

Stewardship Policy: Active Ownership

At Osmosis, we are deeply committed to our stewardship responsibilities and aim to maximise overall long-term value, as well as consider our impact on our economic, social, and environmental systems. Through engagement and proxy voting we work to foster and promote sustainable corporate practices and well-functioning markets.

Stewardship oversight

Osmosis' stewardship activities fall under the same governance structure as our investment activities. The Investment Research Team operates under the Investment Oversight & Development Committee, chaired by the CIO, and the Ethical Committee, led by the Director of Environmental Research. This structure ensures that stewardship aligns with our investment decisions.

Engagement

1. The Role of Engagement in Osmosis' Investment Philosophy: Enhance our Model of Resource Efficiency (MoRE)

Central to our investment approach is the integration of corporate environmental performance indicators - carbon emissions, water withdrawal, and waste generation – into our portfolio construction. Osmosis actively engages with firms in our investment universe to promote public disclosure of accurate and comparable environmental performance indicators. Through non-disclosure campaigns and targeted outreach, we engage with companies with inadequate data, reinforcing the importance of accurate reporting and driving meaningful environmental improvements.

2. Broader Engagement Themes

Osmosis also engages companies within our investment universe on specific themes to better understand corporate environmental practices and encourage strategies that improve environmental performance and Resource Efficiency. These engagements range from topics such as corporate structure, climate transition planning and biodiversity.

3. Collaborative Campaigns

Osmosis recognises that collaborative engagement with like-minded investors and stakeholders can amplify our voice and increase our impact. We therefore collaborate with stakeholders on a range of ESG and climate issues to maximise our influence and improve industry practices, aligning with the UN's Sustainable Development Goals. This includes participating in leading responsible investment campaigns, as well as the launch of our own Non-Disclosure + Campaign.

4. Thought Leadership

We are committed to strengthening our engagement with clients and institutional investors by exploring key developments in the market and the field of environmental investing. Through our thought leadership, we aim to raise awareness and share knowledge via regular publications, including thought pieces, case studies, and webinars on topics we deem to be relevant and impactful. Our research team produces a wide range of environmental and economic insights, which are available on our [website](#).

5. Engagement Scope

We engage with companies across the MSCI World and Emerging Markets indices, regardless of whether they are currently held in our portfolios. This broad approach ensures that all index constituents are within scope for engagement, including those that do not publicly disclose environmental data.

Our engagement efforts are conducted at the firm level rather than being tied to individual products or strategies. We do not assign or allocate specific engagements to specific funds. Our approach to prioritising company engagements is guided by the specific nature and objectives of each engagement. Rather than focusing solely on company size or index weight, Osmosis evaluates factors such as the materiality of the issue and the potential for meaningful impact.

6. Engagement Methods and Escalation Measures

Osmosis engages with companies on a routine, case-by-case basis. However, when limited progress is made, we follow an Escalation Framework to guide our engagement approach. The Escalation Framework provides a structured but non-linear approach, allowing for tailored strategies at the client, company, and fund level to ensure effectiveness.

Adapted from ShareAction's [Escalation Framework](#), Osmosis' approach outlines potential engagement routes for non-disclosing companies. Stages 1 through 4 commence once routine engagement efforts have been exhausted.

Osmosis IM Escalation Framework

Business as Usual: Dialogue and Monitoring	Routine Emails	Strength
	Proxy Voting	
	Calls with target company ESG teams	
Stage 1: Targeted Campaigns	Collaborative and targeted email campaigns with clients	
	Collaborative private letters to senior management and/or the board	
	Collaborative calls/meetings with senior management and/or the board	
Stage 2: Intensified Action	Public/ Press Statements	
	Targeted proxy voting against Directors/ Management	
	Questions or statements of intent at annual general meetings (AGM)	
Stage 3: Last Resort Levers	Publicly pre-disclose voting intention	
	Filing shareholder resolutions	
	Adding additional forced portfolio constraints	

Proxy Voting: Exercising Rights and Responsibility

1. Climate Orientated Voting Strategy

Osmosis applies a climate-focused voting strategy across all pooled funds, leveraging a customised version of Institutional Shareholder Services' (ISS) [Climate Policy](#). This policy underscores the importance of addressing and mitigating ESG risks, reflecting Osmosis' belief that climate and ESG factors are materially significant to long-term shareholder value.

The ISS Climate Policy combines climate data with proprietary research to support responsible stewardship, focusing on emissions, climate risk, and alignment with frameworks like the Task Force on Climate-related Financial Disclosures (TCFD). These assessments guide climate-based proxy recommendations for subscribing clients and provide additional research and data on resolutions, company operations, and related voting considerations.

The ISS Climate Policy evaluates a company's climate performance across five key areas: climate norms violations, disclosure, current emissions, future carbon projections, and Carbon

Risk Classification. Performance expectations are tailored by industry, drawing from standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), reflecting sector-specific climate risks and stakeholder expectations.

In addition to our climate-focused approach, Osmosis has collaborated with ISS to develop a custom voting policy that reinforces our commitment to best-practice Diversity, Equity, and Inclusion (DEI) strategies. In response to a more hostile political landscape in the U.S., ISS announced in early 2025 that it would no longer consider board diversity factors in its U.S. direct election vote recommendations, in both its benchmark and climate policies. To ensure board diversity remains a priority in our voting decisions, we have created a tailored policy that primarily follows ISS's climate policy while explicitly preserving key DEI considerations in board election recommendations.

2. Significant Votes

As an environmentally focused sustainable investment management firm, the votes we consider to be 'most significant' are all environmentally focused. These can include a wide range of management and shareholder resolutions from plastic pollution to climate lobbying. We find, however, that the most common environmental resolutions relate to low carbon transition topics like transition planning or fossil fuel financing, or carbon emissions, such as the introduction of emission reduction targets or improved carbon emission reporting. We also cast targeted votes against board members who fail in their climate oversight responsibilities.

3. Proxy Advisor and Voting Practice Monitoring

We maintain an active dialogue with ISS, providing feedback on their research while retaining full discretion over voting decisions. Our ISS service is closely monitored via the ISS portal, with regular communication maintained with our service provider. As part of our voting review process, the environmental team compiles an internal report on key themes and significant votes from the AGM seasons, ensuring the broader research team remains informed and up to date on our proxy voting practices.

4. Proxy Voting Execution and Record Keeping

Voting instructions are issued through our ISS platform to custodians or sub-custodians, who execute them accordingly. ISS also provides tailored alerts, keeping us informed of any changes to voting mechanics and rights. This means that where appropriate, we retain the right to overwrite any vote recommendations from ISS and exercise votes directly. Osmosis does not engage in stock lending or vote in share-blocking markets.

Although we enact the ISS climate policy, we work with investors, where desired, to ensure that their proxy voting strategies are enacted. We actively communicate voting outcomes to clients upon request and provide a summary in our quarterly reports. Osmosis maintains records of vote executions across our portfolios and all voting decisions are made publicly available on our [website](#).

Important Information

This document was prepared and issued by Osmosis Investment Research Solutions Limited (“OIRS”). OIRS is an affiliate of Osmosis Investment Management US LLC (regulated in the US by the SEC) and Osmosis Investment Management UK Limited (regulated in the UK by the FCA with FRN 765056). OIRS and these affiliated companies are wholly owned by Osmosis (Holdings) Limited (“Osmosis”), a UK-based financial services group. Osmosis has been operating its Model of Resource Efficiency since 2011.