CALEDONIA
INVESTMENTS

A Responsible Partner

Caledonia Investments plc
TCFD Report 2026

Sustainability

We are committed to building a resilient business capable of delivering sustainable long-term returns. In doing so, we consider the environmental and social impact of the investments we make and seek to operate our business responsibly.

Addressing climate change forms an integral part of this approach. We actively engage with the companies and funds in which we invest, encouraging them to establish net zero targets and implement robust transition plans aligned with a lower-carbon economy.

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The purpose and scope of this report

This report provides shareholders and other stakeholders with an overview of our exposure to climate-related risks and opportunities, the resilience of our strategy under different climate scenarios and the actions we are taking to manage these matters across both our investment portfolio and our own operations.

The disclosure has been prepared in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD').

It explains how Caledonia Investments plc ('Caledonia') identifies, assesses, governs and manages climate-related risks and opportunities, structured under the four TCFD reporting pillars – Governance, Strategy, Risk management and Metrics and targets.

This report supplements the climate-related disclosures included within our 2026 Annual Report. A summary mapping against the TCFD recommended disclosures is provided in Appendix I.

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Climate-related risks have been assessed for materiality in the context of Caledonia's long-term investment strategy, risk appetite and financial planning processes.

TCFD reporting pillars

1 Governance

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Disclose governance around climate-related risks and opportunities.

2 Strategy

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Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business strategy and financial planning.

3 Risk management

PAGE 19

Disclose how the organisation identifies, assesses and manages climate-related risks.

4 Metrics and targets

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Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Our investment portfolio
We aspire to invest in long-term, sustainable businesses. Understanding the impact of climate-related factors on earnings and the extent to which these are reflected in valuations will become increasingly important. The key role which we can play is to engage with and encourage the companies and funds in which we invest to establish net zero targets and put robust plans in place for delivery.

Our business operations
We seek to operate our business in an efficient manner and to reduce our climate impact where feasible. We are committed to reducing our direct environmental impact and managing the risks associated with climate change.

Our role in addressing the climate challenge

We are committed to supporting a sustainable future as we deliver investment performance for our shareholders over the longer term.

The climate challenge and the transition to net zero

Climate change presents both systemic risks and structural opportunities. These may arise through regulatory developments, technological innovation, evolving consumer preferences and the increasing physical impacts of climate change. As a long-term investor, we recognise that the transition to a net zero economy may affect valuations, capital allocation decisions and long-term earnings potential across sectors and geographies. While we continue to reduce the environmental impact of our own operations, our most significant influence is through the capital we allocate and the stewardship we exercise. Our role as an engaged owner enables us to promote resilience, responsible governance and sustainable value creation across our investment portfolio.

Our approach

We expect the businesses in which we invest to target net zero emissions for Scope 1 and Scope 2 (market-based) by 2050 or earlier, where appropriate. We recognise that the pace of progress will vary across sectors and individual companies, reflecting differing business models and operational footprints.

We keep this commitment under review as we gain confidence in the ability of our underlying portfolio to achieve the target more or less rapidly. We continue to make progress in implementing suitable reporting to enable us to monitor and track progress of the underlying portfolio.

We use our influence as an investor to encourage credible transition planning, robust climate governance and enhanced disclosure. Where we own listed securities, we engage directly with management teams and exercise our voting rights to encourage companies to plan and demonstrate the actions they have taken to address climate risks and opportunities.

In our Private Capital pool, where we typically hold significant ownership positions, we work closely with portfolio company boards to embed appropriate climate risk management and reporting frameworks and encourage them to invest in suitable technology to improve their energy efficiency. Within our Funds pool, we encourage General Partners to incorporate climate-related risks and opportunities into their investment processes and portfolio oversight.

For our own operations we set an ambitious goal to achieve net zero emissions for Scope 1 and Scope 2 (market-based) by 2030. We achieved our goal of net zero Scope 2 (market-based) emissions following the switch to a renewable energy provider in 2022. In late 2025 we installed solar panels on the roof of our office which are expected to make a small reduction to our location-based emissions in future years.

Our transition strategy to achieve net zero Scope 1 emissions is dependent on the implementation of a low-carbon alternative to replace our traditional gas boiler heating system. During the year we completed an assessment to achieve this, concluding a replacement with electric technology will be required by 2037. Once implemented we expect our remaining Scope 1 emissions to reduce to net zero. We have therefore revised our target with a goal to achieve net zero Scope 1 emissions by 2037 and to maintain net zero Scope 2 (market-based) emissions.

We continue to recycle nearly all waste and ensure that wastewater is safely returned to the sewer system. The resulting emissions from water and waste processes are categorised under ‘other’ Scope 3 emissions and are considered immaterial.

Our Scope 3 emissions primarily arise from business travel, which we continue to monitor and manage.

Governance

The board is collectively responsible for the long-term success of Caledonia. This includes oversight of climate-related risks and opportunities and ensuring that these are appropriately integrated into the company's strategy, risk management framework and investment processes.

Caledonia's governance structure is proportionate to the size and complexity of the business, with clearly defined responsibilities and delegated authority. Climate-related considerations are embedded within existing governance arrangements rather than managed through a standalone structure.

In this TCFD reporting pillar we describe:

a. the board's oversight of climate-related risks and opportunities; and
b. management's role in assessing and managing those risks and opportunities.

The board's oversight and activities

The board approves Caledonia's strategy, including its approach to sustainability and climate-related matters. It ensures that appropriate financial and human resources are available to deliver the strategy and reviews management performance against agreed objectives. Climate-related risks and opportunities are considered as part of strategic planning discussions, annual and periodic portfolio reviews, principal and emerging risk assessments and approval of new investment proposals. The board receives periodic updates on sustainability matters, including climate-related developments, from the Responsible Investment/Responsible Corporate ('RI/RC') Working Group.

Chaired by the Chief Executive Officer ('CEO'), these updates include progress against climate targets, emerging regulatory developments and material risk exposures. During the year the RI/RC Working Group receives specific sustainability updates from each of Caledonia's three investment pools, which includes climate-related matters and, where relevant, progress against climate targets.

In addition, the board conducts annual deep-dive responsible investment reviews of each of Caledonia's three investment pools. Climate-related risks and relevant metrics are incorporated into these reviews to enhance transparency and oversight.

The board reviews and approves Caledonia's TCFD-aligned disclosures, supported by the work of the Audit and Risk Committee ('ARC'). The board has also approved this TCFD Report.

Risk management

Oversight of climate-related risk is integrated within Caledonia's broader risk management framework. The ARC reviews principal and emerging risks, including climate-related risks, at least biannually. It assesses the effectiveness of the associated control environment and reports its findings to the board. The board will debate any principal or emerging risks, agreeing appropriate management and mitigation.

Oversight of our investments

Responsibility for implementing the investment strategy rests with the CEO, supported by the Investment Committee ('IC'). The IC formally approves new investments, taking into account a broad range of risks and opportunities, including climate-related considerations.

New investment proposals include analysis of relevant Environmental, Social and Governance ('ESG') and climate-related factors. These may include exposure to transition or physical risks, regulatory developments, carbon intensity metrics and the credibility of any stated decarbonisation plans.

The IC also monitors portfolio performance and risk exposures across the three investment pools. The CEO reports to the board at each meeting on key decisions made by the IC, and highlights material risks and mitigation actions where appropriate.

Through this process, climate-related considerations are embedded within capital allocation decisions and ongoing portfolio oversight.

Oversight of our business operations

Day-to-day responsibility for the management of Caledonia's operations, including sustainability and climate-related matters, rests with the CEO, supported by senior management including the Chief Financial Officer ('CFO'), the Company Secretary and the Facilities Manager.

Operational priorities include improving energy efficiency within our single office building, maintaining renewable electricity sourcing, exploring less carbon-intensive IT services, enhancing business resilience and exploring options to manage the impact of business travel. Progress against these activities is reviewed by the senior management team and reported periodically to the board.

Training

An induction programme is provided for all new board directors, covering governance responsibilities, strategy, risk management and sustainability considerations, including climate-related matters. The induction process is regularly reviewed to ensure it remains appropriate. Committee briefings are provided as new members are appointed.

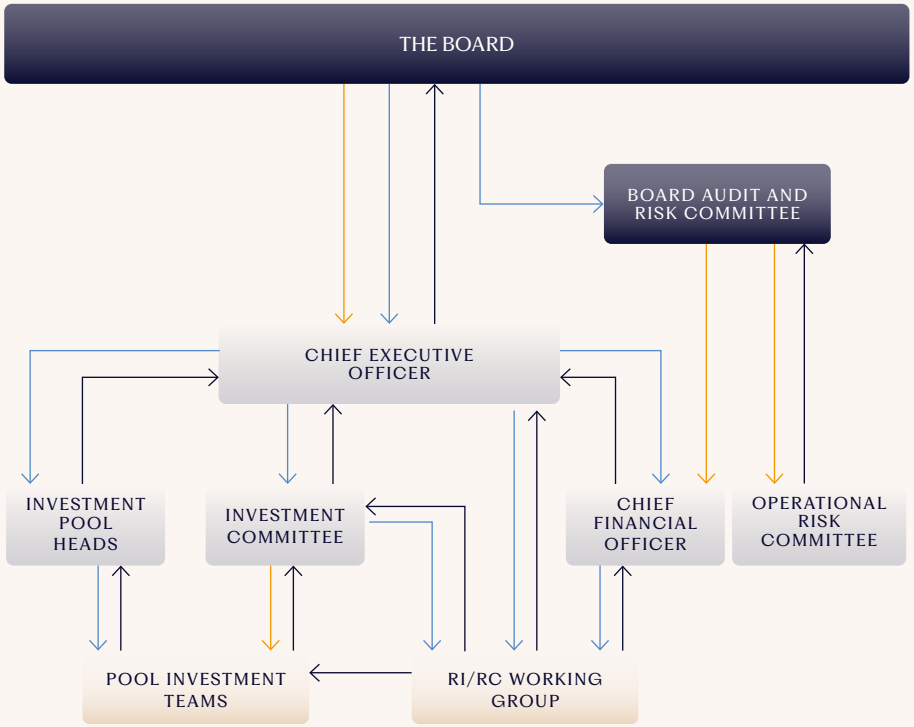
Ongoing training and knowledge-building sessions on ESG and climate topics are arranged for investment teams and relevant management personnel. These sessions draw on internal expertise and external developments to ensure that climate-related risks and opportunities are appropriately understood and considered in decision-making processes.

Remuneration

The remuneration framework for executive directors includes both short-term and long-term incentive elements aligned with the delivery of long-term shareholder value. The annual bonus includes an assessment of performance against personal objectives, which incorporate elements related to responsible investment and corporate responsibility, which can include climate-related considerations where relevant.

Climate governance structure and management's role

Climate-related risks and opportunities are considered within Caledonia's established governance structure. The board retains ultimate oversight and delegates specific responsibilities to its committees and the CEO, who may delegate further. These have been embedded into our existing governance structure, which has been augmented by the RI/RC Working Group, as illustrated below.



Committee information	Description
BOARD AUDIT AND RISK COMMITTEE ('ARC')	
Chair Independent non-executive director **Membership** Independent non-executive directors **Meetings** A minimum of three per year	The ARC is responsible for financial reporting, risk management and internal controls, and external audit. The ARC receives reports on principal and emerging risks at least biannually and provides an update to the board on its activities. Climate-related risks are included in the principal risks for the business.
INVESTMENT COMMITTEE ('IC')	
Chair CEO **Membership** Investment pool heads and those leading an investment strategy, the CFO and the Company Secretary **Meetings** Regularly throughout the year	The IC considers and formally approves new investments and realisations, taking into account a broad range of risks and opportunities, including those which are climate-related. Other matters considered include the day-to-day management of the company's business where not delegated elsewhere.
RESPONSIBLE INVESTMENT/RESPONSIBLE CORPORATE ('RI/RC') WORKING GROUP	
Chair CEO **Membership** Senior representatives from each investment pool, the CFO, the Company Secretary and other key corporate managers **Meetings** Regularly throughout the year	The RI/RC Working Group advises and assists in the development and implementation of Caledonia's approach to sustainability matters which includes climate-related issues. The board is updated periodically on progress and receives updates from each of the three investment pools regarding climate-related matters and on progress against climate targets annually.
OPERATIONAL RISK COMMITTEE ('ORC')	
Chair CFO **Membership** CEO, Company Secretary and senior members of the company's corporate support functions **Meetings** A minimum of two per year	The ORC considers the company's overall risk strategy, assesses the company's current and emerging risk exposures, including climate related risks, and reviews internal control effectiveness. It also develops and implements the Company's procedures for detecting fraud and preventing bribery.

Strategy

Our business is exposed to a broad range of risks and opportunities, reflecting the diversified nature of our investment portfolio and the evolving external environment in which we operate.

Climate change is one of several structural factors that may influence long-term investment performance, capital allocation decisions and financial planning. Effective assessment of climate-related risks and opportunities depends on access to reliable and relevant data. We therefore draw on a combination of internal analysis, engagement with investee companies and external data providers to inform our understanding of potential exposures. For the Public Companies pool, we utilise data sourced from the MSCI One platform to support quantitative scenario analysis. This enables us to assess exposure to transition and physical risks, as well as potential technology-related opportunities, under a range of climate scenarios.

For the Private Capital pool, we undertake qualitative scenario analysis tailored to the characteristics of each investee company. During the year we continued to work with the portfolio companies, reporting their CO_2 emissions intensity relative to relevant benchmarks. The results are included in the Metrics and targets section on page 25.

Data availability for the Funds pool remains more limited. We continue to engage with General Partners to improve transparency.

In this TCFD reporting pillar we describe:

a. the climate-related risks and opportunities identified over the short, medium and long term;
b. the potential impact of those risks and opportunities on our business, strategy and financial planning; and
c. the resilience of our strategy under different climate-related scenarios, where feasible, including scenarios consistent with limiting global warming to 2°C or lower.

These considerations are addressed separately in respect of both our investment portfolio and our own operations in the sections that follow.

Our investment portfolio

Our strategic objective is to deliver long-term capital appreciation and dividend growth for our shareholders through disciplined investment and active stewardship of the assets in our portfolio.

We invest across three pools: Public Companies, Private Capital and Funds. Each pool operates under its own investment strategy and target return profile, but all adhere to a common set of investment principles, including responsible investment and consideration of environmental factors.

The portfolio is diversified across sectors and geographies, with limited direct exposure to high carbon-emitting industries such as oil and gas.

We look to invest in proven, well-managed businesses across a wide range of industry sectors and geographies. We seek to avoid investing in businesses that cause material harm to the environment unless they have a clear plan to reduce their impact over time.

Climate-related risks and opportunities

As a long-term investor, we consider climate-related risks and opportunities as part of our overall investment analysis. These factors may affect the operating environment, financial performance and long-term valuation of the businesses in which we invest.

Consistent with TCFD guidance, climate-related risks are categorised as either physical risks or transition risks:

- **Physical risks** relate to the direct impacts of climate change, including acute weather events such as flooding or storms and longer-term shifts in climate patterns such as rising temperatures.
- **Transition risks** arise from the global shift towards a lower-carbon economy and may result from changes in policy and regulation, technological developments, evolving consumer preferences or reputational considerations.

These risks are considered across the following time horizons:

- Short term: 0 to 5 years
- Medium term: 6 to 10 years
- Long term: 10+ years

These timeframes are consistent with our investment horizons and business planning processes.

To help determine the climate-related risks and opportunities that could have a material financial impact on our investee businesses and ultimately our investment returns, we reviewed our investment portfolio's exposure by sector and geography as at 31 March 2026. This analysis helps us understand how climate-related developments may affect the businesses in which we invest over time.

For our Public Companies pool, we do not anticipate this exposure changing significantly in the future as we believe having a portfolio of well-diversified businesses, held on a long-term basis, is key to optimising and sustaining long-term investment returns. For our Private Capital pool, this exposure could change in the future as we invest and divest portfolio companies.

(i) Climate risks
This table lists the key climate-related risks we have identified for both our Public Companies and Private Capital investments.

In the short term, we expect the most significant risks to arise from the transition to a lower-carbon economy, including changes in regulation and evolving consumer behaviour. The timing and severity of these transition risks remains uncertain, but they are likely to have the greatest impact on higher carbon-emitting industries and regions that are more exposed to policy changes. Historically, Caledonia has had very low exposure to these sectors and regions.

Over the medium to long term, physical climate risks may become increasingly relevant as acute weather events and longer-term climate changes intensify. These risks could affect our portfolio both directly, for example through damage to physical assets, and indirectly through disruption to supply chains or changes in operating costs. The extent of the impact will depend on the sector and geographical exposure of the businesses in which we invest.

Risk description	Impact on investee companies	Impact on Caledonia
TRANSITION RISK: POLICY AND LEGAL		
Risk arising from changes in climate change regulations and reporting requirements	• Decreased revenues due to reduced customer demand • Increased operating costs due to higher legal and compliance costs • Decreased company valuation	• Lower investment returns
TRANSITION RISK: TECHNOLOGY		
Risk from failing to substitute existing goods/services with lower-emission options and invest in lower-carbon energy efficient technologies	• Increased capital investment in new technologies • Write-offs and early retirement of existing assets • Decreased revenue due to reduced customer demand for high-carbon goods and services • Decreased company valuations	• Lower investment returns • Increased cash requirements to support investee businesses
TRANSITION RISK: MARKET		
Risk arising from changes in the market including customer behaviour and cost of raw materials	• Decreased revenues due to reduced customer demand • Decreased gross margins due to changes in product mix • Increased operating costs – for example waste treatment • Decreased company valuations	• Lower investment returns
TRANSITION RISK: REPUTATION		
Risk of negative reputational considerations as a result of the transition, including shifts in customer preferences and sector stigmatisation	• Decreased revenues due to reduced customer demand • Increased marketing costs to address reputational weakness • Decreased employee retention • Decreased company valuations	• Lower investment returns
PHYSICAL RISK		
Risk from acute or chronic changes in climate patterns	• Decreased revenues due to lower production driven by supply chain disruption • Increased operating costs due to higher insurance premiums • Increased capital expenditure due to damaged facilities • Decreased company valuations	• Lower investment returns • Increased cash requirements to support investee businesses

(ii) Climate opportunities
Alongside risks, the transition to a lower-carbon economy may create opportunities for businesses that successfully adapt their strategies or develop products and services that support decarbonisation. These opportunities are outlined in the table adjacent. The extent to which these opportunities translate into financial benefits will depend on the ability of individual companies to adapt their business models and respond to changing market conditions.

We anticipate that technological advancements may pose a challenge in the short term for some investee companies, but we believe that the majority should be able to capitalise on lower-carbon, energy efficient technologies in the medium term.

Opportunity description	Impact on investee companies	Impact on Caledonia
RESOURCE EFFICIENCY		
Develop more efficient production and distribution processes and reduced water usage	• Decreased operating costs due to efficiency improvements • Increased revenues due to enhanced production capacity • Increased value of fixed assets	• Increased investment returns
ENERGY SOURCE		
Switch to lower-emission energy sources	• Decreased operating costs	• Increased investment returns
PRODUCTS AND SERVICES		
Develop lower-emission products and services – capitalise on shifting consumer preferences	• Increased revenue due to increased demand for products • Improved market reputation	• Increased investment returns
MARKETS		
Diversify business activities into new markets which benefit from the transition to a lower-carbon economy	• Improved market share	• Increased investment returns

Scenario analysis — resilience assessment

Over recent years, extreme weather events have become more frequent and climate change continues to be a key focus for governments, regulators and investors globally. The pace and nature of the transition to a lower-carbon economy may have significant implications for businesses and investment portfolios.

We therefore undertake climate scenario analysis to assess the potential resilience of our Public Companies and Private Capital investments under a range of possible climate outcomes. This analysis considers the potential financial impacts of both physical risks and transition risks across different climate pathways.

While scenario analysis necessarily involves uncertainty and relies on assumptions about future policy developments, technological progress and economic conditions, it provides useful insight into potential areas of exposure and opportunity across the portfolio. The results help inform our monitoring and engagement activities and support our broader risk management processes.

a. Public Companies pool

To assess the resilience of our investments in the Public Companies pool we utilise data available for each company within the pool from the MSCI One platform. This data is used to support our scenario analysis which assesses exposure to both physical and transition risks, as well as potential technology-related opportunities, under a range of climate scenarios.

The analysis is based on MSCI's Climate Value at Risk ('VaR') model which provides coverage of the listed securities held within the pool. The model estimates the potential financial impact of climate-related risks and opportunities for each portfolio company under different climate-related scenarios extending to the end of the century. We rely on MSCI's data and methodologies for this analysis and have not sought to independently verify the underlying data used within the VaR model. Accordingly, we assume no responsibility for the accuracy or completeness of this information.

MSCI's Climate VaR model assessed, for each portfolio company, the potential impact of physical and transition risks and opportunities until the end of the century under multiple climate scenarios and converted this into a financial value, allowing us to identify investments that may be more exposed to climate-related risks or those that may benefit from opportunities associated with the transition to a lower-carbon economy.

The results of the analysis provide useful insights into the resilience of the Public Companies pool to both transition and physical climate risks under different climate scenarios and help inform our engagement and monitoring activities.

We continue to monitor developments in this area and engage with portfolio companies where climate-related risks or opportunities are identified (see 'Our approach to managing climate-related risks and opportunities' on page 16).

(i) Physical risks methodology
To determine the impact of physical risks on individual companies in the Public Companies pool, we considered each company's current exposure to ten climate-related hazards which varied depending on sector and geographical location of the facilities owned or used by each company. The climate-related hazards covered five acute risks (for example wildfires and tropical cyclones) and five chronic risks (for example extreme heat and cold), under the Network for Greening the Financial System ('NGFS') Orderly scenario (as described below). MSCI's Climate VaR model calculated how this exposure may change from today's climate to one in 2100 under the following scenarios:

- **Average scenario:** the most probable scenario calculated on the expected average value of the cost distribution.
- **Aggressive scenario:** the worst-case scenario based on the 95th percentile of the cost distribution. It assumes the most significant physical impacts as a result of an increase in the frequency and severity of extreme weather events.

The climate exposure impact is then converted to a financial impact and aggregated across all the facilities of each company within our Public Companies pool.

(ii) Transition risks methodology
To assess the financial impact of transition risks and opportunities for the Public Companies pool, we considered the current exposure of each portfolio company to changes in:

- **Policy** (across Scope 1 and Scope 2 carbon emissions)
- **Technology**

A company's exposure to more qualitative factors, such as changing consumer behaviour (Market risk) or market perception (Reputational risk) is not factored into MSCI's Climate VaR model.

The exposure to changes in policy and technology varied depending on each portfolio company's sector and geographical location and the Nationally Determined Contribution pledges. The financial impact resulting from each company's exposure to these transition risks was based on the projected costs of policy actions to limit global warming and the projected revenues from technological advancements which were calculated using technology and policy-based carbon price estimates.

Using MSCI's Climate VaR model we were able to assess how each portfolio company's current exposure to the above transition risks may change from today's climate to one in 2100 under three NGFS scenarios. These scenarios assume different global temperature and emission trajectories, energy demand and prices.

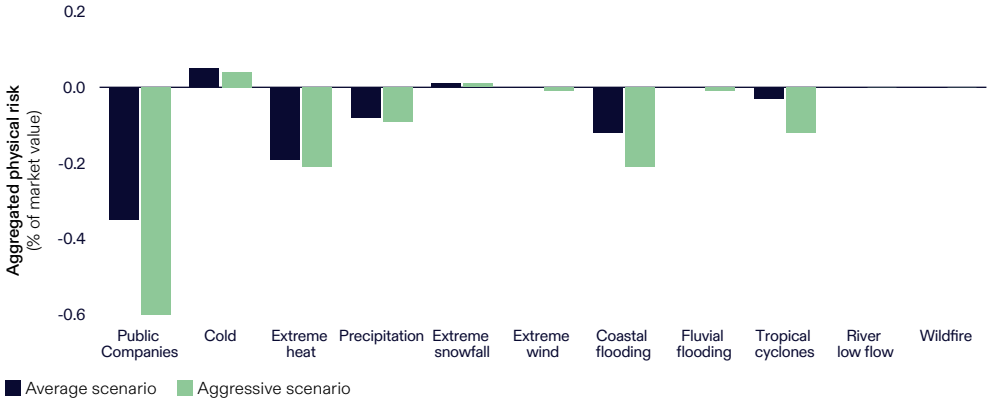
- **Orderly:** Limits global warming to 1.5°C through early adoption of climate policies which gradually become more stringent. It assumes carbon emissions will sharply decline between 2020-2050, reaching carbon neutrality by 2055 after which they become negative until 2100. Companies in carbon-intensive sectors, such as oil and gas, would be particularly affected due to falling demand for their products/ services and rising carbon prices.
- **Disorderly:** Like the Orderly scenario, global warming is limited to 1.5°C and net zero is reached around 2055, but there is a delay and divergence of the climate policies being introduced across countries and sectors. This results in a delayed but more severe transition impact driven by higher carbon prices from 2030 onwards compared with the Orderly scenario.
- **Hot House:** Assumes world temperature increases to 3°C above pre-industrial levels due to insufficient climate policies. Carbon emissions remain constant between 2020-2030 and then gradually decrease but fail to reach zero by 2100. Future carbon prices are unlikely to change and therefore the transition impact is negligible under this scenario. However, without appropriate policy action it is likely that the physical risk will be greater.

(iii) Scenario Analysis

Physical risks

Based on our scenario analysis we observed that the Public Companies pool is susceptible to extreme heat and coastal flooding.

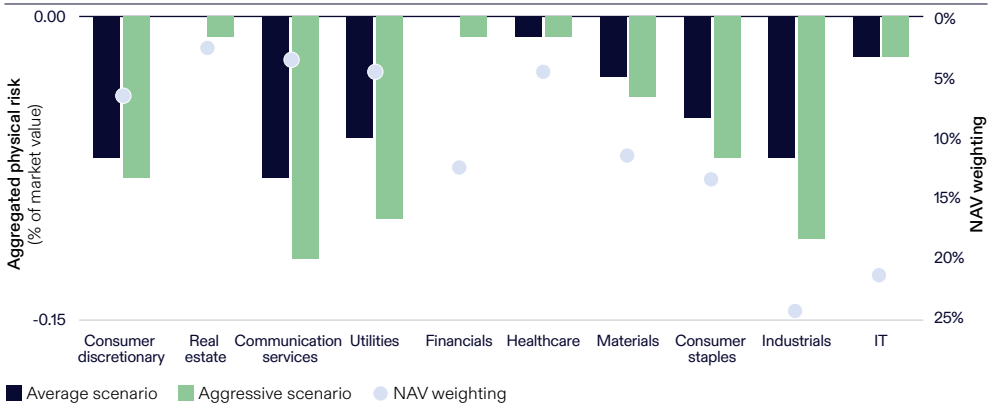
PHYSICAL RISK EXPOSURE – BY HAZARD



Companies with a large physical footprint operating in sectors such as; communications, utilities, consumer discretionary and industrials will be the most at risk from these extreme weather events. However, the financial impact on our portfolio (even under the Aggressive scenario) is estimated to be c.0.6% given our limited exposure to these sectors.

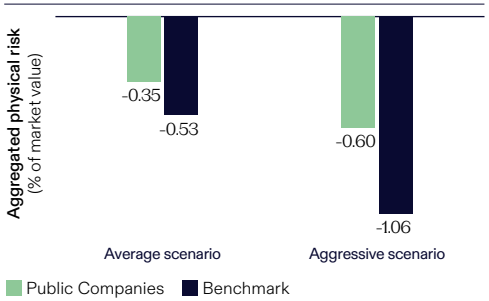
We also note that the physical risk exposure is highly concentrated, with the top three most at risk companies representing c.47% of the total physical risk exposure but represented c.11% of the pool's market value as at 31 March 2026.

PHYSICAL RISK EXPOSURE – BY SECTOR



The MSCI World Index is used as a benchmark for our TCFD reporting as this has a similar sector exposure to that of our Public Companies pool.

PHYSICAL RISK EXPOSURE VS BENCHMARK

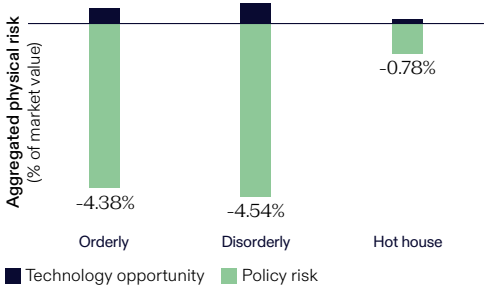


The Public Companies pool is more resilient compared to the benchmark, under both an Average and Aggressive physical risk scenario given its limited exposure to capital-intensive companies with large physical asset footprints. We anticipate maintaining a low level of exposure to such businesses.

Transition risks

The analysis shows that the pool will be adversely impacted to some extent from policy amendments to tackle climate change over the coming years. The impact of these policy risks will be more evident in a Disorderly scenario, particularly in carbon-intensive sectors such as utilities, materials and industrials.

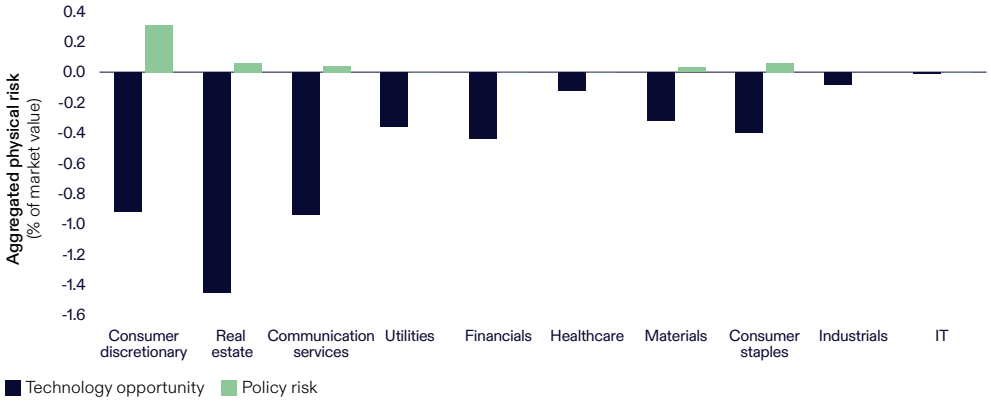
TRANSITION RISK EXPOSURE BY TYPE



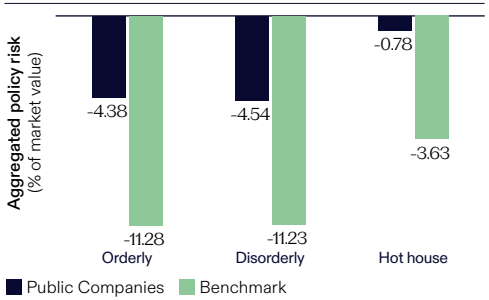
Our policy risk exposure is highly concentrated under both an Orderly and Disorderly scenario with approximately 50% to 60% of the policy risk exposure arising from five portfolio companies that represent c.19% of the pool's market value as at 31 March 2026. Under a Disorderly scenario (where the policy risk exposure is greatest), c.75% of the companies in the pool have technological improvement opportunities to support the transition to a low-carbon economy. The biggest opportunities arise within the materials sector due to their large share of low-carbon revenue.

Given the limited exposure to carbon-intensive sectors such as utilities and oil and gas we believe that the pool is potentially more resilient than the benchmark.

TRANSITION RISK EXPOSURE (DISORDERLY SCENARIO) – BY SECTOR



TRANSITION RISK EXPOSURE VS BENCHMARK



Scenario analysis conclusions

We have reviewed the key risks that could have the most material impact on investment returns or for the pool's journey to net zero being impacted by policy risk exposure. Based on this review, we believe that the management of these companies is taking appropriate action to address the risks and making good progress to decarbonise their businesses. We are therefore comfortable to continue to hold our positions in these businesses but will carefully monitor the delivery of their future plans. We will review progress periodically and take appropriate action if we identify a shortfall in positive progress.

We believe our core investment approach remains resilient and is unlikely to change. However, our financial planning may adjust to manage the portfolio's exposure to these risks, whilst seeking to access other opportunities and strengthen our portfolio's resilience to climate-related risks.

b. Private Capital pool

The scope of the analysis for the Private Capital pool covers seven investee companies in the portfolio as at 31 March 2026 and excluding our investment in Cobepa[1] represents 99.9% of the pool's net asset value ('NAV'). For the year ending 31 March 2025, we implemented a data collection framework to measure company-specific key performance indicators, together with an annual survey designed to enable year-on-year monitoring of carbon emissions and other related metrics.

We continue to undertake qualitative climate scenario analysis to assess the potential impact that climate-related risks may have on investee companies. This analysis involves identifying and evaluating the likelihood and potential impact of company-specific transition and physical risks and opportunities over the short, medium and long term. These risks and opportunities are considered under three NGFS climate scenarios (Orderly, Disorderly and Hot House).

The findings at the individual investee company level are aggregated to provide an overall view of the climate risks and opportunities to which the pool is exposed.

The analysis is qualitative in nature. Unlike the Public Companies pool, there is no distinction between the methodology applied for physical and transition risks. The scenario analysis is tailored to the characteristics of each company within the portfolio and is performed with reference to the relevant sector and geographic footprint of each business.

Each company is at a different stage of maturity. As a result, the scenario analysis focuses primarily on risk identification and encouraging climate-related risk to be explicitly recognised and appropriately incorporated within company risk management frameworks. The qualitative analysis is influenced by Caledonia and has been undertaken in line with the TCFD recommendations.

Climate scenarios and time horizons
We selected the NGFS climate scenarios to assess the climate-related risks and opportunities which we believe are appropriate to allow us to analyse the potential impacts on investee companies.

Climate-related risks and opportunities have been assessed over the following time horizons:

- Short term: 0 – 5 years
- Medium term: 6 – 10 years
- Long term: 10+ years

These time horizons are aligned with the investment horizons of the Private Capital pool and our wider business planning processes.

Risk evaluation
The risks identified through the review process are summarised below. As an investment business, materiality was considered with reference to the relative value of the investee company in the pool.

We assessed the potential impact and likelihood of a risk or opportunity occurring for each climate scenario and time horizon.

Risks and opportunities were considered through discussions with our staff appointed to investee company boards together with the review of publicly available comparable businesses and internal data. Physical risks were also considered in respect of the locations of investee company operations and their supply chains.

Because the pool is sector agnostic, climate risks and opportunities were initially grouped according to similarities in their potential area of impact on the businesses. In accordance with the TCFD recommended definitions, we aggregated the climate-related risks into two types:

1. risks related to the transition to a lower-carbon economy ('transition risks'); and
2. risks related to the physical impacts of climate change ('physical risks').

Transition risks considered market, policy and legal, reputational and technological risks. Physical risks considered both chronic and acute risks.

The overall portfolio level assessment was determined by the relative value of each investee company within the pool.

1. Cobepa, a private equity manager with an underlying portfolio of investee companies, has been reclassified from the Private Capital pool to the Funds portfolio for the purpose of this report, reflecting its Fund structure.

Qualitative scenario analysis – risks
The adjacent table outlines the aggregated climate-related risks for the Private Capital pool.

Each of the risks were considered to have a low impact based on the scenario analysis performed and the data available, primarily due to the diversified nature of the pool by industry, sector and geography.

Overall transition risks were considered to have an impact in the short to medium term. However, physical risks are likely to have greater impact over the longer term.

Risk description	Our assessment	Scenario with the highest impact
TRANSITION RISK: POLICY AND LEGAL		
Increased costs to meet enhanced sustainability regulatory and reporting requirements	At the portfolio level, this was considered high likelihood and low impact, with most companies exposed to this risk.	Orderly and Disorderly
TRANSITION RISK: MARKET		
Increased costs for the portfolio companies due to changes in their respective markets	At a portfolio level, this was deemed to have a low likelihood and impact. All portfolio companies were exposed to this risk, primarily due to the risk of changes in consumer demand for more sustainable products and increases in energy costs / investments into renewable energy sources.	Orderly and Disorderly
TRANSITION RISK: REPUTATION		
Reputational risks associated with perceived inadequate response to climate change (or negative climate impacts)	At a portfolio level, this was deemed to have a low likelihood and impact. One investment company in the portfolio is considered to be exposed to this risk.	Orderly and Disorderly
PHYSICAL RISK: CHRONIC		
Increased likelihood of extreme weather events and chronic temperature changes impacting portfolio companies through disrupted supply chains, production capacity and investment returns	At a portfolio level, this was deemed low likelihood and impact due to the relatively small physical footprint of our portfolio companies and supply chain.	Hot House
PHYSICAL RISK: ACUTE		
Impact of increased frequency and severity of extreme weather events on operations and supply chains	At a portfolio level, this was deemed low likelihood and impact due to the relatively small physical footprint of our portfolio companies and supply chain.	Hot House

Qualitative scenario analysis – opportunities
The following table outlines the aggregated climate-related opportunities from which companies in the Private Capital pool could benefit.

Opportunity description	Our assessment
PRODUCTS AND SERVICES	
Increased market share / revenues by developing more sustainable products or increased demand for lower-emission and more sustainable products	At the portfolio level this was considered the most significant opportunity for seven portfolio companies. Whilst not currently a core focus for the majority of portfolio companies, products or service offerings that take advantage of new technology and greater efficiencies are continually assessed.
ENERGY SOURCE	
Reduced exposure to increases in fossil fuel prices and carbon taxes by switching to lower-emission sources of energy	At the portfolio level, this was considered a low impact opportunity but one that requires low effort. However, this is an important area for a number of the portfolio companies, representing the initial steps on the journey to a more sustainable business.
RESOURCE EFFICIENCY	
Reduced operating costs by improving natural resource and energy efficiency	At the portfolio level, this was considered a low impact opportunity but one that requires low effort. However, this is an important area for a number of the portfolio companies, representing the initial steps on the journey to a more sustainable business.

Risk evaluation conclusions

Currently we believe that neither the risks nor the opportunities faced by the pool have the potential to materially impact our strategy or financial results, either in the short or long term. However, the risks and opportunities may undergo significant changes as assets are acquired and disposed of in line with the pool's investment strategy.

Our approach to managing climate-related risks and opportunities

Our strategy, business model and financial planning consider both new and existing investment opportunities. This enables us to evaluate potential returns alongside associated risks, with the aim of building a well-balanced and diversified portfolio capable of delivering consistent long-term returns for our shareholders.

Our objective is to assess whether investee companies are effectively managing climate-related risks, capturing opportunities arising from the transition to a lower-carbon economy and progressing towards achieving net zero emissions by 2050 (Scope 1 and Scope 2, market-based). This requires careful review of transition plans, decarbonisation strategies and appropriate assessment of climate-related risks and opportunities.

We monitor the transition plans of investee companies, including their net zero commitments, and take the following steps to support progress towards our objective:

(i) Communicate climate expectations
We continue to engage with each pool regarding our expectation that investee companies target net zero emissions by 2050 (Scope 1 and Scope 2, market-based).

(ii) Improve data collection and analysis
Obtaining reliable carbon emissions data is an important step in improving our ability to assess climate-related risks and opportunities and to build resilience across the portfolio. For the Public Companies and Private Capital pools, we assessed the resilience under different climate-related scenarios, including a 2°C or lower scenario.

Our ability to obtain comprehensive data remains more limited within the Funds pool, where we rely on information provided by underlying fund managers. To address this, we currently plan to:

- use the Weighted Average Carbon Intensity ('WACI') of relevant sectors within the MSCI North America and MSCI Asia indices as a proxy to estimate the carbon footprint of the pool; and
- assess and score each manager's approach to ESG risks and opportunities supported by the input of an external consultant.

We expect to provide further disclosure on the data for the Funds pool as it becomes more reliable in the future.

(iii) Prioritise and engage
We expect each investee company to understand and manage their climate-related risks and opportunities, take steps to reduce their carbon footprint and strengthen their resilience as the global economy transitions to lower carbon emissions. Our engagement efforts focus primarily on businesses with relatively higher emissions that represent a significant allocation of capital, particularly where progress towards decarbonisation appears limited. The level of influence we can exert varies across each pool given the differences in ownership structure.

In Public Companies where we own a significant stake, we will use our position as shareholders to engage with management and exercise our voting rights to encourage companies to develop credible plans to address climate-related risks and opportunities. Amongst other considerations, we generally support shareholder resolutions aligned with our net zero ambitions and may vote against board directors where companies are making insufficient progress to address climate change.

Within the Private Capital pool, where we typically hold more significant ownership positions, we work closely with portfolio company boards to ensure they understand their environmental impacts and remain aware of relevant regulatory and market developments. We also encourage them to consider investments in technology that improve energy efficiency and support the transition to renewable energy sources. In the unlikely case that the impact from climate change is deemed to be materially damaging a business, we may assess the need to change business models.

Where we invest through fund managers, we encourage General Partners to consider climate-related risks and opportunities within their investment selection processes and to promote initiatives aimed at reducing emissions across the businesses within their funds.

(iv) Monitor progress
We continue to enhance our data collection framework for the Private Capital pool and engage regularly with management teams to monitor emissions data and identify emerging risks or opportunities. This year we have collated emissions data for 99.9% of the pool, with most reporting all or the majority of their Scope 1 and Scope 2 emissions. Since each portfolio company has a different financial year end, we have included the most recently available data.

For the Funds pool, we encourage General Partners to provide reporting and insight into initiatives designed to reduce emissions across the businesses within their funds. This portfolio comprises a highly diversified set of strategies and underlying companies, and outcomes will necessarily vary. Achieving alignment with such targets will depend on factors including data availability and reliability, regulatory developments and the degree of control and influence exercised by individual fund managers. As a result, our approach remains focused on supporting improved transparency and better climate-related decision-making over time, rather than applying prescriptive emissions targets at this stage.

(v) Escalate
Where investee companies fail to make sufficient progress towards their climate objectives and no longer align with our investment strategy, we may escalate engagement or ultimately consider divestment.

Our business operations

We remain committed to minimising the environmental impact of our own operations and managing the risks associated with climate change. We are committed to achieving net zero emissions for Scope 1 and Scope 2 (market-based) and continue to make progress towards achieving this goal. We achieved our goal of net zero Scope 2 (market-based) emissions following the switch to a renewable energy provider in the year ended 31 March 2022. In late 2025 we installed solar panels on the roof of our office, which are expected to make a small reduction to our location-based emissions in future years.

Our transition strategy to achieve net zero Scope 1 emissions is dependent on the implementation of a low-carbon alternative to replace our traditional gas boiler heating system. During the year we completed an assessment to achieve this, concluding a replacement with electric technology will be required by 2037. Once implemented we expect our remaining Scope 1 emissions to reduce to net zero. We have therefore revised our target with a goal to achieve net zero Scope 1 emissions by 2037 and to maintain net zero Scope 2 (market-based) emissions.

Climate-related risks and opportunities

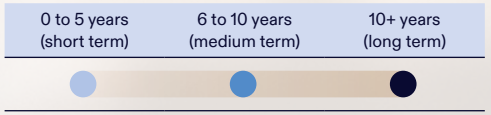
(i) Climate risks

Risk description	Timeframe	Impact on Caledonia
TRANSITION RISK		
Increased pricing of Greenhouse gas ('GHG') emissions		Increased operating costs (legal, compliance, travel costs)
POLICY AND LEGAL		
Enhanced emissions reporting obligations		Increased operating costs (legal, compliance, travel costs)
PHYSICAL RISK		
Disruption in operations due to extreme heat or flooding		Increased operating costs, capital expenditure and insurance premiums (severity differs across timeframes)

(ii) Climate opportunities

Opportunity description	Timeframe	Impact on Caledonia
RESOURCE EFFICIENCY		
Increased use of recycling and reduced water usage		Lower GHG emissions and lower operating costs
Use more efficient modes of transport		Lower GHG emissions but possibly higher operating costs
ENERGY SOURCE		
Switch to lower emission energy sources		Lower GHG emissions Medium-term reduction in operating costs and increase in the value of the office building

The table outlines the key transition and physical risks that could affect our operations, together with their potential financial impacts across the following time horizons:



Impact on our business operations, including strategy and financial planning

Our employees operate from a single office located in central London, resulting in a relatively modest operational carbon footprint compared with that of our investment portfolio.

(i) Energy consumption
Our office was fully refurbished in 2017 and incorporates a number of energy-efficient features including insulated walls, triple glazed windows and sensor-operated lighting. Where practical, all non-essential systems and equipment are turned off outside of office hours. In September 2021 we transitioned our electricity supply to 100% renewable sources. In late 2025 we installed solar panels on the roof of our office which are expected to make a small reduction to our location-based emissions in future years.

Our transition strategy to achieve net zero Scope 1 emissions is dependent on the implementation of a low-carbon alternative to replace our traditional gas boiler heating system. During the year we completed an assessment to achieve this, concluding a replacement with electric technology will be required by 2037. Once implemented we expect our remaining Scope 1 emissions to reduce to net zero. We have therefore revised our target with a goal to achieve net zero Scope 1 emissions by 2037 and to maintain net zero Scope 2 (market-based) emissions.

We continue to recycle nearly all waste and ensure that wastewater is safely returned to the sewer system. The resulting emissions from water and waste processes are categorised under 'other' Scope 3 emissions and are considered immaterial.

It is worth noting that electricity consumption has risen since 2020, mainly due to the return of colleagues to the office following the Covid-19 pandemic and, more recently, our decision to operate 24-hour security for enhanced safety. However, we continue to take measures via the adoption of new technologies to help reduce our energy demand.

(ii) Travel
Our employees primarily commute to the office via public transport and we actively encourage sustainable travel through our cycle to work scheme. Our reported Scope 3 emissions primarily relate to international business travel. This remains an important part of how we engage with and oversee our globally diversified investment portfolio. Although our Scope 3 emissions have reduced over the year, as long-term stewards of our shareholders' capital, maintaining strong relationships with our portfolio companies and fund managers is fundamental to our investment approach, so we can expect these emissions to vary considerably from year to year reflecting the continued need for face-to-face engagement to ensure robust oversight and risk management.

Resilience of our operational climate change strategy

Physical climate risks could potentially disrupt access to our central London office for a period. However, our hybrid working arrangements and remote working capabilities provide flexibility should temporary disruption occur.

Based on our assessment, we believe our operational model is resilient to climate-related risks, including under scenarios consistent with limiting global warming to 2°C or lower.

Risk management

Climate-related risks are assessed and managed through our corporate risk management framework, within which ESG matters and climate change are recognised as one of the principal risks facing the business.

In this TCFD reporting pillar we describe:

a. our processes for identifying and assessing climate-related risks;
b. our processes for managing climate-related risks; and
c. how our processes are integrated into our overall approach to risk management.

Identifying and assessing climate-related risks

Assessments of climate-related risks continue to be incorporated into our strategy and risk management processes. In discharging its responsibilities, the board is ultimately accountable for oversight of the climate-related risks that could affect the business. Non-executive director oversight of the risk management framework and associated processes is exercised through the ARC.

The CFO is responsible for ensuring that an appropriate risk management framework is in place, and each area of the business is responsible for using that framework to identify, assess and report on their risks and controls.

The heads of each business unit take the lead role in identifying potential risks within their respective areas, including those relating to climate change, and implementing and maintaining appropriate controls to manage those risks. Investment managers identify climate-related risks within the portfolios they manage, supported by key functions including finance, tax, human resources, facilities management and company secretarial, with further oversight from the Operational Risk Committee and the risk manager.

Risks within the companies and funds in which we invest are identified through ongoing research using in-house expertise, external data and reporting from investee businesses. In relation to our own operations, we also make use of third-party resources to support good practice in identifying and addressing risks in a timely manner.

We assess ESG matters and climate change through two lenses: risks and opportunities. First, the risk of failing to incorporate ESG matters and climate-related impacts appropriately into our investment approach, or of not aligning effectively with relevant guidance and regulation. Second, the opportunity to support our ESG approach and strategic goals, deliver strong returns and manage the risks in a way that meets evolving stakeholder expectations.

Further information about our risk framework and risk management process
ANNUAL REPORT

Management of climate risks

Climate-related risk management has been incorporated into our existing processes and controls across the business. The key processes, and the way in which they have evolved to integrate climate-related risk assessments, are set out below.

(i) Investment research and recommendations

Our investment teams make recommendations on companies and funds for inclusion within the investment portfolio based on detailed research and analysis. As part of this process, we continue to develop our approach to assessing each portfolio's exposure to climate-related risks and opportunities. Our analysis to date has focused predominantly on the Public Companies and Private Capital pools. We plan to adopt a similar approach for the private assets within the Funds pools, although relevant data to support this analysis is not yet sufficiently available.

The analysis undertaken is a mix of qualitative and quantitative assessment. The qualitative assessment draws on proprietary insights, third-party information, meetings and interviews. For the Public Companies pool, we make use of company published data together with external data available through the MSCI One platform, including carbon emissions and ESG analysis.

Working closely with portfolio companies in the Private Capital pool, we have made good progress in embedding carbon emissions data within our data collection framework, reporting Scope 1 and Scope 2 emissions for 99.9% of the portfolio's NAV, excluding Copeba.

We expect to enhance disclosure relating to the Funds pool as data availability improves but recognise that comprehensive reporting will take time to develop. Our approach remains focused on supporting improved transparency and better climate-related decision-making over time.

We continue to assess suitable proxy emissions data for investee companies within the Funds pool.

(ii) Investment decision-making

New investment decisions are approved by the IC, based on detailed due-diligence and the recommendations of the individual investment pools. For investments above a specified threshold, board approval is also required.

Approval papers include analysis of the key risks identified and a summary of relevant ESG matters, helping to ensure that climate-related risks are identified and considered before an investment decision is made.

The performance of each pool is reviewed biannually by members of the IC and the board. At these reviews, emerging climate-related risks are highlighted together with analysis of their potential impact. ESG matters are formally addressed at least annually. These processes help ensure that key risks relating to existing investments, including those of a climate-related nature, are identified and, where necessary, escalated in a timely manner.

(iii) Company engagement

A fundamental part of our active investment approach is engagement with the companies and funds in which we invest. The level of engagement and influence we are able to exert varies across each pool, reflecting differences in ownership and involvement. We seek to encourage improved disclosure from investee companies and funds, including core emissions data and other information that allows a fuller assessment of climate-related risks and opportunities.

Within the Private Capital pool, established risk management processes have been enhanced to incorporate climate-related risks more explicitly. The risks identified have been shared with each portfolio company for inclusion in their respective risk registers. This exercise broadened discussions with investee companies on climate-related matters.

(iv) Management of our own operations

Our business operations are relatively straightforward, with employees based in a single central London office. We do not currently believe that the business is exposed to any material climate-related operational risks, although this remains under review.

If a material climate-related risk was identified, we would seek to implement an appropriate mitigation plan to address the issue or develop an alternative solution to enable the business to continue to operate. Business continuity arrangements are in place should a physical event prevent us from operating from our office.

The impact of climate change on our principal risks

Below we set out the extent to which climate change may affect each of our principal risks.

High impact Not High impact

Principal risk and description	Climate change impact
STRATEGIC	
Risks in relation to the appropriateness of the business model to deliver long-term growth in capital and income. Strategic risks include the allocation of capital between public and private equity, and in relation to geography, sector, currency, yield and liquidity.	Climate change is expected in the medium term to impact shareholder considerations on investment strategy. Failure to meet these expectations and still deliver performance targets would be seriously detrimental for the business.
INVESTMENT	
Risk in respect of specific investment and realisation decisions. Investment risks include the appropriate research and due diligence of new investments and the timely execution of both investments and realisations for optimising value.	Investment performance may be impacted if the focus on sustainability leads to poorer performance outcomes.
MARKET	
Risk of losses in the value of investments arising from sudden and significant movements in public market prices, particularly in highly volatile markets. Private asset valuations have an element of judgement and could also be impacted by market fluctuations. Caledonia's principal market risks are therefore equity price volatility, foreign exchange rate movements and interest rate volatility.	Market returns may be significantly impacted by climate change risks in the short to medium term, both physical and transition risks impacting market valuations and yields.
LIQUIDITY	
Risk that liabilities, including private equity fund drawdowns, cannot be met or new investments made due to a lack of liquidity. Such risk can arise from being unable to sell an investment due to lack of a market or from not holding cash or being able to raise debt.	Liquidity management, in isolation, is not directly impacted by climate change risk.
ESG MATTERS AND CLIMATE CHANGE	
Risks in relation to the successful incorporation of ESG matters and climate change impacts into our investment approach. Identifying opportunities to drive our approach to ESG matters, deliver strong returns and manage the risks to meet evolving stakeholder expectations.	Importance of this issue recognised through a separate, clearly articulated risk.
OPERATIONAL	
Risks arising from inadequate or failed processes, people and systems or from external factors. Operational risks arise from the recruitment, development and retention of staff, systems and procedures and business disruption.	Operational activity may be impacted to some degree by climate change but not currently assessed as a high impact issue.
REGULATORY & LEGAL	
Risks arising from exposure to litigation or fraud or failure to adhere to the tax and regulatory environment. Caledonia operates across a number of jurisdictions and in an industry that is subject to significant regulatory oversight.	Numerous climate-related regulatory requirements being implemented. Failure to comply could have significant adverse consequences.

Metrics and targets

We continue to enhance our analysis and disclose further metrics and targets where we consider them to be material.

In this TCFD reporting pillar we disclose:

a. the metrics we use to assess climate-related risks and opportunities in line with our strategy and risk management process
b. the Scope 1, Scope 2 and, where appropriate, Scope 3 greenhouse gas ('GHG') emissions and related risks
c. the targets we use to manage climate-related risks and opportunities and our performance against them

Our investment portfolio

Public Companies

a. Methodology for metrics and targets

We monitor and report the Scope 1 and Scope 2 carbon emissions of the Public Companies pool and compare these with the prior year.

In addition, we monitor and manage the climate-related risks and opportunities of the investee companies in the pool using a set of metrics to track progress towards achieving net zero emissions by 2050.

The table adjacent illustrates our climate change strategy goals and the metrics we use to monitor progress against them. The methodology for these metrics is included in Appendix II.

Category	Metrics	Climate strategy goals
Progress metrics	**Primary metrics**	
	Total GHG emissions (Scope 1 & Scope 2)	Minimise transition risk Net zero emissions (Scope 1 & Scope 2) by 2050
	Carbon footprint	
	WACI	
	Other metrics	
	Green revenue exposure	Capture green opportunities
	Companies with net zero target of 2050 or earlier	Net zero emissions (Scope 1 & Scope 2) by 2050
	Companies with top quartile management score	
Risk management metrics	Policy climate VaR	Minimise transition risk
	Physical climate VaR	Minimise physical risk
	Technology opportunities VaR	Capture green opportunities

b. Data source and limitations

Carbon emissions data for our public equity investments was obtained from the MSCI One platform. MSCI collects the data from publicly available sources, including annual reports, the Carbon Disclosure Project ('CDP') and government databases. All emissions data collected is classified in accordance with the GHG Protocol methodology to support aggregation and comparability across investee companies and sectors. We have not sought to verify this data and assume no responsibility for its accuracy or completeness.

Our net zero target by 2050 applies only to Scope 1 and Scope 2 (market-based). We recognise that companies within our investment portfolio may have significant Scope 3 GHG emissions; however, there is not yet sufficient reliable data available to quantify these emissions on a consistent basis.

We have used a consistent basis versus the prior year and have continued to use the Enterprise Value Including Cash ('EVIC') methodology within the MSCI One platform.

The data held within the MSCI One platform lags behind our reporting date. 2026 is primarily a reflection of data reported by companies from 1 June 2024 to 31 May 2025. The 2025 comparative primarily reflects data from 1 June 2023 to 31 May 2024.

c. Progress metrics

(i) Primary metrics

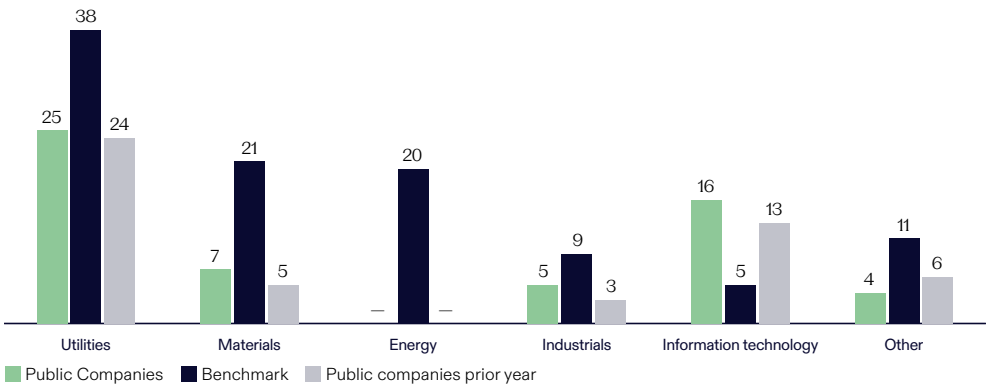
We have set out below the primary metrics used to assess the Scope 1 and Scope 2 GHG emissions generated by the pool compared with the prior year and with the MSCI World Index, which is used as a benchmark given its similar sector exposure to that of the pool.

Latest annual reported data	Scope	Pool (2026)	Benchmark (2026)	Variance vs benchmark	Pool (2025)	Units
Total carbon emissions	1 and 2	13,186	41,157	-68%	12,956	tonnes CO_2e
Carbon footprint	1 and 2	14	43	-68%	13	tonnes CO_2e / $m invested
WACI	1 and 2	58	104	-44%	51	tonnes CO_2e / $m sales

Carbon emissions data for our investments in the Public Companies pool was obtained from the MSCI One platform. We have not sought to verify this data and assume no responsibility for its accuracy or completeness.

The Public Companies pool saw a 2% increase in total carbon emissions over the year. This increase was predominantly driven by changes in portfolio composition, including the addition of new holdings and two disposals during the year. Despite this increase in absolute emissions, the portfolio continues to demonstrate materially lower emissions intensity than the benchmark across all reported metrics.

WEIGHTED AVERAGE CARBON INTENSITY BY SECTOR



71% of the total carbon emissions are generated by five companies that have a combined contribution of 21% of our pool NAV. There is no plan to divest these holdings, due to carbon alone as we believe that their respective management teams are taking appropriate action and making good progress to decarbonise their businesses. Although these companies operate in sectors that are currently among the higher-emitting sectors within the pool, our scenario analysis indicates that these companies also have the potential to generate green revenues by providing technological improvements to support the transition to a low-carbon economy.

(ii) Other metrics

We also consider other metrics, including green revenue exposure and policy and physical climate VaR, to manage climate-related risks and opportunities and to assess progress towards our net zero objective. Further information on the methodology used to calculate these metrics is provided in Appendix II.

The table below sets out the other key climate metrics used to monitor whether companies are managing their climate risk exposure and have credible decarbonisation plans in place.

Other metrics	Pool (2026)	Pool (2025)
Companies targeting net zero for Scope 1 and Scope 2 by 2050	78%	82%
Companies with top quartile carbon management score	44%	60%
Green revenue exposure	5%	5%

The majority of companies in the pool have plans to achieve net zero emissions by 2050 or sooner, which provides comfort that they are broadly aligned with our objective. A small number of companies have yet to establish net zero targets and continue to account for a meaningful proportion of the pool's total carbon emissions. Based on our knowledge of, and engagement with, these companies, we believe appropriate targets will be established in due course.

While the proportion of companies with top quartile carbon management scores has declined, the metric continues to indicate a solid level of climate management capability across the portfolio. This reflects the evolving composition of the portfolio and varying stages of climate strategy maturity among investee companies. We remain confident that, through ongoing engagement and oversight, companies will continue to strengthen their management of climate-related risks and opportunities in line with our net zero expectations.

Private Capital

a. Methodology for metrics and targets

This is the second year we are providing emissions data for our Private Capital pool investments. During the year, emissions data was collected for 99.9% of portfolio companies by NAV with most companies reporting all or the majority of their Scope 1 and Scope 2 emissions.

The increase in data coverage compared to the prior year (78%) primarily reflects a change in portfolio classification. Cobepa, a private equity manager with an underlying portfolio of investee companies, has been reclassified from the Private Capital pool to the Funds portfolio for the purpose of this report, reflecting its fund structure. As a result, Cobepa is no longer included within the Private Capital emissions dataset and scenario analysis.

Our primary progress metrics are total GHG emissions (Scope 1 and 2), carbon footprint and WACI.

b. Data source and limitations

Given the diverse nature of investments, emissions may vary significantly depending on the types of businesses we own, as well as any acquisitions or divestments within a given year. These variations may reflect changes in portfolio composition as well as improvements in data quality. As portfolio companies refine their reporting processes and collect more comprehensive emissions data, reported emissions may increase as transparency and data availability improve.

As each portfolio company has a different financial year end, we have used the most recently available data.

c. Primary metrics

We have set out below the primary metrics used to determine the Scope 1 and Scope 2 GHG emissions generated by the pool. As this is the second year of reporting, we have included prior year comparative data. Given the specific characteristics of the portfolio, which comprises a small number of sector-agnostic companies, we have not benchmarked emissions as we do not believe that a relevant benchmark currently exists.

Latest annual reported data[1]	Scope	Pool (2026)	Pool (2025)	Units
Total carbon emissions[2]	1 and 2	7,127	6,743	tonnes CO_2e
Carbon footprint	1 and 2	10	10	tonnes CO_2e / £m NAV
WACI	1 and 2	14	10	tonnes CO_2e / £m sales

1. Since each of our portfolio companies has a different financial year-end, we have included the most recent data available.
2. Excluding Copeba, 99.9% of our Private Capital pool have provided emissions data, with most reporting the majority or all of their Scope 1 and 2 emissions.

Investment portfolio - targets and ongoing monitoring

Our expectation is that our portfolio companies will achieve net zero emissions for Scope 1 and Scope 2 (market-based) by 2050 across both our Public Companies and Private Capital pools. The individual investment teams will monitor and track each investee company's progress against this target and monitor relevant risk management metrics to help ensure that climate-related risks and opportunities are appropriately managed and that we are on track to achieve our net zero targets.

We will prioritise engagement with high emitting investee companies that represent a significant allocation of capital where insufficient progress has been made against targets.

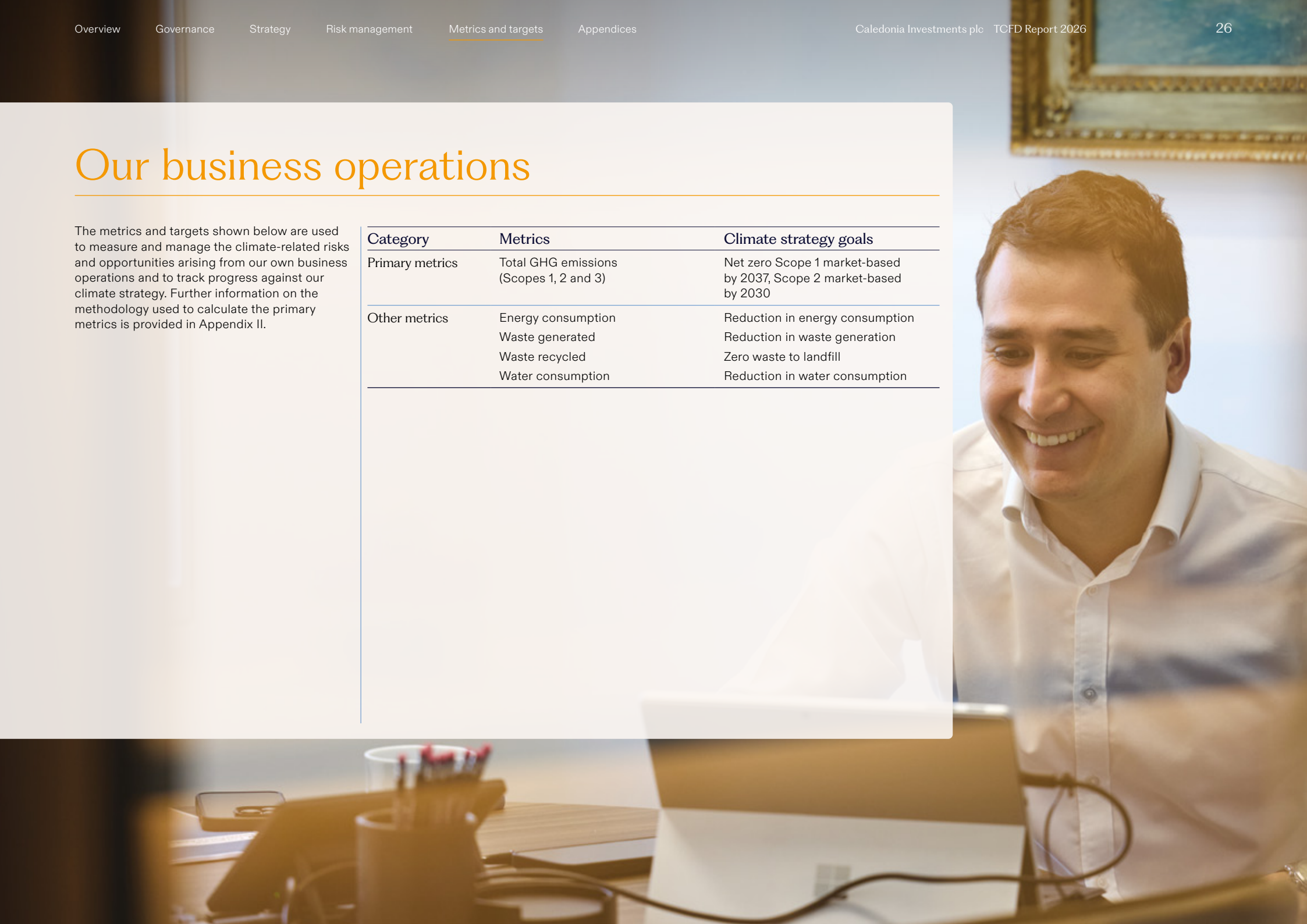
We have made good progress in emissions reporting across both portfolios and will look to continue to enhance data collection, coverage and analysis over time. In our Funds portfolio, we continue to work closely with our managers to support improved transparency and to understand how climate-related risks are assessed within their own investment processes.

We currently invest in over 80 funds managed by over 45 managers comprising an underlying portfolio of over 600 companies, across a range of sectors operating in North America and Asia. Achieving alignment with such targets will depend on factors including data availability and reliability, regulatory developments and the degree of control and influence exercised by individual fund managers. As a result, our approach remains focused on supporting improved transparency and better climate-related decision-making over time, rather than applying prescriptive emissions targets at this stage. We have begun to develop our metrics and methodology for initial analysis of the WACI of the Funds portfolio using estimation factors derived from public markets proxy data and will continue to refine this data based on the availability of data received from the managers of the underlying funds.

Our business operations

The metrics and targets shown below are used to measure and manage the climate-related risks and opportunities arising from our own business operations and to track progress against our climate strategy. Further information on the methodology used to calculate the primary metrics is provided in Appendix II.

Category	Metrics	Climate strategy goals
Primary metrics	Total GHG emissions (Scopes 1, 2 and 3)	Net zero Scope 1 market-based by 2037, Scope 2 market-based by 2030
Other metrics	Energy consumption	Reduction in energy consumption
	Waste generated	Reduction in waste generation
	Waste recycled	Zero waste to landfill
	Water consumption	Reduction in water consumption



1. Data source and limitations

The data has been prepared in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implemented the Government's policy on Streamlined Energy and Carbon Reporting.

The reported GHG emission sources relate to the companies directly involved in managing our investment activity and included in our consolidated financial statements. These emissions have been calculated in accordance with the GHG Protocol guidelines using conversion factors published by the UK Government.

Scope 2 emissions arise from electricity purchased for our own use and have been calculated on both a location-based and a market-based basis. The location-based method reflects the average emissions intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from the electricity that we have chosen to purchase. Since September 2021, all of our electricity has been supplied from renewable sources.

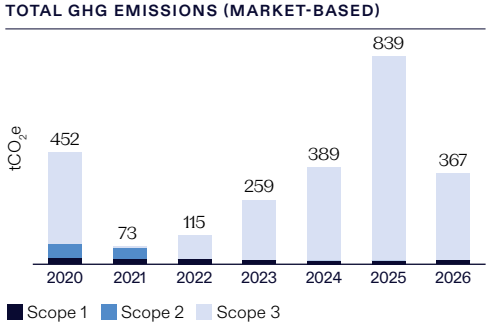
The reporting period noted in the data tables adjacent is 1 April to 31 March. We have chosen 2020 as our baseline year as it provides a fair representation of normal business operations prior to the impact of the Covid-19 pandemic.

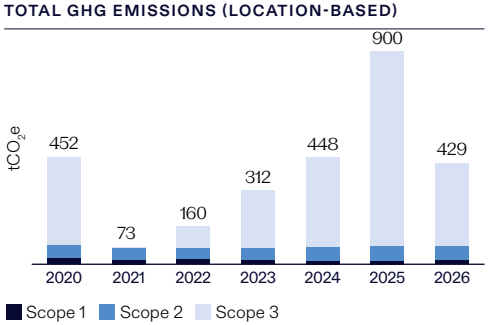
2. Progress metrics

(i) Primary metrics

Our total carbon emissions on both a location-based and market-based basis have decreased over the year primarily due to a reduction in business travel.

We switched to sourcing all our electricity from a renewable supplier during the year ended 31 March 2022. Almost all our waste is recycled and all wastewater is returned to the sewer. The associated carbon emissions from water consumption and waste generation are included within 'other' Scope 3 emissions in the table below and are considered immaterial.





Scope	Source of GHG emissions – year to 31 March	Tonnes CO_2e 2020	2021	2022	2023	2024	2025	2026
Scope 1 (direct emissions)	Combustion of fuel & facilities operation including company car use (Sold in Apr-22)	24	19	17	16	14	14	16
		–	–	4	–	–	–	–
Scope 2 (indirect emissions)	Electricity purchase for own use (location-based)	57	47	45	52	59	61	62
	Electricity purchase for own use (market-based)	57	47	–	–	–	–	–
Scope 1 & 2 – location-based		**81**	**66**	**66**	**68**	**72**	**75**	**78**
Scope 1 & 2 – market-based		**81**	**66**	**21**	**15**	**14**	**14**	**16**
Scope 3 (indirect emissions)	Business travel	371	7	94	243	375	825	350
	Other	–	–	–	1	1	–	1
Total – location-based		**452**	**73**	**160**	**312**	**448**	**900**	**429**
Total – market-based		**452**	**73**	**115**	**259**	**389**	**839**	**367**
KPI – location-based	**Total emissions per average number of employees**	**7.5**	**1.2**	**2.6**	**5.0**	**6.3**	**11.8**	**5.7**
KPI – market-based	**Total emissions per average number of employees**	**7.5**	**1.2**	**1.9**	**4.2**	**5.5**	**11.0**	**4.9**
Average number of employees		**60**	**61**	**61**	**62**	**71**	**76**	**75**

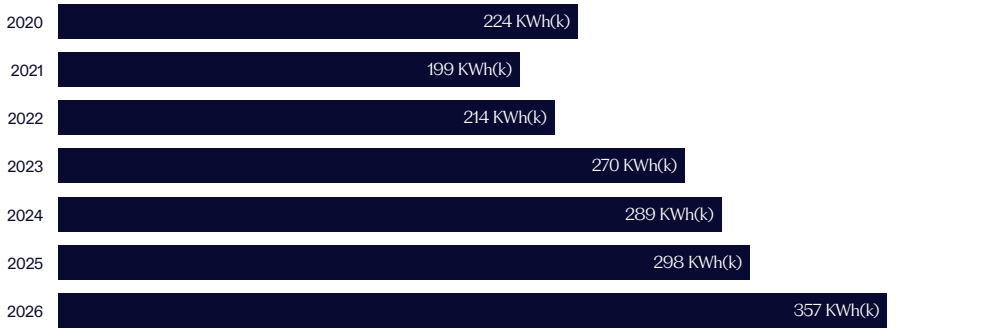
Notes:

1. These emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard guidelines using UK Government GHG Conversion Factors for Company Reporting.
2. Caledonia consumes all its water from the mains, which we understand is sourced from high stressed areas, with all its waste water currently being returned to the sewer. The resultant CO_2 emissions from its use of water are less than 1 tonne.
3. Caledonia generates a mix of recycled and general waste. The related Scope 3 GHG emissions are included within 'Other' in the table above.
4. The location-based method reflects the average emissions intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from the 100% renewable electricity that we have chosen to purchase.
5. All of our reported emissions arise in the UK, with business travel primarily departing from or arriving in the UK. Accordingly, this table does not include a separate column showing the annual UK proportion of global emissions.
6. The emission sources shown in the table above relate to companies included in the consolidated financial statements. Under the Streamlined Energy and Carbon Reporting ('SECR') regime we are not required to report any emissions from companies outside the consolidated group.
7. Caledonia does not release any hazardous air pollutants. Material hazardous waste is limited to batteries and print toner, both of which are responsibly recycled.

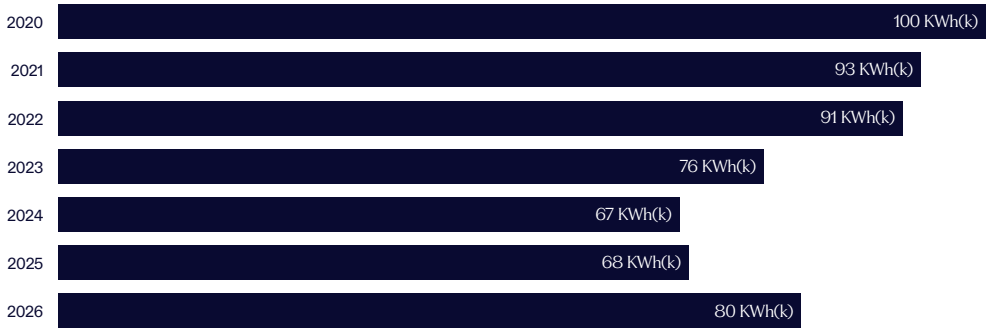
(ii) Other metrics

Electricity usage has increased since 2020 primarily as a result of our decision to maintain office security presence on a 24-hour basis for the safety of our employees and facilities. In 2023 an external provider was engaged to conduct an Energy Savings Opportunity Scheme ('ESOS') assessment of energy use. This resulted in a number of recommendations, which we have implemented where applicable. Gas usage increased during the year reflecting a combination of operational factors, including changes in building occupancy, temporary disruption to systems in prior years and increased on site activity. Looking ahead, our transition strategy will continue to prioritise the exploration of innovative, lower-carbon alternatives to replace our existing gas boiler when feasible.

ELECTRICITY USAGE: YEAR TO 31 MARCH



GAS USAGE: YEAR TO 31 MARCH



Other metrics	Unit	2020	2021	2022	2023	2024	2025	2026
Electricity usage	KWh(k)	224	199	214	270	286	298	357
Gas usage	KWh(k)	100	93	91	76	67	68	80
Water consumption	m^3	Data not available but will be tracked going forward			798	1,166	1,085	1,394
General mixed waste	tonnes				–	–	–	–
Mixed recycling	tonnes				–	–	–	–
WEEE waste	tonnes				–	–	–	–
Confidential waste	tonnes				2	2	3	2
Waste generation	tonnes				2	2	3	4
Waste recycled	%				99%	99%	100%	100%

Note:

1. Our waste is driven mainly by confidential waste. General, mixed and WEEE waste together amount to significantly less than 1 tonne.

3. Targets and ongoing monitoring

Our aim is to achieve net zero emissions for Scope 1 and Scope 2 (market-based) from our own operations through eliminating gas used for heating, continuing energy efficiency initiatives, particularly in lighting, cooling and IT equipment, and ensuring that all electricity continues to be procured from renewable sources. Our transition strategy to achieve net zero Scope 1 emissions is dependent on the implementation of a low-carbon alternative to replace our traditional gas boiler heating system. During the year we completed an assessment to achieve this, concluding a replacement with electric technology will be required by 2037. Once implemented we expect our remaining Scope 1 emissions to reduce to net zero. We have therefore revised our target with a goal to achieve net zero Scope 1 emissions by 2037 and to maintain net zero Scope 2 (market-based) emissions.

While this target timeframe does not currently extend to Scope 3 emissions, we continue to review and monitor these emissions where data is available, given their relative significance. Further expansion of Scope 3 disclosures will be considered over time as data quality, consistency and methodological robustness improve, and where such disclosures can be made on a reliable basis.

Appendices

Appendix I

Summary disclosures

This table provides a summary of the disclosures aligned with the TCFD framework.

Recommended disclosures	Our response
GOVERNANCE	PAGE 3
• Describe the Board's oversight of climate-related risks and opportunities. • Describe management's role in assessing and managing climate-related risks and opportunities.	• The board has collective responsibility for the management, direction and performance of Caledonia and is accountable for business strategy. Climate-related risks and opportunities are being integrated into our strategy. Ultimately the board is accountable for the oversight of these risks and opportunities. • The board has delegated overall responsibility for the delivery of strategy to the CEO, who then has authority to delegate further whilst retaining responsibility for delivering the strategy. Climate-related risks and opportunities are considered in the investment approval process.
STRATEGY	PAGE 6
• Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. • Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning. • Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• The major element of risk lies in our investments. We identify, track and monitor these risks. Any concerns are addressed through company engagement. • Risks to our investee companies include physical risks affecting operations and transition impacts arising from the move to a net zero economy. These can negatively impact investment returns. • Opportunities will arise in sectors that stand to benefit from the transition to a net zero economy, such as those focused on energy efficiency, renewable energy, or climate change adaptation. • The resilience of our investment portfolio is strong, based on a diverse portfolio designed to deliver long-term returns and with limited exposure to high carbon emitting companies. • We have obtained data and analysis from the MSCI One platform to support the evaluation of our Public Companies. For our Private Capital pool we have performed qualitative climate scenario analysis across the portfolio in the form of portfolio specific risk registers to assess pool resilience. For the Funds portfolio, obtaining data and climate scenario analysis will depend on factors including data availability, reliability, regulatory developments and the degree of control and influence from individual fund managers. • For our business operations, we plan to reduce energy consumption, move away from gas, maintain our 100% use of renewably generated electricity and where possible, manage our business travel efficiently. • Our business operations have a high degree of resilience.

RISK MANAGEMENT

PAGE 19

- Describe the organisation's processes for identifying and assessing climate-related risks.
- Describe the organisation's processes for managing climate-related risks.
- Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

- Climate-related risks are analysed through the lens of both physical and transition risks over the short, medium and long term and via both internal and external analysis.
- Climate-related risk has been integrated into our existing processes. Our review process for all principal risks, including those that are climate-related, ensure appropriate visibility of the key issues and mitigating actions.
- The process of identifying, assessing and managing climate-related risks has been embedded into our corporate risk management framework. Each area of the business is responsible for identifying, monitoring and reporting on relevant risks and controls, with appropriate oversight from the relevant corporate departments.
- Principal risks include 'ESG matters and climate change'. The ARC reviews the principal risks at least biannually, including covering actions to manage and mitigate climate-related risks, plus any key developments. Issues are elevated to the board where considered material.

METRICS AND TARGETS

PAGE 22

- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, 2 and if appropriate Scope 3 GHG emissions and the related risks.
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

- Our investment portfolio is the major source of our emissions and climate-related risks. We review GHG emissions using absolute and intensity measures.
- The data for the assets in the Public Companies pool show Scope 1 and Scope 2 emissions of 13.2k tonnes CO_2e for our Public Companies pool. The data for the assets in the Private Capital pool show Scope 1 and Scope 2 emissions of 7.1k tonnes.
- Our target is to minimise transition risk across the investment portfolio and we have set an expectation for all investee businesses within our Public Companies and Private Capital portfolios to achieve net zero emissions (Scope 1 and Scope 2, market-based) by 2050, or earlier if possible. For the Funds portfolio achieving alignment with this target will depend on factors including data availability, reliability, regulatory developments and the degree of control and influence from individual fund managers.
- For our business operations (latest annual data):
  - our Scope 1 GHG emissions are 16 tonnes CO_2e
  - our Scope 2 location-based GHG emissions are 62 tonnes CO_2e, with all our electricity renewably sourced
  - our Scope 3 business travel emissions are 350 tonnes CO_2e.
- Seeking to achieve net zero emissions across Scope 1 and Scope 2 (market-based) by 2037, with 100% renewable electricity sourcing.
- Where possible we will manage the efficiency of international business travel.

Appendix II

Metric methodology and definitions

1. Metric methodology

Metric	Formula
Total carbon emissions	$\sum \left(\frac{\text{current value of investment}}{\text{issuer's enterprise value including cash}} \text{ X } \text{issuer's Scope 1 and Scope 2 GHG emissions} \right)$
Carbon footprint	$\frac{\sum \left(\frac{\text{current value of investment}}{\text{issuer's enterprise value including cash}} \text{ X } \text{issuer's Scope 1 and Scope 2 GHG emissions} \right)}{\text{current portfolio value (\$m)}}$
Weighted average carbon intensity	$\sum \left(\frac{\text{current value of investment}}{\text{current portfolio value}} \text{ X } \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}}{\text{issuer's \$m revenue}} \right)$
Scope 1 emissions from own operations	$tCO_2e = \sum \left(\frac{\text{total energy consumed relevant fuel energy type emissions factor } (kgCO_2e)}{1{,}000} \right)$
Scope 2 emissions	$tCO_2e = \sum \left(\frac{\text{total energy consumed relevant fuel energy type emissions factor } (kgCO_2e)}{1{,}000} \right)$
Scope 3 emissions (business travel)	$tCO_2e = \sum \left(\frac{\text{total usage or mileage travelled relevant emissions factor } (kgCO_2e)}{1{,}000} \right)$
Scope 3 emissions (water consumption)	$tCO_2e = \sum \left(\frac{\text{total water consumed m3 relevant fuel energy type emissions factor } (kgCO_2e)}{1{,}000} \right)$
Waste recycled	$\frac{\text{waste recycled (kg)}}{\text{total waste (kg)}}$

2. Metric definitions

Total carbon emissions	By using each country's GHG emissions reduction targets, MSCI's database allocates these reductions by sector and eventually to a firm level to provide insight into the reductions required and ultimately the costs associated with such emissions reductions. MSCI's Climate VaR model considers how each portfolio company's current exposure to the above transition risks may change from today's climate to one in 2100 under three Network for Greening the Financial System ('NGFS') scenarios. These scenarios assume different global temperature and emission trajectories, energy demand and prices: **Orderly:** Limits global warming to 1.5°C through early adoption of climate policies which gradually become more stringent. It assumes carbon emissions will sharply decline between 2020-2050, reaching carbon neutrality by 2055 after which they become negative until 2100. Companies in carbon-intensive sectors such as oil & gas would be particularly affected due to falling demand for their products/services and rising carbon prices. **Disorderly:** Like the Orderly scenario, global warming is limited to 1.5°C and net zero is reached around 2055, but there is a delay and divergence of the climate policies being introduced across countries and sectors. This results in a delayed but more severe transition impact driven by higher carbon prices from 2030 onwards compared to the Orderly scenario. **Hot House:** Assumes world temperature increases to 3°C above pre-industrial levels due to insufficient climate policies. Carbon emissions remain constant between 2020-2030 and then gradually decrease but fail to reach zero by 2100. Future carbon prices are unlikely to change and therefore the transition impact is negligible under this scenario.
Physical climate VaR	MSCI's Climate VaR model considers each company's current exposure to 10 climate-related hazards; this varies depending on the sector and geographical location of the facilities owned or used by each company. Extreme weather data over the past 35 years is used to set a historical baseline. The climate-related hazards cover five acute risks (such as wildfires and tropical cyclones) and five chronic risks (such as extreme heat and cold). The model then calculates how this exposure may change from today's climate to one in 2100 under the following scenarios: **Average scenario:** This is the most probable scenario and is calculated based on the expected average value of the cost distribution. **Aggressive scenario:** This is the worst-case scenario and is based on the 95th percentile of the cost distribution. It assumes the most significant physical impacts as a result of an increase in the frequency and severity of extreme weather events. The climate exposure impact is then converted to a financial impact and aggregated across all company facilities within the Public Companies portfolio.
Technology opportunities VaR	Technology opportunities VaR for each company is calculated by taking a company's present value of future green profits and dividing this by the company's enterprise market value. Future green profits are based on a company's aggregated patent scores relative to sector peers and current green revenues in each sector. The number and quality of patents act as proxies of a company's R&D investment and therefore are a good indicator of future market innovation potential. Technology opportunities VaR for each company is calculated by taking a company's present value of future green profits and dividing this by the company's enterprise market value. Future green profits are based on a company's aggregated patent scores relative to sector peers and current green revenues in each sector. The number and quality of patents act as proxies of a company's R&D investment and therefore are a good indicator of future market innovation potential.
Green revenue	As defined by MSCI, green revenue is derived from products or services related to alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture.
Green revenue exposure	As defined by MSCI, green revenue exposure is green revenue expressed as a percentage of the total revenue derived from the portfolio.
Companies with net zero target of 2050 or earlier	Count of all firms with a net zero target for Scope 1 and Scope 2 in the year 2050 or sooner.
Companies with top quartile management score	These are firms in the top quartile of the ESG management score. The ESG management score is based on ratings giving in both the Social and Environmental pillars. It assesses areas such as strategy, track record and programmes. Each of these elements is given a score from 0-10 then a weighted average is taken.

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