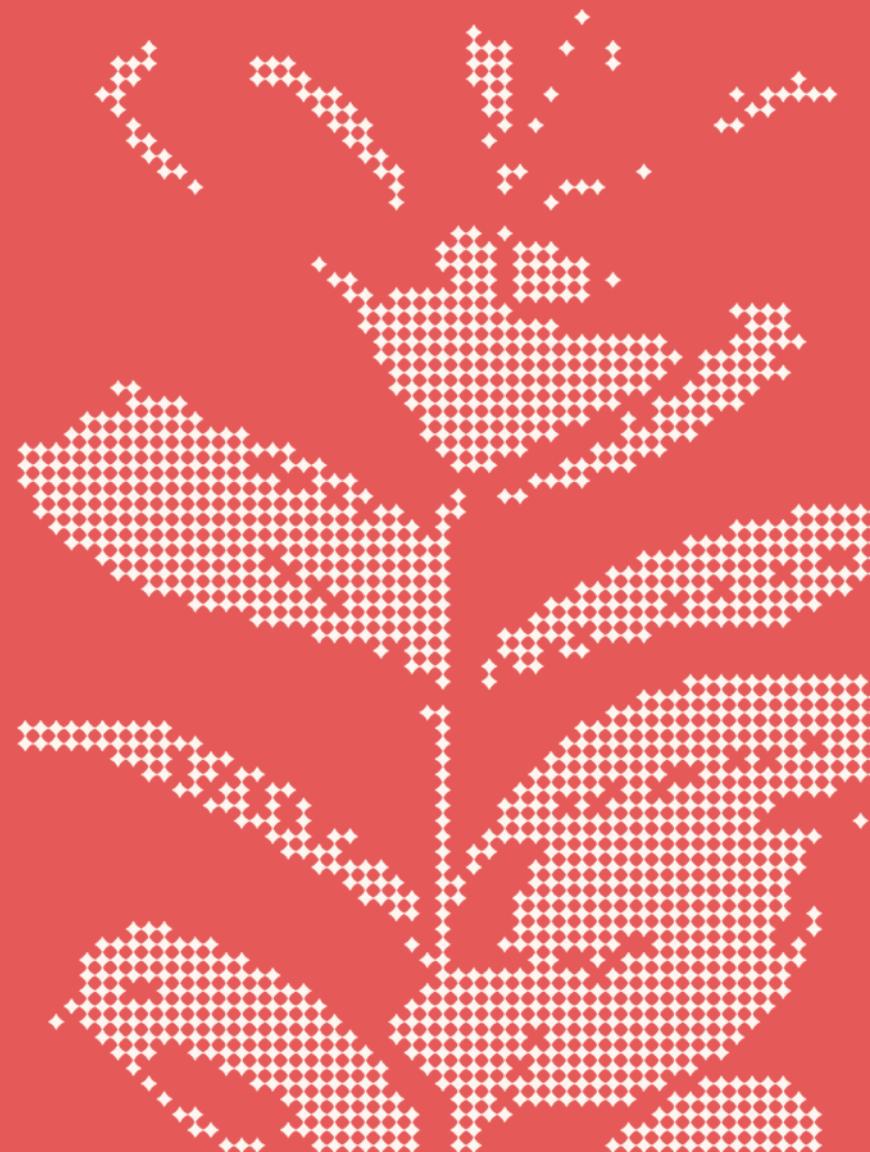


Quarterly STEWARDSHIP Report

Q4 2025



Our stewardship approach

What is stewardship?

The UN Principles of Responsible Investment (PRI) defines stewardship as “*the use of investor rights and influence to protect and enhance long-term value for clients and beneficiaries, including common economic, social and environmental assets on which their interest depend.*”

Stewardship is about working with external stakeholders including other investors, regulators and clients to mitigate risks and improve outcomes. It includes voting on shares in companies and investment vehicles.

Why is it important to us?

We believe that stewardship is at the forefront of our fiduciary duty to clients. We remain firmly committed to the UN PRI principles and the UK Stewardship Code. This is guided by our conviction that responsible investment (RI) – through environmental, social and governance (ESG) integration and active stewardship – contributes to building more resilient portfolios and contributes to better client outcomes.

Our stewardship approach assists us in the following ways:



Information gathering/sharing:

- Assists with evaluation of our systemic risks
- Helps determine whether a particular investment meets our criteria and standards
- Allows us to understand and assess investments against our bottom-up RI priorities



Adhering to policy:

- Enables us to assess the investment landscape and align our approach with regulatory developments
- Ensures the stated policies of investee companies and external funds are being actioned
- Fulfils our fiduciary duty of being active stewards of clients' capital by "walking the walk" not just "talking the talk"



To reduce risk:

- Where standards fall short of our expectations at investee companies or fund level, but the investment case remains intact, we can work to help improve business practices and lower long-term risk
- Improves the functioning of the financial system e.g. working with regulators to help shape policy

Who is conducting stewardship?

There are several teams at Evelyn Partners involved in defining and implementing our RI and stewardship activities:

Responsible investment team: seven dedicated specialists in our RI team, with skills ranging from expertise in stewardship to climate, integration of ESG factors into the investment process, regulatory compliance and RI data analysis and reporting

Sector specialists: practitioners that also provide sector analysis including ESG risks and opportunities, make investment decisions and participate in our voting process

Investment managers: who meet with clients frequently and share their sustainability preferences up to governance committees to ensure our products and services are suitable for them

Service providers: since January 2025, we have been working with **Morningstar Sustainalytics**, an external engagement service provider, to extend our capacity and reach

We are active members of various collaborative initiatives including:



Find it, Fix it, Prevent it



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



Engagement in the investment process

Pillars of our engagement strategy

Engagement type	Evelyn Partners activities Q4 2025
Engagement with policy makers and other stakeholders	<ul style="list-style-type: none"> Provided feedback to PIMFA's Sustainable Finance Working Group on the Adviser Sustainability Group's draft report Contributed to the IA's consultation on the FCA's SDR amendments, emphasising clearer guidance for multi-asset and fund-of-fund strategies Gave financial industry feedback on the Department of Business and Trade's review of responsible business conduct
Stewardship with investees and assets	<ul style="list-style-type: none"> Met with 6 companies to discuss their climate strategies and 1 company to discuss child labour risks Morningstar Sustainalytics led 12 meetings with companies in our monitored universe (MU) Co-led engagements with Balfour Beatty and Persimmon as part of the Find it, Fix it, Prevent it collaborative engagement
Engagement with external managers	<ul style="list-style-type: none"> Sent 74 funds questionnaires on our bottom-up RI priorities, including climate change, child labour, and UNGC watchlist Led our new Avoided Emissions engagement with support from 10 external managers – sending our letter to 8 service providers
Client engagement	<ul style="list-style-type: none"> Our Head of RI recorded a podcast for clients with the Head of Strategy and Business Development at Tokamak Energy, see link: Fusion: Unlocking the Future of Clean Power – A Conversation with Tokamak Energy Our Director of RI Products & Services recorded a 3-part podcast with a leading authority on demographic and depopulation change for clients, see link: Demographic megatrends: sustainability & investment – conversation series with Dr Peter Matanle
Collaboration	<ul style="list-style-type: none"> Contributed to the Sustainalytics' client consultation to propose a list of additional companies where there was no ongoing activity Met with Glass Lewis to discuss the Texas Senate Bill 2337 which aims to restrict non-financial proxy advice and measures to address associated risks Joined the UN Global Compact (UNGC) network

Escalation – we act where needed

Where we have concerns about an investee company or collective investment, 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 and fund managers.

Escalation can take a variety of forms:

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

How we prioritise engagements

Evelyn Partners have identified three bottom-up priorities to inform our responsible investment process which are given specific focus for our investment selection, risk management and stewardship activities. These are:

- Environmental resilience**
- Workplace standards**
- Excellence in governance**

These priorities primarily drive our engagement programme, but we also address systemic risks where those have been identified. There are four megatrends that we believe will shape the next decade:



Shifting
demographics



Changing
world order



Bumpy energy
transition



Technological
revolution

Our approach is consistent across both collective investment funds as well as direct investment assets, as can be seen from the case studies in the following section.

Case studies of engagement with companies

Direct meetings – can cover several risks, including systemic risks and bottom-up priorities

Megatrend	RI Priority	Engagement
 Bumpy energy transition	 Environmental resilience	<p>Wheaton Precious Metals Our climate engagement project with the most carbon intensive sectors</p> <p>What we like</p> <ul style="list-style-type: none"> Targets approved by SBTi Strong ESG due diligence process <p>Challenges</p> <ul style="list-style-type: none"> No direct control of operating decisions of mining partners <p>Outcome We gained a deeper understanding of Wheaton's approach to climate change and due diligence processes. Its emphasis on problem-solving to support mining partners highlighted their aim to positively influence the industry and therefore manage sustainability risks.</p> <p>Stewardship Focus We had an in-person meeting with Wheaton's Chief Sustainability Officer and the Director of Sustainability to discuss the company's climate strategy and the mining sector's role in the net zero transition. The conversation highlighted the challenges in meeting climate targets and noted that Canada's new anti-greenwashing law has prompted some mining partners to scale back on their climate aspirations. Wheaton also explained how they integrate sustainability considerations into investment decisions. These assessments are tailored to the context of each mine and in cases where deficiencies arise, Wheaton leverages their influence to find solutions with partners.</p>
 Shifting demographics	 Workplace standards	<p>Heineken Our engagement project on child labour risks</p> <p>What we like</p> <ul style="list-style-type: none"> Has set aims to ensure a fair and safe workplace for all <p>Challenges</p> <ul style="list-style-type: none"> Global operations/supply chain highly exposed to human rights risks <p>Outcome Heineken has made meaningful progress over the years in formalising its human rights framework and identifying upstream risks, which we supported. We will continue to monitor the company's progress on the expansion of their risk assessments and audit programme.</p> <p>Stewardship Focus A meeting was held to discuss Heineken's risks to child labour risks in its operations and supply chains. While Heineken reported no cases of child labour within its own operations, it acknowledged that risks are more pronounced upstream, particularly in the packaging and agricultural supply chains. The company has begun conducting risk assessments on commercial farms across Africa where it sources barley, supported by a newly developed supplier toolkit. Coverage remains limited on the programme though Heineken intends to expand the reach over time.</p>
 Excellence in governance		<p>Citigroup Sustainalytics-led meeting on business ethics</p> <p>What we like</p> <ul style="list-style-type: none"> Strong ESG factor risk management focus <p>Challenges</p> <ul style="list-style-type: none"> Implicated in instances of unethical conduct resulting in series of investigations <p>Outcome The company's progress and response is promising and we will continue to engage with the firm on strengthening their compliance, risk management, and corporate culture.</p> <p>Stewardship Focus This engagement with Citigroup seeks to achieve improvements to the firm's financial crime risk management. The meeting covered corporate governance topics including what expertise the board brings in business ethics, financial crime risk and culture, and their approach for identifying anti-trust across different business units. Aspects of corporate culture were also covered, including how Citi supports staff in managing conduct risk and how insights from employee surveys are shared with the board.</p>

Case studies of engagement with fund managers

Due diligence with funds to ensure our values and standards are shared

Megatrend	RI Priority	Engagement
 Shifting demographics	 Environmental resilience	<p>Ethical UK Equity Fund</p> <p>Update meeting and due diligence on child labour risks</p> <p>What we like</p> <ul style="list-style-type: none"> Aims to deliver consistent income and capital preservation through a disciplined approach <p>Challenges</p> <ul style="list-style-type: none"> Stock-specific missteps have detracted from performance <p>Outcome</p> <p>We decided to downgrade the fund from Top Picks to Neutral due to sustained underperformance relative to both its benchmark and responsible UK income peers with similar exclusionary investment criteria. From a responsible investment perspective, its approach is primarily exclusionary to reduce or avoid potential risk of harm rather than actively promoting sustainability characteristics or engagement.</p> <p>Stewardship Focus</p> <p>We had an annual update meeting with the fund manager in November to discuss the fund's ongoing underperformance. In May, we engaged with the team on the portfolio's elevated exposure to child labour risks which was notably higher than its peers. This was partially attributed to their bias towards consumer and healthcare sectors, which can be associated with complex, consumer-facing supply chains that carry heightened risk. The fund manager noted that they spoke with the flagged companies about this risk and that they expect to see appropriate and timely remediation where breaches occur. While the team's response was adequate, the issue remains a concern from a fund in the responsible sector.</p>
 Excellence in governance	<p>UK Equity Income Fund</p> <p>Our engagement with funds having >20% holdings in UNGC watchlist companies</p> <p>What we like</p> <ul style="list-style-type: none"> The fund team uses engagement for ESG-risk related problems <p>Challenges</p> <ul style="list-style-type: none"> Multiple companies in the portfolio are flagged on UNGC watchlist <p>Outcome</p> <p>The fund has exhibited a strong engagement approach and due diligence process. We were pleased to see that the fund has set a commitment to engage with all issuers considered and classified by MSCI as watchlist status for UNGC compliance and reviews the compliance status of companies on a weekly basis.</p> <p>Stewardship Focus</p> <p>This fund manager has engaged with all companies considered to be on the UNGC watchlist held in their funds at various points over the years. Their most recent engagement has been with Tesco. In 2024, the fund manager became aware of the escalation of legal proceedings over equal pay claims filed by Tesco's floor shop workers. The fund team identified this as a social risk – failing to treat employees of similar work standards equally posed risks to Tesco's reputation as an employer, challenges in recruitment and retention, and potential excess payouts and legal costs. The team first engaged with Tesco's investor relations team in September 2024 and continue to talk to the company on this topic, although there are some limitations due to the confidentiality of the legal case.</p>	

Proxy voting

Voting is an important tool in active stewardship and gives us the opportunity to express our views on behalf of our clients as investors. The group's voting policy and process covers discretionary holdings in our direct investment MU for equities, any company on our alternative market investment (AIM) monitored list, our in-house pooled Evelyn Partners funds, and any situation where our materiality threshold is met.

How we voted this quarter

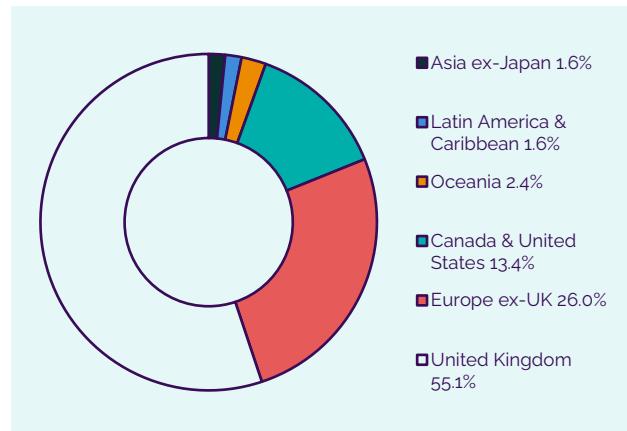
127 meetings

1197 proposals

Voted 81.1% in line with management

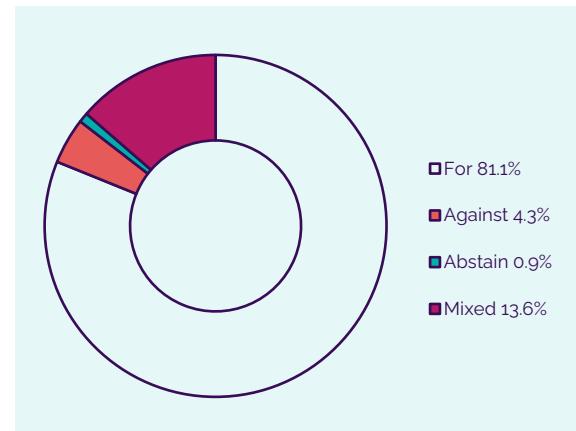
Supported 24.3% shareholder proposals

Voting by region



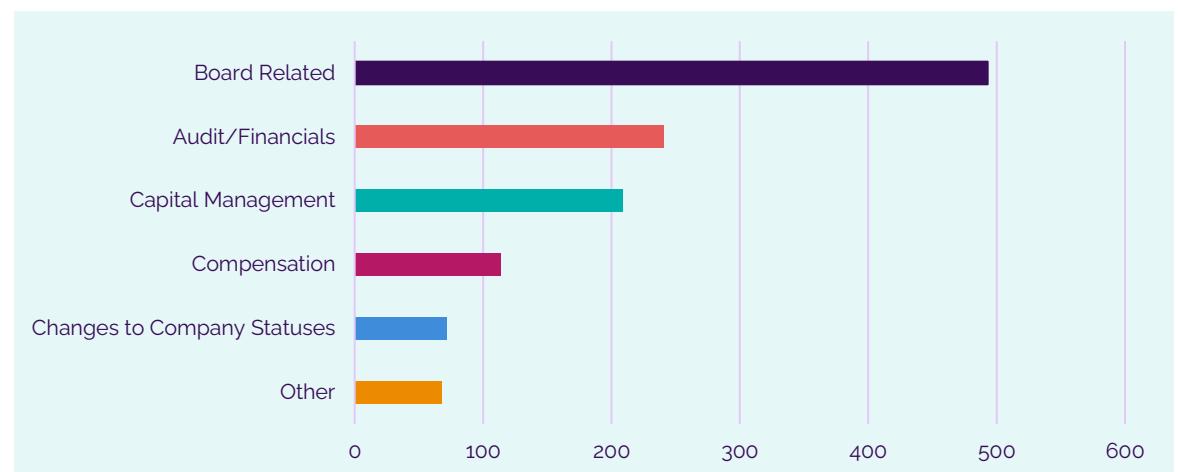
Source: Glass Lewis

Management proposals – votes cast



evelyn
PARTNERS

Voting by proposal category



Source: Glass Lewis

Significant votes

For most of our voting activity, we vote in line with management. However, on occasion our opinion may differ through the application of our voting policy and RI framework to assess company proposals.

Examples where Evelyn Partners voted against management in this quarter include:

- At **Tesla's** AGM, we voted against the pay package including the 2025 CEO Performance Award. In line with our policy, it is our belief that executive remuneration should be directly linked to the performance of the business that the executive manages.
- We supported a shareholder proposal at **Lam Research** requesting the board adopt a policy that allows shareholders of a combined 10% stock ownership the power to call special meetings. We believed this threshold was appropriate given the company's size and shareholder base.
- We voted against a director at **Pernod Ricard's** AGM who was affiliated with the company's major shareholder, Société Paul Ricard. With over 30% of directors being representatives of the pact, we believed the board should be refreshed to counter this imbalance.
- Estee Lauder's** multi-class share structure has unequal voting rights, which we believe is not in the best interests of shareholders. Therefore, we voted against the Chair of the Nominating and ESG Committee.
- We had concerns around the base salary awarded to the newly appointed chief executive at **Dunelm**, which did not have a compelling rationale and was a significant increase over their predecessor.

Appendix

Specialist meetings with companies in Q4 2025

Company	Sector	Type	Environment	Social	Governance
Autozone Inc	Consumer Discretionary	Led by Morningstar Sustainalytics	X		
Balfour Beatty	Industrials	Collaborative (Evelyn Partners as investor lead)		X	
BP plc	Energy	Led by Evelyn Partners	X		
Citigroup	Banks	Led by Morningstar Sustainalytics		X	X
Croda International	Chemicals	Led by Evelyn Partners	X		
Freeport McMoRan	Metals & Mining	Led by Morningstar Sustainalytics	X		
Heineken	Consumer Staples	Led by Evelyn Partners		X	
Iberdrola SA	Utilities	Led by Morningstar Sustainalytics	X		
Intel Corporation	Information Technology	Led by Morningstar Sustainalytics			X
Johnson & Johnson	Pharmaceuticals, Biotechnology & Life Sciences	Led by Morningstar Sustainalytics			X
Linde plc	Chemicals	Led by Morningstar Sustainalytics	X		
Nestle	Food, Beverages & Tobacco	Led by Morningstar Sustainalytics	X		

Company	Sector	Type	Environment	Social	Governance
Newmont Corporation	Metals & Mining	Led by Evelyn Partners	X		
NextEra Energy	Utilities	Led by Morningstar Sustainalytics	X		
Persimmon	Household Durables	Collaborative (Evelyn Partners as investor lead)		X	
Phoenix Group	Insurance	Led by Evelyn Partners			X
RWE AG	Utilities	Led by Morningstar Sustainalytics	X		
Ryanair	Transportation	Led by Evelyn Partners	X		
SSE	Utilities	Led by Evelyn Partners	X		
Tesco	Food & Staples Retailing	Led by Morningstar Sustainalytics		X	
Walmart	Food & Staples Retailing	Led by Morningstar Sustainalytics	X		
Wheaton Precious Metals	Metals & Mining	Led by Evelyn Partners	X		

Further details about our approach to responsible investing and stewardship activities, including our sustainability disclosures and detailed proxy voting reports can be found here www.evelyn.com/about-us/corporate-responsibility/responsible-investing/

Contact

If you're interested in finding more about our products & services, please contact me or visit www.evelyn.com

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The Group's Investment Management business is a signatory of the UN PRI and UK Stewardship Code 2020 via its subsidiary company Evelyn Partners Services Ltd. This report applies to the following subsidiary legal entities of Evelyn Partners Group Ltd which provide the Group's discretionary portfolio management services:

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