ANNUAL STEWARDSHIP REPORT 2024

For reporting period
01/01/24 - 31/12/24

evelyn
PARTNERS

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CEO MESSAGE

At Evelyn Partners, we believe that our long-term purpose of 'placing good advice into more hands' requires us to be responsible investors. Responsible Investment (RI) involves considering material environmental, social, and governance (ESG) issues when making investment decisions, and influencing companies or assets, known as active ownership or stewardship. RI is a key pillar of the Evelyn Partners' Corporate Responsibility strategy and ESG risks and opportunities are embedded across our investment services and products.

Our Responsible Investment teams are central to our investment process. These resources are focused on supporting us in integrating non-financial risks and opportunities alongside traditional financial market factors. By considering material ESG factors as part of our investment process, we aim to enhance client outcomes, risk adjusted returns and build resilient portfolios over the longer term.

We believe that active stewardship needs to include both engagement and voting: engaging with the assets we hold is central to our role as effective stewards of our clients' capital and fundamental to discharging our fiduciary duty.

Going beyond corporate financial statements and government statistics in order to make investment decisions is a natural and valuable extension to our analysis. Clearly, the formidable geopolitical shifts in evidence today require inclusion of these factors in the assessment of asset classes and markets. Our investment strategy team provides commentary on the latest events, as well as weaving longer investment cycle megatrends into their thinking, aiming to reduce risk and increase opportunity for our clients. By using our influence through an active engagement programme, both individually and collaboratively, we are working to improve investee companies' and funds' business practices.

Our 2024 Annual Stewardship Report covers the activities of Evelyn Partners for the year to 31 December 2024 and aims to showcase a summary of the work we do on behalf of our clients. This report portrays evidence of our strong commitment to stewardship. We have found that achieving success in this area takes time and requires patience, and a flexible approach that takes advantage of different options has proven to be useful.

Paul Geddes
CEO, Evelyn Partners

EXECUTIVE SUMMARY

Evelyn Partners is a leading wealth management group, created from the merger of Tilney and Smith & Williamson in 2020. Through the businesses which created the group, we have a rich heritage of supporting individuals, families, business owners and charities with the management of their financial affairs for over 188 years. With a depth of expertise in financial planning and investment management provided from offices across the UK, Ireland and Jersey, we offer an unrivalled range of services to support our clients with the management of their wealth.

At Evelyn Partners, we aim to be active stewards of the businesses in which we invest. We use our influence to help improve the ESG practices and financial performance in investee companies and external fund managers (collectives). Our stewardship approach leverages several tools, including four key engagement approaches: engaging with clients, regulators and trade bodies, companies, and collectives.

Supporting our clients with the management of financial affairs is the core of what we do, and we are committed to continuously enhancing and refining our stewardship approach to serve our clients' best interests. In 2024, we provided a variety of means to engage with our clients on stewardship matters, including hosting a Responsible Investment Conference in London, adding RI updates in our quarterly client valuation reports, and producing articles and thought leadership pieces.

We are active members of several industry groups and provided input into various regulatory and industry consultations in 2024. At Evelyn Partners, our efforts focus on promoting sustainability considerations, developing good business practice and disclosures, and addressing the evolving needs of our clients.

To achieve this, a crucial aspect of our RI process is engaging with companies and external fund managers. In 2024, we expanded our thematic engagement programme using our bottom-up RI priorities and continued to take part in collaborative engagement platforms to address various systemic risks and wider themes that we consider important. We also reviewed and updated our escalation policy during the year. Where standards fell short of our expectations, we took a flexible approach to escalating issues for further consideration.

Lastly, we use our influence as shareholders to improve investee companies' own ESG practices and performance through voting and during the year, we applied priority specific abstentions in line with our RI priorities.

For further details on our RI approach and also our stewardship activities, see our **Responsible investing | Evelyn Partners** website and 2024 UK Stewardship Code report **here**.

2024 stewardship activities snapshot

At Evelyn Partners, we use our influence as shareholders to improve investee companies' and fund managers' (collectives) own ESG practices and performance. We do this by engaging with companies and external funds where we have material shareholdings and by voting at shareholder meetings.

Highlighted below is a snapshot of our 2024 engagement and voting activities.

Key Achievements

Increased client engagement

We held a RI conference in London and contributed to other charity events during the year. We also provided insights on webinars, podcasts and articles.

Climate engagement programme

We contacted and received responses from both companies and fund managers which represent 30% of our total assets under management (AUM) for our Scope 1 and 2 financed greenhouse gas (GHG) emissions.

Themed engagement programme

We expanded our thematic engagement programme, focusing on climate action, the risk of child labour, and governance by encouraging our collectives to join the UN Principles of Responsible Investment (PRI).

Team award aided by responsible investment approach

Evelyn Partners received the 'Investment Team of the Year' award in 2024 from STEP, with over 25% of the evaluation based on the firm's RI approach.

Engagement activity

Our sector specialists held

305 meetings with collectives

263 meetings with companies

As part of our bottom-up priorities, we conducted

65 specialist engagements with collectives

30 specialist engagements with companies

We are active members of various collaborative initiatives and held 20 company engagements in 2024

Climate Action 100+ | The Investor Forum | FAIRR A Coller Initiative | Corporate Mental Health Benchmark CCLA | Nature Action 100

We continued to work with trade bodies to promote improvement in the functioning of financial markets

PIMFA | The Investment Association | TISA

Voting activity

Number of voting recommendations made in 2024:

11,106 proposals at **819** company meetings

78.6% management proposals supported

159 letters sent during proxy season

In line with our voting policy, we abstained:

5x at companies with no Net Zero targets

13x at companies with no ESG in remuneration

1x at companies with no health and safety in remuneration

Approach to stewardship

What is stewardship and why is it important to us?

The UN PRI defines stewardship as "the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including common economic, social and environmental assets on which their interests depend."

We believe that stewardship is at the forefront of our fiduciary duty to our clients. We are long-term investors, as that's what our clients expect from us. For some clients this can mean a multi-generational approach. We practice active stewardship to manage our clients' assets in accordance with their investment goals and to reduce risks.

Engaging with the companies and external fund managers is central to our role as effective stewards of our clients' capital. We aim to take a consistent approach where we can, to both collective investment funds and direct investment holdings, acknowledging that the modest and different role a fund manager or board director of an investment trust plays, compared to the management of a company.

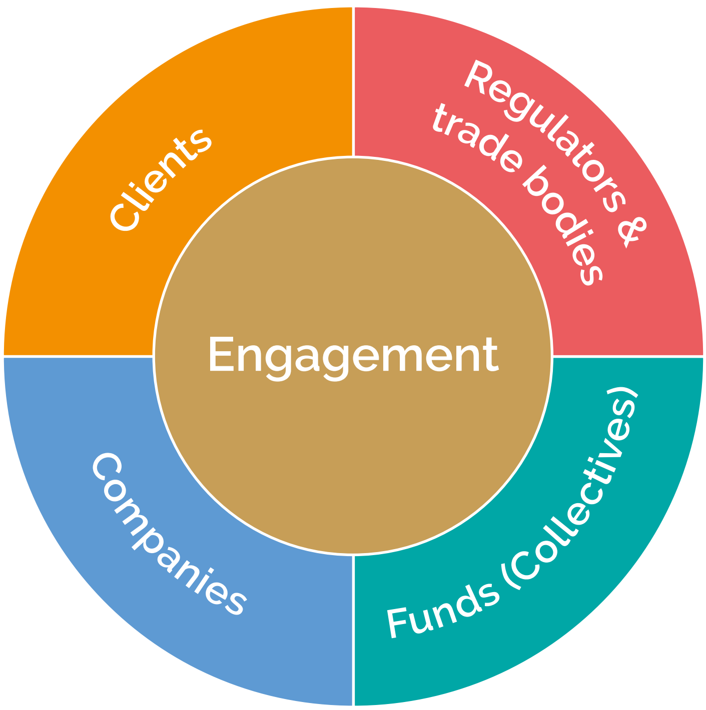
Our stewardship approach includes the following aspects which guide our activities:

Information gathering: it is important for us to determine whether a particular investment meets our criteria and standards. We value meetings where possible to help us make these important decisions. This also helps us to identify and assess systemic risks.

Policy adherence: we monitor our holdings to ensure that their stated policies are being actioned and we use engagement to keep up to date with their progress.

To influence: in most cases, the companies and investments made on behalf of our clients operate according to high standards. However, where these standards fall short of our expectations, but the investment case remains intact, we will work to encourage their ambition and improve business practice. An overall aim of our stewardship activities is to help us mitigate risks to our clients' investments over the long-term.

At Evelyn Partners, this translates into several engagement approaches and this report highlights our main activities in 2024.



Client engagement

We take a proactive approach by listening to and understanding our clients' needs and ambitions. and monitor trust through a client care programme that combines both face-to-face and online interviews. This provides an independent and objective platform to capture insights that will enable us to deliver a consistently exceptional client experience.

We believe that by listening to our clients' experiences on how we are performing, and by understanding what they want and expect from Evelyn Partners – now and in the future – we can improve many aspects of our service that will bring real and tangible benefits.

During the year, we provided a variety of means to engage with our clients on RI matters:

- This included a dedicated conference in London featuring leading journalists and academics. Our Head of Responsible Investment also participated as a speaker at several other conferences
- We also released an updated **Guide to Responsible Investing** which explains to clients what RI is and how it is integrated into Evelyn Partners' investment approach
- Our annual UK Stewardship Code Report and UN PRI Transparency Reports are also available on our **website**

We aim to improve our clients' knowledge base by continuing to produce RI articles and thought leadership pieces, which can be found on our website, as well as regular conferences and webinars, including our trustee training for charities.

For example, in 2024, some of our views featured in our articles '**Reasons to be cheerful: UK achieves seismic results in carbon emissions and fusion**' and '**Reasons to be cheerful part 2: The Science Based Targets Initiative**' as well as in a podcast hosted by our Head of Responsible Investment: '**Are there any unintended consequences of divesting?**'. We also sponsored and contributed to an **A-Z Guide** to help clients navigate key ESG and sustainability-related terms.

Additionally, clients can receive ad hoc sustainability reports on the ESG rating of their portfolio and underlying holdings, carbon reports for climate related metrics, and reports that highlight investments which aim to show positive impact contributions to society and/or the environment.

Engagement with regulators and trade bodies

Evelyn Partners is involved in several industry groups and regularly provides input into trade body regulatory consultation responses to help improve sustainability-related disclosures and proposed regulation. Our membership and involvement allow us to engage, inform and promote a well-functioning financial system and investment market.

This helps us to provide further clarification on the regulatory intent or address specific rules to assist in their practical implementation. The Group participates in industry working groups for sustainability and stewardship related initiatives and is a member of the following bodies:

- The Investment Association (IA)
- Personal Investment Management and Financial Advice Association (PIMFA)
- The Investing and Saving Alliance (TISA)

Evelyn Partners activity and policy engagement in 2024

Our active participation in regulatory and industry consultations, working groups and workshops over the course of 2024 is valuable for our knowledge and adds to our ability to mitigate systemic risks. In turn, our ongoing support, both financially and with written contributions, serves to legitimise and fund these bodies that all assist to improve the health of our financial system, and develop best practice.

Towards the end of 2024, Evelyn Partners had two significant senior appointments to industry trade associations.

- Our CEO, Paul Geddes, was appointed to the Investment Association Board of Directors
- Charley Davies, our General Counsel at Evelyn Partners joined PIMFA's Board of Directors

In 2024:

We responded to the Financial Conduct Authority's (FCA) consultation on the proposed extension of the Sustainable Disclosure Regime (SDR) regime to discretionary portfolio management services. In addition, we also contributed to the three related consultation responses submitted by the aforementioned industry trade body associations.

We attended several bilateral meetings with the FCA and other wealth management peers on SDR related topics. We participated in industry led webinars and round tables with other peer firms to keep abreast of emerging best practice and implementation of the SDR requirements in 2024.

ENGAGEMENT IN THE INVESTMENT PROCESS

Evelyn Partners identified and implemented a series of bottom-up RI priorities in 2024. Our approach is consistent across both collective investment funds, as well as direct investment assets, as can be seen from our thematic engagements in the following sections.

Evelyn Partners bottom-up RI priorities

Environmental resilience

1

Addressing the challenges of the future?

- Temperature alignment
- Externally validated target?
- % green revenues

Workplace standards

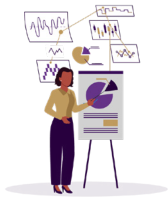
2

Fair and robust policies?

- UN global compact violations
- Child labour
- Health and safety

Excellence in governance

3



Does management have our trust?

- Board/management track record
- Suitable remuneration link
- Proven track record

Engagement with companies

Evelyn Partners are signatories to the UN PRI and the UK Stewardship Code, and are committed to monitoring and engaging with investee companies on behalf of our clients.

Over 90 Sector Specialists conduct in-depth research into UK and overseas equities by holding various company meetings each year as well as undertaking media and other desk-based research. Our engagement approach with companies includes both direct engagements and participating in collaborative initiatives, and we provide various examples of our work in 2024 arranged by bottom-up priority below.

Direct Engagements

While most of our assets under management are invested in collective investments (70%), around 24% of our discretionary AUM are in direct investment assets (i.e. equities and fixed income investee companies). For our direct investments, we focused our engagement efforts on companies with the most material holdings within our Monitored Universe (MU), where our participation and engagement with management teams is contingent on the size of our holdings in a company. In 2024, our Sector Specialists conducted 263 company meetings.

Case Study:
Child labour engagement with Nestle

S: Workplace standards

As part of our ongoing risk assessment of bottom-up RI priorities, we initiated an engagement on child labour risks in 2024. Using MSCI ESG Manager, we identified a series of companies with operations and suppliers which had a significant risk of child labour incidents. In order to capture as much data as possible, we used two metrics: the risk of child labour derived from company related disclosures, and a child labour controversy metric, derived from media related searches. We contacted 18 companies with a series of detailed questions. **Our aim was to promote the use of the International Labour Organisation (ILO) standards in the identification, management and mitigation of this egregious risk, to understand best practice and to share this with our investee companies, where possible.** Our questions covered the location of risks by sector, audit frequency and coverage, training programmes, effectiveness assessment and any further key learnings.

Nestle's work in addressing child labour issues have been ongoing for many years, being the first company in the industry to openly report child labour risks in their cocoa supply chain in 2017. We were aware of Nestle's work in Cote d'Ivoire to provide remediation and monitoring to at-risk children within cocoa and farming communities and wanted to hear more about their ongoing degree of commitment and key actions to address this issue.

We met with several key members of the Nestle team in December to discuss the measures used to tackle child labour risks including the 'Nestle Cocoa Plan'. The company has been working for over thirteen years in addressing the use of children in their cocoa supply chain and are beginning to see good results. They are addressing what they see as the fundamental underlying cause of child labour – that is, poverty. If they can improve the average income of farmers, then they are able to employ adult workers on farms. They found that providing training in good tree pruning techniques significantly enhances yield, and which reduces the need for expensive fungicides. This is a route they have been rolling out in the last few years, together with the use of mobile banking to help broaden assistance to the overall family. They have also provided education to schools as they see access to education as a key means of reducing child labour occurrence. Their efforts to provide access to education is helping with the delivery of birth certificates and providing bridging education to those who have missed some of their school years. **According to Nestle's reporting, approximately 128,000 children have been protected against the risk of child labour since 2012, of which more than 40,000 have increased their access to education.**

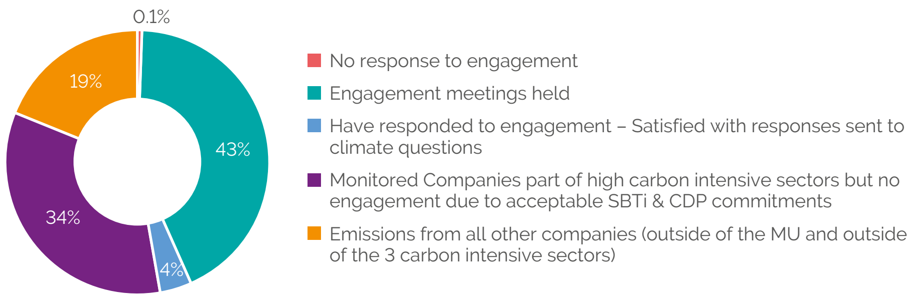
They also actively monitor farms using local monitors who are part of the community, finding children at risk, helping them and then regularly visiting them to help encourage good practises. **While they continue to find incidences, they see a much-reduced involvement with their interventions. The aim for 2025 is for all of Nestle's cocoa for confectionary products to be sourced from farms that are part of the scheme, and the programme is being rolled out across other West African countries.**

Outcome: *We were impressed by the scale and long-term nature of activities that Nestle is undertaking with the critical element of understanding the fundamental driver behind the risk. By working to improve farm incomes, whilst at the same time providing access to education, the company aims to cement long-term shifts in cultural behaviour and reduce the risks and incidence of child labour. We were supportive of their efforts to extend their programmes to other areas.*

Case Study:
Climate related themed engagement project on direct investments

E: Environmental resilience

The aim of our direct climate engagement project is to encourage investee companies with the high levels of carbon emissions within their operations and low GHG emissions disclosure practises, and to raise their ambition to make improvements. In 2023, we identified the top carbon emitting companies in the three most carbon intensive sectors of energy, materials and utilities. We focused on those companies that either did not have a target with the Science Based Targets Initiative (SBTi), or were not disclosing data to CDP. SBTi defines and promotes best practices in carbon emissions reductions and Net Zero targets in line with climate science. It provides guidance on target setting methods to companies to set science-based targets (SBTs) in line with the latest climate science and an independent assessment and validation of targets. It is considered to be the "gold standard" in target setting for tracking and reduction of GHG emissions. CDP is a popular voluntary reporting framework that companies use to disclose environmental information via climate-related disclosures to their stakeholders. We sent letters to the companies that we had identified in 2023 and held meetings with them throughout 2024. The meeting description and outcomes of some of these meetings are summarized below.



Note: *The above figures are based on discretionary assets held in our client portfolios for direct equity investments only. Combined with underlying investments in equities also held in our collective investments across our entire AUM for all service types (£63.0 billion), we received responses from companies which represent 30% of our total scope 1&2 financed GHG emissions through engagement programmes (see key highlights) across all service types. For discretionary clients assets only, our responses covered 34% of our AUM for Scope 1&2 financed emissions.*

Company	Meeting description	Outcome
Breedon	Breedon responded quickly to our communication, noting that they had committed to securing a rating from CDP and were progressing towards meeting the requirements for an SBT. This was encouraging to hear, as these affiliations could support enhanced disclosures and potentially higher emissions reductions. We met with the company in January 2024 and emphasised our support for enhanced disclosures through CDP and the process to obtain an SBT. We were impressed with the degree of commitment to their carbon reductions, as indicated by the management team at the meeting.	Shortly after our meeting, Breedon announced they had obtained their first rating for CDP of a 'B' and that their carbon target was validated by SBTi in late November 2024. We were pleased to show our shareholder support for what was a long but worthwhile process for the company.
Agnico Eagle Mines	Following several communications with Agnico, we were offered a meeting to discuss their decarbonisation goals, which was attended by the Chief Executive. While they had previously considered an SBT, they were of the view that SBTs did not fit with their industry, given improvements were not linear, and they are more likely to be step changes. He made it clear that significant GHG reductions were built into the strategy of the firm. He also gave an example of how the electrification of the diesel fleet in mines has multiple benefits, allowing for better air quality for underground workers, a reduced ventilation requirement and therefore smaller tunnels, resulting in better margins.	We were pleased to hear about the work that the company was doing to decarbonise its operations. The company was in the process of reviewing its current sustainability related disclosures. While they had reported to CDP for a long time, they were also interested in shareholder views. We were able to encourage them to continue with this or to disclose in other ways that suit them.
NextEra Energy	NextEra is the largest renewable energy producer in the US and yet is a high carbon emitter by operating an electric utility. They began their decarbonisation activities in 2005, long before SBTi's inception, and as a result they believe that an SBT would not fairly display the degree of progress already made. However, they review their decision annually. In 2022, they announced a new goal to eliminate operational carbon emissions by no later than 2045 in the most cost-effective way possible for customers, while spurring economic growth and creating jobs. They intend to reduce their emissions rate on owned power generation by 70% by 2025 from their 2005 baseline, adjusted for acquisitions.	While we noted in the meeting that other utilities, like RWE in Germany, have an SBT, and we prefer consistency of their metrics, we did show our support for NextEra's impressive long-term carbon reduction record and will remain in contact to promote external target validation.
Total companies seen in 2024: 11 companies for our climate engagement project		

Collaborative Engagements

We choose to take part in larger collaborative initiatives to amplify the impact that we can make. Through these memberships we can address various systemic risks and wider themes that we consider important, as well as learn from industry peers. We believe that working this way has not only enabled us to hold company boards to account, but also provides us with the opportunity to attend meetings where companies are proactive and can engage with investors before making decisions.

In 2024, we participated in the following collaborative engagement platforms:

Climate Action 100+

Focus:
Climate Change

We had meetings with Walmart and Rio Tinto and were also accepted onto the engagement group for TotalEnergies

FAIRR – A Coller Initiative

Focus: ESG risks and opportunities in the food sector

We had engagements with Mondelez, Tesco, and Cranswick

The Investor Forum

Focus: Escalate material issues with UK-listed companies

We engaged with the Water Working Group (including Ofwat) and had pre-AGM meetings with BHP and Reckitt Benckiser

Nature Action 100

Focus: Nature and Biodiversity

We participated in two engagement groups with Associated British Foods and Sherwin Williams

Votes Against Slavery (VAS)

Focus:
Modern Slavery

We met with British American Tobacco and Octopus Renewables Infrastructure Trust

Find it, Fix it, Prevent it

Focus:
Modern Slavery

We continued to work with Balfour Beatty to reduce the potential risk of modern slavery

Corporate Mental Health Benchmark – CCLA

Focus: Corporate Mental Health

We were involved in projects with Nike, EasyJet and United Health

Case Study:
Cranswick – waste and pollution

E: Environmental resilience

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has identified the nutrient runoff from the use of fertilisers, including the excessive or inappropriate use of manure in areas of concentrated livestock production, as a key driver to biodiversity loss. As members of FAIRR's working group on waste and pollution, we sent a letter to Cranswick (a British food producer), outlining our concern for the increasing risk of pollution associated with the meat industry's organic waste.

Investors were encouraged by Cranswick's commitment to measuring and addressing biodiversity risk as part of Phase 1 of FAIRR's engagement programme. We met with them in March 2024 to further encourage the company to disclose information on areas of high biodiversity value where it operates and the impact of nutrient pollution from the company's activities.

We specifically asked if the company had disclosed medium- and high-risk areas where it operates from a water quality perspective, the risk mitigating actions in place for these sites, plans to implement technology to improve the circularity of nitrogen and phosphorus created by processing facilities and livestock farms, and the board's oversight on nature-related risks.

Outcome: *Since FAIRR's initiation of the waste and pollution working group, Cranswick has made progress on undertaking biodiversity screening across its farms and production facilities. In November 2024, FAIRR initiated Phase 3 of their engagement programme, which we will continue to be part of in 2025.*

Case Study:
Vistry Group plc – remuneration and governance

G: Excellence in governance

As part of the Investor Forum, we met with Vistry Group in 2023 due to controversies regarding the remuneration policy and wider governance issues around Board succession. The Investor Forum reached out to investors previously involved with the working group in January 2024 to get views about the company's corporate governance.

It was announced that Ralph Findlay would step down as Chair and Non-Executive Director (NED) and Chris Browne and Jeff Ubben as NEDs. Greg Fitzgerald would be appointed as Executive Chair and CEO of the company. Additionally, the Board had commenced a search for an experienced Senior Independent Director (SID) to provide additional oversight on governance matters and sought to recruit up to two additional independent NEDs.

In April, the participants met with Vistry Group's newly appointed Chief Executive, as well as the General Counsel and Group Company Secretary to discuss these changes. It was noted that they had not seen this amount of activity in the company during two acquisitions and a change of strategy. They had been trying to get stability within the board membership, given the longest serving director had joined as recently as 2022. Despite these shifts, the company had performed well. The participants discussed various topics, including the search for a SID, the handover period following directorate changes, the differing opinions of American and UK shareholders, and prospects for 2024 and beyond.

Outcome: *The objective of the meeting was to understand how the company was handling governance issues. Despite the changes in governance arrangements at Vistry Group, the company appeared to be in a good position for 2024.*

Engagements with fund managers (collectives)

The majority of the firm's AUM is invested in external funds, also called collective investments (circa 70% as of end of December 2024). An integral part of our investment process is to ensure that once a fund is onboarded, we continue to conduct due diligence on all of our monitored collective investments, and that we integrate stewardship actions, when relevant, for fund managers to meet our expectations. During our due diligence of funds, we seek to establish whether fund managers share similar values to those we ascribe to regarding responsible investment principles and practices that support the enhancement of long-term risk-adjusted investment returns.

Over 100 collectives Sector Specialists currently cover around 600 funds across 13 sectors, including open-ended funds, investment trusts and offshore specific funds. They regularly meet with fund managers and closely monitor the performance of the MU. This includes a review of the fund managers' own responsible investment policies, including their Stewardship Code and UN PRI submissions where applicable.

Below are some examples of engagements based on ESG factors across various asset classes.

Case Study:
Fund engagement on climate-related targets at a key fossil fuel company

E: Environmental resilience

This fund has 'climate engagement' in its title, and therefore we expected high levels of related activity. We approached the fund manager for their views, after an announcement by Shell, a well-known and significant holding, to change its carbon intensity target. The manager had already spoken to Shell's investor relations department twice in March, and had a meeting arranged with the Chair ahead of the AGM. The fund manager noted that the press had made too much of the story, and said how little had actually changed, given some of the more extreme commentary in the market. The company is fundamentally sticking to their strategy and bringing their climate targets into line with it. They lowered their net carbon intensity target that covers all three emission scopes, including customer emissions which are a substantial element of their total Scope 3 emissions, but maintained their Scope 1 and 2 targets.

The fund manager also explained some positive highlights. Shell had added a new Scope 3 target for oil sales, targeting a 15-20% reduction between FY21-30. The latter reflected customers' shift away from oil (moving away from fossil fuels and towards electric vehicles and biofuels) and the company's emphasis on liquid natural gas. They see emissions from oil sales, as a percentage of energy portfolio emissions, falling from 48% to 39%. They also provided guidance on low carbon capital expenditure, investing USD $5.6 billion in low-carbon solutions in 2023, which was 23% of their overall capital spending. Their spending on low-carbon solutions between 2023 and 2025 will amount to approximately USD $10-15 billion.

Outcome: *The information provided by this engagement is in line with the description of the fund's investment process, as well as our own on this subject and direct engagement activities with Shell. We were pleased that the fund manager had been proactive and is in regular communication with what is a key fossil fuel emitter, to further understand their climate related targets and long-term investment strategy.*

Case Study:
Social themed engagement on top risks – child labour and UN Global Compact (UNGC) violations processes for collective investments

S: Workplace standards

In line with our bottom-up stewardship and RI priorities, in 2024, we initiated an engagement on child labour targeting investee companies. During routine screening we established that 3.29% of monitored collective investment assets under management had exposure to issuers with operations and suppliers which had indicated a significant risk of child labour incidents. We contacted 24 fund managers and received responses from 100% of them.

Some specific examples of key engagement activity on child labour and UNGC violations conducted by the funds we had contacted are outlined below.

Child labour engagements
This fund manager met with Philip Morris International (PMI) on the issue of child labour in their agricultural supply chain. They first initiated engagement with the company on this subject in 2019 but wanted updates on what steps PMI had taken to enhance their monitoring and disclosure, as well as efforts to tackle the root cause of the issue of child labour. The fund compared the company's reporting, on their actions and their strategy to eliminate child labour, to their closest peer and found a better level of monitoring and disclosure by PMI. During the fund manager's engagement with PMI, the company explained that they had 3000 field technicians who conduct surprise visits to farms to ensure compliance with labour laws. Additionally, to help raise farmers' incomes to avoid the use of child labour, PMI targets 100% of their contracted tobacco farmers to making a living income by 2025, which the fund manager will be assessing whether they have achieved this target.
This fund manager prioritised their engagements on social and human rights risks along the value chain that arise from key long-term trends. With ongoing momentum on the climate transition, responsible minerals sourcing, and the use of technology, these issues continued to be a focus for the team. The mining of cobalt presents risks for potential human rights abuses in supply chains, including the worst forms of child labour. The fund manager has been working on this issue since 2022 and has deepened their engagements over the past few years. They have worked with various stakeholders, including policymakers, standard setters, and non-profit organisations involved in remediation action in the Democratic Republic of Congo (DRC), as well as 14 investee companies to address responsible cobalt sourcing in detail.
UNGC violation engagements
This fund manager's initial review of First Solar, a vertically integrated global provider of photovoltaic (PV) solar energy, identified 'responsible sourcing' as an area with potential risk. In 2023, they identified a story titled "First Solar audit reveals forced labour at Malaysia factory" and the fund manager requested a meeting with the company. The issue would likely constitute a UNGC Principle 4 violation. In the meeting, the fund manager asked about the audit findings and were informed that the company had previously conducted desktop audits and had recently hired a third-party to conduct in-person audits across their manufacturing facilities. One of the company's ancillary service providers had been recruiting migrant workers and charging them a recruitment fee. In May 2024, the fund manager followed up with First Solar and the company confirmed that the audit was completed in late 2023. It assured them that the recruitment fees had been paid back to all affected workers. Following the closure of the audit, the company confirmed its facilities in Ohio, Vietnam and Malaysia achieved Platinum status, the highest possible rating from the Responsible Business Alliance's (RBA) Validated Assessment Program (VAP) audits
Vale, a Brazilian multinational corporation which deals in metals and mining, failed the MSCI UNGC compliance check. This fund manager has had longstanding engagements with the company, initially focused on corporate governance. However, following the 'Mariana' and 'Brumadinho' incidents, their focus had shifted to reparation, safety and risk management. In 2024, the fund management team met with Vale's Corporate Geotechnical Director and Chief Technical Officer to discuss the ongoing progress being made to the 'de-characterisation' process of their tailing dam facilities. They also spent time discussing reparations of the Samarco dam collapse, which was also a focus of their ongoing engagement. At the meeting, Vale shared that an improvement framework was in development and that they were aiming to have it in place for April.

Escalation

Where we have concerns about the performance or strategy of an investee company, or where we have reasons to believe that our clients' rights as shareholders are being compromised in any way, we will, in appropriate circumstances, escalate our involvement with investee companies.

In 2024, we conducted a review of our escalation process and documentation to reflect our updated processes and RI priorities, and to identify any further actions for continued improvement.

It is our expectation that we will vote in favour of most management resolutions for our direct investment equity holdings, given that good governance and proven management is a significant element of the investment rationale. We would therefore aim to be largely supportive shareholders throughout our stewardship activities. However, where standards do fall short of our expectations, but the investment case remains intact, we will work to effect change using our influence. Escalation can take a variety of forms:

- Direct communication (sometimes repeated) with board members
- Acting in collaboration with other investors in working groups following the failure of private engagements
- Abstaining or voting against management
- Taking steps to reduce our investment exposure by removing from coverage/selling holdings if we believe it is the interests of our clients to do so

Direct Investments

For direct investments, we use voting as the primary means of escalation on key issues, where the matter is significantly out of step with our RI priorities. In cases where we deem it necessary, we will abstain or vote against management resolutions. Where we abstain or vote against management resolutions, we write to the Chair of the Board to explain our reasons. If a satisfactory response is not possible, we may look to escalate this further. Further information on our voting activities can be found in the next section.

Case Study: Escalation following human rights controversies at Barrick Gold

Type: Direct escalation with a company – removal from coverage following independent report

Background: This company had been the subject of human rights issues with regard to local communities and litigation in the past. In April 2024, an independent report by the UNHRC (the UN Human Rights Council) Special Procedures Branch was sent to Barrick Gold relating to allegations of human rights abuses by company paid contractors at the North Mara gold mine in Tanzania. The company said in June that allegations were unsubstantiated. However, court proceedings on similar matters had already taken place on two earlier occasions in the UK. Legal proceedings had also been filed in Canada later on in 2024.

Activity: In 2024, we voted against management 5 times, primarily for governance-related reasons. Prior to the votes, we sent a letter to the company notifying them of our decision but did not receive a response. Following the intervention by the UNHRC on human rights violations, which amounts to a UN Global Compact violation, we assessed our position in the stock. Although the company had good prospects, we were concerned with its poor human rights record with serious impacts on local communities.

Outcome: *The human rights controversy weighed down our view of the company. It helped inform our decision to drop coverage from our MU.*

Collective investments/other asset classes

For collective investments, our ongoing monitoring programme includes enquiring about RI processes and capabilities. If a fund manager continues to maintain a position or practice on voting, stewardship or ESG integration that we do not agree with, we may notify the manager that coverage is under review, and we may reduce the capital allocation until concerns have been rectified. On occasions where shortcomings continued, we have removed funds from coverage, and where appropriate, provided feedback for the reasons for removal.

Case Study:
Global equity fund's consistency of due diligence on engagement process

Type: Escalation on our behalf by fund manager – repeated engagement leading to improved activity

Background: This fund is focused on companies which can deliver durable, longer-term, high-quality earnings growth, without compromising on sustainability.

We previously met with the fund management team in May 2023 and had discussed its holdings in ANTA Sports. The company is a provider of sports apparel in China. The fund manager wanted to verify whether 100% of its cotton sourced was compliant with the UN Global Compact and that the business did not rely on labour with modern slavery risks.

Activity: The fund manager had been raising the matter consistently with the company to verify whether 100% of the cotton sourced was compliant. We continued to follow up with the fund management team about the progress of engagement with the holding. In June 2024, the fund manager confirmed that ANTA Sports had increased the frequency of independent supplier audits. To date, there had been no breaches. The fund manager was happy with this progress but will continue to monitor the holding closely.

Outcome: *Following multiple communications with the fund manager about their holdings in ANTA Sports, we were satisfied with this fund's approach to escalation of issues. The consistent engagement by the management team on this issue had contributed to enhanced audit practices in the investee company.*

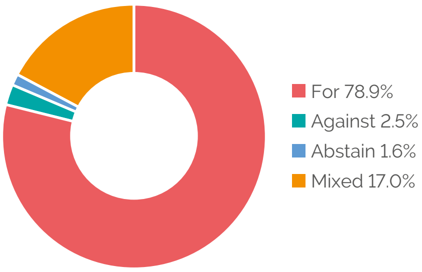
Voting

Voting is an important tool in active stewardship and gives us the opportunity to express our views. Over the 12 months to the end of December 2024, we voted at 819 company meetings and engaged with companies on multiple subjects in relation to our voting decisions. Most of our voting took place in the UK, followed by Europe, the USA and Canada, with 78.9% of our votes with management. Our votes against management amounted to 2.5% of the total votes cast.

A full copy of our quarterly proxy voting report and voting policies can be found **here**.

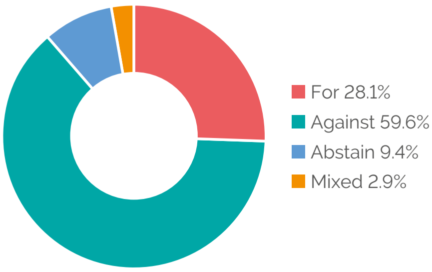
How Evelyn Partners voted

Management Proposals – Votes cast



Source: Glass Lewis

Shareholder Proposals – Votes cast



Source: Glass Lewis

The group's voting process covers discretionary holdings in our direct investment MU for equities, any company on our alternative investment market (AIM) monitored list, our in-house pooled Evelyn Partners funds, and any situation where our materiality threshold is met. Our voting process relies on collaboration with external service providers, Glass Lewis and Broadridge, and was developed alongside the Glass Lewis voting policy.

It is our expectation that we will vote in favour of most management resolutions in our direct equity holdings, given that good governance and proven management is a significant element of the investment rationale. We would therefore aim to be largely supportive shareholders throughout our stewardship activities.

Where Glass Lewis recommends a vote against management, following a three-step review within the investment process, the vote recommendation is passed for execution. In case of disagreement, an internal meeting takes place to come to an agreed voting position.

Our view differs from time to time from that of Glass Lewis. Our in-house Sector Specialists conduct in-depth research by holding meetings with companies and, at times, this specialist knowledge can put us in a better position to inform our voting decisions.

Priority specific abstentions

In line with our bottom-up RI priorities of Environmental Resilience, Workplace Standards and Excellence in Governance, we use Glass Lewis to identify companies which fare poorly against these priorities to indicate relevant areas for consideration in our voting activity. Examples include:

- Environmental resilience: this has involved abstaining on resolutions where a company has no form of Net Zero or climate-related target
- Workplace standards: this has involved abstaining on resolutions where a company has no board remuneration link to health and safety
- Excellence in governance: this has involved abstaining on resolutions where there is no overall link to ESG performance

Voting in practice – 2024 case study: for/against management

Case Study:
J D Wetherspoon: re-election of director – AMEND DECISION TO VOTE FOR MANAGEMENT

We were recommended by Glass Lewis to vote against the re-election of Tim Martin at the 2024 AGM. Research from our proxy provider indicated that Mr. Martin had attended less than 75% of meetings held by the board during the year. Additionally, the board had failed to disclose an explanation for the director's relatively poor attendance. After sending a letter to the company indicating that we would be voting against Mr. Martin, they responded stating there was an error in the attendance and provided an updated board and committee attendance table. The updated information showed that Mr. Martin had attended seven out of nine (77%) board meetings during the year. Given the additional disclosure, we amended our vote decision from against to for the re-election of Mr. Martin.

Outcome: *83.3% voted in support of Tim Martin and the proposal was carried.*

Voting in practice – 2024 case studies: shareholder resolutions

Case Study:
NextEra – Board diversity

A shareholder proposal was filed requesting the Board disclose in the company's annual proxy statement each director or nominee's gender and race/ethnicity as well as the defined skills and attributes that are most relevant to the company's overall business, long-term strategy and risks. We believed that this proposal would benefit shareholders by giving greater insight into the skills of director representatives. In addition, a board matrix would provide shareholders with consistent, comparable, and accurate data in a structured format to ensure a high-functioning and appropriately diverse board.

Outcome: *We decided to vote in favour of the proposal. This resolution received support from 40.34% of votes and was not carried.*

Case Study:
Occidental Petroleum – Political lobbying

A shareholder proposed a motion that Occidental Petroleum provide an annually updated report on its lobbying expenditures and activities. Between 2010 to 2022, the company spent $93 million on federal lobbying. However, this did not include state lobbying where Occidental also lobbies, though disclosures were uneven or absent. The company also did not disclose its payments to trade associations and social welfare groups, or the amounts used for lobbying, to shareholders. We were in the view that greater disclosure on the company's lobbying practices would provide shareholders a better picture of how company funds were being used. Additionally, Occidental could reasonably improve its disclosure on indirect lobbying activities to match the level provided by peers in the sector.

Outcome: *We decided to vote in favour of the proposal. This resolution received support from 14.47% of votes and was not carried.*

APPENDIX

Appendix

Specialist engagement meetings with companies in 2024 – collaborative and thematic

Company	Sector	Type	Environment	Social	Governance
Agnico Eagle Mines	Metals & Mining	Thematic	X		
Air Products	Chemicals	Thematic	X		
American Water Works	Utilities	Thematic	X		
Ashtead	Trading Companies & Distributors	Collaborative			X
Associated British Foods	Food Products	Collaborative	X		
BHP	Metals & Mining	Collaborative	X		
Breedon	Construction Materials	Thematic	X		
BP	Energy	Thematic	X		
British American Tobacco	Tobacco	Collaborative		X	
Conduit Holdings	Insurance	Collaborative			X
Cranswick	Food Products	Collaborative	X	X	
Ecora Resources	Metals & Mining	Thematic	X		
EOG Resources	Energy	Thematic	X		
Home REIT	Property	Collaborative			X
HSBC	Banks	Collaborative	X		
Mondelez	Food Products	Collaborative	X		
Neste Oyj	Energy	Thematic			
Nestle	Food Products	Thematic		X	
NextEra Energy	Utilities	Thematic	X		
Octopus Energy Infrastructure Trust	Alternatives	Collaborative		X	
Reckitt Benckiser	Household & Personal Products	Collaborative			X
Rio Tinto	Metals & Mining	Collaborative	X		
Ryanair	Transportation	Collaborative			X
Severn Trent	Utilities	Collaborative	X		X
Shell	Energy	Both	X		X
Sherwin Williams	Chemicals	Collaborative	X		
Tesco	Food & Staples Retailing	Collaborative	X		
UnitedHealth	Health Care Equipment & Services	Collaborative		X	
Vistry Group	Household Durables	Collaborative			X
Walmart	Food & Staples Retailing	Collaborative	X		

GLOSSARY

Glossary

AGM – Annual General Meeting

AIM – Alternative Investment Market

AUM – Assets Under Management

CA100+ – Climate Action 100+

CDP – Carbon Disclosure Project

ESG – Environment, Social and Governance

FAIRR – Farm Animal Investment Risk and Return

FCA – Financial Conduct Authority

GHG – Greenhouse gas

IA – Investment Association

ILO – International Labour Organisation

IPBES – Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services

MU – Monitored Universe

NA100 – Nature Action 100

NED – Non-Executive Director

PIMFA – Personal Investment Management & Financial Advice Association

RI – Responsible Investment

SBT – Science Based Target

SBTi – Science Based Targets Initiative

SDR – Sustainability Disclosure Requirements

TISA – The Investing and Saving Alliance

UNGC – United Nations Global Compact

UNHRC – United Nations Human Rights Council

UN PRI – United Nations Principles of Responsible Investment

VAS – Votes Against Slavery

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