

**Vanguard Investments UK, Limited
Sustainability Disclosure Requirements
Entity-level Report 2025**

1 January 2025 to 31 December 2025

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About Vanguard

Vanguard was founded in 1975 on the basis of a simple but revolutionary idea: An investment company should manage its funds in the best interests of its clients. What sets Vanguard apart in the industry is our unique mutual ownership structure. Vanguard is owned by our US-domiciled funds, which in turn are owned by their investors. This structure is reflected in our core purpose: **To take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.**

Today, we are one of the world's leading asset management companies, offering investment products, advice and retirement services to individuals, financial professionals and institutions.

A focus on the individual investor

Vanguard serves more than 50 million individual investors around the world who have chosen to entrust us with their hard-earned savings to invest for important goals, such as education, the purchase of a home or retirement. We serve these investors directly, through workplace plans and financial intermediaries.

The Vanguard funds are managed in the best interests of the funds' shareholders and are used as tools to help our clients meet their financial objectives. Each portfolio strives to meet a specific investment objective, follow well-defined strategies and adhere to clear policies.

Introduction

This *Sustainability Disclosure Requirements Entity-level Report* (the report) sets out the entity-level sustainability disclosures of Vanguard Investments UK, Limited (VIUK), an Financial Conduct Authority (FCA)-authorised entity, for the reporting period from 1 January 2025 to 31 December 2025 (the reporting period).

The disclosures in this report cover VIUK's approach to managing sustainability-related risks and opportunities in relation to the products that VIUK manages. Sustainability-related risks encompass risks related to environmental, social and governance considerations. This report has been prepared in response to the FCA's Policy Statement 23/16 on Sustainability Disclosure Requirements (SDR) and the requirements of Chapter 5 of the FCA's *Environmental, Social and Governance (ESG) Handbook* (ESG sourcebook). Under these requirements, VIUK is required to report on sustainability-related risks that have been prioritised. This report sets out VIUK's approach and explains the risks prioritised in the 2025 SDR entity-level disclosure section.

As VIUK manages products that use one or more of the terms outlined within Chapter 4 of the ESG sourcebook at ESG 4.3.2R(2) (ESG funds), it is required to make certain product-level sustainability reports.

VIUK also produces entity-level and product-level Task Force on Climate-related Financial Disclosures (TCFD) disclosures for our in-scope business. Further detail is available in *Vanguard's Report on Climate-related Impacts 2025* (TCFD report).

The publication date of this report has been aligned with that of the TCFD report.

Relevant acronyms are listed in the 'Definitions' section at the end of this report.

Sustainability-related risk

VIUK's approach to identifying, assessing and managing sustainability-related risk

VIUK considers sustainability-related risk in relation to our investment management processes and within our funds' portfolio companies. In 2025, Vanguard enhanced our approach to identifying, assessing and managing sustainability-related risk (including climate-related risk) across our European funds, as set out in our European Investment Sustainability Risk Policy ([SRP](#)). The SRP explains how material sustainability-related risk considerations are integrated into business processes, including investment management, oversight of external managers and investment stewardship.

Strategy, business and financial planning

VIUK's businesses and strategy are underpinned by the Enterprise Risk Management Framework (ERMF), which provides a structured approach to identifying, assessing, managing and monitoring risks that could affect the delivery of business objectives. Oversight of this framework sits with VIUK's Board and is supported by established governance arrangements and VIUK's Risk Appetite Framework.

Sustainability-related risk is considered within this risk framework, and VIUK recognises that this kind of risk can stem from multiple risk categories, including strategic, regulatory, operational and reputational risks. Climate-related risks are also considered through Vanguard's business stress-testing programme, which assesses the potential short-, medium- and long-term impacts of physical climate risks using scenarios aligned with the Network for Greening the Financial System (NGFS). The outcome of this analysis can be found in the 'Vanguard UK stress and scenario testing' section of the TCFD report.

We recognise that climate risk metrics are evolving as standards and methodologies continue to be developed and refined. Climate risk metrics are also an area of increased scrutiny as new regulations require companies to disclose new datasets for which assurance standards have been developed. In the section 'Data and metrics limitations' within the UK supplement of our TCFD

report, we discuss some of the key challenges and limitations that we have encountered when preparing this report and the TCFD report. To avoid duplication across reports, please read the TCFD report for further detail.

Investment management process

Whilst sustainability-related risk factors are considered across all European products, the management of these risks differs depending on investment objectives. Consequently, unless specifically stated or referenced within a particular fund's investment objective or policy, sustainability-related risks (whether material or otherwise) are not a determinant part of security selection or ongoing investment management.

Nevertheless, sustainability-related risk is systematically considered as a component of our overall investment risk management process using a common framework, which includes:

- Identification of relevant sustainability-related risks that are pertinent for each fund and investment objective,
- Quantification and measure of these risks with data from internal and third-party sources and
- Monitoring of established metrics against benchmarks on an ongoing basis.

Our Investment Management and Finance Risk (IMFR) team, along with technology and data partners, has automated the collection of climate and other sustainability-related data into a bespoke risk dashboard. Using exceptions analysis, IMFR conducts monthly identification, assessment and monitoring of various sustainability-related risk metrics (including climate risk)¹ and principal adverse impact (PAI)² metrics against set tolerances for each European fund and

their benchmarks. Climate VaR is used for scenario analysis and assesses funds against NGFS-defined scenarios.³ This analysis is presented monthly to the Investment Management Group and reported quarterly to the European Boards (including VIUK) and senior management via the European Risk and Compliance Council (ERCC).

Oversight of the consideration of sustainability-related risk is tailored to investment objectives. It is embedded as part of our regular evaluation of internal and external managers. This approach ensures compliance with EU and UK regulatory requirements and supports robust, ongoing risk governance and disclosure.

Investment Stewardship

In 2025, Vanguard's global Investment Stewardship programme had a clear mandate to safeguard and promote long-term shareholder returns on behalf of the Vanguard-advised funds and their investors.⁴

The programme was grounded in four pillars of good corporate governance: (1) board composition and effectiveness, (2) board oversight of strategy and risk, (3) executive pay and (4) shareholder rights. It also had an unwavering focus on promoting long-term shareholder returns for the Vanguard-advised funds and their shareholders. On behalf of the Vanguard-advised funds, the Investment Stewardship team administered proxy voting, conducted engagements with portfolio companies and promoted corporate governance practices associated with long-term shareholder returns. In alignment with the SRP, Investment Stewardship had processes in place to monitor material risks, including sustainability-related risks, that could impact long-term shareholder returns.

¹ The climate risk metrics are Scopes 1, 2 and 3 greenhouse gas (GHG) emissions, total carbon emissions, implied temperature rise, Climate Value-at-Risk (Climate VaR), total carbon footprint and weighted-average carbon intensity.

² PAIs are metrics used to identify and measure the most significant negative impacts that investment decisions may have on environmental, social and governance factors.

³ Climate VaR is a forward-looking metric that quantifies the potential monetary losses or gains (in percentages) to a portfolio from climate change impacts, integrating both physical risks and transition risks/opportunities (primarily policy and technology opportunities). Climate VaR supports the ability to stress test portfolios and understand strategic resilience in different climate transition scenarios.

⁴ Vanguard's Investment Stewardship programme was responsible for administering proxy voting and engagement activities pursuant to the Vanguard-advised funds proxy voting policy (the policy) for the quantitative equity and index equity portfolios advised by Vanguard (together, 'the Vanguard-advised funds') during the reporting period. This section of this report describes the proxy voting and engagement activities conducted by Vanguard's Investment Stewardship programme during the reporting period pursuant to the policy; it does not include proxy voting and engagement activity conducted subsequent to the reporting period when Vanguard's investment stewardship activity was reorganised into Vanguard Capital Management Investment Stewardship (VCMIS) and Vanguard Portfolio Management Investment Stewardship (VPMIS). It also does not describe proxy voting and engagement activities conducted by third-party investment advisors that manage certain Vanguard funds. Throughout this report, 'the funds' refers to Vanguard-advised fund shares voted pursuant to the policy. For the avoidance of doubt, subsequent to the reporting period, VCMIS and VPMIS do not seek to dictate portfolio company strategy or operations.

In 2025, Vanguard Investment Stewardship sought to understand how portfolio company boards, which are elected to serve on behalf of all shareholders, effectively carried out their responsibilities. The team examined how boards were composed to provide for their companies' long-term success, how they provided effective oversight of strategy and material risks, how they aligned executives' incentives with long-term shareholder returns and how they safeguarded shareholder rights.

With respect to companies held by the funds, Investment Stewardship did not seek to dictate portfolio company strategy or operations. The team believed that a well-composed board that oversees a properly incentivised management team is best positioned to determine the strategies that drive long-term shareholder returns at a given portfolio company. Similarly, Vanguard did not use investment stewardship activities to pursue public policy objectives. The programme believed that setting public policy, including policy on environmental and social matters, was the responsibility of elected officials.

Through our stewardship activities, Vanguard encourages effective risk management and transparency at the companies in which we invest, including the disclosure of sustainability-related risk if material. The Investment Stewardship team monitored and promoted disclosures aligned with applicable regulations without seeking to influence portfolio companies' strategy or management decisions, and with the expectation that portfolio companies comply with the regulatory requirements of their respective jurisdictions.

2025 SDR entity-level disclosure

Under the SDR entity-level reporting rules set out in Chapter 5 of the ESG sourcebook, VIUK is required to report on prioritised sustainability-related risks.

Process to identify sustainability-related risks relevant to SDR reporting

VIUK applied a structured approach to determining the sustainability-related risks that were to be prioritised for reporting. A short list was identified by referencing established sustainability reporting frameworks (including the Sustainability Accounting Standards Board (SASB) and European Sustainability Reporting Standards (ESRS)) and evolving regulatory disclosure expectations beyond climate risk. To assess these risks, VIUK leveraged the existing ERMF methodology. This assessment considered the potential magnitude and likelihood of risks and was informed by internal analysis and external research.

Following this assessment, further consideration was given to the NGFS climate scenarios already assessed as part of business strategy and resilience, the PAI metrics considered as part of the investment risk management process, key topics of engagement with portfolio companies, voting practices and VIUK Board oversight priorities. As a result, we have identified the following risks as the most relevant sustainability-related risks for VIUK during the reporting period:

- **Climate: Assets' exposure to climate-related risk**
- **Corporate governance within portfolio companies: Assets' exposure to poor corporate governance**

Please see the 'Climate: Assets' exposure to climate-related risk' and 'Corporate governance within portfolio companies: Assets' exposure to poor corporate governance' sections of this report for more information relating to how VIUK manages risks associated with climate and corporate governance at portfolio companies. Other sustainability-related topics were considered but were not selected for entity-level disclosure for this reporting period.

Climate: Assets' exposure to climate-related risk

Vanguard Group, Inc. (VGI)⁵ prepares *Vanguard's Report on Climate-related Impacts* (TCFD report), in alignment with the TCFD and the FCA's TCFD rules for asset managers.⁶ This report discloses how the organisation identifies, assesses and manages climate-related risks.

The TCFD report includes UK-specific disclosures and explains how the four TCFD pillars apply to Vanguard's UK in-scope entities, including VIUK. The most recent TCFD report is linked below. Readers should therefore refer to the TCFD report for detailed climate-related governance, strategy, risk management and metrics and targets disclosures.

The UK-specific content within the TCFD report provides information applicable to VIUK, and VIUK has not identified any material deviations in approach to identifying, assessing and managing climate-related risk that would require additional explanation within this report.

Read the latest *Vanguard's Report on Climate-related Impacts* [here](#).

⁵ VGI is the ultimate parent company of VIUK.

⁶ The TCFD report also contains a UK supplement that addresses FCA rules for asset managers.

⁷ VIUK delegated voting and engagement activities to VAM.

Corporate governance within portfolio companies: Assets' exposure to poor corporate governance

Vanguard Asset Management, Ltd. (VAM) has been a signatory to the UK Stewardship Code since 2021 and reports annually in relation to the principles of the UK Stewardship Code.⁷ *The UK Stewardship Code Report* includes enterprise-level information regarding how the stewardship activities conducted across the Vanguard enterprise safeguard and promote long-term Vanguard fund shareholder returns.

The most recent *UK Stewardship Code Report* is linked below for the purposes of the corporate governance-related disclosures under this report. Readers should therefore refer to the *UK Stewardship Code Report* for full information related to corporate governance at VIUK portfolio companies. This information should be read in conjunction with this report.

VIUK has assessed the disclosures within the *UK Stewardship Code Report* and confirmed that the enterprise-level content explains Vanguard's approach to monitoring corporate governance-related risks at portfolio companies, describes how key governance risks are identified and prioritised for engagement and provides relevant stewardship activity metrics. VIUK's approach to managing risks related to corporate governance is consistent with the activities described in the report. To read the latest *UK Stewardship Code Report*, see [here](#).

ESG funds

VIUK's ESG funds

Certain VIUK funds have a different approach to sustainability-related matters than the majority of VIUK's funds. The differences are outlined in this section.

VIUK has five ESG funds that apply specific sustainability-related investment strategies, screens, metrics and, with one exception (the ESG Screened Developed World All Cap Equity Index Fund (UK)), stewardship approaches that differ from VIUK's typical entity-level approach to governance, strategy, risk management or targets, metrics and stewardship.⁸ They are referred to as ESG funds.

The summaries below provide a high-level overview on how the ESG funds differ from VIUK's typical entity-level approach to identifying, assessing and managing sustainability-related risk.

Vanguard ActiveLife Climate Aware Equity Funds are a range of three externally managed active multi-asset funds that apply a climate-aware investment strategy. This strategy includes minimum proportions aligned with defined climate considerations, certain exclusions, net zero targets and engagement activities related to science-based targets.⁹ These funds are managed by Wellington Management Company (Wellington).

Vanguard Global Capital Stewards Equity Fund is an externally managed active equity fund with an investment strategy focused on governance and stewardship. This approach includes defined sustainability attributes, certain exclusions, net zero targets and engagement activities related to science-based targets. The fund is also managed by Wellington.

⁸ The ESG Screened Developed World All Cap Equity Index Fund is an internally managed fund and therefore subject to the same approach to stewardship as other Vanguard-managed funds. See pages 5, 6 and 9 within this report for further details.

⁹ Science-based targets are GHG emissions reduction targets that are set in line with the level of decarbonisation required to limit global temperature increase in accordance with climate science, as assessed and validated by the Science Based Targets initiative.

ESG funds

Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK) is an internally managed index fund that tracks an ESG-screened index. It applies business activity and exclusion criteria across vice products, fossil fuels, weapons and companies operating in breach of United Nations Global Compact principles.¹⁰

Readers should refer to the detailed sustainability-related disclosures set out in each fund's ESG Consumer Facing Disclosure (CFD) and prospectus. These documents provide information on each ESG fund's sustainability objectives, investment strategy, exclusion policies, benchmarks and sustainability data methodology and should be read in conjunction with this report.

Links to the CFD for each ESG fund are provided below.

Externally managed ESG funds (managed by Wellington)

These funds are sub-advised by Wellington. Further detail on delegation and oversight is provided in the next section, 'Delegated managers'.

Fund name	CFD	Prospectus
Vanguard ActiveLife Climate Aware 40–50% Equity Fund	Vanguard ActiveLife Climate Aware 40–50% Equity Fund CFD	Vanguard ActiveLife Climate Aware 40–50% Equity Fund prospectus
Vanguard ActiveLife Climate Aware 60–70% Equity Fund	Vanguard ActiveLife Climate Aware 60–70% Equity Fund CFD	Vanguard ActiveLife Climate Aware 60–70% Equity Fund prospectus
Vanguard ActiveLife Climate Aware 80–90% Equity Fund	Vanguard ActiveLife Climate Aware 80–90% Equity Fund CFD	Vanguard ActiveLife Climate Aware 80–90% Equity Fund prospectus
Vanguard Global Capital Stewards Equity Fund	Vanguard Global Capital Stewards Equity Fund CFD	Vanguard Global Capital Stewards Equity Fund prospectus

Internally managed ESG fund

The Global Portfolio Review Department (PRD) and the Global Broker and Index Relations team oversee the selection and ongoing oversight of Vanguard's index providers. The due diligence process assesses the indexes and index providers on several factors, including the firm, people, philosophy, process and future opportunities.

Fund name	CFD	Prospectus
Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK)	Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK) CFD	Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK) prospectus

¹⁰ In the context of funds applying exclusionary screening to limit or avoid exposure to companies involved in certain business activities, 'vice products' refers to tobacco, weapons, gambling and adult entertainment, which are commonly referred to as vice activities.

Delegated managers

Delegated managers of the actively managed ESG funds¹¹

Internal versus external management

Whilst internal management is typically preferred for scalable strategies or where Vanguard has established in-house expertise, management of certain active equity or multi-asset strategies may be delegated to external managers with specialist capabilities in order to enhance client value. These external managers benefit from long-term mandates and operational support, allowing them to focus on investment and sustainability delivery.

Choosing the right active manager

Vanguard selects delegated managers using a qualitative assessment framework that focuses on long-term investment discipline, the strength of a manager's governance and research capabilities and alignment to Vanguard's investment philosophy.

Wellington was selected and serves as the delegated manager for the actively managed ESG funds. Wellington is responsible for delivering the funds' investment objectives whilst implementing an approach to sustainability-related matters in line with each fund's investment objective.

Vanguard's Oversight and Manager Search team (OMS) is responsible for overseeing the performance of both internal investment management teams and Vanguard Europe's actively managed investment products, which are sub-advised by external managers. OMS oversees the performance of each investment manager and any subadvisers, and recommends new advisers. Each current and prospective internal or external manager is assessed on a regular basis against six primary criteria: (1) firm, (2) people, (3) philosophy, (4) process, (5) portfolio and (6) performance.

¹¹ These funds are the range of Vanguard ActiveLife Climate Aware Funds and Vanguard Global Capital Stewards Equity Fund (together, the 'actively managed ESG funds').

OMS's approach to sustainability-related risk is evaluated within the context of these six criteria. The team performs ongoing evaluations and due diligence of advisers. This includes reviews of the quality and use of research and resources, how material factors are incorporated into portfolio decision-making and the adviser's approach to investment stewardship and exercising shareholder rights, all specific to the materiality and relevancy to their respective investment mandates. For example, where stewardship is viewed as central to an external manager's approach or investment edge, the team regularly tracks, analyses and discusses the manager's stewardship efforts, which could include company engagements, proxy voting or sustainability analyses and relevant outcomes.

When an external partner does not meet expectations, OMS engages with the external manager to address any concerns and design a dedicated improvement plan. External managers with stated sustainability and engagement criteria are assessed against their stated objective. If they fail to meet those objectives or are trending below their stated target, OMS engages with them to ensure they meet the stated objectives.

Wellington's organisational arrangements

Wellington maintains dedicated resources and organisational structures to support the sustainability approach applied to the actively managed ESG funds. A specialised in-house Sustainable Investment (SI) research team provides thematic company-level and climate-related sustainability insights to portfolio managers and analysts. As at December 2025, the SI team comprised 37 sustainability specialists, supported by Wellington's broader research platform of 59 global industry analysts and 36 credit analysts who incorporate sustainability-related risk and stewardship considerations into sector and issuer research. Wellington further enhances its capabilities through collaborations with leading external scientific institutions, including the Woodwell Climate Research Center and the Massachusetts Institute of Technology.

ESG integration is applied across all asset classes through centralised resources and a collaborative research culture that supports the identification and evaluation of material sustainability risks and opportunities. These arrangements enable investment teams to assess sustainability-related risk within portfolios, engage with issuers on material topics and exercise proxy voting rights on behalf of clients. Wellington's investment platform and integrated research framework facilitates the consistent incorporation of sustainability-related risk across strategies, ensuring that sustainability insights are shared firm-wide, scalable and systematically embedded throughout the investment process.

Wellington's governance

Wellington's governance framework supports firm-wide oversight of ESG integration and stewardship. Key formal structures include the Investment Stewardship Committee, which sets proxy voting policies, oversees engagement practices and monitors progress against stewardship commitments.

Wellington's data due diligence

Wellington maintains robust processes designed to support appropriate standards of diligence in the selection and use of sustainability-related data, including third-party sustainability-related data. Its SI research team works with portfolio managers and analysts to contextualise external datasets with proprietary research and engagement insights, enabling cross-verification of material sustainability-related matters.

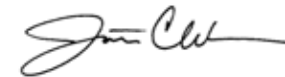
Governance oversight is provided through Wellington's Investment Stewardship Committee, which monitors engagement practices and supports accountability in stewardship activities, supporting the integrity of sustainability-related data usage throughout the investment process.

Compliance statement

The disclosures contained within this sustainability entity report for Vanguard Investments UK, Limited, including any third-party or group disclosures cross-referenced therein, are in compliance with the applicable requirements for disclosure of sustainability entity information set out in relevant sections of Chapter 5 of the FCA's *Environmental, Social and Governance Sourcebook*.

Date: 25 June 2026

Signed:

A handwritten signature in black ink, appearing to read 'Jon Cleborne', written over a light blue horizontal line.

Jon Cleborne

Managing Director of Vanguard Investments UK, Limited

Definitions

Acronym	Definition	Description
CFD	Consumer Facing Disclosure	Requirement under the FCA's SDR rules to inform retail consumers about a product's key sustainability features using clear, nontechnical language
ERMF	Enterprise Risk Management Framework	A framework used to assess risks across the business
ESG	Environmental, social and governance	Environmental risks and impacts, including climate, nature and resource use; social risks and impacts, including workforce and human rights; governance risks and practices, including oversight, controls and decision-making
ESRS	European Sustainability Reporting Standards	Detailed sector-agnostic and sector-specific reporting standards mandated under CSRD.
FCA	Financial Conduct Authority	The UK regulator responsible for SDR
IMFR	Investment Management and Finance Risk	An internal Vanguard team
NGFS	Network for Greening the Financial System	A coalition of central banks and supervisors producing agreed climate scenarios used to assess physical and transition risks across plausible future pathways
OMS	Vanguard's Oversight and Manager Search team	An internal Vanguard team
PAI	Principal adverse impact	Any impact of investment decisions that results in a negative effect on sustainability factors as defined under EU regulation
PRD	Global Portfolio Review Department	An internal Vanguard team
SASB	Sustainability Accounting Standards Board	Issuer of industry-specific standards identifying financially material sustainability-related risks
SDR	Sustainability Disclosure Requirements	The UK's regulatory regime for sustainability disclosures (FCA 23/16)
SI	Sustainable Investment	A specialised in-house team at Wellington that supports the delegated management of VIUK ESG funds
TCFD	Task Force on Climate-related Financial Disclosures	Global climate reporting framework structured around four pillars: governance, strategy, risk management, and targets and metrics
VAM	Vanguard Asset Management, Ltd.	A Vanguard entity
VGI	The Vanguard Group, Inc.	A Vanguard entity
VIUK	Vanguard Investments UK, Limited	A Vanguard entity

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Important information

For more information about Vanguard funds and ETFs, visit [vanguard.com](https://www.vanguard.com) to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Vanguard ETF shares are not redeemable with the issuing fund other than in very large aggregations worth millions of dollars. Instead, investors must buy and sell Vanguard ETF shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.

All investing is subject to risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against a loss.

Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

Investments in bonds are subject to interest rate, credit, and inflation risk.

ESG portfolios are subject to ESG investment risk, which is the chance that the stocks or bonds screened by the index provider or advisor, as applicable, for ESG criteria generally will underperform the market as a whole or, in the aggregate, will trail returns of other portfolios screened for ESG criteria. The index provider or advisor assessment of a company, based on the company's level of involvement in a particular industry or their own ESG criteria, may differ from that of other portfolios or an investor's assessment of such company. As a result, the companies deemed eligible by the index provider or advisor may not reflect the beliefs and values of any particular investor and certain screens may not exhibit positive or favorable ESG characteristics. The evaluation of companies for ESG screening or integration is dependent on the timely and accurate reporting of ESG data by the companies. The advisor may not be successful in assessing and identifying companies that have or will have a positive impact or support a given position. In some circumstances, companies could ultimately have a negative or no impact or support of a given position. The weight given to ESG factors for active non-ESG funds may vary across types of investments, industries, regions and issuers; may change over time; and not every ESG factor may be identified or evaluated. Where ESG risk factor analysis is used as one part of an overall investment process (as is the case for actively managed equity and fixed income non-ESG Funds), such Funds may still invest in securities of issuers that all market participants may not view as ESG-focused or that may be viewed as having a high ESG risk profile.

Vanguard is owned by its funds, which are owned by Vanguard's fund shareholder clients.

To learn more about Vanguard, visit [vanguard.com](https://www.vanguard.com).

Vanguard®

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