at tackling climate mitigation and climate adaptation	• Increased revenue through demand for lower emissions products and services • Increased revenue through new solutions to adaptation needs • Better competitive position reflecting shifting consumer preferences	Short, Medium & Long
Markets	• Access to new markets • Use of public-sector incentives	Increased revenues through access to new and emerging markets (partnerships with governments, development banks Increased diversification of financial assets e.g. DLT, tokenization	Medium
Resource efficiency	• Use of more efficient modes of transport • Use of more efficient production and distribution processes • Use of recycling • More efficient buildings • Reduced water usage and consumption	• Reduced operating costs through efficiency gains and cost reductions • Increased production capacity, resulting in increased revenues • Increased value of fixed assets (highly rated energy-efficient buildings) • Lower costs stemming from benefits to workforce management and planning (improved health and safety, employee satisfaction)	Short & Medium
Energy source	• Use of lower-emission sources of energy • Use of supportive policy incentives • Use of new technologies • Participation in carbon market • Shift toward decentralized energy generation	• Reduced operational costs (through use of lowest cost abatement) • Reduced exposure to future fossil fuel price increases • Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon • Returns on investment in low-emission technology • Increased capital availability • Reputational benefits resulting in increased demand for goods/services	Short & Medium
Resilience	• Participation in renewable energy programs and adoption of energy-efficiency measures • Resource substitutes/diversification	• Increased market valuation through resilience planning • Increased reliability of supply chain and ability to operate under various conditions • Increased revenue through new products and services related to ensuring resiliency	Medium & Long

Processes used to determine materiality of impact:

We define sustainability as a consistent, long-term approach to material stakeholders - customers, employees, suppliers & business partners, society, the environment and shareholders. The fundamental principle is that a company's business model should not rely on negative externalities or the unfair treatment of

stakeholders. An exploitative business model may create hidden liabilities and risks that might hurt a company's economic prospects.

The Firm's process to determine which risks and opportunities could have a material financial impact on the Portfolios is an integral part of the wider investment process. Material stakeholders vary for each company. The Sustainability Team evaluates whether the companies generate positive or negative externalities in their relationship with its material stakeholders, including the environment.

The SASB framework is used as a guide when we are identifying material sustainability topics within our company analysis, in particular material climate-related considerations. Whilst we use the framework as a source of information, we believe combining multiple sources produces a more insightful determination of the financial impact of climate-related risks and opportunities. Accordingly, the analysts combine their knowledge of a company and various third-party climate-related data in their final assessment.

(b) Impact of climate-related risks and opportunities on the Firm's investment strategies

This sub-section of the Report sets out a summary of the impact of climate-related risks and opportunities on the Firm's investment strategies in respect of the Portfolios.

Climate risks and opportunities are factored into the Firm's investment management processes for the Portfolios through the integration of climate risks into the investment risk management process for all the Portfolios, based on the risks' financial materiality.

Climate risk integration (financial materiality):

The first impact of climate risk on the Firm's investment strategies for the Portfolios is the integration of climate risk into the investment risk management processes for the Portfolios, in relation to the specific risks identified in sub-section 2(a) of this Report.

Time period:

The period used for climate risk integration is measured by reference to the lifespan of the relevant Portfolio. For our portfolios, risk management is an ongoing process, which is reviewed periodically.

Prioritisation:

The Firm does not generally prioritise the management of any particular sub-category of climate risk over another; instead, any climate risk which is identified as potentially causing a material risk of harm to the value of a Portfolio's investments will be managed in the same way under the Firm's investment risk management framework.

The Firm has concluded that all the Firm's Portfolios are exposed to potential climate risks. In other words, climate risks could – if the relevant risk occurs – cause an actual or potential material negative impact on the value of an investment held within a Portfolio. This could in turn cause a negative impact on the value or returns of a Portfolio.

Assessment of climate risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Firm will correctly assess the impact of climate risks on the Portfolio's investments.

Impact of climate risks on financial performance and financial position:

To the extent that a climate risk occurs (or occurs in a manner that is not anticipated by the Firm) there may be a sudden, material negative impact on the value of an investment held within a Portfolio. Such negative impact may result in an entire loss of value of the relevant investment(s), may have an equivalent negative impact on the value or returns of a Portfolio and may expose the Portfolio to further liabilities. The Firm has identified a small number of companies that are responsible for the majority of the overall carbon emissions of the investment portfolios. Due to the materiality of the risk and the complexity to decarbonise their operations, we focus our analytical resources on the viability of their public energy transition plans.

Impact of transition to a lower-carbon economy:

As noted above in Table 1, the Firm has identified that the Portfolios are potentially exposed to transition risks as a category of climate risks.

Climate risk management is then integrated into the Firm's investment risk management processes, in respect of all Portfolios. Please refer to sub-section 3(b) of this Report below for further details on our climate risk management processes.

(c) Resilience of the Firm's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

This sub-section of the Report summarises the resilience of the investment strategies for the Portfolios to climate-related risks and opportunities, taking into account different climate-related scenarios.

What is scenario analysis?

The Firm has determined that scenario analysis is a process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and are not designed to deliver precise outcomes or forecasts. Instead, scenarios provide a way for organizations to consider how the future might look if certain trends continue, or certain conditions are met.

In the case of climate change, for example, scenarios allow an organization to explore and develop an understanding of how various combinations of climate-related risks, both transition and physical risks, may affect its businesses, strategies, and financial performance over time.

The Firm does not currently use climate scenario analysis as a regular part of its investment or risk management process. The Firm is waiting for third-party climate data modelling to develop in sophistication and applicability to the Firm's Portfolios and investment strategies.

The Firm keeps this decision under periodic review. If, in the future, the Firm starts to use scenario analysis, then this will be reflected in future TCFD reports.

Transition plans:

The Firm has its head office in the UK and operates in the UK. The Firm notes that the UK Government committed in June 2019 to a 100% reduction of greenhouse gas emissions by 2050 compared with 1990 levels. This is referred to as the net zero target. The Government stated that net zero means "any emissions would be balanced by schemes to offset an equivalent amount of greenhouse gases from the atmosphere, such as planting trees or using technology like carbon capture and storage."

For further details on the UK government's net zero target, please refer to:

https://commonslibrary.parliament.uk/research-briefings/cdp-2023-0124/

While the Firm is generally supportive of the UK Government's net zero target, the Firm has not integrated an express commitment to the net zero target in its

management of any portfolios. This is because the Firm would require the express agreement of its clients to integrate the UK Government's net zero target into the management of Portfolios, and at the date of this Report there is no instruction in respect of the net zero target for any Portfolio.

However, the Firm considers climate risk to be a potential long-term financial risk for many companies and therefore encourage our portfolio companies to align themselves with the goal of limiting the global increase in temperature to 1.5°C by 2050 as proposed by the Paris Agreement. By 2030, we aspire to invest a significant proportion of our capital in companies with Net Zero commitments or targets, preferably verified by the SBTi.

With regards to the Firm's operations, total energy consumption has been reduced by 68% since 2021 whilst increasing our workforce by over 30% and more than doubling our office space during the period. All residual hard-to-abate carbon emissions since 2019 have been offset with certificates issued by high-quality and verified carbon compensation schemes.

Product-level approach:

The Portfolios do not integrate a net zero commitment. The product documentation for the relevant Portfolio will specify whether and to what extent the Portfolio has implemented a net zero commitment. If the product documentation for a particular Portfolio does not expressly identify a net zero commitment, then the Firm does not pursue a net zero commitment.

PART 3: RISK MANAGEMENT

This Part of the Report discloses how the Firm identifies, assesses, and manages climate-related risks.

(a) The Firm's processes for identifying and assessing climate-related risks

This sub-section of the Report summarises the Firm's processes for identifying and assessing climate-related risks. (For reference, the material climate-related risks that have been identified in practice by the Firm are summarised in sub-section 2(a) of this Report).

The Firm has implemented processes to identify and assess sustainability / ESG risks, which effectively include climate-related risks as a key category of sustainability risks in practice.

However, the Firm has not implemented any bespoke processes specifically related to climate risks alone.

In the summary set out below, the Firm refers generally to "sustainability risks", which should be understood as implicitly including climate-risks, where relevant.

Identification of sustainability risks

The Firm's process to **identify** sustainability risks is based on the principle that a sustainable economic model should not rely on negative externalities or unfair treatment of stakeholders. If a company relies on unfairly exploiting its surroundings in order to succeed, it may create hidden liabilities and risks that will likely hurt the company's prospects in the long run.

The Firm has separately reviewed the sustainability risks which are potentially likely to cause a material negative impact on the value of investments held by the Portfolios, should those risks occur. These are broadly divided into the three categories of environmental, social and governance risks.

The Firm treats sustainability risk as both a standalone risk, and a cross-cutting risk which manifests through many other established principal risk types (such as financial risks, operational risks, credit risks, etc). Although the Firm does not specifically seek to identify climate-related risks, in practice, climate risks are a key sub-category of sustainability risks.

The Firm's investment analysts, with the support of the Sustainability Team, carry out a thorough analysis of the competitive position of a company, in the context of

the material sustainability risks and opportunities. We consider whether the business generates present and future positive or negative externalities for stakeholders and can sustain its earnings and return on invested capital in the long term. We seek companies that have a durable competitive advantage or a leadership position that will be reinforced by the shift to more sustainable consumer behaviour or regulation, and where the risks are not material or are outweighed by the opportunities. These companies must also show an effective track record of responsible policies, practices, and governance structures that can drive the business forward and fully capitalise on the opportunities.

On the other hand, the Firm aims to avoid companies associated with significant sustainability risks that are likely to materialise under current or emerging regulation or consumer trends and have limited or no scope to transform into a sustainable business in the long-term. This pertains to all companies that contribute to serious environmental harm, human or labour rights violations, corruption, or carry out other highly unethical actions that have substantial reputational risks.

The Firm's resources and tools for identification of sustainability risks include our own internal due diligence and analysis; assessment of publicly available data and the issuer reports; expert calls; and third-party data sources including Standard & Poor's, Bloomberg and ISS.

The Firm expressly considers existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) applicable to the investments held in the Portfolios as a source of sustainability risk.

The Firm expressly engages with investee companies in respect of disclosure by those companies of data relating to sustainability risks or climate risks. As part of our fiduciary duty, we believe that it is in the best interest of our clients to promote good corporate governance and sustainability values by engaging with our portfolio companies. A key part of our investment process is engagement with company management and board of directors to better understand their businesses, the material risks, and opportunities as well as their oversight and risk management policies and practices. We are mindful that the level of engagement permitted by companies varies and depends on a number of factors including, but not limited to, the size of our investment relative to the company's total capital.

The Firm prefers interactions with companies to be confidential and on a one-to-one basis. The Firm's policy is not to be made an insider and, as such, the dialogue with companies is conducted in such a way as to manage and mitigate the risk of being told price sensitive non-public information. We expect companies and their advisers to adhere to our policy in this regard.

The Firm believes that, as part of the ongoing engagement effort, it has the responsibility to provide feedback to portfolio companies on material risks and opportunities, including but not limited to sustainability issues, to promote good practices which are expected to generate long-term sustainable returns. This is

achieved through the dialogue with management team and board members as well as through the exercise of the Portfolios' voting rights.

Assessment of sustainability risks

The Firm's process to assess sustainability risks is based on the likelihood of occurrence of each risk within the typical investment horizon for each Portfolio and the severity of impact to the value of investments held by the Portfolios, should the risk occur.

In assessing the size and scope of sustainability risks, the Firm relies on internal analysis, investment due diligence, public issuer disclosures, reports, and assessment and on third party data sources including ISS, S&P Global and Bloomberg.

The Firm's process to determine the relative significance of sustainability risks in relation to other risks involves research analysts rating sustainability-related risks and events according to our internal scoring system, following similar criteria to other risks and events which may affect the financial performance of the Portfolios' investee companies.

(b) Description of the Firm's processes for managing climate-related risks

This sub-section of the Report summarises the Firm's processes for **managing** climate-related risks. (For reference, the material climate-related risks that have been identified in practice by the Firm are summarised in sub-section 2(a) of this Report).

We now summarise how sustainability risks (including climate, as a sub-set of broader sustainability risks) impact on the Firm's management of all Portfolios. We focus in particular on the steps taken by the Firm to mitigate sustainability risk exposure through the investment process.

The Firm measures sustainability risk according to two metrics. The first is **likelihood of occurrence** of each risk, within the typical investment horizon for the Firm's Portfolios. The second is **severity of impact** to the value of a Portfolio's investments, should the risk occur. Each identified category of risk is assigned a score, which is recorded in the Firm's internal research management system which is open and accessible to Portfolio Managers and the rest of the investment team.

While the Firm's investment professionals are provided with information on sustainability risks and are encouraged to take sustainability risks into account when making an investment decision, sustainability risk would not by itself prevent the Firm from making any investment. Instead, sustainability risk forms

part of the overall risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk. However, the Firm does not apply any absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category of risk.

(c) How processes for identifying, assessing, and managing climate-related risks are integrated into the Firm's overall risk management

This sub-section of the Report summarises how the Firm's processes for identifying, assessing, and managing climate-related risks (as summarised in sub-sections 3(a) and 3(b) of this Report, above) are integrated into the Firm's overall risk management processes.

As an FCA-regulated fund manager, the Firm is subject to the FCA Rules in respect of investment risk management processes. Consistent with these requirements, the Firm has:

- Established and implemented risk management policies and procedures. These identify the risks which relate to the Firm's activities, processes and systems, and set the level of risk tolerated by the Firm;
- Adopted arrangements, processes, and mechanisms to manage the risks to which the Firm is exposed, in light of that risk tolerance;
- Implemented monitoring processes, in respect of risk exposure and risk tolerance; and
- Established a permanent Risk Management function, which is responsible for the implementation of the policies and procedures noted above, and for reporting to senior management on risk matters.

The Firm's sustainability risk management processes (which include climate risks), as summarised in sub-sections 3(a) and 3(b) above, are integrated into the general investment risk management processes summarised above.

PART 4: METRICS AND TARGETS

This Part of the Report discloses the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

(a) Metrics used by the Firm to assess climate-related risks and opportunities in line with its strategy and risk management process

The Firm uses a variety of metrics to assess climate-related risks and opportunities across specific products, investment strategies and/or investments. These product, strategy or investment specific metrics are not included in this Firm-level report but may be included in individual product-level reports that are made available to the Portfolio's investors on request.

At a Firm-level, across the Portfolios, the Firm tracks the following key metrics:

- Financed Scope 1 GHG emissions
- Financed Scope 2 GHG emissions
- Financed Scope 3 GHG emissions
- Weighted average carbon intensity
- Carbon footprint
- Carbon intensity
- Percentage of capital invested in companies with SBTi verified net-zero commitments or targets

This sub-section of the Report sets out the metrics used by the Firm to assess climate-related risks and opportunities. We refer here to the material climate risks and opportunities as already identified in sub-section 2(a) of this Report, above.

Climate risks and applicable metrics:

The two tables below summarise the climate risks which could have a material financial impact on the Portfolios, and the metrics used to assess those risks. These are sub-divided into transition risks and physical risks.

TABLE 1: Transition Risks:

Type	Climate-related transition risks	Metric	Historical trends
Policy and Legal	• Increased pricing of GHG emissions • Enhanced emissions-reporting obligations • Mandates on and regulation of existing products and services • Exposure to litigation	The Firm uses the following metrics: • **Portfolio exposure to assets that could become stranded**. (Stranded assets are those that have premature or unanticipated write-downs, dilutions, or conversion into liabilities). Data as of 31 December 2025: **0%** • **Exposure to carbon-related assets**. The TCFD defines this metric as the amount or percentage of carbon-related assets in the portfolio, expressed in USD$M or percentage of the current portfolio value. Data as of 31 December 2025: **1.74%** • **Net Asset Value (NAV) exposure to different energy sources** (coal, oil, gas, etc.). Data as of 31 December 2025: **immaterial**	• Data as of 31 December 2024: **None** • Data as of 31 December 2024: **0.3%** • Data as of 31 December 2024: **immaterial**
Technology	• Substitution of existing products and services with lower-emission options • Unsuccessful investment in new technologies • Costs to transition to lower emissions technology		
Market	• Changing customer behaviour • Uncertainty in market signals • Increased cost of raw materials		
Reputation	• Shifts in consumer preferences • Stigmatization of sector • Increased stakeholder concern or negative stakeholder feedback		

Source: S&P Global, AKO Capital

TABLE 2: Physical Risks:

Type	Climate-related transition risks	Metric	Historical trends
Acute	• Increased pricing of GHG emissions • Enhanced emissions-reporting obligations • Mandates on and regulation of existing products and services • Exposure to litigation	Certain quantitative physical climate risk metrics are used by the Firm to understand and assess how a Portfolio is vulnerable to physical climate hazards. • percentage of a specific Portfolio exposed to issuers in **sectors** sensitive to physical risks, as defined by S&P. Data as of 31 December 2025: **46.3%** • physical risk score for the Portfolio by **2050 under average temperature rises of 1.9°C, 3.5°C, 4.5°C climate change scenarios**[1]. Data as of 31 December 2025: **28, 29 and 34, respectively**[2]	• Data as of 31 December 2024: 29.2% • Data as of 31 December 2024: 24, 26 and 29, respectively[1]
Chronic	• Substitution of existing products and services with lower emissions options • Unsuccessful investment in new technologies • Costs to transition to lower emissions technology		

Source: S&P Global, AKO Capital

1 The temperature rise intervals considered by S&P for its low, medium and high scenarios are 1.3-2.4 °C, 2.1-4.6 °C and 3.3-5.7 °C by 2100 respectively

[2] Sensitivity Adjusted Composite Score as defined by S&P Global. Scale 1 to 100

Climate opportunities and applicable metrics:

The table below summarises the climate opportunities which could have a material financial impact on the Portfolios, and the metrics used to assess those opportunities.

TABLE 3: Climate Opportunities:

Type	Climate-related transition risks	Metric	Historical trends
Resource efficiency	• Use of more efficient modes of transport • Use of more efficient production and distribution processes • Use of recycling • Move to more efficient buildings • Reduced water usage and consumption	The Firm has not formulated any specific quantitative metrics to formally understand and assess these climate-related opportunities. Instead, the Firm makes use of holistic or qualitative assessments of opportunities, which are not specifically linked to metrics.	N.A.
Energy source	• Use of lower-emission sources of energy • Use of supportive policy incentives • Use of new technologies • Participation in carbon market • Shift toward decentralized energy generation		
Products and services	• Development and/or expansion of low emission goods and services • Development of climate adaptation and insurance risk solutions • Development of new products or services through R&D and innovation • Ability to diversify business activities • Shift in consumer preferences		
Markets	• Access to new markets • Use of public-sector incentives • Access to new assets and locations needing insurance coverage		
Resilience	• Participation in renewable energy programs and adoption of energy-efficiency measures • Resource substitutes/diversification		

Source: AKO Capital

Remuneration policies:

The Firm does not incorporate climate metrics into the Firm's remuneration policies for its personnel.

Alignment with a "well below 2 degrees" scenario:

The Firm's portfolios are aligned to the following extent with a "well below 2 degrees" scenario: according to the S&P Global methodology as of 31 December 2025, 93.7% of the capital invested in the AKO Capital portfolio was aligned with a <1.5°C scenario; 1.3% with a 2-2.7°C scenario and 4.9% with a 3.-4°C scenario.

(b) Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks

In this sub-section of the Report, we disclose certain climate-related data.

This data is provided on an aggregated basis, across all the Portfolios managed by the Firm. The data points below relate to the emissions of the investments held by the Portfolios (and not, for the avoidance of doubt, to the Firm itself).

Data Point	Definition / methodology	Data point as of: 31 December 2025	Data Coverage	Historical Data 31 December 2024	Further Notes
Scope 1 GHG emissions	**Direct GHG emissions** Direct GHG emissions occur from sources that are owned or controlled by the investee company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment. Expressed in Tons of CO2 equivalent. The Firm calculates this in accordance with the GHG Protocol methodology.	397,654	98.5%	425,632	The following notes apply to all the disclosures. ***Related risks:*** Emissions are a prime driver of rising global temperatures and, as such, are a key focal point of policy, regulatory, market, and technology responses to limit climate change. As a result, organizations with significant emissions are likely to be impacted more significantly by transition risk than other organizations. In addition, current or future constraints on emissions, either directly by emission restrictions or indirectly through carbon budgets, may impact organizations financially.
Scope 2 GHG emissions	**Electricity indirect GHG emissions** Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the investee company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated. Expressed in Tons of CO2 equivalent. The Firm calculates this in accordance with the GHG Protocol methodology.	20,383	98.5%	199.487	
Scope 3 GHG emissions	**Other indirect GHG emissions** Scope 3 is a reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the investee company but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services. Expressed in Tons of CO2 equivalent. The Firm calculates this in accordance with the GHG Protocol methodology	9,677,702	98.5%	3,689,639	
Weighted average carbon intensity	Portfolio's exposure to carbon-intensive companies, expressed in tons CO2e / $M revenue. The formula can be expressed as: 	55	98.5%	73	
Carbon Footprint	Total Scope 1 & 2 carbon emissions normalised by the market value of the portfolio, expressed in tons CO2e / $M market value of the portfolio	16	98.5%	21	
Carbon Intensity	Volume of Scope 1 & 2 carbon emissions per million dollars of revenue, expressed in tons CO2e / $M revenue	62	98.5%	86	

TABLE 4: Climate Metrics

Source: S&P Global, AKO Capital

(c) Targets used by the Firm to manage climate-related risks and opportunities and performance against targets

This sub-section of the Report summarises targets used by the Firm to manage climate-related risks and opportunities.

A climate-related target is a commitment which may be imposed by an investment manager on a managed portfolio, relating to particular climate metrics, to manage risks and opportunities. In the UK, there is not a regulatory requirement for investment firms to impose climate-related targets.

The Firm has not integrated any express climate-related targets in its management of any Portfolios. This is because the Firm would require the express agreement of its clients to impose such targets on the management of Portfolios, and at the date of this Report there is no instruction in respect of the net zero target for any Portfolio.

The Firm considers climate risk to be a potential long-term financial risk for many companies and therefore encourage our portfolio companies to align themselves with the goal of limiting the global increase in temperature to 1.5°C by 2050 as proposed by the Paris Agreement. By 2030, we aspire to invest a significant proportion of our capital in companies with Net Zero commitments or targets, preferably verified by the SBTi. We continue to engage on transparent climate impact reporting, progress along the carbon emissions reduction pathways of our portfolio, and risks and opportunities associated with decarbonisation. As of 31 December 2025, 84% of the Firm's investment portfolio was invested in companies with Net Zero targets or commitments as defined by the SBTi with a further 2% invested in companies with unverified net zero targets.