POLICY & CONTEXT REPORT 2025-2026



CASTLEFIELD

THE THOUGHTFUL INVESTOR

CASTLEFIELD INVESTMENT PARTNERS LLP

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INTRODUCTION

This report provides information on our business, our clients and the policies and governance structures that underpin our stewardship programme. It constitutes Part 1 of our reporting to the Financial Reporting Council under the requirements of the UK Stewardship Code.

Data in this report is accurate as at 31 December 2025, unless otherwise stated.

Activities & Outcomes Report

Part 2 of our submission is our Activities & Outcomes Report.

This provides further information on the voting and engagement we have undertaken during the reporting period.



View by clicking the button or scanning the QR code below.

READ THE REPORT

SUMMARY

Castlefield is an award-winning, employee-owned investment management and financial planning business, that helps clients align their money with their values through our proprietary Thoughtful Investor approach.

To outline how Castlefield helps clients, we've summarised some of the key points from our Policy & Context report.

Investing with purpose



Our Thoughtful fund range helps clients invest in line with their values through our proprietary Thoughtful Investor approach, which considers financial and non-financial (environmental, social, transparency & governance) E.S.T. factors. The approach sets out how we:

- Reject investments that do not meet our screening policy
- Select investments with strong financial criteria (B of our B.E.S.T. framework)
- Assess E.S.T. factors alongside financial performance, to gain a more complete picture of an investment's long-term potential

SEE PAGE 6

Taking action on behalf of clients



Active engagement and voting are two main ways in which we can execute our duties as good stewards of our clients' assets. We aim to:

- Engage actively with companies on key risks and opportunities
- Collaborate with other investors to amplify our message
- Vote on all directly held shares

SEE PAGE 8

Keeping clients engaged & informed



We know that social and environmental issues are important to many of our clients, so we aim to maintain two-way communication by:

- Publishing quarterly stewardship updates
- Disclosing how we vote
- Using client feedback to shape future engagement priorities

SEE PAGE 14

Independent governance & oversight



We use formal governance structures to inform our stewardship programme. These include:

- An internal Stewardship Committee to provide governance and oversight
- An External Advisory Committee made up of clients and experts
- An annual review of stewardship policies and voting guidelines

SEE PAGE 9

A. ORGANISATION, INVESTMENT BELIEFS AND STEWARDSHIP APPROACH

ABOUT CASTLEFIELD

Castlefield exists to help clients and colleagues to achieve their personal goals, whilst promoting and supporting the welfare of the widest community of stakeholders. We summarise this purpose as: 'gathering assets, to do good'. Our Thoughtful Investor approach isn't just a product line or optional approach. It's integral to everything that we do.

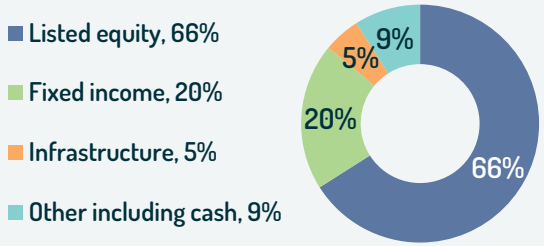
OUR CLIENTS

We provide services to retail investors, specifically UK-based charities and individuals that seek a good return on their investments without compromising on their beliefs.

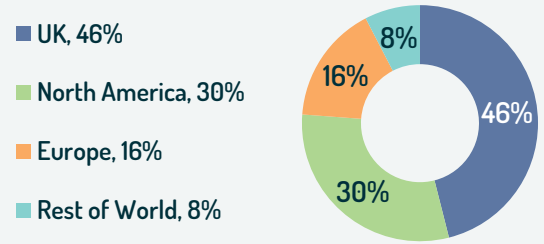
ASSETS UNDER MANAGEMENT

We are an active fund manager[1], managing over 70% of our clients' assets in-house. For certain asset classes, we use a small number of external funds run by specialist managers. We aim to select managers whose values and investment ethos align with our own. As such, these managers typically have good stewardship programmes in place.

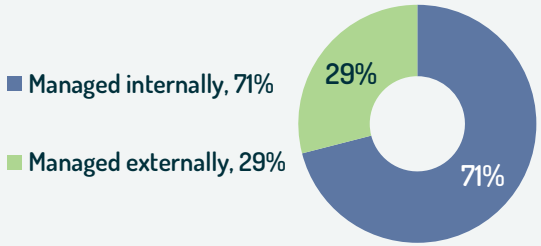
Assets under management by asset class

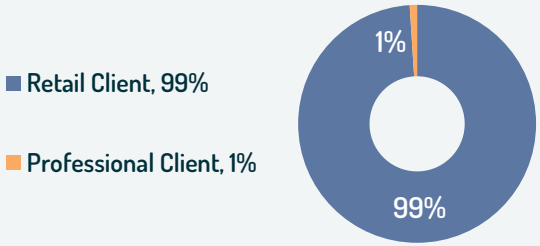


Assets under management by geography



How clients' assets are managed





1. 99% of our assets under management are actively managed.

OUR INVESTMENT BELIEFS AND STEWARDSHIP STRATEGY

It is our view that taking environmental, social, transparency and governance (E.S.T.) risks and opportunities into account in our investment decision-making is part of our fiduciary duty to our clients.

Many clients choose our services because social and environmental issues are important to them, and they want these considerations reflected in our interactions with investee entities.

We believe investment returns may benefit from looking beyond traditional, strictly financial criteria. We believe that companies whose management teams are attuned to business risks, in areas such as the environment or the treatment of their workforce, are more likely to avoid major problems that could impair investment returns. This ethos underpins our stewardship strategy.

For us, stewardship plays a key role in ensuring that companies are well-run and that their management teams are acting on non-financial risks before they materialise as financial risks.

The diagrams overleaf set out how E.S.T. factors are incorporated into our investment process for the equity and portfolio funds in our Thoughtful Investor fund range.



THE THOUGHTFUL INVESTOR® APPROACH



Reject investments that do not meet our screening policy.



Select investments with strong financial criteria (B of the B.E.S.T. framework*).



Assess the E.S.T. credentials (the 'E.S.T.' of the B.E.S.T. framework*) of potential investments against our criteria.



For Equity Funds

Ensure that investments achieve our E.S.T. threshold meaning that at least 70% of the Fund is invested in companies which achieve 50% or more of the E.S.T. criteria.

For Portfolio Funds

Assess the values-led methodology of third-party managers and the E.S.T. characteristics of each strategy's underlying portfolio.



Actively engage with investments and vote on behalf of our clients.

*B.E.S.T. is our proprietary investment framework which enables us to incorporate Business, Environmental, Social and Transparency & governance considerations in our investment process. Read more overleaf.

What the Funds will not invest in

The Fund applies different approaches depending on the fund type:

Equity Funds: The Funds will not invest in any company if more than 10% of revenues or profits come from: the manufacture and distribution of weapons and related systems, nuclear military exposure, nuclear power generation, mis-marketing of infant milk formula, extraction or processing of fossil fuels, production and retailing of fur products, animal testing for cosmetics, manufacture and retailing of alcohol, gambling, pornography, tobacco, high interest-rate lending, mining.

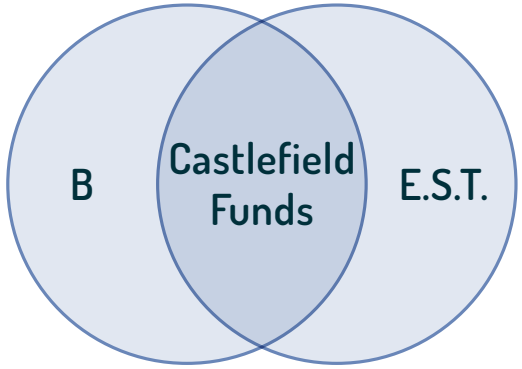
Portfolio Funds: Where investments are made through third-party collective investment schemes, some form of relevant exclusionary screening policy will be sought. The Fund will not make direct investments in companies that exceed the 10% threshold described above.

For a full explanation of how we apply the 10% threshold, please view our Screening Policy.

The B.E.S.T. framework

Our proprietary B.E.S.T. framework: The 'B' in B.E.S.T. stands for 'Business' – looking from the financial viewpoint. We always look for businesses which fundamentally make good investments on this basis. However, we also look for companies which score well on the basis of environmental, social and transparency & governance considerations too (the E.S.T. bits of B.E.S.T.).

To see how we incorporate B.E.S.T. into our investment approach see page 6. The full investment approach can be found here.



B

BUSINESS & FINANCIAL:

- Assessment of investment's business and financial credentials.

E

ENVIRONMENTAL:

- Company performance compared to peers on carbon, waste and freshwater use.
- Revenues from products or services that align with environmental United Nations Sustainable Development Goals.

S

SOCIAL:

- Company performance compared to peers on ratio of executive pay to average employee pay.
- Level of tax avoidance/controversies.
- Revenues from products or services that align with social United Nations Sustainable Development Goals.

T

TRANSPARENCY & GOVERNANCE:

- Assessment of board independence.
- Board diversity.
- The absence of bribery and corruption.

OUR APPROACH TO STEWARDSHIP

Our central business proposition is that we help clients to invest in line with their values. Through our interactions over the years, we know that social and environmental issues are important to many of our clients, and we aim to reflect this in our stewardship work. Engagement and voting are two ways in which we can execute our duties as good stewards of our clients' assets. In the following text we set out our approach to each.

ENGAGEMENT

When considering environmental, social, transparency & governance issues (E.S.T.), we aim to engage companies:

- On significant E.S.T. issues arising from the research that the investment team carries out on all prospective investee companies.
- On issues arising from our voting activity, particularly where we intend to vote against the board.
- On complex, thematic issues such as climate change, cyber security, human rights and water scarcity, that may pose a threat to our investments over the medium to long-term.
- In response to negative media coverage or alerts from our research providers on an investee company.

In terms of prioritising E.S.T. engagement topics, we tend to give our time and attention to engagements that are:

- material to a company we hold or are considering holding
- following up on allegations in the media regarding corporate malpractice
- systemic risks or thematic issues that affect many, or all, of our holdings, e.g. climate change or wage inflation
- topics identified by our external advisory committee
- issues that are important to our client base.

As active managers, we like to engage directly with equity holdings where possible. This is because engagement can inform our investment decision-making. Occasionally it results in changing the size of our shareholding or, in extremis, divesting from a company.

As a specialist and boutique asset manager, we also favour collaborative engagements which provide an opportunity to amplify our voice considerably by working alongside other, like-minded investors.

VOTING

Our aim is to vote on all directly held shares using our Voting Guidelines. The only exception is where we hold American Depositary Receipts (ADRs). ADRs are a financial instrument created by the banking sector which allow domestic shareholders to hold foreign company shares through a trust that is listed in the domestic market. Often ADRs do not have voting rights and therefore we are unable to vote. However, ADRs make up an extremely small proportion of our overall holdings.

Voting Record

We publish our voting record on our website on a monthly and annual basis.



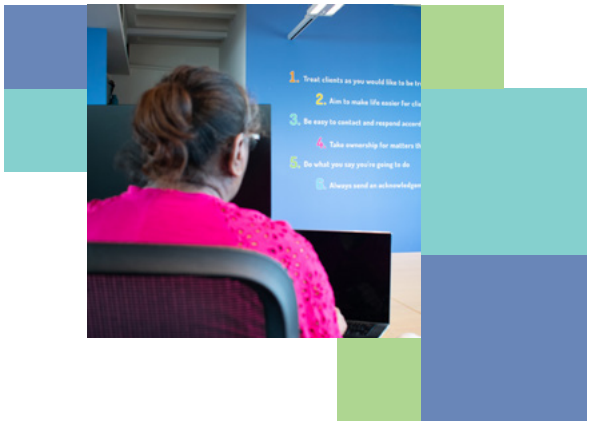
VIEW HERE

B. GOVERNANCE AND RESOURCES

GOVERNANCE STRUCTURE

Our stewardship activity is governed by an internal Stewardship Committee and an External Advisory Committee. This structure means the key investment decision-makers set the agenda for our stewardship activity and have oversight across the entire programme.

This approach means that there is buy-in for our stewardship programme across the investment management and client-facing teams. In addition, our External Advisory Committee, comprising clients and responsible business experts, provides an additional level of oversight and ensures that our approach is in line with client expectations.



	Internal Stewardship Committee	External Advisory Committee
What is it?	An internal committee that oversees and implements Castlefield's stewardship activities	An external group that provides advice to Castlefield on stewardship issues
Who	Members of the investment and client-facing teams sit on the Committee, but meetings are open to, and attended by, all members of the Castlefield investment management team.	A committee made up of clients and experts in responsible business practices
When	Meets quarterly	Meets twice a year
Purpose	▪ To set and implement our stewardship strategy ▪ To make the Committee aware of emerging stewardship issues ▪ To define, re-evaluate and approve policies that the Committee has responsibility for, most notably our voting guidelines which are reviewed annually ▪ To evaluate and approve membership of any organisations or initiatives that support the company's stewardship efforts.	▪ Review Castlefield's current stewardship activity for all CIP funds ▪ Act as a sounding board on current or prospective holdings where the investment team has E.S.T. concerns ▪ Consider investment themes presented by Castlefield co-owners to the Committee ▪ Advise on changes to the CIP voting guidelines ▪ Bring emerging E.S.T. issues to CIP's attention.

INTERNAL STEWARDSHIP COMMITTEE

Our Stewardship Committee holds ultimate accountability for stewardship within the business. The Committee is made up of representatives from the investment and client-facing teams and is chaired by a member of the executive team.

The Committee meets quarterly. Over the course of a typical year, the Committee will approve the annual stewardship workplan, receive updates on our engagement efforts, review changes to our voting policy and evaluate new collaborative engagement opportunities. The Committee also reviews papers on emerging environmental, social and governance issues.

> **Having the external committee in place demonstrates our commitment to independent challenge and external input into the Thoughtful Investor approach.**

EXTERNAL ADVISORY COMMITTEE

We welcome a collaborative approach and want to ensure that our values continue to be aligned with those of the clients that we represent. With that in mind, we set up our External Advisory Committee in 2018, which is designed to provide impartial oversight on how we incorporate environmental, social, transparency & governance issues (E.S.T.) into our investment decision-making.

Having the External Committee in place demonstrates our commitment to independent challenge and external input into the Thoughtful Investor approach.

The External Advisory Committee reviews key policy documents, such as our Screening Policy and Corporate Governance and Voting Guidelines, and our discussions with them help to set our future engagement priorities. Both the Committee members and investment team can table topics for discussion and this could cover emerging E.S.T. issues or concerns around a particular investment. While the Committee does not have formal veto powers due to regulatory reasons, its guidance is taken extremely seriously.

External Advisory Committee Members

Dr Ilma Nur Chowdhury
Assistant Professor in Marketing at Alliance Manchester Business School

Lisa Stonestreet
Head of Communications and Charity Impact at the EIRIS Foundation.

Juliana Burden
Head of Ethical Research at Ethical Screening.

Gilbert Stephenson
Evangelical Fellowship of Congregational Churches

Mike Hart
Transformation Director, United Reformed Church North West Synod

Charlene Cranny
Senior Programme Manager – Financial Sector, Chapter Zero Alliance
(appointed September 2026)

INTERNAL STEWARDSHIP RESOURCING

There are two team members (1.8 full-time equivalent) dedicated to the co-ordination, implementation and external communication of Castlefield's stewardship programme. Alongside them, an investment analyst leads our voting programme, whereby every company vote is reviewed internally and approved by a fund manager. In addition to this, fund managers regularly support or lead engagements with companies.

KNOWLEDGE AND SKILLS

To keep abreast of the latest stewardship-related developments, the team makes good use of publications and webinars provided by membership organisations like UKSIF (UK Sustainable Investment Forum), PRI (Principles for Responsible Investment) and ICCR (Interfaith Center on Corporate Responsibility). For example, one team member is currently participating in UKSIF's Future Leaders programme which supports early career professionals. In addition, team members attend issue-specific events and briefing sessions hosted by collaborative engagement initiatives.

As a business, Castlefield requires all colleagues to complete a minimum number of CPD (continuing professional development) hours each year. The required number of hours varies by role. Colleagues are also required to undertake mandatory training on a number of topics, including anti-greenwashing and carbon literacy.

The "Meet the Team" page of the Castlefield website contains information on the qualifications and experience of our stewardship and investment team members.

The stewardship team is integrated into the investment function at Castlefield. At present, there is 20% female representation across these teams.

SERVICE PROVIDERS AND USE OF TECHNOLOGY

We use a number of service providers to support our stewardship activity.

For our fund voting, we vote via an online platform hosted by Institutional Shareholder Services (ISS). We also use research provided by ISS to inform our voting decisions. We have opted not to auto-vote. Instead, each company ballot is reviewed by a team member and signed off by a fund manager. For bespoke client accounts, we vote via the Broadridge platform.

Company research is undertaken in-house, with support from a third-party provider, Ethical Screening. In particular, their research helps us to understand the social and environmental impact of a prospective investment and whether it passes the exclusionary criteria that is in place for our Thoughtful Investor fund range. View our Screening Policy for more information.

We also use a data platform called Impact Cubed to assess the sustainability metrics of our holdings and compare company performance versus the peer group.



C. STEWARDSHIP POLICIES AND PROCESSES

Our Thoughtful Investment Approach sets out:

- our investment process and how environmental, social, transparency and governance factors are incorporated into stock and fund selection
- the industries, products and activities that we exclude from our Thoughtful Investor fund range
- policies on stewardship and engagement

In addition, we have developed a set of voting guidelines to ensure that we vote consistently at company meetings. This guide outlines our approach to voting on:

- Remuneration
- Director independence and effectiveness
- Board diversity
- Shareholder rights
- The audit process
- Climate risk

These policy documents are available on our website (see right) and are reviewed and approved by the stewardship committee on an annual basis. In addition, the committee approves an annual stewardship workplan which sets out our priorities for the year ahead.

Our stewardship policies and processes are not subject to external assurance. Our External Advisory Committee acts as a useful sounding board and we discuss any proposed changes to our voting policy with members prior to finalising any amendments.

In addition, the assertions in this report, and the accompanying Activities and Outcomes Report, have been reviewed and challenged by our board and compliance team prior to publication.

Policy Document Links:



Thoughtful Investment Approach

VIEW HERE



Voting Guidelines

VIEW HERE

Outcomes and Activities Report



VIEW HERE

D. STEWARDSHIP-RELATED CONFLICTS OF INTEREST

All conflicts of interest are monitored centrally by our compliance team and are reviewed regularly by the board. Our conflicts of interest policy covers all conflicts, including those related to stewardship. The policy is available on our website.



Conflicts of Interest Policy

VIEW HERE

Stewardship-related conflicts of interest could arise when commercial, personal or individual client interests diverge from Castlefield's stated policies on voting and engagement.

Castlefield has a number of measures in place to manage this risk:

- **Identification of conflicts of interest:** The company maintains a conflicts of interest register which sets out any personal connections to Castlefield or its investments. Should a conflict of interest arise, the identified individual would be excluded from any stewardship activity or voting relating to the company with which they have a connection.
- **Clear guidelines and transparent reporting:** Our voting guidelines ensure that we take a consistent approach to company voting. We publish the guidelines and our voting records on our website so that stakeholders can ensure that our policy is reflected in our voting practices.
- **Voting oversight:** Voting recommendations are sent to all members of the investment team and the final ballot votes are approved by a fund manager. This ensures that no one individual can control the voting process.



E. DIALOGUE WITH CLIENTS

Written by
Ffion Spencer



"Effective stewardship requires effective communication. We seek to maintain an ongoing dialogue with clients and beneficiaries through a range of channels, enabling us to share information about our stewardship activities, gather feedback and better understand the issues that matter most to them. These interactions help inform our stewardship approach and ensure our activities remain aligned with the interests and priorities of our clients."

INFORMING OUR CLIENTS

The table below outlines some of the methods we use to inform clients about our stewardship activities and investment approach. This information is made publicly available through our website, including monthly voting disclosures, stewardship reports and our Stock Directory.

Item	Information Shared	Frequency	Purpose
Proxy Voting Disclosures[1]	Our voting disclosures contain every portfolio company meeting held during the month, including information on how we voted on each resolution and a brief rationale.	Monthly	Provides regular transparency on how we exercise voting rights on behalf of clients.
Quarterly Stewardship Report	Updates on engagement activity, collaborative initiatives, voting activity and emerging stewardship themes.	Quarterly	Demonstrates how stewardship commitments are delivered in practice and provides accountability for our activities and outcomes.
Stock Directory[2]	Details on the companies held in our portfolios, including: ▪ what the company does ▪ why we invest in it ▪ opportunities for engagement.	Updated when needed, i.e. upon investment or divestment.	Helps clients better understand the companies in which they are invested and increases transparency around stewardship priorities. You can read more about how our Stock Directory has informed our stewardship priorities on page 11 of our Activities and Outcomes report.

1. Document Library
2. Stock Directory

RECEIVING AND RESPONDING TO CLIENT FEEDBACK

The table below outlines the mechanisms through which we receive client feedback and how this feedback is considered as part of our stewardship activities. These channels help us better understand client priorities, concerns and values, enabling us to align our stewardship approach with the interests of our clients.

Item	Purpose	How Feedback is Used
Client Review Meetings	To discuss investment performance and stewardship activity. It's also an opportunity for clients to raise issues that are important to them.	Feedback raised during meetings may inform engagement priorities or stewardship themes. Relevant issues are shared with the Investment Management Team, either directly or through our Client Feedback Form.
Client Feedback Form	To ensure client queries and comments are shared consistently with the Investment Management Team. Read more about our Client Feedback Form on page 12 of our Activities and Outcomes Report.	Submissions are reviewed on a case-by-case basis. In some instances, a response from the Investment Management Team is sufficient, while in others feedback informs engagement priorities or results in engagement activity.
Client Survey	To gather structured feedback on client views regarding our screening policy, stewardship priorities and other issues that matter to them.	A survey was launched in June 2026. We are currently assessing the findings and considering how this feedback will be incorporated into our stewardship priorities.
Client Events	To discuss our Thoughtful Investor approach and stewardship with our client base, while also enabling us to better understand the priorities and challenges facing the clients we serve.	Questions and comments raised at client events are fed back to colleagues internally to help improve services and shape our stewardship work.

MEET THE TEAM



Barney Timson
BSc (Hons), MSc, IMC
Investment Analyst



Bronwyn Riley
Chartered MCSI, ASIP
Partner



Daniel Lonsdale
BSC (Hons), IMC, ACSI
Portfolio Implementation Manager



David Elton
BSc (Hons), IMC, Chartered MCSI, CFA
Partner



David Gorman
MA (Hons), MBA, Chartered MCSI
Investment Analyst



Ffion Spencer
BSc (Hons)
Stewardship Assistant



Ita McMahon
BA (Hons), MA, IMC
Chief Stewardship Officer



James Buckley
MSc, MBA
Investment Manager



Joe Kelly
BA (Hons), ACSI
Assistant Client Manager



Kamen Downham
MA (Hons)
Portfolio Implementation Specialist



Mark Elliott
Mchem (Hons), Chartered MCSI, CFA
Chief Investment Officer



Reece Smith
Chartered Wealth Manager
Client Manager



Simon Holman
MA (Hons), MSc, CFA, Chartered MCSI, ASIP
Partner, Head of Client Portfolio Services

CASTLEFIELD

THE THOUGHTFUL INVESTOR

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The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down. In the case of some investments, you should be aware that there is no recognised market for them, and that it may therefore be difficult for you to deal in them or for you to obtain reliable information about their value or the extent of the risks to which they are exposed. Certain investments carry a higher degree of risk than others and are, therefore, unsuitable for some investors.

Opinions constitute our judgement and are subject to change without warning. The officers, employees and agents of CIP may have positions in any securities mentioned herein. This material may not be distributed, published or reproduced in whole or in part. Unless otherwise stated this information is accurate as at 30 June 2026. All information quoted is obtained from sources which we believe to be accurate at the time of publication, but may be subject to change. We therefore cannot be held responsible for the implications of relying on this information. This document shall be governed by and construed in accordance with the law of England and Wales and is subject to the exclusive jurisdiction of the English Courts.

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