



**CAPITAL
GROUP™**

Task Force on Climate-related Financial Disclosures (TCFD) report for 2025



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TCFD alignment

As a privately owned asset manager, Capital Group considers climate-related risks and opportunities from three vantage points.



Investment management: As an asset manager who makes investments on behalf of our clients in securities that may be exposed to material climate-related risks and opportunities;



Client needs: As a business that needs to evolve its product offerings to meet the changing needs of its clients, particularly in jurisdictions where regulators are increasingly addressing climate-related issues;



Corporate sustainability: As a company that strives to manage its business operations in a sustainable manner.

We have sought to call out which of the three focus areas we are referring to throughout the report, as we recognise that each of these perspectives raises important and distinct considerations with respect to climate-related risks and opportunities.

Capital Group has supported Sustainability Accounting Standards Board's (SASB) standards and the Task Force on Climate-related Financial Disclosures (TCFD) since 2020, which have both been merged into the International Sustainability Standards Board (ISSB), a subsidiary of the International Financial Reporting Standards (IFRS) Foundation. The ISSB framework is now being adopted globally as part of emerging regulatory requirements. We believe this report covers the most relevant aspects of ISSB S2 for Capital Group. We plan to evaluate further alignment to S2 for future reports.

This report has been prepared based on the recommendations of the TCFD for the period from 1 January to 31 December 2025 (unless stated otherwise), on behalf of The Capital Group Companies, Inc. and its subsidiaries (collectively, "Capital Group"). Operational sustainability data cover the period from 1 July 2024, to 30 June 2025 (fiscal year 2025), to align with the corporate financial reporting period to which the data relate. We plan to report all data on a fiscal year basis in future TCFD reports.

TCFD recommendations		Pages
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	4
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning, where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long terms. b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	5-11
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	12-16
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities, in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	17-22



A description of governance structure for climate-related risks and opportunities

In 2025, we continued to implement firmwide governance in each of the three areas through which we consider climate-related risks and opportunities at Capital: **investment management**, **client needs** and **corporate sustainability**. The following highlights our governance model from each of these perspectives.

Firmwide governance

The **Capital Group Companies, Inc. Board of Directors** and **Capital Group Management Committee (CGMC)** are responsible for setting and communicating the long-term strategy of the firm, including goals related to environmental, social and governance (ESG) and stewardship, as well as those affecting Capital Group's own corporate sustainability goals. In addition, the **ESG Management Committee** provides oversight over the implementation of ESG-related matters and consideration of client needs in the various geographies.

Various Capital Group subsidiaries, including **Capital Research and Management Company (CRMC)**, are responsible for investment management activity on behalf of Capital Group's clients. In order to fulfill this responsibility, the CRMC board and related subsidiary boards act through investment policy, investment oversight and proxy voting committees, and the investment and operations teams. This activity considers material climate-related investment risks and opportunities on behalf of Capital Group's clients and helps integrate material ESG considerations into the investment process. Capital Group's committee approach reflects our desire to foster a collaborative culture. We believe that we can make better decisions when ideas are aired among leaders with different perspectives. This approach has served us well in varying business environments; it allows us to involve a broad range of perspectives in the governance and oversight process, helping to ensure we ground decisions in the long-term interests of our clients.

An abridged organisation chart is included below.

Figure 1: Governance structures for climate-related risks and opportunities.





In our investment management practices, we seek to understand material climate-related risks and opportunities that could impact the value of our investments as we pursue superior long-term investment results for our clients. We also strive to provide ESG products and services in response to regional client demand and regulation in Europe and Asia.

Investment management: Climate-related risks and opportunities

Sector-level investment impacts

Physical and transition risks and opportunities affect issuers differently based on their sector, geographic footprint, current readiness and mitigation capabilities. To effectively integrate these considerations into our investment process, we utilise ESG research frameworks, spanning more than 25 corporate sectors and three securitised sectors.

Each framework is intended to help our investment professionals examine material long-term ESG issues that could affect their investment theses, including material transition and physical climate risks and opportunities (refer to Table 1 on the next page).¹ The identified risks and opportunities broadly align with the following TCFD-aligned categories:

- **Policy and legal** - risks and opportunities associated with the creation of new climate-related policies and regulatory regimes
- **Technology** - risks and opportunities associated with emerging or new technologies related to the energy transition
- **Market** - opportunities associated with asset-allocation shifts or market signals as a result of climate-related change
- **Products and services** - opportunities associated with new products and services linked to climate-related change
- **Resource efficiency** - opportunities associated with the move to more efficient processes
- **Reputation** - risks and opportunities associated with shifts in consumer preferences and company reputation
- **Physical: acute** - risks associated with the increased severity and frequency of extreme weather events
- **Physical: chronic** - risks associated with long-term changes in precipitation and weather patterns

1. Sectors included in this summary are those identified by the TCFD as most exposed to climate risks. For each of the risks, we have outlined the type of risk, associated time horizon, relevance to our investment thesis and the metric and data used to monitor this risk or opportunity. TCFD, "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures," October 2021.

Table 1 shows examples of the potentially material climate-related risks and opportunities for each sector identified by our investment professionals together with the ESG team. We focus on the financial implications of the risks and opportunities faced by the companies and issuers in which we invest.

Table 1: Top climate-related risks and opportunities in selected sectors

Sector	Financial risk/Opportunity	Example metrics	Time frame ²
Energy	Emissions reduction regulation. Failure to comply with legislation on emissions reduction, such as for methane abatement, can result in fines and increased carbon costs. Meanwhile, pressure to decarbonise energy-intensive operations can drive up capital expenditure (capex). Materiality varies by geography.	Scope 1 & 2 GHG emissions ³ Methane/flaring intensity	Short to medium term
	Stranded assets. Fossil fuel assets could become impaired, written down or rendered unusable earlier than anticipated due to structural shifts, including policy changes, technological disruption, legal constraints or changes in consumer or social expectations.	% capex to transition-aligned projects	Medium to long term
	Water usage. Water scarcity and inefficient use could challenge water-intensive operations, such as oil and gas exploration and production. Water stress can lead to operational disruptions, permitting challenges and potential loss of social license.	Total water withdrawn % sourced from high-stress regions	Short to medium term
Utilities	Demand for low-carbon technologies and products. Strong and durable policy support for renewables persists in many countries, driven by ambitious net-zero targets and energy security priorities. Ability to navigate and adapt to policy discrepancies in different countries can help achieve growth.	Breakdown of installed capacity (MW) and generation (MWh) for all energy sources	Short to medium term
	Water usage. Water scarcity and inefficient use could challenge water-intensive operations, such as thermal power and hydropower generation. Efficient usage and loss reduction are essential for water utilities to manage supply constraints. Water stress can lead to operational disruptions, permitting challenges and potential loss of social license.	Total water withdrawn % sourced from high-stress regions	Short to medium term
	Physical climate risks. Utilities infrastructure assets in some regions are increasingly vulnerable to extreme weather events (including wildfires, storms and heat waves), which can result in downtime and negatively impact operational efficiency.	Potential value at risk (VaR) from climate scenarios	Medium to long term
Transportation	Emissions reduction regulation. Failure to comply with emissions reduction regulatory and policy changes (for example, airlines failing to comply with sustainable aviation fuel requirements) could result in fines and increased carbon costs. Meanwhile, pressure to decarbonise energy-intensive operations can drive up capex. Materiality varies by geography.	Scope 1, 2 & 3 GHG emissions (normalised by revenue) ⁴	Short to medium term
	Demand for low-carbon technologies and products. Strong and durable policy support for electric vehicles (EVs) persists in many countries, driven by ambitious net-zero targets and energy security priorities. Ability to navigate and adapt to policy discrepancies in different countries can help achieve growth.	Revenue from EVs % of capex allocated to EVs vs. hybrids and internal combustion engine vehicles	Short to medium term
	Physical climate risks. Transport infrastructure assets (including airports, shipping ports and railroads) in some regions are increasingly vulnerable to extreme weather events (including wildfires, storms and heat waves), which can result in downtime and negatively impact operational efficiency.	Potential value at risk (VaR) from climate scenarios.	Medium to long term

2. Definition for short, medium and long term may differ across sectors, but in general short term covers 1–3 years, medium term, 3–5 years and long term, more than 5 years.

3. Scope 1 covers emissions from sources that the organisation owns or controls, such as natural gas-fired boilers. Scope 2 refers to indirect emissions that are a consequence of the operations of the organisation but occur at sources owned or controlled by another organisation, most typically electricity, heat or steam.

4. Scope 3 refers to indirect emissions resulting from value chain activities.

Table 1: Top climate-related risks and opportunities in selected sectors (continued)

Sector	Financial risk/Opportunity	Example metrics	Time frame
Metals and mining	Emissions reduction regulation. Failure to comply with emissions reduction policy changes such as carbon pricing schemes could result in fines and increased carbon costs. Meanwhile, pressure to decarbonise energy-intensive operations can drive up capex.	Scope 1 & 2 GHG emissions	Short to medium term
	Demand for low-carbon technologies and products. Commodities that support low-carbon technologies could benefit from rising demand.	Commodity mix	Medium term
	Water usage. Water scarcity and inefficient use could challenge water-intensive operations, such as copper mines, in some regions. Water stress can lead to operational disruptions, permitting challenges and potential loss of social license.	Total water withdrawn % sourced from high-stress regions	Short to medium term
Construction & building products	Emissions reduction regulation. Failure to comply with emissions reduction regulations, such as carbon pricing schemes, could result in fines and increased carbon costs. Meanwhile, pressure to decarbonise energy intensive operations can drive up capex. Materiality varies by geography.	Scope 1 & 2 GHG emissions	Short to medium term
	Demand for low-carbon technologies and products. Growing policy support for energy-efficient and lower carbon products persists in many countries, driven by ambitious net-zero targets and energy security priorities. Innovative products can also command a price premium in some markets (e.g. green cement). Ability to navigate and adapt to policy discrepancies in different countries can help achieve growth.	% revenue from low-carbon products	Short to medium term
	Use of recycled/low-impact materials. Greater use of recycled or lower impact materials can enhance supply chain resiliency and mitigate cost pressures associated with carbon-intensive resources.	% of materials from recycled sources	Medium term
Food	Emissions reduction regulation. Failure to comply with emissions reduction policy changes, such as mandated reduction of agricultural emissions, could result in increased regulatory scrutiny.	Scope 1,2 & 3 GHG emissions	Short to long term
	Water usage. Water scarcity and inefficient use could challenge water-intensive operations.	Total water withdrawn % sourced from high-stress regions	Medium to long term
	Physical climate risks. Agriculture in some regions is increasingly vulnerable to extreme weather events (including wildfires, storms and heat waves), which impact crop production and price volatility.	% of operations (owned and supply chain) located in areas of climate stress	Short to long term
Financials	Stranded assets. Banks may face impairment of loans and other financial exposures to carbon-intensive assets that become uneconomic due to structural shifts, including policy changes, technological disruption, legal constraints or changes in consumer or social expectations.	Exposure to carbon-intensive assets	Medium to long term
	Demand for low-carbon investment products. Robust ESG integration in products and processes is expected by clients and regulators in some markets, and is faced with pushbacks in others. Ability to navigate and adapt to policy discrepancies in different countries can help minimise risks and achieve growth.	ESG-related fund flows	Short term
	Physical climate risks. Property insurers are exposed to extreme weather events (including wildfires, storms and heat waves) via their underwriting activities. Rising frequency and severity of hazards drive up claim payouts, which impact profitability, and make it harder to price risks and insure against them sustainably.	Probable maximum loss (PML) of insured products from natural catastrophes	Short to medium term

Climate scenario analysis

Scenario analysis is used at Capital Group to better understand portfolio exposures to the physical and transition risks of climate change. We use macroeconomic, physical science and financial models to evaluate climate and policy scenarios and their implications on companies. These scenarios could include:

1. **Orderly transition** to net zero by 2050 and below 2°C: Climate policies are deployed early and become gradually more stringent. Physical and transition risks are relatively subdued.
2. **Delayed transition**: Climate policies are delayed until the 2030s, requiring faster emissions reductions in later years at a higher cost, and with increased physical risks.
3. **Hothouse world scenario** (business as usual): Only currently implemented climate policies are preserved, and emissions continue to rise, with high physical risks and associated social and economic impacts.

Outputs from scenario analysis support our investment research where relevant. For example, forward-looking scenarios can help yield insights relating to the impact of increasingly severe climate events on the insurance market, and the future demand for alternative investment to support to a lower carbon energy system.

By design, scenario analysis is an examination of a range of potential broad outcomes. It doesn't account for day-to-day policy and technology developments, how companies adapt or secondary impacts such as insurance costs and commodity prices. Therefore, we use it as one of many inputs to assess the risks and opportunities from climate change on companies and portfolios.

Our carbon footprint reports are available for clients (as applicable). These include Climate Value-at-Risk (Climate VaR), a forward-looking, return-based valuation assessment measuring climate-related risks and opportunities in an investment portfolio. Based on MSCI modeling, this metric provides insights into how climate change could affect company valuations.

Issuer reporting

We encourage climate and other ESG-related disclosure where we believe the underlying issues are material to the long-term value of an investment. To that end, we believe it is helpful and appropriate for issuers to use widely adopted disclosure standards.⁵ Capital Group has long supported SASB standards and the TCFD, which have both been merged into the ISSB. For climate-related disclosures, we see alignment to the ISSB-issued global sustainability reporting IFRS S2 standard as appropriate. We nonetheless recognise there will be a transition period for issuers to align to the new standards.

Ultimately, these disclosures should increase transparency, consistency in reporting, and investor understanding of climate change and the induced risks and opportunities that companies face.

5. Standards such as the International Sustainability Standards Board's (ISSB) sustainability disclosure standards and TCFD.

Client trends

In 2025, Capital Group commissioned its annual ESG Global Study for the fifth year running. This comprehensive survey collects the views of more than 1,100 global investors and has become an important part of our engagement with clients on a broad range of ESG topics. The survey shows that ESG adoption varies across countries and regions partly due to local regulations.

Climate continues to be an important topic to survey participants. Six in 10 investors surveyed have strong conviction in the investment opportunities related to the energy transition. Energy efficiency and energy infrastructure are preferred over renewable power generation, possibly reflecting concerns over decreasing expected return and uncertain policy in renewables.

Investors are concerned about the environmental risks associated with development of artificial intelligence (AI). Nearly three-quarters of the respondents consider energy consumption or increased GHG emissions to be the most material ESG risk related to AI for their investments over the next 2 to 3 years, though more than half of them also see potential for AI to accelerate the innovation necessary for energy transition.

Policy outlook

Climate issues continue to receive regulatory focus around the globe. The extent and content of regulatory actions vary – in some cases substantially. Examples of climate disclosure regulation impacting Capital Group, clients and investee companies are outlined below.

California's Climate Corporate Data Accountability Act (SB 253), Greenhouse Gases: Climate-related Financial Risk Act (SB 261) and Voluntary Carbon Market Disclosures Act (AB 1305) require certain companies to provide carbon emissions reporting, enhanced disclosure of climate-related financial risks and disclosure of carbon offsets programs.⁶

Europe's Corporate Sustainability Due Diligence Directive (CSDDD) and Corporate Sustainability Reporting Directive (CSRD) require companies to manage environmental and human rights impacts in their operations and supply chains, and to disclose sustainability information as part of annual reporting. Both legislations were revised in 2025, which cut the number of companies in scope, reduced the extent of the requirements and simplified the approach to disclosures. In addition, the European Commission has proposed to amend the Sustainable Finance Disclosure Regulation (SFDR), a regulation that sets out how financial market participants have to disclose sustainability information. The proposed changes, aiming to deliver simpler and more usable information for investors and reducing disclosure requirement and compliance costs for financial actors, include a simplification of reporting requirements and re-categorisation of financial products with ESG features.

6. As of the date of this policy, SB 253 and SB 261 are under judicial review pending legal challenges; SB 253 continues to be enforceable at this time while SB 261 is subject to a temporary stay, pending appeal.

The UK's climate-related financial disclosures regime requires companies to report on climate-related risks and opportunities aligned with the TCFD recommendations. Asset managers are also required to report under the Sustainable Disclosures Regulation. The UK government is currently consulting on implementing ISSB standards (where climate disclosure will be covered under IFRS S2) and transition plan disclosure rules.

Hong Kong has published requirements for disclosures of sustainability-related financial information and climate-related disclosures that are aligned with ISSB standards (Hong Kong Financial Reporting Standard S1 and S2), and requires full adoption by large financial firms by 2028.

The Monetary Authority of **Singapore (MAS)** requires asset managers to integrate climate risk into governance, investment and risk processes under the Environmental Risk Management (ERM) Guidelines, with enhanced disclosure standards under consultation.

Australia has mandated ISSB-aligned climate disclosures, with the largest companies required to report from 2025 and others to follow in 2026 and 2027. The requirements cover Scope 1 and 2 emissions, with Scope 3 emission disclosures and assurance to be phased in. As part of the government's Sustainable Finance Roadmap, the Australian Treasury is currently developing a sustainable investment labelling regime to help investors make informed decisions about ESG investment products and prevent greenwashing.

As the regulatory landscape evolves around the globe, we have taken a considered and deliberate approach in our response in each market in which we operate. Our aim is to make decisions in the best interests of our clients and in compliance with local regulations.

Enhancing our product offering for our clients

We continued to expand the range of SFDR Article 8* funds through our Luxembourg fund umbrella.⁷ In 2025, eight additional funds were classified as Article 8, increasing the total to 21. We also offer three UK OEIC (open-ended investment company) funds.

The Capital Group Future Generations funds sit under our Luxembourg Article 8 range. Powered by our proprietary bottom-up research and eligibility process, this range of three funds offers a global, multi-thematic approach and provides exposure to sustainable investment themes including energy transition. Further details on this approach are available on our [website](#).

Our Luxembourg Article 8 funds and UK OEIC funds apply norms-based exclusions, some of which are based on environmental considerations. Some of these funds set targets for minimum reduction in carbon footprint – measured by weighted average carbon intensity (WACI) – relative to their respective indexes.

*Article 8 is a classification under Sustainable Finance Disclosure Regulation (SFDR): The regulation lays down harmonized rules for financial market participants on transparency with regard to the integration of sustainability risks and the provision of sustainability-related information for financial products. The SFDR classification is related to European Union's regulation and is not equivalent to approval or recognition as an ESG fund by regulators in Asia Pacific.

7. Capital Group's Luxembourg SICAV funds are offered to clients in Europe and Asia.

Corporate sustainability strategy

We continuously work to advance sustainable practices within our global operations. Our corporate sustainability strategy focuses on implementing practices designed to reduce operational emissions through renewable energy and energy-efficient site design and management. Please refer to the Metrics and targets section for our operational GHG emissions and energy use reporting, and to the Appendix for our voluntary carbon market disclosure.



We look at the management of climate-related risks through our fiduciary role as an asset manager that seeks superior long-term investment results for our clients. We also highlight our enterprise risk management process.

Fundamental research: Climate considerations that have the potential to affect investment results are incorporated into fundamental research, which informs our investment decisions.

Research & investment frameworks: Our equity and fixed income analysts, in partnership with our ESG team, have developed sector-specific, proprietary ESG investment frameworks. Spanning more than 25 corporate sectors and three securitised sectors, these frameworks help us identify and monitor material climate (and other ESG) considerations.

Monitoring process: Our monitoring process uses available third-party data to flag a subset of investment in certain asset classes (corporate equity and bond, sovereign and select municipal bonds) for further research and review.

Engagement & proxy voting: We engage with issuers on material ESG risks and opportunities, including those related to climate, and vote proxies solely in the financial interests of our clients. In 2025, we held more than 100 engagements with companies on climate-related issues. The investment in these companies collectively represented more than 50% of Capital Group's financed emissions.

Data and technology: We have made significant investments in data and technology to help ensure the Investment Group has access to a variety of data sources, including those related to climate.

Enterprise risk management: Capital Group's risk management process has three lines of defense to identify, monitor and manage risks. We also maintain risk and control registers for our European and Asian entities, through which physical and transitional elements of climate risk to Capital Group are documented and assessed. Capital Group has established a risk-appetite statement and a key risk indicator monitoring process where climate and sustainability risks are considered key risks and are monitored and reported to risk management at least annually.



Case studies

The following case study highlights some of our climate-related research and how it helps our investment professionals better understand risks and opportunities in our investments.

Case study: Carbon border adjustment mechanism (CBAM): A new era for EU trade and industry

The European Union (EU) has committed to cutting greenhouse gas emissions by 55% by 2030, underpinned by a comprehensive climate policy package. At the heart of this effort lies the EU Emissions Trading System (ETS). Historically, carbon prices have been low due to oversupply of free allowances and unclear long-term emissions reduction targets. However, ETS reforms introduced after 2019 and ambitious climate goals for 2040 have strengthened confidence in the system and pushed carbon prices higher – a trend expected to continue as free emissions allowances are reduced over coming years.

Against this backdrop, the carbon border adjustment mechanism (CBAM) represents a pivotal shift in EU trade and industrial policy. Designed to protect domestic industry as free ETS allowances are phased out, CBAM introduces a carbon levy on imports of emissions-intensive materials. Beginning in 2026, products such as iron and steel, aluminum, cement, fertilisers, electricity and hydrogen are subject to this scheme, with full implementation by 2034. The levy will align with the prevailing EU ETS price, offset by any carbon costs already paid in the exporting country. While the transition will be gradual, the financial implications for global supply chains could be significant.

Our research highlights three critical dimensions for investors:

- Industries and regions most exposed to CBAM – particularly exporters of high-carbon goods – face mounting pressure to decarbonise, absorb higher costs or raise prices to remain competitive. EU's heavy industry, meanwhile, must accelerate its own transition or contend with carbon costs from its own emissions. CBAM is likely to impact trade and may result in a drop in imports of high-emission goods into the EU.
- More granular company-level research is needed as risks and opportunities related to CBAM vary both by sector and company. For example, our discussions with cement and steel producers have revealed that, as carbon prices climb and free ETS allowances phase out, production and compliance costs could rise sharply for companies that are unable to adapt quickly or are less able to pass on their costs to customers.
- The regulatory environment remains fluid. Decisions at the EU level on sector coverage, exemptions, and timing of free allowance phase-outs will determine CBAM's ultimate effectiveness and cost burden.



Case studies

The following company case study example demonstrates how we monitor climate-related risks through company-level analysis and engagement.

Case study: Engie SA

Understanding updates to the company's climate and net-zero strategy

Engie is a French electric utility with multinational operations. Engie has set ambitious climate targets and made significant progress in transitioning power-generation capacity toward renewables. It is also investing in innovative solutions, such as renewable hydrogen, biomethane and battery storage technologies.

In March 2025, our ESG analyst met with the company and received an update:

- Renewables remain central to Engie's growth: Its renewable projects are both profitable and in high demand, enabling the company to decarbonise while continuing to grow earnings.
- There is a strategic push into battery storage: Engie is making a decisive move on storage solutions to balance the grid effectively and capitalise on negative electricity prices during periods of high renewable generation in European markets.
- The company has expanded its focus on resilience: The updated strategy incorporates climate adaptation and physical risk assessments at both the asset and portfolio levels.

Since Engie's annual general meeting in April 2025, the company has updated its decarbonisation goals, including a 90% reduction in emissions from 2017 levels by 2045, as well as interim targets and increasing renewable energy capacity to 95 gigawatts (GW) from 46.1 GW at the end of 2024.

Data and technology

In 2025, we continued to streamline climate data, which involved removing sources with duplicative data to ensure that investment professionals have access to the latest and most consistent data across metrics. We further integrated AI to enhance our ESG data capabilities, including more efficient data retrieval, greater customisation and AI-driven insights.

We continue to enhance data underpinning our sector-specific ESG investment frameworks. For example, our energy sector framework identifies a growing focus on methane abatement, and we have been searching for best-in-class datasets on this topic. We have selected annual routine oilfield flaring volumes reported by companies that have endorsed the World Bank's Zero Routine Flaring by 2030 Initiative, and have sourced normalised metrics such as gas-flaring intensity from Bloomberg, which enhance comparability.

In 2025, we strengthened oversight of third-party climate data by formalizing change-control protocols with MSCI. This included establishing regular briefings with MSCI's research team on changes in critical climate datasets, implementing early-warning alerts to provide at least 90 days' notice of material methodology or data-schema changes, and defining clear escalation paths to support timely assessment and adoption of updates. Where changes could affect climate change metrics or Business Involvement Screening Research (BISR) datasets, we conduct impact assessments to ensure continued accuracy, comparability and consistency.

Physical climate risk and operations

In addition to assessing risks and opportunities for our investee companies, Capital Group manages risk to its own physical operations. Teams including business continuity, workplace experience and information security work together to identify, assess and manage potential risks to our offices, people and critical systems. These teams regularly review, test and update response and recovery plans for risks such as extreme weather and natural disasters.

Like most global organisations, the increasing frequency and severity of extreme weather events present potential risks to our operations, although the nature and magnitude of these risks vary by location. For example, some offices in Europe and coastal US cities may face increased flood risks, while extreme heat could pose challenges in parts of Asia and North America. Moreover, extreme weather events could damage properties, cause power outages, disrupt transportation and affect our associates.

In 2025, severe wildfires affected the Los Angeles region, where our headquarters are located. While our offices were not directly impacted, properties and infrastructure in neighborhoods where some of our associates live were damaged or destroyed. In response, we activated business continuity, response and recovery plans. As a result, our operations, including client services, carried on business as usual during and after the wildfires. We also worked closely with impacted associates to assist them with access to short- and medium-term accommodation, insurance guidance and emergency funds. Finally, as a long-standing member of the Los Angeles community, Capital Group supported the broader response and recovery. We contributed to more than 100 nonprofit organisations with increased needs because of the wildfires and we remain committed to supporting the long-term and ongoing recovery in the local community.



This section covers how we disclose climate-related metrics associated with our investment portfolios. Additionally, it includes detailed reporting on our corporate GHG emissions and energy metrics for FY 2025 aligned with global reporting standards.

Investment management climate-related metrics

We monitor climate metrics at the issuer level and at fund or account levels, and we produce quarterly carbon footprint reports for financial professionals and institutional clients upon request.

Climate metrics applied to our global holdings

In 2025, we looked at the emissions performance of our global holdings by applying weighted average carbon intensity (WACI) to our total investments in listed equity and publicly traded corporate debt.

We have chosen to apply WACI as it provides a measure of a portfolio's exposure to carbon-intensive companies and is applicable across asset classes. With the exception of certain SFDR Article 8 funds, our funds are not managed to a carbon-emissions target, and we do not have a firm-wide carbon-emissions target with respect to our portfolio holdings.

WACI is an intensity metric and, as such, does not solely measure carbon emissions but is also impacted by the changes in revenue of companies.⁸ Movements year-on-year are therefore a product of changes in carbon emissions and revenues of companies. Refer to Figure 2 for further detail on the methodology.

Figure 2: WACI methodology

Weighted average carbon intensity is measured using the following equation provided by TCFD in the 2021 implementation report.⁹

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i} \right)$$

8. Generally, a lower weighted average carbon intensity indicates a lower level of GHG emissions for a given portfolio.

9. The Scope 1 and 2 emissions revenue intensity for each investment is adjusted for its relative weight in the portfolio. Individual weighted carbon intensities are then added to find the weighted average carbon intensity of the portfolio.

Annual WACI for the period ending on 31 December 2025, is shown in Table 2. WACI increased in our listed equity holdings and decreased in our public corporate debt holdings between 2024 and 2025.¹⁰ For listed equity, these values are below index level while corporate debt is above the index.

The MSCI All Country World Index (ACWI) and the Bloomberg Global Aggregate Corporate Index both provide a relative proxy for global exposure to each asset class and are used as benchmarks for some, but not all, of our funds. Other similar indexes may be associated with lower WACI.¹¹

Table 2: Weighted average carbon intensity (WACI) as at 31 December 2025

Weighted average carbon intensity (WACI) (Metric tonnes of CO ₂ per million USD revenue, Scopes 1 and 2)				
Portfolio	2024	2025	Data coverage (%) ¹² 2024	Data coverage (%) 2025
Capital Group total listed equity ¹³	97	106	99.39%	99.20%
Equity index: MSCI ACWI	114	111	99.84%	99.78%
Capital Group total public corporate debt	230	202	91.72%	90.81%
Corporate debt index: Bloomberg Global Aggregate Corporate Index	192	201	97.29%	95.90%

Equity investments in 2025 show greater levels of holdings in some low-emitting sectors, such as health care and consumer discretionary, when compared to the MSCI ACWI. Conversely, corporate debt is invested in some higher emitting sectors than the Bloomberg Global Aggregate Corporate Index benchmark, including energy and materials.

Carbon intensity is also an output of the individual companies in which we invest. Our bottom-up investment process means we are well placed to assess not only current emissions, but also the trajectory for emissions and the contribution of individual products and services. We continue to engage with the companies that are most exposed to the energy transition to better understand their resilience.

We do not include sovereign emissions or issuer Scope 3 emissions in our entity carbon calculations, although we do make these available at the portfolio level on demand for clients.

We acknowledge the importance of forward-looking metrics in understanding climate-related risks and opportunities. We include Climate VaR metrics in on-demand client reporting. Further details can be found on page 8 of this report.

10. WACI calculation was built on the Scope 1 and 2 emissions of the companies in which we invest. We rely on carbon emissions data from MSCI to estimate the carbon emissions and revenue of issuers. Such data may include estimates based on the third-party data provider's own methodologies for certain issuers where there are no reported, reliable carbon-emissions data. If there are no MSCI data for an issuer (reported or estimated), then we exclude such issuer from our WACI calculations.

11. A note on data quality: The figures provided represent our best estimates. Emissions accounting and reporting by companies are still largely voluntary and unregulated. As such, there are significant data gaps. Companies report emissions at irregular intervals and with long lag times. To provide a complete data set we may use data from the latest reporting year available for each company and there may be differences in the reporting year amongst companies. In cases where no data are available for specific metrics, MSCI may use modeled estimates based on industry averages or historical trends. Emissions data are subject to large margins of error and companies frequently revise reporting.

12. Data coverage shows the total portfolio weight of investments for which we have been able to match carbon information.

13. Capital Group listed equity refers to equity holdings that are publicly traded on a stock exchange.

Corporate sustainability metrics and targets

This section provides detailed information on the GHG emissions that arise from Capital Group's corporate operations in addition to data on energy consumption and intensity in reference to relevant GRI Standards. Please refer to the Appendix for information on our approach to measuring our emissions and computation methodology. These metrics are reported for FY 2025 (1 July 2024, to 30 June 2025).

Reducing operational emissions

Our operational emissions comprise Scope 1 and 2 emissions, mostly from energy use at our sites globally.¹⁴

Compared to 2019, we reduced operational emissions (location-based) by 33%, driven primarily by improved energy efficiency and increased onsite solar. Our Scope 2 (location-based and market-based)¹⁵ emissions were lower in FY 2025. Our Scope 2 (location-based) emissions decreased through design and implementation of operational efficiencies and additional onsite solar generation in 2025. Our Carmel, Indiana site saw its first few months of onsite solar generation. In addition, two more sites, Toronto and Luxembourg, achieved LEED Gold certification. In September 2025, our Zurich office became the first LEED Platinum-certified Capital Group office, bringing the total number of LEED-certified sites globally to eight. We reduced our Scope 2 (market-based) emissions in FY 2025 through a combination of opting for renewable energy options and purchasing renewable energy certificates (RECs) or their equivalents in the same markets where the electricity was consumed. We opted into green tariffs at some of our European sites, supporting the demand for renewables. We will continue to explore similar options for other locations.

Looking forward, Capital Group is in the process of defining our next phase of corporate sustainability goals.

14. Historically, we included Scope 3 emissions related to business travel as part of operational emissions. From this year onward, we only include Scope 1 and Scope 2 (mostly from energy use at our sites globally) as operational emissions, and report business travel emissions with other categories of Scope 3 emissions (See Table 4 below).

15. Scope 2 emissions are calculated in two ways: location-based (emissions from electricity consumed at the location) and market-based (incorporating procurement of electricity from specific sources, such as renewable sources).

GHG emissions metrics

We have broken out our GHG emissions reporting into two components. The first table provides data related to our operational emissions, which we define as Scope 1 and Scope 2. The second table covers Scope 3 emissions, some of which are estimated. These emissions are related to business travel and the procurement and transportation of goods, services and equipment. The baseline year remains 1 January 2019, to 31 December 2019, but all 2025 data is for FY 2025 (1 July 2024, to 30 June 2025). The FY 2025 Scope 1 and Scope 2 data has received limited assurance from a third-party assurance provider. See Appendix for the full assurance statement. No other values in this section or anywhere else in this report were subject to external assurance.

Approach to reported values

Figures in the tables have been rounded to the nearest whole number. The percentage figures may not total 100 due to rounding. The GRI codes (GRI 305-1-5, 302-1;3;4) reference metrics included in the GRI Standards. The headlines for Tables 3-8 indicate the relevant disclosures for each associated metric.

Table 3: GHG emissions related to business operations (GRI 305-1, 305-2, 305-3 and 305-5)

Metric tonnes of CO ₂ equivalent (MTCO ₂ e)	2019	2025	% Change from 2019
Scope 1	1,004	1,356*	35%
Scope 2 (location-based)	18,123	11,533*	-36%
Scope 2 (market-based)	18,123	0*	-100%
Total (location-based)	19,127	12,889	-33%
Total (market-based)	19,127	1,356	-93%

*These values independently assured by ERM CVS. No other values in this report were subject to external assurance.

Table 4: Scope 3 emissions by category (non-business-travel values estimated)

MTCO ₂ e	2025
Scope 3 purchased goods & services	177,265
Scope 3 business travel	21,446
Scope 3 capital goods	3,519
Scope 3 upstream transportation & distribution	866
Scope 3 upstream leased assets	739

Energy

Capital Group consumed 46,011 megawatt hours (MWh) of energy in FY 2025, inclusive of electricity, natural gas and diesel, and owned vehicles. This is a 20% reduction in energy use by our global operations in FY 2025 relative to the baseline year. Most of the energy consumption by our global operations was related to electricity, as shown below. Table 6 includes information on our progress, incorporating renewable electricity into our operations, including onsite solar generation from our offices in Irvine, California, San Antonio, Texas and Carmel, Indiana.

Table 5: Energy consumption (GRI 302-1 and GRI 302-4)

% of energy consumption	2019	2025
Electricity	91%	91%
Purchased electricity*	89%	76%
Onsite solar consumption	2%	14%
Natural gas and diesel	9%	9%
Owned vehicles (road and non-road)	N/A [†]	<1%
Total energy consumed (MWh)	57,558	46,011

*This includes purchased cooling, which is <1% of the total. The percentage figures may not total 100 due to rounding.

[†]The "owned vehicles (road and non-road)" category refers to energy consumed by both road and non-road vehicles. This was not tracked or reported in baseline year.

Table 6: Renewable electricity (GRI 302-1)

MWh	2019	2025
Onsite solar - electricity generated	1,578	8,096
Onsite solar - electricity consumed	1,235	6,669
Onsite solar - electricity returned to the grid	343	1,427
Purchased RECs (or equivalent)	0	35,160
Renewable electricity from the grid	9,963	7,195

Intensity metrics

The following intensity metrics are calculated using location-based values and therefore do not incorporate our purchase of RECs. The square footage reflects occupied square footage for all sites that were occupied in the reporting year, excluding co-working spaces that are outside of our operational control boundary. "Associate" reflects average headcount over the course of the fiscal year that ended 30 June 2025.

Table 7: GHG emissions intensity (GRI 305-4)

	2019	2025	Unit
Facilities GHG emissions per square foot (Scopes 1 & 2)	0.007	0.004	MTCO ₂ e/sq. ft.
GHG emissions per associate (Scopes 1 & 2)	2.33	1.37	MTCO ₂ e/associate

Table 8: Energy intensity (GRI 302-3)

	2019	2025	Unit
Facilities energy intensity per square foot	0.020	0.016	MWh/sq. ft.

Appendix

Capital Group voluntary carbon market disclosure

This disclosure is provided by Capital Group in accordance with California AB 1305. The activities of Capital Group that are in scope of California AB 1305 relate solely to our corporate operations and not to our investment advisory or management services. This disclosure was made in June 2026.

Overview

Capital Group annually reports its corporate GHG emissions and strategies employed to achieve its emissions reduction goals associated with its operational carbon footprint. Detailed information about our GHG emissions and methodology can be found on pages 19-22 and 24-28 of this report.

Emissions reduction goals

Capital Group is in the process of defining our next phase of sustainability goals.

Reporting corporate greenhouse gas emissions

Capital Group measures and reports its GHG emissions in alignment with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (GHG Protocol). Capital Group maintains internal controls and methodology documentation to support accurate disclosures regarding our GHG emissions and progress toward our goals. Our methodology is summarised in the Appendix on pages 24-28 of this report. We continue to evaluate and work to advance our corporate sustainability strategy. We have obtained independent third-party verification of reported GHG Scope 1 and Scope 2 emissions data for FY 2025.

Voluntary carbon offsets

The following table provides details on the projects associated with voluntary carbon offsets purchased by Capital Group in FY 2025 (1 July 2024, to 30 June 2025).

Voluntary carbon offsets purchased in FY 2025

Project name	Tradewater US - ODS* #4, #8 and #10	Kuamut Rainforest Conservation Project
Name of business selling offset	Carbon Financial Services, LLC	Carbon Financial Services, LLC Rubicon Carbon Services, LLC
Registry name	American Carbon Registry	Verra
Project ID number	936, 1107 and 1124	2609
Offset project type and site location	Avoidance; USA	Removal; Malaysia
Protocol to estimate emissions reductions	The Destruction of Ozone Depleting Substances and High-GWP Foam, v2.0, February 2023	VM0010 Methodology for Improved Forest Management: Conversion from Logged to Protected Forest Version 1.3

*Ozone depleting substances

The carbon offsets Capital Group purchased were retired (i.e., removed from the carbon market) on our behalf in the year they were purchased. Capital Group does not sell carbon offsets. No voluntary carbon offsets were used to make claims of emissions reductions for FY 2025.

Capital Group's FY 2025 Scope 1 and Scope 2 GHG emissions report

Capital Group's FY 2025 Scope 1 and Scope 2 GHG emissions report reflects total calculated greenhouse gas (GHG) emissions produced across all of Capital Group's facilities and owned vehicles related to our corporate operations.

This disclosure and associated limited assurance report are intended to align with the expectations under CA SB 253 (California Corporate Data Accountability Act).

Emissions related to business operations

Total Scope 1 and Scope 2 emissions

Metric tonnes of CO ₂ equivalent (MTCO ₂ e)	2025
Scope 1	1,356*
Scope 2 (location-based)	11,533*
Scope 2 (market-based)	0*

* These values independently assured by ERM CVS.

Standards used

The Capital Group Companies, Inc. and its affiliates' (collectively, "Capital Group") corporate GHG emissions metrics are reported in accordance with the expectations of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (GHG Protocol).

Inventory boundary

Capital Group applies an operational control boundary for purposes of GHG emissions reporting. GHG emissions reporting is for Capital Group Scope 1 and Scope 2 emissions, including all owned and leased facilities that were active during the reporting period and where Capital Group has operational control.

Reporting period

This data is being reported for FY 2025 (1 July 2024, to 30 June 2025). This is the first year it is being reported on a fiscal year basis. Capital Group previously collected and reported this data on a calendar year basis. The last public disclosure was calendar year 2024 (1 January 2024, to 31 December 2024). There is an overlap of data for 1 July 2024, to 31 December 2024, to avoid any disclosure gap as we transition.

Base year

Capital Group has chosen 2019 as the baseline year against which we measure our progress toward our reduction goals. It was the last full year before the COVID-19 pandemic.

GHG emissions methodology

This report includes Capital Group's measurement of Scope 1 and Scope 2 emissions. GHGs included in the GHG report include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) emissions from electricity and fuel consumption, and hydrofluorocarbon (HFC) and hydrochlorofluorocarbon (HCFC) emissions from refrigerants.

Global warming potentials (GWPs)

Capital Group is using the GWPs available in the Salesforce Net Zero Cloud (NZC) platform for this year. These are for a 100-year time horizon and mostly come from IPCC AR5 (2014).¹⁶ Certain data sources (e.g., US Environmental Protection Agency) still use IPCC AR4 2007 values, and those are also documented here for reference. The International Energy Agency has adopted the AR6 values, so those have been incorporated for non-US and non-UK electricity only.

Greenhouse gas	Symbol/Blend	GWP (AR4)	GWP (AR5)	GWP (AR6)
Carbon dioxide	CO ₂	1	1	1
Methane	CH ₄	25	28	27
Nitrous oxide	N ₂ O	298	265	273
HCFC-22	CHClF ₂	Not used	1,760	Not used
HFC-134a		Not used	1,300	Not used
R404A	R-125/R-143a/R-134a	Not used	3,942.80	Not used
R407C	R-32/R-125/R-134a	Not used	1,624.21	Not used
R410A	R-32/R-125	Not used	1,923.50	Not used

Enabling technology

Capital Group leverages Salesforce NZC to prepare Capital Group's GHG reporting.

Scope 1

Scope 1 emissions include direct emissions arising from stationary combustion of natural gas and diesel fuel, refrigerant losses, and fuels for mobile sources that include gasoline and liquid petroleum gas/propane (LPG). Usage data from utility bills or landlord bills are the primary source of data for natural gas. Emissions from diesel and refrigerant losses are calculated based on primary data from use logs and invoices. Fuel purchase receipts and quarterly estimations are used for mobile sources. Onsite solar is tracked through smart meters and utility bills to understand total generation, total Capital Group consumption and what is returned to the electricity grid. This falls under Scope 1 as it is onsite generation with zero GHG emissions.

Scope 2

Scope 2 emissions include indirect emissions arising from purchased electricity and purchased cooling. Purchased electricity and cooling activity data are sourced from utility bills or information provided by landlords in leased facilities. Where data are not available, estimates based on square footage are applied.

In accordance with the GHG Protocol, Capital Group calculates Scope 2 emissions from purchased electricity using both location-based and market-based methods. The location-based method reflects emissions calculated using average emissions factors for the electricity grids at each of Capital Group's sites. The market-based method incorporates contractual instruments in which the organisation, or the landlord on behalf of the organisation, procures electricity from specific suppliers or sources, such as the purchase of Renewable Energy Certificates (RECs). Note that, in the UK and Japan, this includes the landlord's purchase of 100% renewables on behalf of all its tenants¹⁷ and, in Europe, it includes the enrollment in green tariffs, which add the equivalent amount of clean energy used by our facilities to the local grid that supplies our electricity.

Exclusions

An apartment in Geneva was used intermittently, returned during the reporting period and excluded as de minimis.

16. IPCC refers to the United Nations Intergovernmental Panel on Climate Change. IPCC AR5 refers to IPCC's fifth assessment report. AR4 and AR6 in following sentences refer to the fourth assessment report and sixth assessment report respectively.

17. Capital Group proactively chose to lease its new space in London because of the landlord's commitment to sustainability. There were similar considerations in Japan. Per RE100 guidelines, tenants can claim the market-based reduction when the landlord passes the right to claim the use of the credits retired on behalf of the tenant, given the company cannot directly procure the electricity.

Independent Limited Assurance Report

ERM Certification & Verification Services Incorporated (ERM CVS") was engaged by The Capital Group Companies, Inc. ("The Capital Group") to provide limited assurance in relation to the Selected Information set out below and presented in The Capital Group's Task Force on Climate-related Financial Disclosures (TCFD) report (the "Report").

ENGAGEMENT SUMMARY

Scope of our assurance engagement	Whether the following Selected Information for FY2025, is fairly presented in the Report, in all material respects, in accordance with the reporting criteria. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.
Selected Information	• Total Scope 1 Emissions [metric tonnes CO2e] • Total Scope 2 Emissions (location-based) [metric tonnes CO2e] • Total Scope 2 Emissions (market-based) [metric tonnes CO2e]
Reporting period	1 July 2024 to 30 June 2025 (FY2025)
Reporting criteria	• The Capital Group's Basis of Reporting • The GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) for Scope 1 and Scope 2 GHG emissions • GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard (WRI 2015) for Scope 2 GHG
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information.' The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	The Capital Group is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Selected Information. ERM CVS' responsibility is to provide a conclusion to The Capital Group on the agreed assurance scope based on our engagement terms with The Capital Group, the assurance activities performed and exercising our professional judgement.

OUR CONCLUSION

Based on our activities, as described on the next page, nothing has come to our attention to indicate that the Selected Information for FY2025 is not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

OUR ASSURANCE ACTIVITIES

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the Selected Information;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the Selected Information;
- Obtaining an understanding of the procedures performed by the internal audit department;
- Reviewing of a sample of qualitative and quantitative evidence supporting the Selected Information at a corporate level;
- Performing an analytical review of the year-end data submitted by all locations included in the consolidated FY2025 group data for the Selected Information which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Evaluating the conversion factors, emission factors and assumptions used;
- Reviewing the presentation of information relevant to the assurance scope in the Report to ensure consistency with our findings.



3 April 2026
Malvern, PA

ERM Certification & Verification Services Incorporated
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THE LIMITATIONS OF OUR ENGAGEMENT

The reliability of the Selected Information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

OUR INDEPENDENCE, INTEGRITY AND QUALITY CONTROL

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to The Capital Group in any respect.

Additional methodology information for Scope 3 emissions reporting

Table 4 in Metrics and targets section (not subject to assurance)

Scope 3

Capital Group's GHG emissions reporting includes relevant categories of upstream Scope 3 emissions. Approaches used to calculate each category of Scope 3 emissions are discussed below.

Business travel

Business-travel-related emissions include business air travel, hotel stays, rental cars, personal mile reimbursements, rail and other ground transportation. Emissions are calculated based on booked reservations for air and hotel. Air travel emissions account for cabin class and haul length. Emissions data for charter flights are provided directly by our vendor who uses the International Civil Aviation Organisation's Carbon Offsetting and Reduction Scheme for International Aviation (ICAO CORSIA) direct emissions factor. We began receiving reliable data starting in January 2025. These emissions are entered directly into NZC rather than having a calculation performed. The majority of rental car emissions are supplied by the vendors.

Emissions related to personal vehicle miles, rail, taxi, small amount of rental car and other ground transportation apply appropriate emission factors to spend data for each category. Air travel and hotel emissions are calculated using UK Department for Environment, Food & Rural Affairs (DEFRA)/Department for Business, Energy & Industrial Strategy (BEIS) 2022 emissions factors. Rail and other ground transportation emissions are calculated using US Environmental Protection Agency (EPA) 2024 factors. Personal vehicle miles use EPA 2024 emissions factors for North America, DEFRA 2024 for Europe and the Middle East, and DEFRA/BEIS 2018 factors for the Asia-Pacific region.

Other Scope 3 emissions categories

Capital Group is providing estimates of Scope 3 categories: purchased goods and services, capital goods, upstream transportation and distribution, and upstream leased assets. These categories reflect emissions associated with the procurement of goods, services and equipment by Capital Group for use in business operations. Purchased goods and services comprise most of the transactions for services such as consulting and consumable goods. Indirect business-travel-related spend, such as expensed meals and travel booking fees, are reported under purchased goods and services. Capital goods include the purchase of furniture and major IT equipment. Transportation and distribution include shipping and employee relocation. Upstream leased assets include equipment rental. These categories of emissions are estimated using the US EEIO Supply Chain GHG Emission Factors for US Commodities and Industries v1.3 by NAICS-6 2024 and Capital Group's annual procurement spend data. Direct emissions data from vendors were included where made available.

This report includes metrics that are subject to uncertainties resulting from limitations inherent to available data and methodologies. The application of different but acceptable methodological choices can result in different measurements.

Capital Group reserves the right to update its data and methodologies in future reports.

Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organisation; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups. The three equity investment groups and fixed income investment group conduct engagement activities independently as well.

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This report is applicable to Capital International Limited ("CIL") for the period 1 January 2025 to 31 December 2025 (with the exception of carbon emissions as they relate to operations which are presented for Fiscal Year 1 July 2024 - 30 June 2025). CIL is incorporated and regulated in the United Kingdom and is an indirect, wholly-owned subsidiary of The Capital Group Companies, Inc. Capital Group's approach and assessment to climate-related activities is applied consistently across our business, including to CIL. Climate-related assessment for the business is taken at an overarching group level, while climate-related assessment for investment purposes is bottom-up and not aligned to specific corporate entities. The report is therefore relied upon by CIL pursuant to chapter 2.2.5 of the Environmental, Social and Governance Sourcebook that forms part of the FCA Handbook ("ESG"). This report complies with the requirements set out in chapter 2.2 of ESG. Signed by Hamish Forsyth, CEO of CIL.

This report is applicable to Capital Research Company (UK Branch) ("CRC UK") for the period 1 January 2025 to 31 December 2025 (with the exception of carbon emissions as they relate to operations which are presented for Fiscal Year 1 July 2024 - 30 June 2025). CRC UK is a UK branch of a US company, which is an indirectly wholly-owned subsidiary of The Capital Group Companies, Inc. CRC UK is regulated by the UK Financial Conduct Authority. Capital Group's approach and assessment to climate-related activities is applied consistently across our business, including to CRC UK. Climate-related assessment for the business is taken at an overarching group level, while climate-related assessment for investment purposes is bottom-up and not aligned to specific corporate entities. The report is therefore relied upon by CRC UK pursuant to chapter 2.2.5 of the Environmental, Social and Governance Sourcebook that forms part of the FCA Handbook ("ESG"). This report complies with the requirements set out in chapter 2.2 of ESG. Signed by Hamish Forsyth, Chair of the CRC UK Governance Committee.

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