

Silchester International Investors

Task Force on Climate-Related Financial Disclosures – Entity Report

Silchester International Investors (“Silchester”) is a private investment partnership established in 1994 to specialise in international equity investment. As of 31st December 2024, Silchester's entire AUM of \$37.4 billion was in scope for TCFD. Silchester’s clients are predominantly US institutional investors (e.g., endowments, foundations, pensions plans, insurance companies, high net worth family groups) with long-term investment horizons. Silchester is registered as an investment adviser with the SEC (CRD: 110987) and is authorised and regulated by the Financial Conduct Authority (FCA Ref: 526527). Further information can be found on Silchester’s website at www.silchester.com, including its UK Stewardship Code, ESG Policy, Proxy Voting Policy, SRD II and SFDR, and MIFIDPRU Disclosure Statements.

Governance

Describe the Organisation’s Governance Around Climate-Related Risks and Opportunities.

Silchester’s Business Supervisory Group (“BSG”) ensures that all business groups have sufficient resources and expertise to carry out their responsibilities with due care and skill. The BSG monitors climate risk and opportunities alongside other risks that are present within Silchester’s investment business. These risks are identified, documented and stress tested annually, in part, through Silchester’s ICARA. Silchester’s Investment Supervisory Group (“ISG”) ensures the investment team is running efficiently and in line with Silchester’s investment aims. Silchester’s investment team is collectively responsible for the programme through research and portfolio management. The objective of Silchester’s research work is to assess the quality of a company – to identify businesses that have the ability to grow their earnings per share, dividends per share and assets per share over time without reverting to shareholders for additional financing. Silchester’s research work includes qualitative work on the balance sheet, operating strengths and weaknesses, management and corporate governance.

Strategy

Describe the Actual and Potential Impacts of Climate Related Risks and Opportunities on Silchester’s Business, Strategy, and Financial Planning (where material).

Silchester is structured and operated as a partnership. Silchester is controlled by individuals that are active in the business and not under outside pressure to grow the business. Silchester believes in staff having significant investments in its international equity programme and significant permanent capital invested in the firm itself. The total level of alignment within the firm is both material and significant.

Governments and regulators have a responsibility to manage and mitigate systemic risks. Silchester is supportive of common-sense regulation and seeks to comply with all material laws and regulations. Silchester takes the view that good corporate citizenship helps to protect and enhance investment returns. Silchester encourages portfolio companies to act responsibly and with integrity. This should enhance investment returns and improve the functioning of public markets. Silchester’s investment team commonly considers emerging risks at their twice-yearly offsite meetings. Silchester’s investment philosophy is based on fundamental research in order to make a judgement as to the quality of the underlying company. Silchester is not driven by top-down macro analysis. Silchester seeks to evaluate market-wide and systemic risks as part of its bottom-up investment research reports.

Risk Management

Disclose How Silchester Identifies, Assesses, and Manages Climate-Related Risks.

Silchester primarily operates through business groups that individually assess risks and opportunities facing the business. These business groups are also responsible for ensuring that appropriate policies and procedures are in place. The business groups take substantially similar approaches to identify,

assess and manage climate-related risks that they do with other risks that impact Silchester or its clients. Matters may be escalated to the BSG where they are likely to impact Silchester's long-term resilience or regulatory obligations.

As part of its portfolio management process, Silchester aims to buy companies on attractive valuations, which have the ability to grow their earnings, assets and dividends over time and therefore maximise the intrinsic value of the particular portfolio company and the aggregate investment portfolio. Silchester considers climate-related risks and opportunities from an economic perspective, focusing on areas that have a high probability of materially affecting a company's intrinsic value. When assessing climate risk and opportunities, Silchester considers, amongst other items, the possibility of government policy and/or regulatory change, consumer preferences, technological innovation, and economic risks associated with a transition from one industry, technology or company to another. Silchester's normalisation process, which assesses through the cycle profits and free cash generation, seeks to identify companies with unsustainable business practices.

Metrics and Targets

Disclose the Metrics and Targets Used by Silchester to Assess and Manage Relevant Climate Related Risks and Opportunities (where material).

Silchester provides regular and ongoing reporting to interested clients, prospective clients and their professional advisors. Amongst other items, Silchester discloses data on the portfolio's carbon intensity and carbon emissions, largest carbon emitters, how Silchester voted on climate related proxies introduced by portfolio companies and/or their shareholders, and statistical information on the ESG profile of each underlying portfolio company and the portfolios in aggregate. Silchester does not disclose this information to unrelated third parties.

Silchester is required to comply with the UK's Energy Savings Opportunity Scheme ("ESOS") and must assess and reduce its energy consumption over time. Silchester has estimated the Scope 1 and Scope 2 emissions for its UK business operations. As of 31st December 2024, it estimates these to be 57 tCO₂e. Silchester does not report Scope 3 emissions as these are not believed to be significant. Silchester operates from a single office in London and obtains its electricity from renewable sources. Silchester regularly makes donations to a UK charity in an effort to offset the estimated annual Scope 1 and Scope 2 emissions arising from its London based business. The UK charity seeks to ensure that local communities, located primarily in Africa, have access to clean water. The UK charity hopes that this, in turn, will allow for increased levels of health within the local community, for trees and other agricultural products to be planted and increased levels of environmental protection.

In March 2025, Silchester moved into new offices. The new office building complies with energy efficiency and building emission rules that come into force from 2030. Among other things, the office incorporates individual controllers to optimise heating, lighting and ventilation, employs extensive energy saving measures such as daylight harvesting and movement sensors, supports cycling. Additionally, the building achieved an EPC Rating of A and is targeting a BREEAM rating of outstanding. All electricity provided to the building is sourced from renewable sources.

Other than those required by law, Silchester has not established any climate-related targets for its asset management business or for its investment programme.

Compliance Statement

These disclosures are being made by Silchester consistent with the TCFD's Recommendations and Recommended Disclosures. This disclosure is intended to comply with the requirements set out in Chapter 2 of the FCA's ESG Sourcebook.

Timothy Linehan /s/
Chair, Business Supervisory Group.