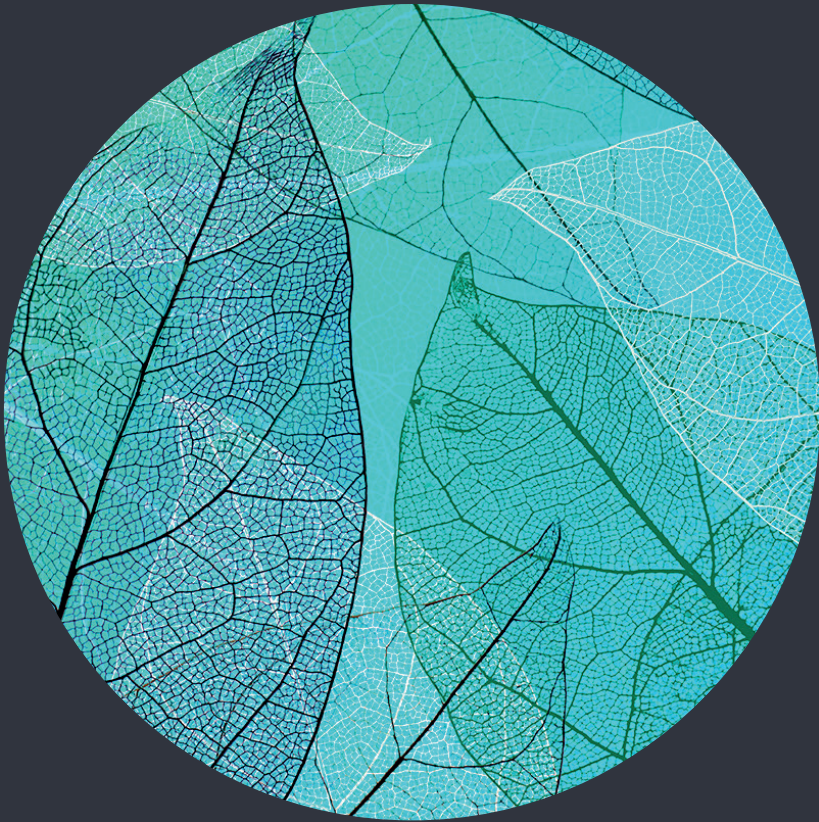




# Responsible Investment Report



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# Responsible investment at Ruffer

## AT RUFFER, WE ARE COMMITTED TO BEING GOOD STEWARDS OF OUR CLIENTS' ASSETS.

To do that, and to generate good investment performance, we need to analyse environmental, social and governance (ESG) issues. They represent both sources of value and investment risks. Incorporating these considerations into our investment approach forms part of our responsibility to our clients.

Whether it's climate change or indigenous rights, executive pay or workforce safety, we believe our considered approach helps us make better investment decisions.

To the advantage of our clients' portfolios.

For the benefit of the companies we invest in.

And to the good of the environment and society.

## HOW WE DO IT

### INTEGRATION

ESG risks and opportunities are considered as part of our investment process.

### ENGAGEMENT

Directly engaging with companies is a part of our investment process.

### VOTING

Equity investing comes with rights and responsibilities.

We take this seriously.

We are signatories and supporters of



# Overview of the quarter

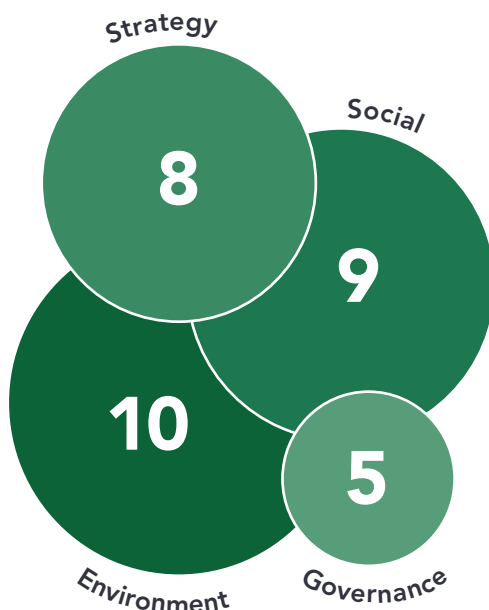
**IT'S ONE THING FOR A COMPANY TO TELL A GOOD STORY ON ESG ISSUES; IT'S QUITE ANOTHER TO PROVIDE HARD EVIDENCE OF REAL ACHIEVEMENT.** And that's what we need to assess their progress and offer suggestions for future enhancements.

Last quarter, we voted on several resolutions to improve much-needed corporate disclosure. For example, we voted against BP's management on their proposal to revoke two resolutions relating to its climate risk disclosure, while we supported a shareholder resolution for increased disclosure on its climate transition planning.




































We also voted in favour of shareholders proposals calling on Amazon to provide more information on the impact of data centres on its climate commitments and on the financial implications of its renewable energy strategy. Greater disclosure on both would help us assess the credibility of Amazon's transition plan and the resilience of its strategy.

But we haven't just been voting; it's also been a busy quarter for engagement. In particular, we met with two companies which are navigating complex transitions. Mitsubishi Chemical is adjusting the mix of its portfolio of businesses and investing in decarbonisation, while integrated energy company Suncor is wrestling with Canada's evolving anti-greenwashing regulations. We encouraged both to use a marginal abatement cost curve, as well as providing more rigorous disclosures.

## ENGAGEMENT ACTIVITIES THIS QUARTER



# Stewardship activities

COMPANY	ATTENDEES	TOPICS DISCUSSED				
Akzo Nobel	Head of Investor Relations, Chief Sustainability, HR and Communications Officer	Executive remuneration				
ArcelorMittal	Investor Relations – Sustainability	Energy transition, reporting, company conduct, culture and ethics				
Daido Steel	Investor Relations	Transition to Net Zero, company conduct, culture and ethics, reporting				
Kubota	Investor Relations	Company conduct, culture and ethics				
Mitsubishi Chemical Group	Director of Investor Relations, Technical Manager	Lifecycle impact of products/services, data disclosure, company conduct, culture and ethics, corporate strategy/capital allocation				 
Okuma	Investor Relations	Lifecycle impact of products/services, transition to Net Zero, employee compensation and benefits, reporting				
Persimmon	Group Investor Relations Director, Group Sustainability Director	Climate target setting, executive remuneration, company conduct, culture and ethics				
Sumitomo Metal Mining	Investor Relations, Sustainability team	Lifecycle impact of products/services, transition to Net Zero, data disclosure, company conduct, culture and ethics				 
Sumitomo Rubber Industries	Investor Relations, Sustainability team	Transition to Net Zero, reporting, corporate strategy/capital allocation				
Suncor Energy	Chief Financial Officer	Climate target setting				
Tokuyama	Investor Relations, Sustainability team	Transition to Net Zero, company conduct, culture and ethics, reporting				
Tosoh	Investor Relations	Lifecycle impact of products/services, data disclosure, company conduct, culture and ethics, corporate strategy/capital allocation				 

# Engagements in focus

## MITSUBISHI CHEMICAL GROUP

Mitsubishi Chemical Group is one of the world's largest chemicals producers. It is headquartered in Japan and operates across a wide range of end markets, including performance materials, industrial chemicals and healthcare solutions. The company is currently held within our quantitative equity basket which targets firms with restructuring potential, where improvements in capital allocation, portfolio focus or operational efficiency may drive shareholder value over time.

**Objective: understand whether the company conducts lifecycle analysis at the product level to generate environmental product declarations (EPDs) and push the company to consider producing a marginal abatement cost curve (MACC).**

While Mitsubishi Chemical has set decarbonisation targets and announced planned capital expenditure to improve its energy mix, there remains limited transparency on how these investments translate into financial returns, with no clear linkage to return on invested capital (ROIC). We recommended the development of a MACC to support more disciplined and transparent capital allocation towards decarbonisation initiatives. The company appeared unfamiliar with this approach, although management indicated that work in this area is under way.

**Objective: encourage the company to obtain limited assurance over its sustainability data and to assess its preparedness to progress towards reasonable assurance.**

Mitsubishi Chemical acknowledged the importance of progressing towards higher levels

of assurance and indicated that it will revert with further detail on its readiness to move from limited to reasonable assurance.

**Objective: assess whether ROIC-related key performance indicators (KPIs) are effectively cascaded throughout the organisation, ensuring employees understand how their roles contribute to the company's overarching objectives.**

Mitsubishi Chemical confirmed ROIC is a key performance metric, and the new CEO is sharpening the company's focus on capital efficiency. ROIC has been embedded across the organisation: all managers are evaluated against ROIC-related performance targets. A dedicated ROIC taskforce has been established to drive this agenda, with particular emphasis on improving margins and tightening inventory control. The company also undertakes product-level profitability analysis (at the level of individual stock keeping units), enabling a more granular understanding of value creation and supporting pricing decisions. Management noted that recent profit improvements have, in part, been driven by price increases informed by this ROIC-led approach.

This focus is reinforced through governance and incentives, with executive remuneration linked to a combination of economic performance, sustainability objectives and technological progress, including initiatives related to the circular economy. A similar KPI structure is cascaded throughout the organisation, helping align operational decision-making with group-level priorities. The approach appears well embedded, and the intensity of oversight

from senior leadership suggests a strong top-down drive to sustain momentum and deliver measurable improvements in capital efficiency.

**Objective: determine whether the company has a portfolio strategy committee in place to assess the strategic positioning of its business lines and evaluate their continued inclusion within the portfolio.**

Mitsubishi Chemical outlined a structured, quadrant-based portfolio framework, assessing business lines on growth potential and profitability. This results in four categories – net generation, structural reform, growth driver and cornerstone – which guide strategic decision-making and capital allocation. Businesses identified in the structural reform category include carbon products, derivatives

and materials and polymers, where management is focused on improving performance or repositioning these segments over time.

Governance of this framework appears well embedded, with a portfolio strategy committee operating at the executive level, alongside discussions of portfolio positioning at the board level. This suggests a clear and systematic approach to evaluating business lines and determining their ongoing role within the group.

### NEXT STEPS

We will monitor progress on the company's development of a MACC, expansion of lifecycle analysis and move towards higher levels of assurance.

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## SUNCOR ENERGY

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Suncor Energy is a Canadian integrated energy company. Its operations span oil sands production, refining and marketing, making it one of the largest oil producers in North America. As a vertically integrated business, Suncor is exposed to both upstream extraction and downstream refining dynamics, with a strategic focus on cost control, operational efficiency and capital discipline. The company is also navigating the energy transition, with increasing scrutiny on its emissions profile, particularly in carbon-intensive oil sands operations, and a growing emphasis on decarbonisation initiatives and capital allocation trade-offs.

**Objective: explore the company's view on climate risk disclosure against the backdrop of Canada's Bill C-59, as well as the shareholder proposal requesting Suncor to prepare a report detailing the governance and oversight of its climate-related risks.**

We discussed the implications of Canada's Bill C-59 anti greenwashing regulation. Bill C-59 requires companies to substantiate

environmental and climate-related claims with robust evidence, shifting the burden of proof onto issuers and materially increasing the legal and reputational risks associated with forward-looking climate disclosures.

While Suncor's public reporting currently provides a qualitative overview of climate-related risks and outlines its governance framework, there is limited quantitative disclosure. The company has incorporated climate considerations into remuneration, including a climate-related KPI (with a 5% weighting) within the long-term incentive plan and a water-related KPI in the annual incentive plan. Suncor noted many North American investors are sceptical of incorporating extra-financial metrics into incentive structures, with some advocating their removal.

After sharing its view of the legal risks of setting climate targets and even presenting carbon footprint trends, management also highlighted uncertainty about the interpretation of the 'internationally recognised methodology'

requirement for which environmental claims had to be supported under Bill C-59. This requirement contributed to Suncor's caution around setting explicit climate targets and disclosing carbon footprint trends. While the company indicated a willingness to enhance disclosure once greater legal clarity emerges, we believe it is already relatively well positioned, given its existing processes and controls. We therefore encouraged Suncor to resume more quantitative disclosure, particularly on carbon intensity and broader environmental metrics (water, energy, waste, land), to enable better comparability and assessment of competitiveness.

We also reiterated the value of introducing a MACC to support greater transparency around the economics of decarbonisation pathways.

**Objective: understand the company's perspective on the recommendations from Investors for Paris Compliance in relation to asset retirement obligations (AROs).**

Finally, we discussed Suncor's approach to AROs, focusing on key assumptions underpinning its disclosures, including the discount rate applied and asset life estimates, which are inherently shaped by climate-related considerations. This links to recommendations from [Investors for Paris Compliance \(I4PC\)](#), which call for companies, particularly in high emitting sectors, to ensure ARO assumptions appropriately reflect the risks of a Paris-aligned transition. Specifically, I4PC highlights that too long asset lives or high discount rates

may understate future liabilities and obscure the potential financial impact of accelerated decarbonisation pathways.

Management expressed confidence in its ability to quantify these liabilities and highlighted that it already provides an undiscounted ARO figure within the notes to the accounts, offering an additional layer of transparency. We encouraged Suncor to push itself further by modelling ARO outcomes under various climate scenarios and the potential impact on financials, which would help demonstrate balance sheet resilience and give investors greater clarity on its transition risk.

While the company acknowledged the value of this approach, it noted that voluntary enhancements to disclosure are currently constrained by the uncertainty introduced by Canada's Bill C-59, particularly in relation to forward-looking assumptions and the evidence needed to support them.

#### NEXT STEPS

We will continue to monitor the company's climate risk disclosures as the regulatory landscape evolves and uncertainty surrounding Bill C-59 diminishes. We note [recent revisions](#) to the legislation, including the removal of the requirement for environmental claims to be supported by an internationally recognised methodology, which may provide greater flexibility for companies to enhance disclosure over time.

# Voting spotlight

## BP

At BP's 2026 AGM, a few controversial resolutions emerged, focused on the future of climate disclosure and on striking a good balance between cost efficiency and accessibility while safeguarding robust shareholder rights, engagement and accountability.

We opposed management proposals to revoke Resolution 25 (2015) and Resolution 22 (2019), both of which relate to the company's climate risk disclosure framework. In our view, the expectations embedded within these resolutions remain relevant, particularly given ongoing investor demand for robust, useful climate disclosures. Removing these commitments would represent a step back from established disclosure practices.

We also supported a shareholder resolution requisitioned by the Australasian Centre for Corporate Responsibility (ACCR). The proposal requested the company to enhance disclosure on

its climate transition planning, including clearer articulation of how its strategy aligns with the goals of the Paris Agreement and how climate-related risks and assumptions are reflected in its financial reporting.

We supported this resolution as we believe the proposed disclosure framework would provide useful information for investors, enabling a more robust assessment of the credibility of the company's climate strategy and its resilience under different transition scenarios.

In contrast, we voted against the adoption of new Articles of Association which would permit virtual-only AGMs. While we recognise the operational flexibility this may provide, we do not consider virtual-only meetings to be in shareholders' best interests, as they can limit opportunities for meaningful engagement and challenge from investors.

## AKZONOBEL

Before the AGM, we engaged with the Head of Investor Relations and the Head of Human Resources and went through the rationale behind management's request for shareholders to approve a supplement to the Remuneration Policy in respect of AkzoNobel's Chief Financial Officer (CFO), Maarten de Vries. The proposed remuneration supplement is linked to a specific corporate event (the Axalta merger) and serves to mitigate severe key person risk. De Vries's planned retirement had already been publicly announced, so this payment should not be viewed as a standard retention bonus for existing duties but rather as remuneration for a

bespoke, one-year extension to oversee a highly complex transition.

Integrating after a multi-billion-euro merger requires extensive institutional memory. Onboarding a new CFO during the closing and integration phases would introduce a six to 12-month knowledge gap, representing an elevated operational risk to the deal's execution. We view the €750,000 payment not as a bonus but as an insurance premium to protect shareholder value. Furthermore, from a cost-benefit perspective, securing de Vries effectively provides the company with a dedicated deal

specialist who possesses intimate knowledge of the target's financial models. Hiring an external consultant of equivalent calibre to oversee this merger would likely incur fees well over €750,000. While his base salary covers

his standard operational duties, this one-off payment fairly reflects the exceptional workload and the mitigation of transition risk. We therefore opted to support this proposal.

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## **AMAZON**

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Every year, Amazon receives many shareholder proposals. At its 2026 AGM, four progressed to a vote, largely focused on governance and climate-related risks.

We supported two shareholder proposals seeking enhanced disclosure on (i) the impact of data centres on Amazon's climate commitments and (ii) the financial implications of its renewable energy strategy and broader climate commitments. In both cases, we view improved transparency as critical to assessing the credibility of the company's transition plans, consistent with our stewardship approach and Net Zero Asset Managers initiative (NZAM) commitments. Greater clarity on the financial implications of rising energy demand is also important in understanding the resilience of Amazon's strategy.

We did not support proposals calling for an independent board chair. We

view Jeff Bezos continuing as chair as positive, given his deep understanding of the business and long-term strategic track record. While recognising governance best practice typically favours independence, we believe his ongoing engagement provides valuable continuity and oversight. We also note he does not serve on any board committees.

In line with management and ISS recommendations, we opposed a shareholder proposal requesting a report on risks associated with diagnostic tools developed by politicised corporate partners. We do not consider this issue to be financially material or believe that producing an additional report would be an efficient use of company resources. We instead take comfort from Amazon's existing internal governance processes to manage any associated risks.

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## **BOOKING HOLDINGS**

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At its 2026 AGM, we voted against a shareholder proposal requesting a report on political contributions and expenditure. Our vote was in line with management and against the ISS recommendation. We took this position as the company already maintains a publicly available Political Contributions Policy, with any contributions subject to board-level approval and oversight. Notably, the company has made no political contributions for at least the past ten years.

Given this, we do not view political contributions as a material risk, nor do we consider the preparation of an additional report to be a proportionate or productive use of company resources at present. Furthermore, such contributions are already subject to regulatory disclosure requirements, which would provide transparency were any contributions to be made.

# Ruffer's charity fund

## The fund's carbon footprint

One of the tools we use to inform our approach to carbon-intensive businesses, including fossil fuel companies, is monitoring the carbon footprint of the fund.

We calculate the weighted average carbon intensity of the fund on an ongoing basis. This metric, recommended by the Task Force on Climate-related Financial Disclosures, measures a portfolio's exposure to carbon-intensive companies.

It allows for decomposition and attribution analysis, meaning that we can identify the largest company contributors to this metric. We use this to inform our management of the fund and our subsequent engagements with companies.

### WEIGHTED AVERAGE CARBON INTENSITY %

Rest of portfolio <b>77.5</b>	Largest contributor <b>9.2</b>
	Second largest <b>7.5</b>
	Third largest <b>5.8</b>

# ESG ratings

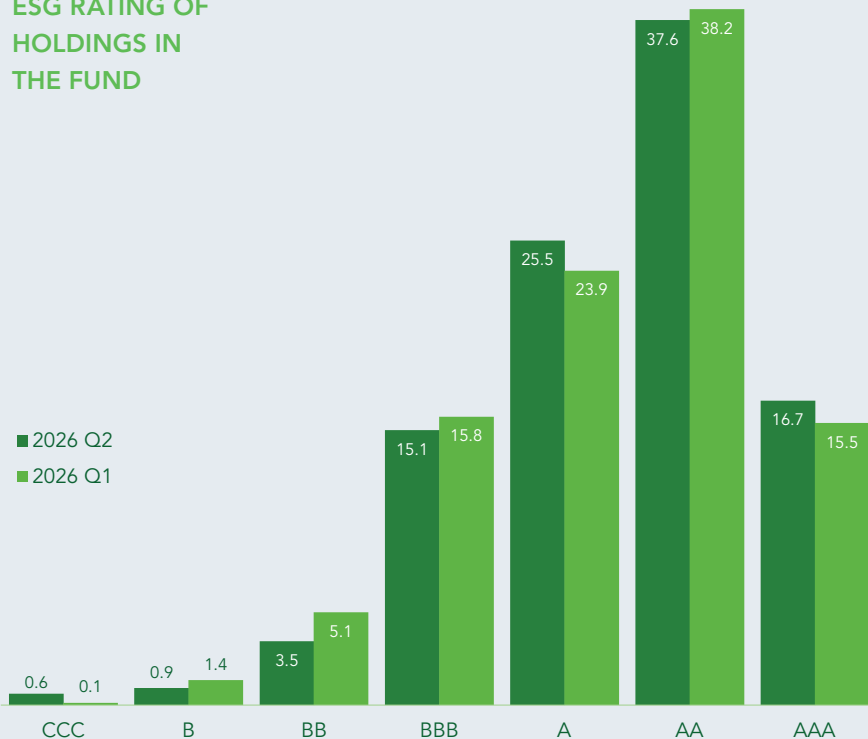
The overall ESG rating ascribed by MSCI ESG Research to a company is just one of the additional responsible investment inputs we consider when assessing the merits of an investment case. It provides a quantitative proxy by which to measure improvement.

The rating is not absolute; rather, it is relative to the standards and performance of a company’s industry peers. It is used to help ensure that, as far as possible, the fund invests in companies which are considered best in class within their sector. Additionally, some portfolio companies

are not rated by MSCI; these are primarily our listed impact and energy investment trusts.

Crucially, we do not use this metric as a hard block. Rather, it is used as a flag to help guide our investment decision making and engagement activities. This allows us to do our own analysis on the investment case, rather than being entirely reliant on rigid metrics that may not reflect a company’s evolution. Please see the previous section for examples of this in action.

## ESG RATING OF HOLDINGS IN THE FUND



Source: MSCI ESG Research as at 30 June 2026. Totals may not equal 100 due to rounding

# Catholic screen results

At the end of each quarter, we run the fund's equity holdings through MSCI ESG Research Manager (our third party ethical screening provider).

This report highlights the proportion of the fund that would have been in breach if the fund applied a Catholic faith-based screen, shown here.

Abortifacients	Producer	TRUE
	Intended use abortifacients producer	TRUE
Abortion provider		TRUE
Stem cell research	Foetal tissue	TRUE
	Embryonic	TRUE
	Use of foetal cell lines	TRUE
	Human embryonic stem cell cloning	TRUE
	Enabling technology	TRUE
Contraceptives	Maximum percentage of revenue derived 5%	TRUE

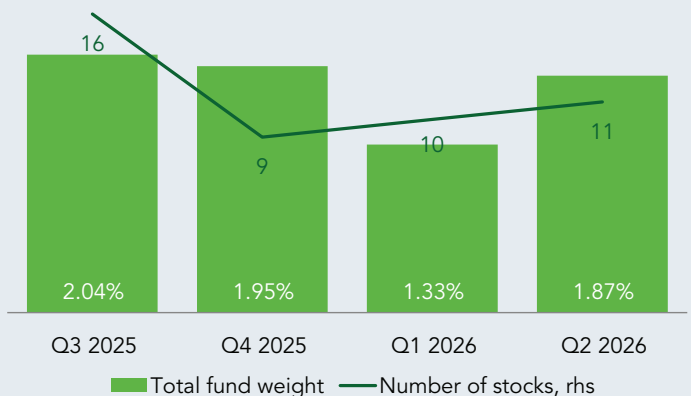
At the end of the latest quarter, there were 11 companies that breached any of these screens.

COMPANY	A	B	C	D	E	F	G	H	I	J	K
% of total fund holding	0.47	0.45	0.40	0.20	0.11	0.07	0.05	0.03	0.03	0.03	0.03

## FAILED ON

Stem cell research	A	B	C	D	E	F	G	H	I	J	K
Foetal tissue						●					
Embryonic	●		●			●	●				
Use of foetal cell lines	●	●	●		●	●	●	●			
Enabling technology			●					●		●	
Abortifacients											
Producer				●					●		●
Intended use producer				●							

As at 30 June 2026, 2.29% of the total fund's holding would have been excluded had the fund applied the screen. This chart documents how this has changed over the past 12 months.



# Further reading

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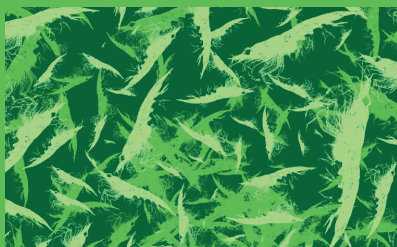
## RESPONSIBLE INVESTMENT AT RUFFER



Q1 2026 RI REPORT



Q4 2025 RI REPORT



Q3 2025 RI REPORT



Q2 2025 RI REPORT



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