STEWARDSHIP REPORT 2024

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

evelyn
PARTNERS

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CEO MESSAGE

Response to the UK Stewardship Code 2024

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. Responsible investment 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 team is central to our investment process, with these resources 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.

Our standard due diligence process includes analysing the ESG credentials of the businesses in which we invest, with appropriate but consistent processes for collective investment funds. Looking back at the last year, our propriety RI dashboard was invaluable for providing ESG-related data to support our research as well as corporate and client reporting. We integrated the UK's new anti-greenwashing rules under the FCA's sustainable disclosure requirements (SDR) by providing training to all investment managers and reviewing our commercial collateral, adjusting our language where necessary to reduce the risk of misinterpretation. For UK investment fund labels and disclosure requirements, we provided the relevant SDR fund information and guidance to our investment managers, and shared information with clients where required.

We believe that active stewardship needs to include both engagement and voting: engaging with the assets we hold for clients is central to our role as effective stewards of our clients' capital and fundamental to discharging our fiduciary duty. We aim to take a consistent approach where we can to collective investments and direct investment holdings, acknowledging the modestly different role a fund manager or board director of an investment trust plays, compared to the management of a company. Our busy 2024 proxy season is described in Principle 12 with our updated escalation policy and examples in Principle 11.

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. This aims to reduce risk and increase opportunity for our clients. Active stewardship should also help us to reduce investment risk over the longer term as we work to encourage better policies and practises at both companies and funds.

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. We remain open to learning from the industry, sharing and encouraging best practices between investee companies, and drawing knowledge from third-party providers and managers on their record of successful actions.

Paul Geddes
CEO, Evelyn Partners

ABOUT
EVELYN PARTNERS

About Evelyn Partners

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.

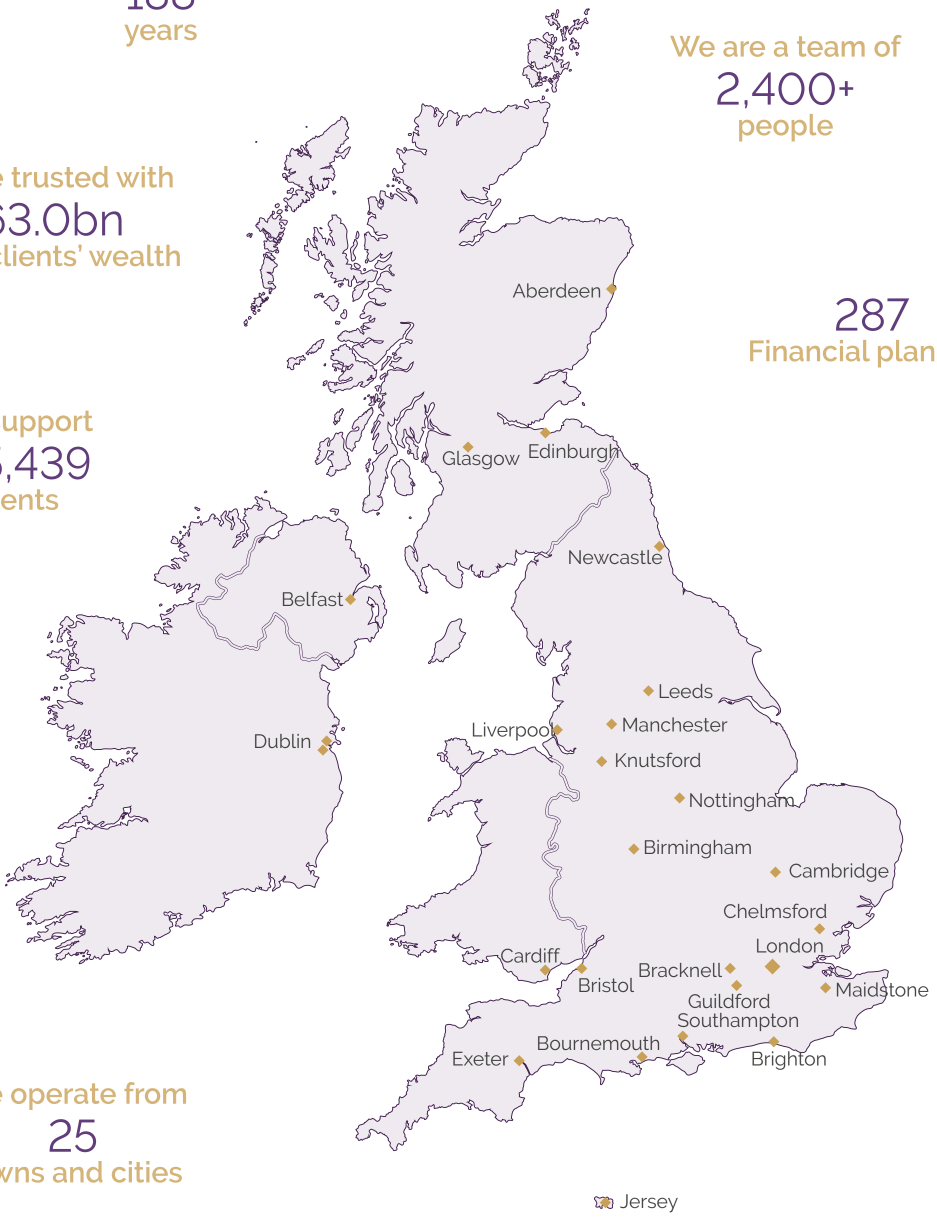
With a depth of expertise in financial planning and investment management provided from offices across the UK, Ireland and Jersey, we offer an unrivalled range of services to support our clients with the management of their wealth.

A heritage of
188
years

We are trusted with
£63.0bn
of our clients' wealth

We support
155,439
clients

We operate from
25
towns and cities



We are a team of
2,400+
people

287
Financial planners

326
Investment managers

Source: Evelyn Partners Annual Report 2024

KEY ACHIEVEMENTS
FOR 2024

Key Achievements for 2024

Sovereign ESG assessment

To add to our assessment of systemic risks using our megatrends research, country risks are now identified, considered and monitored using our new proprietary screening framework for ESG factors. The framework focuses on key environmental, social and governance metrics that are deemed material and good proxies for country-level risk exposure.

Themed engagement programme extended to funds

Using our priorities, we increased our thematic engagement programme to collective investments (funds), where we screened holdings to identify key areas of exposure and targeted those funds where we believed there could be material risks. We had full participation rates in the three themes of climate action, the risk of child labour in the workplace/supply chains and the encouragement of UN Principles of Responsible Investment (PRI) membership in the governance space.

Widespread coverage of financed emissions through engagement

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, as part of our direct and collective investments engagement programmes across all service types. Numerous follow up meetings occurred in 2024, where our emphasis was on sharing best practice and on encouraging ambition. The dialogue will continue in 2025.

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 responsible investment approach. STEP is a global association for professionals specializing in trusts, inheritance, and estate planning. Now in their 19th year, STEP's Private Client Awards recognise excellence in private client practice and are open to lawyers, accountants, private bankers, financial advisors, and trust managers worldwide.

First standalone Task Force on Climate-Related Financial Disclosures (TCFD) report

We published our first separate climate risks and opportunities TCFD report which contained our statement of climate ambition for our investments as well as relevant action points for the future. Beyond the report, we have integrated new scenario analysis concepts in the investment process through training, and more centralised internal screening and reporting.

Increased client engagement activity

We held a dedicated responsible investment conference in London and contributed to other internal and external charity events during the year. We also provided responsible investment insights including webinars, podcasts and articles that are available on the Evelyn Partners website.

EVELYN PARTNERS RESPONSE TO THE STEWARDSHIP CODE

Principle 1

Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Following the merger of Tilney and Smith & Williamson in September 2020, the Group rebranded to Evelyn Partners on 14 June 2022.

Evelyn Partners is a UK leader in wealth management, providing investment management and financial planning advice to help our clients embrace what's next. Our service proposition is distinguished by the strength of our expertise in both financial planning and investment management, enabling us to provide clients with a truly holistic 'dual expert' wealth management service.

We believe this joined up approach is a powerful combination to help clients achieve their goals with a bespoke financial plan and appropriate investment strategy, while also deepening their relationship with us. We are able to support clients living across the UK, as well as in Ireland and Jersey, through an extensive network of offices in 25 towns and cities. Our teams are immersed in their local communities and able to form personal relationships with their clients.

Source: Evelyn Partners Annual Report 2024

Purpose

We recognise that life is full of decisions that shape the future of what matters to our clients. Great decisions require as much certainty as possible; the kind of certainty that comes from good advice.

Good advice is powerful as it allows people to flourish in the present, while knowing that tomorrow is being taken care of. We also believe that more people and businesses should have access to good advice, regardless of whether they have very substantial or modest financial resources.

Our purpose is therefore 'to place the power of good advice into more hands'. It is at the heart of everything we do. We are committed to being an active voice in our sector for raising the standards and reach of advice.

In pursuing our purpose, we have three core values:

Personal: We treat you as an individual

Advice that is delivered by people who really understand what matters to our clients.

We welcome client portfolios of any size thanks to the breadth of our offering — from online investing to bespoke portfolio management. Our charity and not-for-profit clients range from small family established endowments through to large complex operational charities. Our business clients range from small entrepreneurs to scale-ups and multi-million-pound revenue companies.

Partnership: We go further together

Working with our clients in a joined-up, collaborative way.

We are one of the UK's leading wealth management groups. Our service proposition is distinguished by the strength of our expertise in both financial planning and investment management, enabling us to provide clients with a truly holistic 'dual expert' wealth management service. We are a committed corporate responsibility partner, looking for ways to positively influence the communities we work in.

Performance: We strive for more

With breadth and depth of advice expertise, and strong investment performance.

We focus on putting our clients' interests first and are committed to fostering a culture anchored around the values of providing a highly personal service, building partnerships and striving to deliver excellent performance in everything we do. Our investment focus is on preserving and growing wealth. We are committed to providing our people with the resources they need to support the delivery of a high quality, personalised range of services to our clients. These values are the foundation for both our service promise and of our workplace culture.

In seeking to deliver our purpose, and the values which underpin it, our business is supported by several key pillars: the quality of our talented people, our positive culture, a leading technology platform, robust risk management and governance, and a commitment to corporate social responsibility.

Strategy

Following the sale of the Group's Professional Services business in November 2024 (officially completed on 31 March 2025), we also announced the sale of the Fund Solutions business on 27 January, which is anticipated to complete in H1 2025. The strategy for the continuing Group is therefore now wholly focused on growing our core wealth management business.

Where it is relevant for clients, we are seeking to broaden the adoption of our 'Dual Expert' service, where clients are supported by the expertise of both a financial planner and an investment manager working side by side collaboratively. We believe this joined up approach is a powerful combination to help clients achieve their goals, with a bespoke financial plan and appropriate investment strategy, while also deepening their relationship with us.

Our strategy for acquiring new clients is centred on an integrated approach to marketing and business development. We have pivoted from broad, service-led marketing to an approach that is highly focused on carefully identified client verticals with attractive characteristics, including entrepreneurs and charities. Our focus is on targeting client groups where we can demonstrate a deep understanding of their needs, our breadth of expertise is highly relevant and where we can build strong recognition among these verticals as the 'go-to' wealth manager.

UN PRI and UK Stewardship Code commitment

We remain committed to the UN PRI principles and believe that integrating responsible investment (i.e. the combined activities of ESG integration and active stewardship) strengthens our internal processes, and leads to more resilient portfolios. We believe that this is at the forefront of our fiduciary duty to our clients. We are also committed to the principles of the UK Stewardship Code and our ongoing efforts to satisfy the requirements of continuous improvement elevates our client offering.

Please see the link to our responsible investing approach and policy on our website.

Culture

We are cognisant that our success as a business is based on the quality and commitment of our employees and partners and a strong, shared culture. The maintenance and development of expert level skills is an important aspect of our business. We are committed to the education, recruitment and retention of a diverse workforce that reflects wider society, our client base and our inclusivity and diversity (I&D) aims. We strive to create a rewarding and fulfilling work environment, providing career development and training opportunities while promoting an appropriate work/life balance. The emphasis on our colleagues is evident in both our purpose and our strategy, with two of our four key enablers centred on our people. We also have a strong sense of corporate responsibility, aiming to manage the impact of our business on people, suppliers, clients, investors and other stakeholders, communities and the environment. We seek to manage our business in a sustainable way to minimise our impact on the environment, provide a professional and supportive workplace for colleagues and attract, integrate and retain people from diverse backgrounds to deliver the best possible service to all our clients.

We are proud of our culture and strong values which set us apart, that focus on our business, our people, our environment, our community and our customers. We are an inclusive and diverse business, proud of our heritage, with a culture that unites all colleagues to deliver 'performance with principles'.

See Principle 2 for details on I&D activities and also a description of resources that support our culture to enable effective stewardship,

Our corporate responsibility activities are divided into four underlying pillars, with oversight by the Board ESG Committee, who have delegated day-to-day management of corporate responsibility to the Group Executive Committee (GEC).

Evelyn Partners Four Pillars of Corporate Responsibility

See our Corporate Responsibility Report for further details on our website,

Pillar	Objective	2024 Key highlights
Environment	We are committed to managing our business in a sustainable way to minimise our impact on the environment, both in our operations and through the value chain	• We continue to select sustainable buildings and increased our occupation of BREEAM 'Excellent' buildings by colleagues to 59.3% (2023: 54.4%) • Our Scope 1, Scope 2 and Scope 3 (excluding financed emissions) were independently assured for a second consecutive year • We have expanded the ESG risk assessment solution and targeted 200 supply-chain ESG questionnaires covering 76% of suppliers by value • Environmental activities were promoted, championed and supported by the Environment Steering Committee and Environmental Forum, increasing employee engagement and awareness

Pillar	Objective	2024 Key highlights
Responsible investment	As responsible investors, we incorporate material ESG factors alongside purely financial considerations in investment decisions and practise active ownership and stewardship	• We are involved in several industry groups and provide input into various trade body initiatives to help improve sustainability-related disclosures, proposed regulation or the development of best practice guidance • Following identification of the three bottom-up responsible investment priorities to inform our stewardship activities (Environmental Resilience, Workplace Standards and Excellence in Governance), we introduced additional engagement programmes to support these priorities • We continue to work with other investors as an active member of several collaborative engagement platforms • Following an investment in a 'TCFD Enhanced Climate Metrics' third-party product and reporting services, in 2024, we focused our efforts on deepening our understanding of climate scenarios, and produced our first standalone TCFD report for our investments in accordance with FCA asset manager disclosure requirements • Learning and development around ESG for both colleagues and clients are key priorities for the Group
People (see Principle 2 for further details)	Our purpose and values support an inclusive culture from a diverse pool of talent. The people strategy focusses on four broad themes: • Culture • Inclusivity and Diversity (I&D) • Wellbeing • Talent development	• We launched our 6th I&D network, the 'Family' network and a GEC sponsor for each I&D network was appointed during the year • Our I&D networks hosted many events at offices around the business, and I&D mandatory training was introduced • We issued our 2023 Gender Pay Gap Report • We achieved Silver accreditation for the Inclusive Employers Standard (IES), building on our Bronze accreditation achieved in 2022 • To support colleague financial wellbeing, we launched our financial wellbeing application called Bippit • All colleagues are offered career and personal development opportunities and have access to leadership and development programmes
Charities and communities	The Group's corporate charitable objective is to improve inclusion and diversity. We support our local communities and our colleagues to get involved in community projects and activities through volunteering and charitable giving	• As a Group, we have two principal charity objectives. Our corporate objective is to encourage people from less advantaged backgrounds to pursue a career with us, while our colleague charitable objective is to create opportunities to support our local communities. We are keen to share our wealth of talent and experience by encouraging colleagues to get involved in supporting both of the objectives • Following the end of our three-year partnership with Impetus, we partnered with Career Ready, a social mobility charity, supporting social mobility by delivering a structured programme of mentoring, paid internships, masterclasses, and workplace visits for young people from under-represented backgrounds • Local offices also organised and supported local community charities of their choice • We were awarded the Gold Standard for Payroll Giving by The Charities Trust, the administrator for the Give-As-You-Earn (GAYE) • As part of our inclusion and diversity strategy, we participate in several programmes which, in 2024, included the 'Girls Network', 'We Can Be', sponsoring GAIN (Girls are INvestors) and supporting 'City Pay It Forward'. Further information can be found in our Corporate Responsibility Report

Responsible investment – investment philosophy

We seek to preserve and grow the real value of each portfolio, for the lowest risk necessary to meet each client's specific objectives over the long-term. We are patient investors.

Our investment philosophy rests on five fundamental principles:

1. Quality: we expect equities will be the main drivers of returns through time. We seek to invest in businesses able to grow revenue and compound returns over time, that are attractively valued with sound balance sheets and healthy cash flow generation, that consider material ESG factors and have a proven record of strong management and investment in their chosen strategy. We believe that these types of companies will outperform across the economic cycle and they represent the core of our portfolios.

2. Genuine diversification: however confident we are about the outlook, we maintain well diversified multi-asset portfolios. We seek to preserve capital during unexpected shocks and to match each portfolio to the individuals' risk capacity and tolerance. We do this by constructing portfolios made up of different asset types, combining holdings with different economic exposures and avoiding investment in areas where the expected return is outweighed by high volatility.

3. Liquidity: portfolios need to be flexible to be adaptable to changing economic and market conditions. Illiquid assets can prevent active management and lead to unsuitable portfolios in 'risk-off' environments. We look to predominantly hold high quality investments which trade on large liquid markets. We regularly assess the liquidity of our portfolios, especially in the fixed interest and alternative sectors where liquidity is thinnest.

4. Responsible: responsible investment involves considering ESG issues when making investment decisions, known as ESG integration, and influencing companies or assets, known as active ownership or stewardship. ESG issues and factors include, amongst others, those related to climate change, mitigation and adaptation, environmental management practices, duty of care, working and safety conditions, respect for human rights, anti-bribery and corruption practices, and compliance to relevant laws and regulations. We believe that an integrated approach to responsible investing leads to more resilient portfolios. As long-term investors, we have always looked beyond the financial statements, incorporating material non-financial factors into our analysis. This, together with a strong commitment to active stewardship, is the basis of our responsible investment approach. Our voting process (see Principles 9 and 12) focuses on discretionary holdings which are on our direct equity monitored universe (MU), companies on our Alternative Investment Market (AIM) monitored list and situations where our materiality threshold is met (where we own more than 1% of the total issued share capital).

5. Integrated risk controls: we incorporate strong risk controls across every aspect of our management of our client's capital. In addition to the risk controls monitoring investment and operational risk, there are also strong controls covering investment administration.

Stewardship at Evelyn Partners

Why is Stewardship important to us?

We believe that stewardship is at the forefront of our fiduciary duty to our clients. As responsible investors, we practice active stewardship to manage our clients' assets in accordance with their investment goals and to reduce risks.

There are three main reasons for our engagement approach with investments. Firstly, to gather information: it is important for us to determine whether a particular investment meets our criteria. We value meetings, with investee companies and fund managers where possible, to help us make these important decisions, and also help us to identify and assess systemic risks. Secondly, 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. Thirdly, we aim to influence: in most cases, investments made on behalf of clients' are operating with high standards. However, where these standards fall short of our expectations, but the investment case remains intact, we will work to encourage ambition to raise standards and business practice.

We use a range of methods when putting our approach to investment stewardship into action, including taking an active part in company votes and engaging with boards. When investing in third-party funds (collective investments), we choose those with a similar commitment and approach to stewardship as Evelyn Partners. Voting is used as a key escalation element of our stewardship programme, though we expect to vote in favour of most resolutions given that leadership quality is part of our overall investment rationale. However, we do vote against management, in line with our voting policy. You can read more about our voting activities in Principle 12, and our updated escalation policies in Principle 11.

The overall aim of our stewardship activities is to help us mitigate risks over the long-term to improve client outcomes.

Clients

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. Results are analysed to identify areas for improvement.

The needs of clients are constantly evolving, particularly in the way that they wish to interact with businesses. We have developed an online portal and mobile application ('app') which continues to grow in usage. Our app has multiple features including providing clients with access to valuations and analysis of their portfolios at their convenience, as well as secure messaging with their adviser. We are continuing to focus on the development of our digital portals to improve our clients' experience. Additionally, we have embraced the use of virtual meetings and webinars and, subject to client preferences, have continued to make use of these channels, alongside offering face-to-face meetings.

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.

How we serve the best interests of our clients – our responsible investment approach

As responsible investors, our fiduciary duty is to serve our client's best interests. The importance we place in ESG factor integration and stewardship ultimately strengthens the resilience of portfolios for our clients.

We undertake stewardship on behalf of the majority of our clients through our Discretionary Portfolio Service (DPS). Regularly meeting and engaging with the companies and management teams that we invest in has always been a core part of our disciplined investment process and is fundamental to our approach to stewardship.

We are long-term investors, as that's what our clients expect from us and practice too. For some clients this can mean a multi-generational approach. For example, we manage investments for the sixth generation of our original investors.

We believe that our long-term purpose of 'placing good advice into more hands' requires us to be responsible investors and practice active stewardship and ESG integration of material non-financial considerations in our investment decisions (see Principle 7 for further details and below on the development of our responsible investment approach).

Development of our approach to responsible investment

Continuous improvement is about consistent progress and we are committed to implementing incremental changes to our existing responsible investment process, as our plans and timeline of events demonstrate below. See Principle 2 for a description of our resources and RI team which support our efforts to promote effective stewardship.

Tilney and Smith and Williamson merger implementation

Incremental activities

Evelyn Partners sale of Professional Services and Fund Solutions businesses

	2018-2021	2022	2023	2024	2025+
Stewardship	• Investor Forum (2019 S&W) • Climate Action 100+ (2020 S&W) • Find it, Fix it, Prevent it (2021) • UK Stewardship Code (S&W) • UN PRI (2019/2020 S&W) • Sustainable Managed Portfolio Service (2011) • Sustainable EAP** • 1st RI conference (annual)	• CDP • TCFD (voluntary disclosures) • Corporate Mental Health Benchmark • Seasonal Workers Scheme • Industry representation: - Members of TISA RI & Sustainability Committee, and PIMFA Sustainable working group; IA SFDR forum - Contributions to PIMFA letter on FCA SDR consultation. - Contribution to Transition Plan Taskforce call for evidence	• FAIRR • Nature Action 100 • Votes Against Slavery (VAS) • Glass Lewis policies (ESG, Climate) • SBTi targeted engagement • Increased article coverage • Industry representation: - Investment Association forums on SFDR, TCFD, Net Zero and SDR - Regulatory consultations: Evelyn Partners response to FCA SDR; input into PIMFA/IA/TISA SDR and other regulatory responses - Wealth manager roundtables: PIMFA, EY, Cazenove	• TCFD (mandatory disclosures) • Thematic engagements (Climate, Child Labour, UN PRI) • Increased RI information on our website, podcasts and articles • Industry representation: - FCA consultation – extension of SDR for portfolio management – Evelyn Partners response - Input into IA, PIMFA and TISA SDR responses	• Continue 2024 thematic engagements and identify additional engagements • Launch of A-Z of ESG Best Practice Guide with Civil Society Media • Increased media coverage (podcasts, articles, conferences) • Website overhaul post Evelyn Partners business separation • RI in client journey • Industry representation: - Input into IA, PIMFA and TISA SDR working groups
Investment process	• Proxy voting (S&W) • Integration of Tilney and Smith & Williamson voting process • RI policy • Sustainability-related disclosures • MSCI ESG Manager is onboarded • Direct investments: ESG material risk • Collectives: Green Tick* process • ESG training Phase 1	• Strategic Megatrends • RI Dashboard – SFDR /TCFD reporting • ESG training Phase 2 • Recruitment of 3 RI resources • Annual RI investment management survey launched, including RI section • MiFID II Client Preferences (Ireland) • RI Internal Audits – Stewardship and SFDR change Collectives: - Green Tick* implementation - Launch of Door DDQ	• SFDR & TCFD training • Training RI Dashboard • Megatrend integration in research process • Onboarding of MSCI Climate Lab Enterprise and Managed Services • Recruitment Director of RI Directs: - Review of material risk process - Review of RI sector analysis and documentation, SFDR & TCFD integration - RI integration in AIM Collectives: - Review and renaming of Green Tick process (EEIDD) - Review of RI sector analysis and documentation, SFDR & TCFD integration, Door DDQ	• RI priorities and forward-looking climate data in investment process • RI in asset allocation (country risk) • RI in Fixed Income and Passives • Training on RI priorities • Sector Specialist & RI Analysts training • UK SDR training: anti-greenwashing, labels • Nomination of Head of RI and recruitment of a Sustainability Specialist • RI Internal Audit • Relaunch of Sustainable MPS for internal advisors and investment managers Collectives - EEIDD process extension (92 funds) - UK FCA SDR labels distributor requirements	• Development of a Carbon Strategy • Development of Engagement Strategy • Investment Hub and RI Hub overhaul • TCFD attribution analysis Directs - Focus on RI priorities and automation of process Collectives - Enhanced DD on all MU funds (EEIDD extension Phase 2) - UK FCA SDR labels assessment - Review of sector documentation

* Now renamed as Enhanced ESG integration Due Diligence process (EEIDD)

** At the time of writing, the Evelyn Partners Sustainable fund range was undergoing a change of name to the Horizon Fund range to comply with new European fund naming guidelines, effective from 14 April 2025.

Principle 2

Signatories' governance, resources and incentives support stewardship.

Overview

The Board – Group Structure

The Evelyn Partners 'Group' has structured its governance arrangements such that the members of the Board of Evelyn Partners Group Limited are also directors of the majority of the main UK trading or regulated subsidiaries (which together forms the 'Group Boards'). Please refer to the end of this report for the list of regulated legal entities which are subsidiaries of Evelyn Partners Group Limited and are covered by this report. The Group Boards are supported by a number of Board Committees, as explained in the following sections.

The Group Boards and their Board Committees conduct their respective meetings on a concurrent basis.

Due to the size, complexity and scale of our business, some subsidiaries have their own Boards and Committees comprising of Executive Directors and in the case of some, Non-Executive Directors as appropriate. Further information on our corporate structure and governance arrangements can be found in our Corporate Responsibility Report and on our website.

Board's role and responsibilities

The role of the Board is to ensure that our strong governance crucially underpins a healthy culture. The Board demonstrates good practice in the boardroom and promotes good governance throughout the business. This demonstrates openness and accountability, which are extended to constructive engagement on culture with shareholders and wider stakeholders.

The Board also sets the strategy for the Group, determines the risk appetite to support that strategy, and oversees an effective risk control framework and the delivery of strategy and performance.

We understand our stakeholders to be: our clients, regulators and the governments of the countries in which we operate, our shareholders, our colleagues, our suppliers and counterparties, and the society and communities in which we operate.

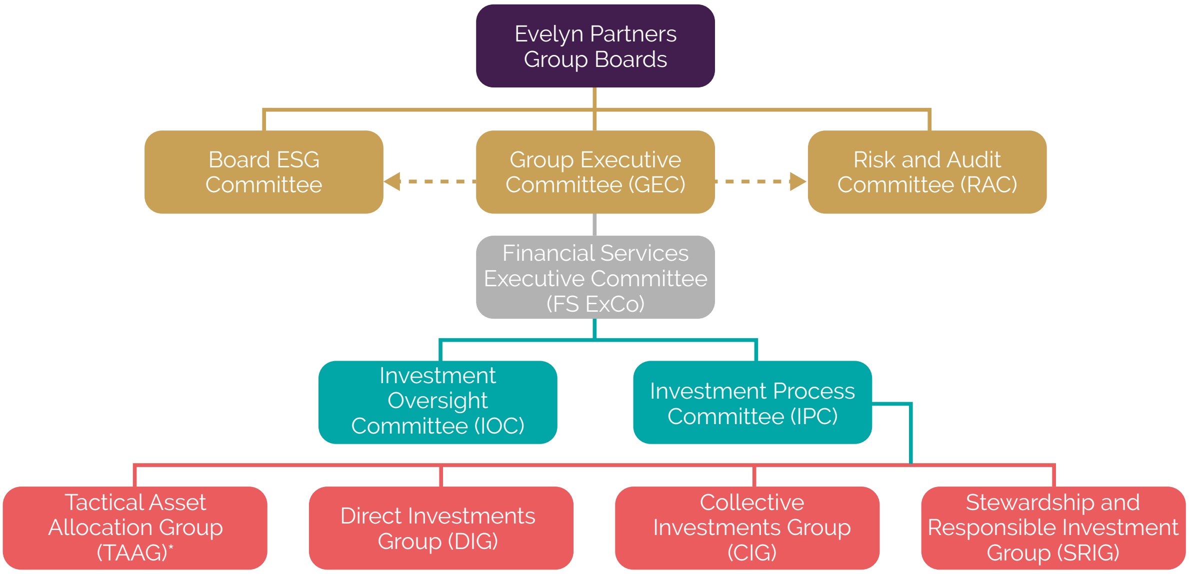
The Board manages the affairs of the Group and its subsidiary companies for the benefit of all stakeholders. This is achieved by:

- Developing a business model and practices that are designed to maintain and enhance market integrity
- Encouraging a culture whereby long-term relationships are fostered with clients, suppliers and colleagues, who are treated fairly and are content with the service that they receive/provide
- Developing services and products designed for positive client outcomes that are attractive and provide fair treatment for both existing and new clients
- Establishing relevant and supportive relationships with our local communities
- Developing practices which promote the interests of clients and mitigate the risk of reputational damage or financial loss in respect of the Group's assets, or the assets that it manages or controls on behalf of clients
- Maintaining policies such as those relating to conflicts of interest and tax avoidance
- Developing policies in relation to its colleagues, including inclusion and diversity matters, remuneration and modern slavery that demonstrate that the Group deals fairly with its stakeholders

Our Board recognises the importance of good corporate governance and strives to ensure that the Group's governance arrangements deliver a well-run business which has its clients at heart.

As an unlisted private company, we are not required to comply with the Financial Reporting Council's (FRC) 2018 UK Corporate Governance Code. We therefore follow the Wates Corporate Governance Principles (published by the FRC in December 2018), which provide a framework to help large unlisted private companies meet legal requirements while promoting long-term success. In 2024, under the Companies (Miscellaneous Reporting) Regulations 2018, the Group has applied the Wates Principles. The Board believes that the Company already complies with best practice and with the spirit of the Wates Principles and has applied them throughout the year.

Simplified Group Organisational Structure – Investment Management Governance



*Which replaced the Asset Allocation Committee (AAC) in March 2024

ESG Governance and Resources

The Board ESG Committee meets periodically to discuss strategy and progress, while delegating the day-to- day management of corporate responsibility to the Group Executive Committee (GEC).

The GEC is responsible for setting and monitoring the Group's approach to the corporate responsibility strategy and for implementing the ESG strategy of the Group.

The GEC's ESG activities are co-ordinated by its Chair and divided into the four pillars of corporate social responsibility, which have been identified as appropriate for our business. The strategy of each pillar is considered across the entire business and takes into account the impact on key stakeholders.

The Risk Management Framework sets the oversight requirements and supports the corporate responsibility strategy. ESG risk is embedded across the Group's principal risks and remains a key driver of activity for the Group. The ESG measures are included in metrics for our GEC members. Achievement of these metrics is reviewed annually and assessed as part of annual performance reviews. The outcome of these reviews impacts the variable pay awarded to GEC members.

The GEC sponsors of each pillar during the year were:

Andrew Baddeley
Group CFO

Environment: includes sustainable buildings and facilities, waste management (paper, recycling, plastics, water, biodiversity and deforestation), energy efficiency and carbon reporting (scope 1-3) and striving to achieve the relevant 17 UN Sustainable Development Goals applicable to Evelyn Partners' corporate activities.

Andrew joined Tilney in 2018 from TP ICAP plc, an inter-dealer broker listed on the London Stock Exchange, where he was Group Chief Financial Officer. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is a Chartered Tax Adviser.

Benne Peto
Group People Office

People: includes culture, employee engagement and wellbeing, talent management, learning and development, and diversity and inclusion.

Benne joined in 2019 from Cabot Credit Management Group (CCM), a consumer credit services company, where she was Group Chief Risk Officer. Benne has more than 10 years' experience in financial services, namely with CCM and Lloyds Banking Group. She has also held numerous senior HR positions in retail including at the Kingfisher Group and has been a management consultant with Accenture. Benne is a Chartered Member of the Chartered Institute of Personnel Development (MCIPD).

Charley Davies
Group General Council

Communities & Charities; includes volunteering, charitable giving and supporting national and local charities and communities.

Charley joined Evelyn Partners in 2022 as Group General Counsel. She was also appointed as Group Company Secretary in April 2024.

She joined from Provident Financial Group PLC, the London Stock Exchange listed specialist bank, where she was Group General Counsel and Company Secretary. Prior to this she served as General Counsel and Company Secretary at Cabot Credit Management. She also held the General Counsel and Company Secretary role at Lockton, the global insurance brokerage, and has held a number of non-executive positions. Charley is a qualified solicitor with the Solicitors Regulation Authority.

Chris Kenny
Chief Investment Management Director

Responsible Investment (January to May 2024): includes all investment management functions including our RI processes.

Chris is Chief Investment Management Director. In addition to the GEC he sits on the Financial Services Executive Committee. He is responsible for leading our Investment Management business, including our investment process, client service and engagement with intermediaries. Chris has developed a successful career as an investment manager, working with private client families and their advisers in the UK and internationally. He is a Fellow of the Chartered Institute for Securities & Investment.

Edward Park
Chief Asset Management Officer

Responsible Investment (from May 2024 onwards): includes all investment management functions including our RI processes

Edward joined Evelyn Partners as Chief Asset Management Officer in April 2024. As part of the wider investment management leadership team, he has overall accountability for the group's centrally managed investment propositions, including its extensive range of Evelyn Partners pooled funds and suite of Managed Portfolio Service (MPS) strategies which cater for a wide range of risk and goal profiles. As a GEC member, Edward took over responsibilities to lead the RI pillar from Chris Kenny. Edward was previously at Brooks Macdonald, where he worked for 15 years, latterly as Chief Investment Officer, and a member of the Executive Committee.

The main committees relevant for the Group's stewardship activities are described below.

Non-Executive Committees		
Committee	**Role/Responsibilities**	**Frequency**
Risk and Audit Committee (RAC) Oversight of Risk and Compliance, monitoring the risk management framework to ensure adequate systems and controls are in place and that the businesses operate in accordance with all relevant legal and regulatory requirements	• Advising the Group Boards on the Group's risk profile and overall risk appetite in setting its future strategy • Ensuring that a suitable and effective risk management framework and strategy is in place for the Group and advise the Group Boards in that regard. Review and challenge where necessary the effectiveness of the Group's overall risk management framework and internal financial controls and the adequacy of associated management information, both qualitative and quantitative • Overseeing and advising the Group Boards on the embedding of an appropriate risk management culture throughout the Group to ensure effective accountability, responsibility and, where appropriate, delegation of risk, controls and remedial action is in place, including the Group's capability to identify and manage new risk types • Overseeing the investment risk management framework, including the governance of investment risk • Receiving appropriate management information on investment risk and outcome for clients • Reviewing the Consumer Duty dashboard and consider reports related to Consumer Duty requirements and approve the annual Consumer Duty report ahead of disclosure to the Group Boards • Approving any new risk management policies or material changes to those policies prepared by the Chief Risk Officer and recommended by the GEC and monitor the effectiveness of and compliance with such policies	5 meetings in 2024
Board ESG Committee Oversight of the effectiveness of the Group's corporate responsibility strategy	The committee is responsible for independently reviewing management's actions for and on behalf of, and assisting, the Group Boards in: • Promoting the long-term success of the business in relation to ESG matters • Embedding the corporate culture and values across the Group and to every aspect of the business ensuring they are aligned with the Group ESG commitment • Overseeing the development of the Group ESG strategy and monitoring its performance in relation to these matters by ensuring that the right strategies, supporting framework, policies and action plans are in place to meet • Advising the Group Boards on the effectiveness of the Group's ESG strategy, clarity of its purpose, the application of its values and its management of related risks and opportunities • Ensuring that the Group agrees, implements, communicates, and reviews strategy on key ESG issues, risks and opportunities • Overseeing and monitoring the corporate reputation and engagement with stakeholders including, inter alia, employees, clients, suppliers, and communities in which the Group develops its activities • Reporting to the Board on the social, environmental, sustainability. responsible and ethical behaviour aspects of the Company and its Group and the interests and expectations of their stakeholders	2 meetings in 2024

Executive Committees		
Committee	**Role/Responsibilities**	**Frequency**
Group Executive Committee (GEC) Responsible for setting and monitoring the Group's approach to the corporate responsibility strategy and for implementing the ESG strategy of the Group	• Reviewing the organisational and governance structure of the group and making recommendations for change • Monitoring the operational and financial performance of the business against budgets, objectives and key performance indicators • Formulating plans, targets and reviewing management's work carried out under the four dedicated corporate responsibility pillars to implement Group ESG strategy and support developing a more sustainable business • Setting and monitoring KPIs for each pillar • Monitoring external developments including emerging ESG trends and opportunities and best practices, regulatory requirements and recommend changes to the strategy to the Group ESG Board as appropriate • Implementing appropriate remuneration structures within the business divisions • Reviewing, challenging and approving key management policies, actions and plans, recommending board level policies, strategies and actions to the Board ESG Committee as appropriate • Reviewing stakeholder engagements including communication plans and regulatory disclosures	Formally meets at least once a month and informally on a weekly basis for updates, 9 meetings held in 2024
Financial Services Executive Committee (FS ExCo) Provides oversight of the day-to-day running of the financial services business including overall client outcomes, regulatory compliance, business development, growth strategy and profit and loss across the business	• Monitoring and ensuring the quality and delivery of client service outcomes and experience, and making any changes or recommendations to GEC as appropriate to enhance the overall client outcomes • Overseeing the implementation of the Group's objectives, strategy, and business plan and its compliance with the legal and regulatory framework • Recommending to the Group Board any propositions, business plans and strategies for the overall business development and performance including considering any changes to the operating framework • Reviewing the organisational and governance structure and making recommendations for change • Managing the risk appetite set by the Group Boards and regularly reviewing the Group's material risks including any material escalations to the Group Board • Approving the risk management policy and framework in respect of Financial Services and recommend to the RAC and Board • Receiving reports and recommendations regarding operational, regulatory, financial crime, client oversight, IT, data protection issues and emerging risks along with remedial actions and escalations to GEC as appropriate • Actively managing the business within the risk appetite set by the Board and RAC and regularly reviewing material risks • Approving relevant key policies which are specific to the scope of the Committee and making recommendations to the GEC/RAC as appropriate • Monitoring the operational and financial performance against budgets, objectives, and key performance indicators • Overseeing and appropriately resourcing the investment process and receiving recommendations from the Investment Process Committee (IPC) regarding any significant changes in the manner in which assets are managed by investment managers and financial planners in particular those that may impact the strategy of the Group • Providing feedback as appropriate to the IPC on the investment process or any other aspect of its responsibilities	Minimum of 9 times a year, 12 meetings held in 2024

Investment Management Committees and Groups		
Committee	**Role/Responsibilities**	**Frequency**
Investment Oversight Committee (IOC) Responsible for investment outcomes for products and clients	• Oversight and adherence to the FCA's suitability regulations across the investment management business and financial planning business, where funds are invested in managed models • Responsible for oversight and adherence to the relevant portfolio construction guidelines across all programmes • Reviewing investment performance on a quarterly basis covering 1-, 3- and 5-year performance • Ongoing communication with IPC as necessary to determine outcomes are expected and all appropriate tools are being provided • As a delegate committee of FS ExCo, the committee has ongoing responsibility to record, track and report all issues requiring remediation	Monthly
Investment Process Committee (IPC) Provides day-to-day oversight of investment processes	Reports directly to FS ExCo on the following aspects: • The ongoing suitability of the investment process to meet clients' requirements • The sufficiency of resources (people, technology and data) and information to support investment managers in managing investment portfolios • That regulatory requirements and best practice are being incorporated into the investment process • An update on the budgetary position and any additional requirements The IPC is supported by and is ultimately responsible for the output of four main bodies: • Tactical Asset Allocation Group (TAAG), formerly known as the Asset Allocation Committee (AAC) • Direct Investment Group (DIG) • Collective Investment Group (CIG) • Stewardship & Responsible Investment Group (SRIG)	Monthly and 6 weekly from Q3 2024

Investment Management Committees and Groups		
Committee	**Role/Responsibilities**	**Frequency**
Stewardship & Responsible Investment Group (SRIG) Oversees the firm's requirements in relation to stewardship and responsible investment	The IPC has delegated responsibility to SRIG on: • Communicating stewardship and responsible investment activities, including any relevant regulatory changes and associated requirements, the Annual Stewardship & Responsible Investing report, internal and external briefings • Integration of stewardship and responsible investment throughout the investment process, including providing or arranging any relevant training • Identifying, assessing and responding appropriately to trends, risks and opportunities relating to climate change and other material environmental and social impact issues • Helping to ensure our responsible investment process is aligned with client and business objectives • Integrating responsible investment throughout the investment process to improve outcomes and fulfil relevant obligations • Maintaining and updating all stewardship and responsible investment policies at least annually and communicating any relevant changes accordingly • Helping to ensure third-party service providers (such as MSCI and Glass Lewis) are fit for purpose and meet the requirements of the investment management business • Timely and accurate submission of reports for the UN PRI, UK Stewardship Code, TCFD and CDP climate and other sustainability-related disclosures • Overseeing the voting and engagement processes	Monthly
	Membership: SRIG has a mix of experienced investment managers, the Head of Responsible Investment, the Director of Stewardship & Responsible Investment, the Director of Green Finance, and the Head of Investment Risk	

Investment Management Committees and Groups		
Committee	**Role/Responsibilities**	**Frequency**
Direct Investment Group (DIG) Oversees the firm's requirements in relation to individual listed equities and bonds, including AIM shares	The IPC has delegated responsibility to DIG on: • Ensuring that the MU of direct equities properly serves the requirements of investment managers across the business • Monitoring the performance of the constituents of the direct investment MU • Monitoring the firm's level of exposure to the constituents of the MU • Ensuring that research is of sufficient quality, is updated regularly and is in accordance with the Group's policies and procedures • Ensuring that the output from the Group and Sector Specialists is appropriately disseminated across the different communication forums • Supporting the wider investment process, including encouraging participation in it, and research • Continuing the integration of responsible investment within the process for investing in direct securities, including responsible investment regulatory considerations and reporting any investment process update to IPC and SRIG • Monitoring the technology and data (including third-party research) to ensure it is suitable to provide the most appropriate evaluation, selection, and monitoring of investment recommendations • Monitoring and reviewing the process for investing in AIM securities, to ensure that it is sufficiently robust given the higher risk nature of the investable universe • Monitoring and reviewing the process for investing in fixed income securities, to ensure that investment managers are provided with an adequate selection of direct bonds for consideration in portfolios	Monthly, and 6 weekly from Q4 2024
	Membership: DIG consists of a number of practitioners who are selected to represent the range of views and interests of the investment management department. There are members of SRIG sitting on DIG, responsible for updating the group on all matters of stewardship and RI	
Collective Investment Group (CIG) Oversees the firm's requirements in relation to open and close ended collectives, including structured products, ETFs, ETCs, and NMPIs	The IPC has delegated responsibility to CIG on: • Ensuring that the collective investment MU properly serves the requirements of investment managers across the business • Monitoring the performance of the constituents of the MU • Monitoring the firm's level of exposure to the constituents of the MU • Ensuring that research is of sufficient quality, is updated regularly and is in accordance with the Group's policies and procedures • Approving additions to and removals from the 'Top Picks' rating • Ensuring that the output from the Group and analysts is appropriately communicated • Supporting the wider investment process, including encouraging participation in it, and research • Continuing the integration of responsible investment within the process for investing in collective securities, including responsible investment regulatory considerations and reporting any investment process updates to IPC and SRIG • Ensuring the MU screening criteria are appropriate and ensuring that the methodology aligns with screening criteria used by financial planners	Monthly
	Membership: CIG consists of a number of practitioners who are selected to represent the range of views and interests of the investment management department. There are members of SRIG sitting on the CIG and responsible for updating the group on all matters of stewardship and RI	

Investment Management Committees and Groups		
Committee	Role/Responsibilities	Frequency
Tactical Asset Allocation Group (TAAG) Responsible for implementing the firm's requirements in relation to asset allocation	The IPC has delegated responsibility to TAAG on: • Maintaining, updating and communicating the house view as it relates to the investment outlook • Maintaining and updating the asset allocation models used across the business, including the provision of asset class guidance as needed • Ensuring quantitative tools are fit for purpose and meet the requirements of the business • Creating a minimal set of Evelyn Partners asset models and aligning legacy models as needed	Monthly
	Membership: TAAG consists of a number of practitioners who are engaged in the matters over which the Group has authority. This includes a range of practicing investment managers, as well as dedicated support specialists and members of the Strategy team (outlined below)	

Resources

RI is a multi-faceted discipline requiring a mix of skills and experience. To reflect this, we have several teams directly or indirectly involved in defining and implementing our RI and stewardship activities.

- **RI team, including SRI team:** at Evelyn Partners we have ten dedicated responsible investment 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
- **Sustainability colleagues:** investment managers that specialise in sustainability-related investing, including the Sustainability Group which monitors energy and transition collective investments, managers of our Evelyn Partners Horizon fund range and sustainable managed portfolio service (SMPS), or investment managers that serve clients with strong ESG preferences or mandates
- **Sector Specialists and RI Analysts:** these are practitioners, that also provide sector analysis, and therefore are key to the integration of RI in the investment process – their experience ranges from junior analysts at the beginning of their career to more experienced specialists
- **Strategy team:** at Evelyn Partners we have dedicated investment strategists that conduct research and provide insights on macro and quantitative inputs to inform strategy and asset allocation. They are, for instance, responsible for identifying and monitoring Megatrends (see Principle 4)

The Responsible Investment (RI) team

In 2024, the RI Transition team and SRI teams merged to form the RI team following the introduction of the Head of Responsible Investment role.

The primary roles of the RI team are:

- Facilitating ESG integration within the investment process by providing services, including training, screening and data insights (see Principle 7 for more details)
- Providing commercial support on a day-to-day basis, working alongside investment managers to achieve good client outcomes, as well as delivering our stewardship activities
- Providing central reporting on behalf of the Group for responsible investment and sustainability related policies, procedures, internal reporting and external disclosures including UK Stewardship Code, UN PRI, CDP, TCFD, and SFDR reports
- Providing regulatory interpretation support, as both the UK and the EU have sustainability-related disclosure regimes that affect our in-house pooled funds and our discretionary investment management business.

Katrina Brown
Head of Responsible Investment

Katrina joined Evelyn Partners in October 2023 as our new Director of Responsible Investment and has been Head of the team since December 2024. She facilitates the integration of ESG factors across the investment process and directs our active stewardship programme. She leads her team in delivering relevant central reporting as well as thought leadership content and she spearheads our external approach to responsible investment.

On graduating from the University of Oxford in 1994, she began her career at Deutsche Asset Management where she ultimately became a Director of Global Equities. Katrina then pursued a consulting career with a focus on charities and pension funds, allowing her to develop a specialism in responsible investment and, more recently, climate change.

James Doyle
Director, Green Finance

James joined Evelyn Partners in December 2020 and has been working in the finance industry for over 25 years. He is our responsible investment and sustainability finance regulatory lead within the Investment Management front office and Responsible Investment team, interpreting and assisting with the implementation of EU/UK sustainable finance regulatory changes for our investment management services and products, including TCFD, SFDR and SDR.

James is a Chartered Fellow of the Chartered Institute for Securities & Investment (CISI) and also a CFA UK member and Sustainability Community Champion. James also holds the CFA UK Certificate in ESG Investing, as well as the CFA UK Certificate in Climate & Investing.

Mattia Taboga
Sustainable Investment Specialist

Mattia joined Evelyn Partners as Sustainable Investment Specialist in 2024 and has been involved in ESG integration in asset allocation and sovereign fixed income, as well as TCFD reporting. He has over 10 years of experience in the financial sector. After starting his career as an Economist, he moved to the sustainable investing field, holding several roles in ESG analysis, regulatory reporting and sovereign ESG modelling. Mattia holds an MBA from HEC Paris, the CFA UK Certificate in Climate & Investing and the CFA Investment Management Certificate (IMC).

Fabienne Enard
Senior Project Manager and Co-Chair of SRIG

Fabienne joined Evelyn Partners in 2022 to set up the RI Transition team. She has been working in financial services as operations or project manager for over 20 years. She started her journey on ESG working for a social impact fund in 2017 before working on the definition of the ESG strategy for a government agency. She is co-chair of the Stewardship and Responsible Investment Group (SRIG) with Richard Griffith since June 2023.

Soner Hasan
RI Data Manager

Soner Hasan joined Evelyn Partners in 2022 and has been working within ESG and responsible investment for 5 years. As part of the RI team Soner is our RI Data Manager, responsible for ESG data and systems supporting our regulatory disclosures as well as integration of ESG data into the relevant areas of the investment process. Soner holds the CFA UK Certificate in Climate & Investing and the CFA Investment Management Certificate (IMC).

Amar Ladva
RI Analyst

Amar joined Evelyn Partners in 2024 and has been working in ESG and responsible investment for 2 years. As part of the RI team, Amar is responsible for assisting with regulatory reporting as well as the integration of ESG data into relevant areas of the investment process.

The Stewardship & Responsible Investment (SRI) team

The SRI team sits within the RI team and is responsible for all of the firm's stewardship activities, including the proxy voting process, collaborative and targeted engagements, and providing transparency on our activity. The team is comprised of experienced voting and engagement specialists, including the Director of Stewardship & Responsible Investment, and 3 SRI Analysts (including one senior). The role sits within the investment management front office where they can assist with queries, provide specialised training, run various reports and be the first point of contact for queries relating to stewardship. They also co-ordinate the Proxy Voting Working Group, responsible for managing the process where we vote against management (see Principle 12).

Lucy Ward
Director, Stewardship & Responsible Investment

Lucy has over 25 years of experience at Evelyn Partners, having joined in October 1999. Lucy manages the Stewardship & Responsible Investment team which oversees the UN PRI, stewardship activities including proxy voting and engagement.

Aimee Roche
Senior SRI Analyst

Aimee has been working at the company for over 10 years. The majority of her work in the SRI Team focuses on stewardship, ESG screening, and UN PRI engagements. Aimee graduated from the University of East Anglia in Business Economics.

Roxane Kore
SRI Analyst

Roxane joined Evelyn Partners in 2022, having gained four years of expertise in governance and proxy voting, spanning roles in issuer service and financial technology. She currently serves in the SRI team as a stewardship and responsible investment analyst.

As an inclusion champion at Evelyn Partners, Roxane also strives to create an environment that empowers individuals and diversity.

Juliette Ma
SRI Analyst

Juliette joined Evelyn Partners in 2024. As an SRI Analyst, she supports the team's stewardship and engagement activities as well as RI-related voluntary and regulatory disclosures such as the UK Stewardship Code, UN PRI and CDP. Prior to this, Juliette worked at the think tank InfluenceMap, where she specialised on the intersection between climate and the financial sector, leading the research and engaging with the world's largest asset managers on their climate stewardship.

Sustainability colleagues

We also have several investment managers that specialise in sustainability-related topics within the investment management teams. They provide additional support to the wider front office with ESG integration, thematic investing and client communication.

A few of our sustainability colleagues are highlighted below:

Genevra Banszky von Ambroz
Partner, Investment Management

Genevra focuses on the management of multi-asset fund-of-fund solutions and funds research. She is Lead Manager of the Sustainable Central Investment Propositions (Sustainable Evelyn Active Portfolios and Sustainable Managed Portfolio Service) and co-heads the research teams responsible for covering Sustainable and Infrastructure collectives for the firm. She joined Evelyn Partners, then Smith & Williamson Investment Management, in 2008 and became a member of the Multi-Asset team in early 2010. She is a CAIA Charter holder, a Chartered Fellow of the CISI, and holds the CFA Certificates in ESG Investing, Climate & Investing and Impact Investing. She has also completed the London School of Economics' 'Sustainability: Environment, Economy and Society' 6-week course and sits on the Exam Panel for the Portfolio Construction Theory paper of the CISI's Masters in Wealth Management qualification.

Joe Kavanagh
Associate Portfolio Management

Joe joined Evelyn Partners in 2022 as a graduate of Trinity College Dublin studying finance and economics with a focus on ESG investing. In 2024, he joined the Sustainable Evelyn Active Portfolios team, having previously been an analyst for the Responsible Investment Transition team which concentrated on ESG data integration within the investment process and alignment of associated regulatory requirements; namely, TCFD, SFDR and SDR. He is a member of the Responsible, Energy Transition, and Specialist Infrastructure collective research teams.

Luke Hunter
Director, Investment Management

Luke joined Evelyn Partners in 2013. He spent 3 years assisting in the management of private client portfolios before joining the Charities Team in 2016. Prior to starting his career here, he worked in a variety of investment sectors including private equity, venture capital, and institutional fund management. He now leads the Birmingham charities offering, is responsible for the management of around £300m of charity assets including ethical/sustainable portfolios for education, healthcare, religious and grant-making charities.

Luke is a stock analyst for technology companies and leads the firm's research on semiconductors. He is also a member of our direct investment group, which steers how the firm invests in direct equities, and was a founding member of our Stewardship & Responsible Investment Group.

Luke is a Chartered Member of the Chartered Institute for Securities & Investment (CISI) and is a holder of the CISI Level 7 Diploma in Wealth Management.

Ben Gow
Investment Manager

Ben works with private clients, charities, trusts, and companies to help them achieve their ethical and financial goals with confidence. He co-leads Evelyn Partners' Sustainability Group, is a member of the Stewardship and Responsible Investment Group, and co-signatory for Evelyn's voting and engagement actions.

Ben joined Evelyn Partners in 2023, having previously worked at Rathbones Group, where he was a member of the Principles of Responsible Investment Committee and the Climate Change Thematic Research Initiative. He holds an LLB (Hons) in Law from the University of Aberdeen, is a Chartered Member of the Chartered Institute for Securities & Investment (CISI), and holds the CFA in Impact Investing.

Matthieu Rident
Investment Manager

Matthieu manages a variety of investment portfolios for private clients, corporates and charities. In research, he is the head of the Environmental and Energy Transition collectives sector team, and also forms part of the collectives and Utilities sector team.

Matthieu joined the firm in September 2021, after completing his degree in Modern Languages and Cultures at Durham University. He is a CISI Chartered Wealth Manager, earning the award for the best mark in the CISI Financial Markets Exam, and holds the CISI Investment Advice Diploma.

Nick Murphy
Head of Charities

Nick has over 35 years of investment experience, including working for two family offices and as an investment analyst. He is a specialist in managing money for larger and more complex client mandates. Nick is a member of the Investment Process Committee, the Asset Allocation Group and chaired the Stewardship and Responsible Investment Group from its inception in 2019 until June 2023. He writes and presents widely, typically on charity and responsible investment matters.

Richard Griffith
Partner and Co-Chair of SRIG

Richard has over 18 years investment management experience and manages portfolios for several charity clients. He has been co-chair of the Stewardship and Responsible Investment Group (SRIG) since June 2023. He graduated from the University of Edinburgh in 2000. He is a Member of the Chartered Institute for Securities & Investment (CISI).

Sector Specialists and RI Analysts

Sector specialists, a cohort of approximately 150 investment practitioners, pick stocks, conduct research into UK and overseas equities and collective funds. They are supported by RI Analysts, usually associate investment managers, in the process of qualifying to become full practitioners (see Principle 7 for further details).

- For direct investment equities, Sector Specialists identify the most important financial and non-financial risks and opportunities in their sectors. They provide a core role, for example, in the assessment of ESG material risks, and are involved in voting and engagement activities on the companies within their allocated sectors
- For collective investments, Sector Specialists conduct due diligence on funds and are also responsible for ongoing engagement with the asset managers of the funds under their coverage
- In addition, we have approximately 20 RI Analysts that provide support to Sector Specialist teams on matters relating to material environmental, social and governance factors. Researching and analysing the ESG characteristics of monitored investments, as well as relevant industry ESG topics, is their primary responsibility

Strategy Team

The Strategy team is a central investment management team which provides macro and quantitative inputs and plays the leading role in drawing together the different elements of investment recommendations. The IPC has delegated the responsibility for implementing the firm's process relating to strategic asset allocation to the Strategy team.

They produce independent investment research to inform strategy and asset allocation. This helps investment managers to develop resilient portfolios and navigate markets. They also share market insights on a weekly basis, providing a direct input into investment decision-making and their research goes out to over 20,000 clients. The team produce a monthly podcast and their work is regularly quoted in leading financial publications.

Service providers

Our key service providers which support the RI teams and investment managers are outlined below.

Key Service Providers

	Provider	Service Provided	Additional Information	Training/Comment
Core Wealth System	Avaloq	Investment Management and administrative systems	Avaloq is a comprehensive solution designed to meet the needs of wealth managers. It offers a range of capabilities that cover the entire value chain from front to back office, including investment management and trading	Ad-hoc training is available upon request
	X-Plan		Xplan is a comprehensive financial planning and wealth management software developed by Iress. It is designed to support advice practices of all sizes	
ESG Data & Ratings Provider	MSCI ESG Manager	ESG data and ratings, controversies, ESG company and industry research, GHG emissions data, learning webinars, portfolio reporting on ESG measures, sustainability & impact data	MSCI ESG Manager provides us with an initial starting point for ESG data for investee company and fund screening, as well as detailed portfolio reporting for our clients. We supplement their work with that of our own analysts. Consistency and interpretation of data across companies, sectors, regions and data providers remain an issue, although one that we expect to be improved over time. MSCI continually develop new modules and are adding new coverage of investment asset classes which is gradually reducing gaps to improve overall data coverage and meet emerging needs	We hold regular training sessions throughout the year on how to use ESG Manager and how to run the various reports. We also hold regular training sessions with MSCI analysts
Climate scenario analysis providers	MSCI Climate Lab Enterprise (CLE)	Analytics for climate risk management and scenario analysis across asset classes, issuers, portfolios and enterprises, forward-looking tools, including Implied Temperature Rise, to manage portfolios' pathways to Net Zero	Climate Lab Enterprise provides institutional investors with the tools and services they need for analysing climate risks and opportunities of their portfolios. It combines a comprehensive set of climate data and analytics with powerful forecasting tools to help investors measure, monitor and manage climate risk and the shift to sustainable growth consistently across companies, portfolios and enterprises	In 2023/2024, the RI team and key Sector Specialists implemented CLE for use in our central process for assessing climate risk scenarios and support for our TCFD disclosures
	MSCI Climate Lab Company		Climate Lab Company is designed to provide corporate and institutional investors transparency into a company's climate-related risks and opportunities, in accordance with the recommendations from the TCFD	In 2024, the Climate Lab Company tool was added to existing ESG Manager license holders for use in the Sector research process
	MSCI Managed Reporting Services		Managed Reporting Services provides us with scalable TCFD reporting capabilities for our managed funds	Guidance and training documentation were provided to our in-house Fund Managers to incorporate TCFD climate considerations
Proxy Voting	Glass Lewis	Proxy voting research platform for portfolio and company-wide reporting	Glass Lewis, our proxy service agent, provide proxy voting information which we adapt to our own voting policy. In addition, they allow us to track and report our activity at both a group and portfolio level. We have been working with Glass Lewis on leveraging the most meaningful data from their system to enable us to enhance our reporting capabilities	Training is available to anyone that uses the Glass Lewis platform ViewPoint
	Broadridge	Proxy voting delivery	Broadridge supply the pipeline through which all our voting activity is directed and the controls to ensure we only vote on what we should	We have the ability to run reports through Broadridge's reporting tool ProxyEdge. This isn't something we have utilised yet, however, they have offered to provide training should we decide to use it
Other Data, News and Research	Morningstar	Data, news and research on funds, investment trusts and ETFs	Since 2024, we also receive SDR label/unlabelled funds details through Morningstar. We also use Morningstar as an additional data source to support our Evelyn Partners Sustainable range fund screening processes	
	Refinitiv	News, pricing data, investment analytics tool, including ESG	Provide additional services and information to allow us to cross-check information	Ad-hoc training is available upon request
	Bloomberg	Access to news, data and analytics		
	Sell-side research	A range of sell-side research used to augment and inform our own work	We buy-in a global range of high-quality sell- side research that provides valuable insight used to augment and inform the work of our in-house teams	

Investments in RI – developing internal system capabilities

To comply with our climate-related disclosure and regulatory obligations and to provide relevant information for some of our clients, we onboarded a suite of climate-related datasets, systems and services in 2023. This enabled us to conduct scenario analysis on our discretionary assets in line with the recommendations of the TCFD framework (see our first standalone mandatory FCA TCFD entity report published in June 2024, for the year end 31 December 2023 **here**).

In 2022, we successfully developed and released our proprietary tool (RI Dashboard), which enabled us to aggregate principal adverse impacts (PAIs) indicators and historical climate data based on historical TCFD metrics. In 2023, and throughout 2024, we continued to focus on embedding the additional RI data and new concepts in the investment process and reporting, through training and guidance for our investment managers. We also increased the number of PAIs available to our colleagues with 9 additional PAIs in 2023.

For our Investment Management colleagues, the Investment Portal – an internal online site and the repository for information and research on investments – brings together all the investment information available into one easy-to-navigate intranet area. Within the Investment Portal, we have created the RI Hub specifically for responsible investment matters. For example, we share internal documents such as our ESG-related and RI training material, and user guides from our service providers (e.g. MSCI). Our RI and sustainability-related investment policies are also stored there. Because our responsible investment approach is to embed material ESG considerations into the investment and research process, the equities or collectives sections of the investment portal contain our MU on which our proprietary financial scores are displayed, alongside other information such as MSCI ESG ratings, as well as individual MSCI ESG scores.

We are constantly reviewing how RI information can be further disseminated, including how to automate the flow of information using new tools such as Microsoft PowerApps. Our investment portal and RI Hub are due for a major overhaul in 2025 which should enable us to further scale up our RI integration activities. So far, we have, for example, automated key RI data in the direct sector research notes to remove manual processing and ensure the latest information is readily available and we will continue to develop and extend to collectives over the next few years. We have also developed a number of Power BI dashboards (tools that turn data into visual insights), to automate and provide more valuable RI insights for a number of our RI team activities. For example, this enables us to monitor changes in impact and coverage of our ESG data to support our due diligence around data received from MSCI. We also support the quarterly monitoring process and management of ESG data used to screen our Evelyn Partners Horizon funds.

We will continue to develop our internal system capabilities using a broad range of tools in 2025, with a focus on improving our capacity to scale up maturing processes. In addition, our ambition for 2025 is to draw plans for a long-term RI data strategy, fully embedding RI infrastructure into our investment management systems.

Training

Internal training opportunities

As part of our consideration of ESG factors in the investment process, we continue to ensure our investment managers and Sector Specialists are trained on relevant topics.

- In 2021 and 2022 we completed the first two phases of our responsible investment training programme for all client-facing professionals
- In 2023, we further deployed our internal proprietary solution to investment managers, completing training sessions for all investment managers, Sector Specialists and fund managers
- In 2024, we provided face-to-face training across nine offices, plus remote sessions on the firm's approach to responsible investment. To date, approximately 200 colleagues have attended the training

Additionally, three specialist training sessions for RI Analysts were delivered to ensure that they are cognisant of responsible investment considerations from the start of their investment management career.

In May 2024, we hosted a research day for 50 Sector Specialists with the aim of deepening the understanding of our RI bottom-up priorities and metrics identified to deliver this approach. This was followed by a training day for both direct and collective Sector Specialists on the research process, including responsible investment in December 2024.

Furthermore, we launched an SDR anti-greenwashing rules eLearning module in May 2024, as part of our implementation of the FCA's new obligations for regulated firms to avoid misleading sustainability related statements and claims about their products and services. This was rolled out to 1,441 financial services colleagues as part of their Ethical Continuing Professional Development.

External training opportunities

We undertake sector specific training each year with external MSCI analysts. There are also many sell-side events and other training opportunities that are attended by the investment managers throughout the year. Additionally, investment managers can keep themselves informed on industry specific developments via the various company and fund meetings that we host as part of our annual engagement and research activities. Front office colleagues are free to attend and observe management's presentations along with the sector lead and analysis covering the specific named company or collective fund manager.

We offer opportunities for colleagues to take external training related to sustainability and responsible investment, including the CFA's, 'Certificate in ESG Investing' endorsed by the UN PRI, and the 'Certificate in Climate & Investing'. Our investment managers are typically members of the CFA and/or the Chartered Institute for Securities and Investment (CISI), and regularly attend trade bodies industry forums for continual professional development (e.g. the Investment Association).

Remuneration policy principles

The Remuneration Committee is governed by terms of reference which are annually reviewed by the Board.

In determining the Evelyn Partners remuneration policy, the Remuneration Committee takes into account all factors that it deems necessary, including business plans/longer-term strategy and budgets, relevant legal and regulatory requirements and associated guidance. In addition, it considers the risk management implications of its decisions, including ESG risk factors.

The overall objective of the Evelyn Partners remuneration policy is to ensure that executive management and their colleagues are provided with appropriate incentives to encourage enhanced performance and are rewarded for individual contributions to the success of the Evelyn Partners Group, in a fair and responsible manner and in line with market practice and business plans/longer-term strategy at the relevant time. Additionally, the remuneration policy seeks to encourage behaviours consistent with the Group's values, ambitions, strategy and risk appetite (including ESG factors), supports the delivery of fair outcomes for our clients and is clear, fair, free from bias and based on objective criteria that avoids discrimination (including gender).

Within Investment Management, our Sector Specialists are also investment managers with client responsibility. They receive additional performance-based bonuses linked to their analyst responsibilities, with ESG integration representing an important tenet of the analysts' responsibilities.

The main remuneration components are fixed pay, variable pay and benefits.

Fixed pay

Fixed pay includes base salary and company funded/provided benefits (including pension contributions, income protection and life assurance). Fixed pay is determined by considering a colleague's roles and responsibilities, external market information and internal budgets/affordability. Fixed pay is reviewed annually to determine if an increase is appropriate.

During 2024, Evelyn Partners signed the Living Wage Foundation Charter, and the salaries of our colleagues exceeded the Foundation's 'Real Living Wage'.

Variable pay

Variable pay is an important part of total compensation at Evelyn Partners. Evelyn Partners operates Discretionary Incentive Plans (DIP). These are discretionary bonus schemes that enable our colleagues to be recognised for their hard work and commitment, through linking reward to the performance and outcomes, including client outcomes, of both the business and the individual colleague.

Variable pay awards are made from a bonus pool which is determined annually based on financial performance of the business, a colleague's individual performance in relation to the Group's KPIs and financial outcomes, a colleague's performance in relation to behaviours which are in line with the Group's values, which includes client outcomes and regulatory compliance and a risk control review.

Risk and conduct in remuneration

Risk management is at the heart of how all colleagues are remunerated at Evelyn Partners, particularly when considering variable pay structures.

All key remuneration decisions are subject to approval by the Remuneration Committee. In discharging its responsibilities under its terms of reference, the Remuneration Committee and the Group Chief People Officer work with the Chief Risk Officer & Group Head of Compliance to ensure that risk factors are properly considered in setting the overall remuneration for the Evelyn Partners Group, and in particularly the incentive structures for the Executive Directors, Senior Management and other key professionals, as appropriate.

The Chief Risk Officer provides an annual report on bonus risk adjustment considerations and makes recommendations to the Remuneration Committee on whether adjustments to bonus pools should be made.

Bonus plans have non-financial KPIs within them, which consider the behaviours and client focus (amongst other criteria) of a colleague in determining a bonus payment. All colleagues are also subject to a risk, control and conduct review as part of their annual appraisal, which determines the percentage of any bonus awards made. This review considers amongst other things, the completion of all mandatory training, compliance with all policies and procedures, and in the case of practitioners, client specific metrics.

If the high expected standards across the risk, control and conduct review are not met, a reduction (including to £0) or a deferral can be made to the bonus payment.

Evelyn Partners remuneration policy takes into account sustainability-related disclosure requirements in the financial services sector. The policy is consistent with Evelyn Partners approach to the integration and management of sustainability risks in its investment process. Relevant feedback, including non-financial criteria, is provided to the Remuneration Committee for consideration in the assessment of variable remuneration. This includes whether the investment process has been followed with regard to matters such as asset allocation, security selection, responsible investment and investment risk management, including sustainability risks.

Inclusion and diversity (I&D)

Our inclusive culture aims to ensure that colleagues of all backgrounds, life experiences, preferences and beliefs are respected and valued as individuals, are treated equitably and respectfully, have a sense of belonging and security and are free to speak up. We want colleagues to feel empowered, to have an equal opportunity to contribute to business success and to be their authentic selves.

Our I&D strategy is supported by the I&D Committee and six I&D networks which are:

- **Proud** – promotes LGBTQ+
- **Race, Religion and Ethnicity (RaRE) network** – discusses and celebrates diverse backgrounds, cultures and religions
- **Able** – a network for colleagues with disabilities and carers
- **Social Mobility** – to create a fairer and more equitable society
- **Gender Equality Network** – supports the equal representation of all genders
- **Family** – supports colleagues with family commitments and caring responsibilities (launched in 2024)

All the networks gained a GEC member sponsor in 2024, providing a direct link to senior leadership.

Inclusive Employer's Standard (IES)

The Inclusive Employer's Standard (IES) is an evidence-based workplace accreditation tool for I&D. Evelyn Partners was awarded the Silver Standard in 2024, improving on the Bronze accreditation achieved in 2022.

The feedback received is testament to the hard work of our I&D committee members, network leads, I&D champions and colleagues.

Business Disability Forum

We are members of the Business Disability Forum, a leading organisation for disability inclusion, working in partnership with business, government, and disabled people to remove barriers to inclusion. We are working towards becoming a Disability Smart Employer.

Women in Finance Charter

As supporters of the Women in Finance Charter pledge for gender balance in financial services, we seek to improve gender diversity in Financial Services. Our statement can be found on our website.

Gender diversity

Our gender diversity is in line with other similar sized business within our sectors. The Board are committed to improving this at all levels. The Group's gender mix is:

Gender diversity 2023

Organisation level	Female		Male		Total
31 December 2023	No.	%	No.	%	No.
Board of Directors	3	27%	8	73%	11
Group Executive Committee	4	33%	8	67%	12
Senior management	30	25%	92	75%	122
All colleagues	**1,845**	**46%**	**2,201**	**54%**	**4,046**

Gender diversity 2024

Organisation level	Female		Male		Total
31 December 2024	No.	%	No.	%	No.
Board of Directors	3	30%	7	70%	10
Group Executive Committee	3	27%	8	73%	11
Senior management	33	27%	90	75%	123
All colleagues	**2,025**	**46%**	**2,347**	**54%**	**4,372**

The 'all colleagues' number in the table above includes the Group Executive Committee and senior management.

Our Gender Pay Gap Report 2024, expected in April 2025, will be made available on our website.

We have highly talented women in leadership positions and are encouraged to see our mean and median pay and bonus gaps reducing and are committed to reducing this further. We continue to focus on ways to encourage and support the progression of women into senior roles through recruitment, promotions, and mentoring but recognise that this will take time.

Wellbeing

We wish to support and improve the wellbeing of all colleagues and positively impact organisational resilience. We strive to create an environment where our colleagues' wellbeing allows them to achieve their full potential. We empower our colleagues and provide them with tools to support and help build resilience.

Our wellbeing strategy has four pillars (Physical, Emotional, Financial and Social)

Policies

People policies which specifically support our corporate responsibility strategy include but not limited the:

- Equality, inclusion and diversity policy
- Board diversity policy
- Health and wellbeing policy
- Dignity at work policy
- Living wage policy
- Family leave policy

In 2024, we updated the Family Leave policy to provide enhanced paternity leave for parents and carers and to address pregnancy and baby loss.

The GEN network supported a maternity and return to work project, partnering with human resources, to increase materials available to managers and colleagues.

Talent development

The maintenance and development of expert level skills is an important aspect of our business.

We are committed to the education, recruitment and retention of a diverse workforce that reflects wider society, our client base and our I&D aims.

We invest in our people and value professional skills and achievement of qualifications. We offer professional training in several disciplines and support employee development by providing study leave, financial support for technical examinations and professional body memberships. Once qualified, colleagues have access to regular external and internal professional development courses and technical updates.

Recruiting the best talent from a diverse pool of candidates is of paramount importance. Once recruited, new colleagues experience a consistent core induction as we welcome new joiners and communicate our purpose and values.

Governance and resources to support effective stewardship

The Group's governance structure, resources and RI processes support our stewardship activities. Combined, they provide us with the ability to advocate and act in the best interests of our clients. Nevertheless, we recognise the need for continuous improvement, as evidenced by our achievements in 2024, and ongoing development of our RI approach as discussed in Principles 1 and Principle 6.

Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

We define a conflict of interest as a situation that arises when our interests or the interests of a partner, director, or employee conflict with the duties it owes to a client; or the duties we owe to one client conflict with the duties we owe to another client. We take all reasonable steps to identify conflicts of interest arising and to manage potential conflicts in a way that is fair to our clients.

We avoid and manage these conflicts through a number of policies and procedures. Please see our Conflicts Management Policy – Financial Services available here: **Conflicts of Interest Policy Statement | Evelyn Partners**

The following sections summarise our conflict of interest policy.

Purpose and scope

The purpose of our conflict of interest policy is to summarise the policies and procedures in place within the Group for identifying, minimising and managing conflicts of interest arising from the different business activities undertaken by the Group and all its subsidiaries. The GEC is responsible for ensuring the effectiveness of the policy and procedures in relation to each of the operating subsidiaries of the Group. The Board is ultimately responsible.

The Group is required to:

- Take all appropriate steps to identify and to prevent or properly manage conflicts of interest, such as those between (i) the firm and its clients, and (ii) one client and another
- Maintain and operate effective organisational and administrative arrangements in order to take all appropriate steps to prevent conflicts from adversely damaging clients' interests. If the risk of a conflict of interest is so great that the conflict cannot be avoided or managed by a combination of these and/or other steps in such a way as to ensure the client's interest will not be adversely affected, then the firm will decline to act for that client
- Fairly disclose the general nature and/or source of the conflict to the client when the organisational and administrative arrangement in place are insufficient to ensure that clients' interests will not be adversely affected in a way that is clear and easy to understand, including consideration of the characteristics of the client (e.g. any potential vulnerability) which may require additional support/disclosure to assist in a clients understanding of a Conflict
- Keep records of the firm's services and activities where conflicts may arise or have arisen
- Provide clients with a summary of the Conflicts Management Policy

Ownership and governance

The board of directors of each firm within the Group is responsible for ensuring that each firm complies with all its obligations under the regulatory system, including its obligations to identify, manage and record conflicts of interest. This policy is owned by the Group General Counsel and the Chief Risk Officer & Group Head of Compliance, who are responsible for maintaining the policy. The FS ExCo is responsible on a day-to-day basis for overseeing risk control matters for the UK businesses, including adopting and annually reviewing the Conflicts Management Policy and ensuring its effective implementation (including ensuring that compliance monitoring programmes cover these issues). This review should identify any deficiencies and the actions needed to ensure that appropriate measures are taken to address these. The FS ExCo should track the resolution of the issues identified and report material issues into the RAC which also approves the compliance monitoring programmes on an annual basis and is responsible for agreeing the annual internal audit programme.

Identifying conflicts of interest

We have several methods of identifying specific conflicts of interest, including:

- Checks within product development and change management processes
- Policies and procedures to identify personal account holdings by colleagues, receipts of gifts and entertainments and external business interests taking into account whether an associate or an employee has conflicting duties to act for clients on both sides of a transaction
- Is acting for a transaction in respect of which it holds relevant confidential information supplied by a current, past or prospective client on the other side of the transaction
- Holds unpublished price sensitive information about the issuer of securities held for clients through/acting in a transaction affecting the issuer
- Is likely to make a profit or avoid a loss at the expense of the client

- Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of a client, which is distinct from the client's own interest in that outcome
- Has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client
- Carries on the same business as the client
- Receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard fee or commission for that service
- Is substantially involved in the management or development of insurance policies, in particular where such a person has an influence on the pricing of those policies or their distribution costs

Types of Conflicts

Between a firm and its client	Between the different interests of a firm's clients	Between an employee and the firm
Within the group, and connected to the Group	Between the firm and third parties or service providers	

Avoiding and managing conflicts of interest

We avoid and manage these conflicts through several policies and procedures. These include:

- Maintaining a confidentiality policy: all staff are required to maintain the confidentiality of client information. Such information must not be accessed or communicated except for legitimate business reasons
- Restricting staff dealings in securities: staff are required to adhere to our personal account dealing policy. This includes the use of 'Insider Lists' covering colleagues who have access to inside information. Relevant trading activity is monitored by Compliance
- Restricting information flows: we have physical and technical barriers in place, known as 'information barriers'. These prevent information held by other parts of the Evelyn Partners group, which could restrict dealing, from reaching our investment managers
- Carrying out transactions in investments as agents not as principal: we only carry out transactions in investments as agents for the client
- Maintaining a gifts and entertainment policy: we have a policy to ensure gifts and inducements received from or given to third parties by members of staff are declared, and pre-approved as appropriate
- Maintaining appropriate and transparent charging policies
- Disclosing in accordance with market practice: general potential conflicts inherent to the nature of our business and the structure of the market are disclosed in the written contracts concluded with clients
- Obtaining clients' informed consent: following disclosure of specific conflicts arising in particular transactions or situations, client consent is received before proceeding

Ownership structure

Evelyn Partners manages conflicts arising from its ownership structure. Our institutional shareholders, Permira and Warburg Pincus, are our majority shareholders owning 81.7% of the Group and are represented on our Board.

The balance of 18.3% is owned by current and former managers and colleagues. No third-party product provider or supplier has a material shareholding or financial interest in Evelyn Partners (or vice versa) such as to be able to influence Evelyn Partners operating decisions to the detriment of client interests.

Conflicts of interest register

The Compliance Department maintain a register of conflicts of interest. This specifies the underlying circumstances, the harm that might arise to clients, the colleagues involved, whether the conflict is actual or potential, the decision to manage or prevent the conflict and any disclosures made to clients.

Potential general conflicts embedded in the Group are included in the Conflicts Policy, for example, those arising from:

- Ownership by Permira and/or Warburg Pincus
- Financial Planning/Insurance Intermediation
- Investment Management Services
- Execution-Only/Stockbroking Services
- Fund Management/Administration

There is also a register maintained by Compliance of actual conflicts which have arisen. Our risk department recorded four individual conflicts of interest in 2024.

- Three of the conflicts were added to our External Appointments log
- Three of the conflicts related to Power of Attorney's, one of which has now ceased
- A full review of all the conflicts was undertaken in 2024 and a new procedure for reviewing conflicts was put in place

In terms of managing potential conflicts of interests within our stewardship engagement and voting activities, the Responsible Investment team maintains a register and the process has been reviewed and communicated to the relevant investment managers as part of an annual refresh. This enables us to identify investment managers who might be involved in an engagement, or who may be asked to approve a voting recommendation, such as in respect of an equity where a statutory director is also a client of that investment manager. In some cases, they may be asked to recuse themselves from the stewardship process.

Examples of potential conflicts in relation to stewardship:

- To support their portfolio companies, Permira or Warburg Pincus could ask Evelyn Partners to invest client monies in securities issued by a portfolio company or in funds managed by a portfolio company and seek to influence voting. Evelyn Partners has a documented investment process controlled by the Investment Process Committee, to ensure that investment recommendations and decisions are suitable for clients' individual objectives and circumstances and that these are not influenced by Permira or Warburg Pincus. This is monitored by the Investment Oversight Committee
- Proxy voting is conducted according to our Voting Policy and actual voting intentions of the Sector Specialist are reviewed by an independent investment manager and the SRI team
- We might exercise voting rights in relation to discretionary client holdings to the detriment of the interests of particular client(s). This potential risk is managed by the Group exercising voting rights in accordance with our Voting Policy (available on our website), where each vote is cast in the best overall interests of our clients. However, if this might prejudice the interests of a particular client (e.g. by voting the client off the company's board), we will cast the vote as considered appropriate for the overall interests of the majority of our clients and will notify the particular client of the action being taken and the reasons why. Our policy also permits clients to have their votes cast separately from the Group's process upon request

We did not identify any conflicts or potential conflicts in the reporting period that could not be managed in accordance with our policy.

Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

How we identify and respond to systemic risks

We consider that a flexible, multi-faceted approach is the best option to identify systemic risks, whether financial or non-financial, from an investment perspective. We draw upon our firm's risk management framework but our Strategy team serves as the primary influence to identify systemic and macro-economic risks. We also use relevant industry bodies, new engagement collaborations, and analytical expertise to scan the horizon and ultimately act on these risks.

The Financial Stability Board (FSB) defines systemic risk as 'the risk of disruption to the flow of financial services that is caused by an impairment of all or parts of the financial system and has the potential to have serious negative consequences for the real economy'. ESG risks are environmental, social and governance risks that, where material, can have a negative effect on an individual investment or more widely, stretching across borders and jurisdictions, as in the case of climate change.

We note that similar risks emerge from multiple sources of risk information that we use which helps us to provide a consistent view of risks and identify potential impact for the resilience of our clients' portfolios. For example, cyber risks (also termed as data & privacy) are identified in our risk management framework and also across several sectors by our direct material sector risk investment research process. Similarly, a relatively new engagement that we joined in 2023 (Nature Action 100) to address nature-related risks which identified potentially exposed companies, was also supported by our own analysis of PAI data. We see this commonality as an important test of our effectiveness in identifying systemic risks, and we remain committed to this cross-cutting and multi-faceted approach.

We respond to the identification of these risks in two main ways: 1) using research and data analysis to assess their materiality to our business and client portfolios, and 2) by engaging where we can, often in a collaborative way with other stakeholders to amplify our influence and effectiveness of our stewardship activities.

Group Level

Drawing from group risk to identify risks

The purpose of risk management is to design and develop processes and tools that provide the ability for the Group to identify, assess, monitor and manage the key risks that are inherent in the Group's business activities, helping the Group to operate within the Board's strategic objectives and risk appetite. The risk management arrangements at Evelyn Partners form part of a strong governance culture. The Three Lines of Defence model is central to this culture. Primary responsibility for identifying and controlling risks rests with the Group's businesses (the first line of defence). Ultimate responsibility for ensuring the adequacy and effectiveness of risk management rests with the Group's Board, with oversight provided by the RAC.

The Group has a Risk and Compliance function providing the second line of defence. It is led by the Group Chief Risk Officer and has an independent reporting line to the Chair of the Board RAC and a right of access to the Chair of the Board. The Group Chief Risk Officer is a member of the GEC and attends the RAC and Board meetings.

The third line of defence consists of the internal audit function, which provides assurance to senior management that business processes and controls are operating effectively. The internal audit function identifies any processes and control deficiencies and monitors remediation plans.

The Risk Management Framework (RMF) is underpinned by policies, procedures, and management information. The requirement to produce accurate and timely management information to meet the needs of the Group continues to increase in complexity and the level of analysis, as it seeks to deliver its strategic objectives. Over the last year, Risk has continued to focus on enhancing reporting and supplementing data with greater levels of analysis, with the procurement of a new Governance Risk and Compliance system underway to support these developments. It has also conducted a number of deep dives into material events seeking to independently consider root causes and present recommendations to the first line. Strategically there has been a focus on external events alongside continuing change to regulation.

Where risks fall outside of the Group's risk appetite, which are defined at both the operational resilience and business-as-usual threshold levels, 'path to green' actions have continued to provide clear remediation plans. Actions are also required where remedial action is recognised in respect of any weaknesses identified in relation to mitigating controls.

Risk management framework (RMF)

The objectives of the RMF are to:

- Facilitate risk-awareness across the Group
- Facilitate the effective identification, assessment, monitoring and management of risks
- Assist in preventing harm to clients, the business and the markets in which we operate

The RMF assists the organisation in the resilient provision of high-quality service to our clients and encourages the continuous improvement of the Group's processes and controls. It includes components that:

- Establish methods for identifying and assessing risk
- Provide an approach for the capture, reporting and monitoring of risk
- Provide appropriate mechanisms for managing risk
- Maintaining a strong risk culture and supporting risk based decision making

Strategic risks

The Strategic risk report is fundamental to the Group's risk management framework. Strategic risks are the most significant risks that the Group assesses as it may prevent the Group from achieving its strategic aims. They are typically being mitigated outside of business-as-usual activity. If any were to materialise, it could have a significant impact on the Group. These risks are typically rated as High or Very High on the materiality matrix.

The strategic risk report provides an overall risk commentary, considers similar internal and external events as well as any mitigating actions being proactively taken. Strategic risks are reviewed at the Board and have been considered at a business unit level where required. They are discussed and challenged by the FS ExCo and the RAC.

Strategic risks that have been considered by the Board and Executive in 2024 included:

- **Change Portfolio** – A key driver of risk activity over the last year has been the oversight of the Group's change portfolio. The engagement of Risk has led to several improvements, including the prioritisation of the Regulatory and Risk programme and the accountability of responsible and delivery executives
- **ESG** – A risk, which is embedded across the Group's principal risks, it remains a key driver of activity for the Group. This physical and transitional risk for the Group was reviewed by a third-party climate consultancy. The findings were consistent with the Group's view. It is not specifically exposed to these risks in the short-term and the primary risk comes from investment activities on behalf of clients. The Group continues to refine its approach in managing the corporate operational emissions related to our offices, facilities and people. The Board ESG Committee met twice in 2024 with the aim of understanding the environmental impact of the corporate supply chain, understanding portfolio level emissions data and considering how it interacts with the community and colleagues. Our RI semi-annual reporting is submitted for each of those meetings to support the Board's understanding (see Principle 7 for additional details)
- **Cyber risk** – This remains a principal risk for the Group and is the primary focus of operational resilience and crisis management exercises, both looking at the impact of an internal event and the impact if one of the Group's third-party suppliers were to be affected. The CrowdStrike event, in July 2024, where a cyber security company distributed a defective systems update causing widespread IT problems impacting many companies globally showed the industry's vulnerability to a potential IT outage. The Group's systems were unaffected and related risks were carefully managed as part of our disaster recovery processes, with no material impact to our clients or our business

Emerging risk radar

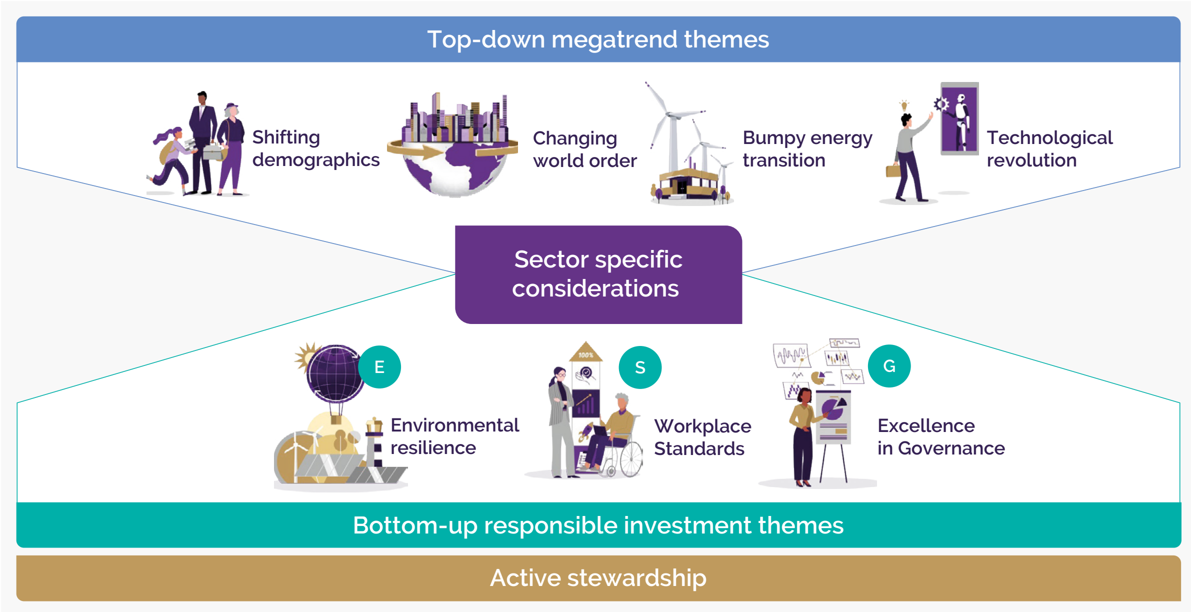
The emerging risk radar is a forward-looking view to enable the Group to identify where future risk may arise and consider if steps should be taken to mitigate and decrease the impact to the Group. The emerging risk radar is currently reviewed at the Group level and is also used at business unit level where required.

Risks on the emerging risk radar for 2024 included:

- Regulatory challenges
- Competitor disruption
- Global elections

For more information on firm wide activities please refer to Corporate Responsibility Report (see **here**) and our standalone FCA TCFD entity report for our discretionary investments for the year end 31 December 2023 (see **here**).

Investment process



Megatrends and macroeconomic Strategy team – identification of macro and systemic risks

The Strategy team continued to provide regular insights into four megatrends that we believe will shape the next decade. This analysis is available to investment managers on our Investment Portal. Our extensive and ongoing macroeconomic research conducted by the Strategy team at Evelyn Partners, allows us to identify these risks, both existing and future.

The team monitors emerging risks, geopolitical developments, and research important long-term trends that may span geographies. This themed approach supports timely identification of systemic issues and supports our commitment to stewardship and responsible investment.

Four megatrends

1. Shifting demographics

2. Changing world order

3. Bumpy energy transition

4. Technological revolution

Megatrends are powerful, disruptive forces that shape economies, businesses and societies. They drive innovation, steer investment and create new ideas. These themes include high level ESG factors and represent our responsible approach from a strategic level.

Identifying these trends helps guide us to opportunities – and away from potential systemic risks. They steer us towards those sectors and industries with a clear runway of growth, enabling us to build better, future-proof investment portfolios.

This work serves to inform investment professionals of any wider themes that may impact portfolios, allocates capital to areas where there is opportunity and lower risk, and also broadly informs our stewardship approach.

1. Shifting demographics

The main argument for this megatrend is that the global population is ageing, and there are likely to be significant consequences for the workforce and how we adapt to an evolving environment. In the face of dwindling demographic pools, there is a growing threat of forced labour practices. This has the potential risk to occur in any geography and can become semi-structural in its character. Our participation in the modern slavery initiative Find it, Fix it, Prevent it (organised by CCLA) helps us partially mitigate this risk. According to the Global Slavery Index, there could be as many as 50 million people around the world trapped in modern slavery. Women, children and migrants are disproportionately more vulnerable to being trapped.

In the UK, for instance, the Global Slavery Index estimates that we import goods worth an estimated $26.1 billion each year that, in all probability, used slave labour in their production. To alleviate this risk, companies should have policies that identify modern slavery risk in their supply chain and direct operations.

To this end, the Find it, Fix it, Prevent it initiative has three work streams:

- Public policy: promoting a meaningful regulatory environment through work with the UK government, policy-makers and regulators
- Corporate engagement: aiding companies in developing and implementing better processes for finding fixing and preventing modern slavery
- Developing better data: working with data providers, non-governmental organisations and academia to identify and develop better data

By participating in this collaboration, we hope to contribute to the reduction of this insidious risk and thus assist in the reduction of this systemic risk arising from demographic changes.

Assessing effectiveness:

Construction was chosen as the primary sector for Phase 2 of Find it, Fix it, Prevent it activities in 2023-4 as it has been identified as high risk for a series of reasons:

- It requires a pool of relatively low-wage labour, a high-proportion of whom are migrant workers
- Sub-contracting and long-labour supply chains are the norm
- Many different workers are on and off site during a project lifecycle

At a roundtable in 2024, the organizer of the collaboration, CCLA, presented an aggregated analysis of 31 construction companies' modern slavery scorecards. These scorecards assessed companies' statements on the degree to which they were disclosing finding, fixing and preventing modern slavery, using the same methodology as used in the CCLA benchmark. 'Fix it' was the lowest scoring category on all three measures, followed by 'Find it' and 'Prevent it'. Disclosures are still primarily on policies and procedures, with relatively little detail on active due diligence.

Most companies were placed in the performance Tiers 3 and 4, with only two companies in Tier 2 (Tier 1 is the highest). This distribution was more heavily weighted to the lower end than that for the 2023 UK Modern Slavery Benchmark. The scorecards demonstrated that in general construction sector companies need to do a lot more to tackle the risks of modern slavery in the sector. Furthermore, they need to disclose more details on their activities and efforts to provide remedy.

While these findings were disappointing in some respects in that these construction companies were scoring poorly, we believe that it takes time for results to be seen and we remain committed on a long-term basis to this initiative, and see it as an opportunity to take action to reduce this risk.

2. Changing world order

The Strategy team's geopolitical theme suggests that geopolitical tectonics are shifting, where the balance of power is at risk of moving away from transparent, democratically elected nations, towards less participatory governance structures. Formidable capital flows have come from the rest of the world into the US and UK financial instruments and assets. This theme points to the need for checks and balances to ensure the integrity of our system. In response to this theme, we have developed a new means of assessing a country's position with regard to several system wide risks. This covers environmental and social risks but the largest weighting is in the governance pillar, where we assess a country's resilience against corruption.

During 2024, to improve our ability to identify systemic risks, we developed a proprietary Sovereign ESG scoring framework. This forms the basis of an ESG overlay that is applied to our Strategic Asset Allocation (SAA) process, with the aim of capturing potential risks that may be unmonitored using traditional financial methods. Country risks are therefore identified, considered, and monitored using a proprietary screening framework for ESG factors. The framework focuses on key material environmental, social and governance metrics that are deemed relevant proxies for country-level ESG risk exposure.

The chosen metrics reflect our attempt to assess system-wide ESG-related risks. In particular, the metrics underpinning the three pillars are:

- **Environmental metric:** Sovereign Climate Value at Risk (CVaR) – MSCI estimates sovereign exposure to transition risk from decarbonisation policies and physical risk from acute weather events and chronic changes in climate. We view climate risk as a systemic risk with the potential to affect our business and our client's investments
- **Social metric:** Freedom House score – Freedom House assesses political rights and civil liberties enjoyed by individuals. We view personal freedoms as a basic human right, and violations of human rights undermine societal foundations and ultimately the achievement of sustainable growth in the long-term
- **Governance metric:** Corruption Perception Index – Transparency International ranks countries on the perceived level of public sector corruption to promote transparency, integrity and accountability. We view corruption as a proxy for good governance at the government level and, when systemic, it compromises institutions, democracy and welfare creation

Country-level ESG scores are assigned and ranked based on the relative performance across the identified metrics. Country scores are then aggregated to regional level for the equity and fixed income asset classes and incorporated to generated portfolio-level ESG scores using approved SAA weights. The factors used are periodically reviewed ahead of the SAA publication cycle.

Assessing effectiveness

We noted during the creation of this framework that the metrics used seemed to accurately select countries with systemic risks around governance, creating a list of countries with known turbulence scoring poorly. We will continue to monitor risks using these metrics to enhance our overall understanding.

3. Bumpy energy transition

To work towards Net Zero and the transition to a low-carbon economy, our strategy work explains that the energy system must undergo three structural changes: decarbonisation of power generation, electrification of energy use and increased efficiency of consumption, as well as the further adoption of electric vehicles. This transformation requires a significant investment in infrastructure, much of which is reliant on a limited supply of base metals. In addition, supply constraints, higher interest rates and various political stresses all serve to make the transition 'bumpy'. However various sectors may well benefit from these long-term themes and this is reflected in our investment strategy. Equally, corporations need to adapt, with the highest carbon emitters being most at risk from adverse policy shifts. History has shown repeatedly that enhanced disclosures lead to more action and ultimately the reduction in systemic risk.

Responding to risks and opportunities: how we align investments with megatrends

Megatrends research helps to refine our approach to various sectors and ultimately companies. For instance, the demographic megatrend points us towards healthcare companies that are able to benefit from these long-term changes. Going into a more detailed example, we recognise the enhanced growth opportunities afforded to companies able to deliver solutions to the energy transition, though they may be high up on the risk spectrum. One way to tap into this opportunity is through specialist funds. We have a team of collective Sector Specialists that focus on climate change opportunities, including energy transition and renewables. Selected funds form part of our MU, and individual funds are held as part of balanced portfolios for clients. This serves to provide diversified opportunities to help fund the energy transition.

In addition, some companies in our MU are seen as having superior growth opportunities where they are supplying products that meet energy efficiency requirements or electrification projects. Finally, we note that companies in carbon intensive sectors need to be working to reduce emissions, and we monitor whether they have a science based target (SBT). We find that our MU has a high proportion of companies with SBTs. However, we also observe that there are difficulties in signing up to this external standard, and the case study below shows some of the issues we learned about by attending a session organised by the Investor Forum.

Addressing climate risks has been a key reason for working in partnership with other investment managers to enhance our influence over these matters. The SRI team regularly assess new collaborations as they arise from reputable sources like UN PRI and ShareAction. The group is a member of collaborative engagement platforms such as Climate Action 100+ (CA100+). Please refer to Principle 10 for further activities under this engagement initiative.

Assessing effectiveness

The 2024 CA100+ report provides some insights as follows.

There has been Increased progress against the goals of the Net Zero Company Benchmark:

- 80% of assessed companies made net zero commitments which is up from five companies when CA100+ started seven years ago
- 88% of companies have committed to disclosing their climate related risks and opportunities in line with the TCFD recommendations
- 90% of companies continue to show that they are putting board members in charge of overseeing climate risk management
- 67% of companies in the engagement were found to have reduced their emissions intensity over the past three years

Case Study:
Working with stakeholders to understand the challenges of SBTs

The Investor Forum hosted a meeting in May 2024 with experts from Ernst & Young LLP to discuss the measurement, reporting and verification of SBTs. During this session, the experts provided some background on framing the energy transition, talking about the shift of aspirational goals to aiming for the pragmatic delivery of targets. Additionally, they discussed the growth of regulatory drivers which has led to a huge amount of change in the reporting regime. Regulation around reporting and disclosures has meant that firms are looking at activities they are involved in across their whole business and getting ready for public disclosures.

Regarding the challenges to setting SBTs, one of the key elements outlined was that companies' contexts are constantly changing, such as their structure or operating model. Given this, recalculating baselines can be time consuming and there may be internal resistance to it. The experts noted that there was a lack of guidance around the Science Based Targets Initiative's (SBTi) 5% change threshold for base year emissions, which would trigger a baseline emissions recalculation, suggesting sector specific guidance is crucial to support companies in the transition.

Outcome: *SBTs continue to be a focus area which we are engaging companies on as part of our active stewardship under the Environmental Resilience component. This session improved our understanding of SBTs and the magnitude of challenges associated with the process.*

Evelyn Partners continues to be an active member of this valuable initiative despite the recent drop off in membership by US asset managers in 2024/25. We believe that by encouraging enhanced disclosures and factoring climate risks and opportunities into corporate planning, the financial system is less likely to experience a disorderly transition and will function better as a result.

On the 6th of February 2022, our firm issued a press release declaring its support for the TCFD. In becoming a formal supporter of TCFD, we joined more than 3,000 organisations across the globe in demonstrating a commitment to building a more resilient financial system and safeguarding against climate risk through better disclosures. Since then, we have published voluntary TCFD disclosures from 2021, and our first mandatory standalone TCFD report in 2024, available on our website here.

4. Technological revolution

The megatrends' final theme assists us in many ways internally, particularly within our analytical teams, with the theme helping to direct investment managers towards exciting companies that are either the innovators or those benefitting from innovation. Within our investment process, 'Privacy & Data Security' is also an important component of our material risks framework for direct equities (see Principle 7 for additional information), and is assessed as a top five risk for 13 of our sectors.

From a financial system safety perspective, our ongoing efforts to build suitable buffers within our internal processes to manage the risk of cyber-attacks falls under this theme, where the first line of defence is our employees. All employees complete training every year on 'Data Privacy'. This covers cyber risk and best practice on handling sensitive information securely, as well as providing requirements for our workforce and third parties to manage corporate technology and resources in a way that does not put Evelyn Partners at risk.

Our information security and data privacy policies encompass employee data, client data, intellectual property, materials, systems and services that Evelyn Partners owns, develops, acquires, or makes available to its employees. The relevant training modules are designed to protect the interests of Evelyn Partners and its clients against the ongoing and pervasive risks that this emerging area poses.

Assessing effectiveness

We are acutely aware of the incumbent risks and responsibilities in a regulated financial services business. We remain vigilant towards the threat of cyber-crime, and regard as paramount importance the need to protect our client's data. This was put to the test in 2024, for example, during the global IT outage linked to CrowdStrike, where our cross-functional Business Continuity team sprang into action. By the afternoon, all our external services which had been impacted, were recovered. Although Evelyn Partners does not use CrowdStrike directly, and therefore were not directly affected, several of our suppliers and industry participants were, which caused disruption for us. This demonstrated a real collective effort with active engagement from FS Front Office, Dealing, Professional Services, Technology, Operations and Information Security teams. The impact was also felt on practitioners who fielded queries from concerned clients and provided reassurance that Business Continuity is given the utmost attention and planning. With increasing reliance on technology and third-party services to serve our clients, it is important that we are prepared to recover — in addition to taking steps to prevent issues in the first place. We regularly run simulation exercises for exactly this type of scenario, which we are acutely aware can, and will, happen and our resilience is stress tested.

Using engagement to identify and respond to systemic risk

We use engagement as a key means of identifying and responding to risks, and our work is more fully explained in other principles (see Principles 9-11). As mentioned, the SRI team regularly assess new collaborations from reputable sources like UN PRI and ShareAction, and understanding systemic risks has been a key reason for working in partnership with other investment managers. Existing and new collaborations inform our understanding of systemic risk as they emerge and develop.

In 2024, we continued to advance our understanding of corporate risks and exposure to the combined climate/nature nexus of related risks, marked by the recent release of the Task Force for Nature-related Disclosures (TNFD). Our membership of Nature Action 100 (NA100) helps us with this work. In addition to this we asked a series of biodiversity related questions to some key infrastructure closed end funds to understand their opportunities for positive impact. For more details, please see Principle 7.

This was also partially in our response to a materiality assessment that we completed, with the view to identify additional impact indicators based on the EU in the Sustainable Finance Disclosure Regulation (EU 2019/2088) (SFDR). This highlighted nature-related impacts such as land degradation, desertification and soil sealing, investments in companies whose operations affect threatened species and investments in companies without a biodiversity protection policy. We added this PAI indicator to our system to enable us to measure these biodiversity-related risks at portfolio level. With enhanced collaborative activity and an improved understanding of impacts, we are in a better position to manage and mitigate these risks. Given the early stage of this collaboration, we are not able to provide an assessment of its effectiveness.

Our membership of the Investor Forum is also an important aspect of our approach. The Investor Forum's purpose is to place stewardship at the centre of investment decision-making by facilitating dialogue, creating long-term solutions and enhancing value. It helps investors to work collectively, escalating material issues with the boards of UK companies, communicating investor concerns and expectations in a comprehensive and consistent manner. We use our membership to keep up to date with industry developments through facilitated dialogues and getting involved in collective engagements. In 2024, we were involved in various collective engagements with them, including pre-AGM meetings as well as their Stewardship 360 project on the UK water industry.

Assessing effectiveness

We will be looking at all aspects of engagement, from risk identification to overall effectiveness, in our engagement and strategy review in 2025.

Using ESG data to identify risk – Principal Adverse Impacts (PAI)

Evelyn Partners has adopted the approach of sustainability-related disclosures mandated by the EU in the SFDR (the Regulation). The Regulation includes provisions requiring relevant businesses to disclose to potential investors how sustainability risks are integrated into their investment processes and the due diligence performed on the PAIs of their investment decisions on sustainability factors (as set out below). Please see here for our Sustainability-Related Disclosures.

Having access to this data at detailed level allows us to examine impacts and risks of client portfolios on a granular level. In addition to our own risk management framework, megatrend analysis and engagement activity, this data helps us to inform and influence the identification of systemic risks.

Assessing effectiveness

In 2024, while screening this data, we observed that we had a limited exposure to the risk of child labour which is a Principal Adverse Indicator. We see this analysis as an extension to work we have conducted to mitigate exposure to forced labour. The accessibility to PAI data enabled the identification of this risk and led to the initiation of engagement activities, both at direct and at collective investment level, for further investigation. We explain some of the results of this engagement in later sections. However, we believe it is too soon to analysis the extent of our actions and their effectiveness.

Using other aspects of our investment process to identify systemic risk

Our investment managers and Sector Specialists have regular engagements with the companies in which our clients invest. These interactions, together with detailed research, can enable them to identify, manage and monitor the risks and opportunities that face the companies in which we invest and within our own corporate operations.

Our use of material risks at sector level, where Sector Specialists identify the top three to five material ESG factors for each sector, can also inform our approach to systemic risks.

Assessing effectiveness

Linking in with our megatrends analysis, 'Privacy & Data Security' was assessed as a top five risk for 13 of our sectors – for more detail on our material risk process and assessment of sustainability risks on companies in which we invest, please see Principle 7.

It is good to see that our multi-layered approach points us towards similar risks and we see this as a measure of our approach's overall effectiveness.

How we have worked with trade bodies to promote continued improvement in the functioning of financial markets

Evelyn Partners activity & 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 understanding and 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 in the health of our financial system. This helps to develop best practice. Evelyn Partners is involved in several industry groups that allow us to engage and inform on promoting a well-functioning financial system.

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 in September 2024
- In November 2024, Charley Davies, our General Counsel at Evelyn Partners joined PIMFA's Board of Directors

Our active membership and representation at these industry groups and trade bodies helps us to collaborate with peers, develop best practices with aim to enhance the functioning of the investment market.

Investment Association

THE INVESTMENT ASSOCIATION

The Investment Association (IA) acts as a voice for the UK investment management industry. It has around 250 members who range from small independent firms to Europe-wide and global players. Collectively they represent over £9.1 trillion of assets on behalf of UK clients and around the world. It is the largest industry body of its kind in Europe and the second largest in the world.

The IA aims to serve as a voice for this industry and represent their interests to policy makers and regulators. They also lead in learning and development initiatives to ensure compliance with the law and industry best practice and consult widely with members on issues affecting the industry.

Members of the Evelyn Partners RI team attended the IA forums on SFDR, TCFD, and SDR in 2024. Our Director of Stewardship and Responsible Investment is also a member of the IA Stewardship Reporting working group and the IA Voting Reporting working group. Both groups were active in 2024.

PIMFA

PIMFA

PIMFA is a smaller and more focused trade body in the private wealth sector, with £1.6 trillion in private savings and investments. They aim to represent a diverse range of firms provide industry thought leadership, lead the debate on policy and regulatory recommendations, maintain the UK's position as a leading global centre of excellence and promote the industry as a key catalyst to develop a culture of savings and investment in the UK. It also promotes a greater understanding of the sector and its role as a beneficial force in transforming the way people save and invest for the future. We are members of PIMFA's Sustainability Working Group and regularly contribute to PIMFA's policy initiatives.

TISA

TISA

The Investing and Saving Alliance's (TISA) ambition is to improve the financial wellbeing of all UK consumers by working collectively with the financial services industry to deliver solutions and champion innovation. TISA represents over 270 member firms. We are an active member of TISA's Responsible Investment and Sustainability Committee.

We are committed to promoting well-functioning financial markets by advocating for transparency and the development of best practice related to responsible investment and stewardship. Our efforts include regular disclosures and active participation in industry discussions and responding to the evolving regulatory policy development as per examples below.

Sustainable Disclosure Requirements

We responded directly to the FCA's consultation on the proposed extension of the Sustainable Disclosure Regime SDR regime to discretionary portfolio management services (CP 24/8), and also contributed to the three aforementioned industry trade body association consultation responses, outlined below.

During the year, we also attended several bilateral meetings with the FCA and other wealth management peers on SDR related topics. In addition to the aforementioned trade body forums on responsible and sustainable investment, 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.

Case Study:
FCA SDR CP 24/8 consultation – policy engagement

We have been advocating for a thoughtful and practical approach to the implementation of SDR regulatory proposals. This is not due to a failure to work with the industry, since consultations have been extensive. Overall, we support the FCA's aims to enhance transparency, prevent greenwashing, and build trust in sustainable investments. However, we made several recommendations with the aim of enhancing and refining the SDR proposals in practice as part of our CP 24/8 consultation response, including:

- Support for extending SDR to model portfolios (MPS) and central investment propositions (CIPs), while initially excluding bespoke discretionary management due to its inherent complexities
- A 12-month implementation period from the publication of the final rules to allow sufficient time for wealth managers to adapt their portfolio management services
- A call for clearer definitions of sustainability characteristics versus positive sustainability objectives, particularly for bespoke services
- That naming and marketing rules exclude bespoke discretionary management, ensuring that services without explicit sustainability objectives are not unfairly captured
- Ethical exclusions, which have been a long-term feature of bespoke services, should be excluded from the additional SDR requirements
- Fund of fund considerations: seek further clarification on the ability of portfolio managers to rely on collective funds with explicit sustainability objectives to meet SDR label criteria

Outcome: *The FCA acknowledged our response and several of our comments and views were included directly in the respective trade body final consultation responses. At the time of writing, the FCA is still deliberating on the feedback received from the industry.*

Case Study:
Advisors Sustainability Group industry – Survey feedback

We also responded directly to the Advisers' Sustainability Group surveys in 2024. This was set up in early 2024 as an industry-led body, supported by the FCA and PIMFA. The group aims to provide recommendations for financial advisers to integrate sustainability considerations and products into the investment advice process, develop good practice guidelines and training recommendations to align with the goals of the SDR regime and the UK government's ambition for green investment. Recommendations from the group are still outstanding at the time of writing.
We made several recommendations in our feedback, including to:

- Clarify and educate on the use of sustainability terms and their impact on portfolio performance and management, including guidance on how sustainability products and services fit within the overall investment value and distribution chain
- Integrate client sustainability preferences with guidance and existing regulatory requirements for client suitability, drawing insights from European and other frameworks
- Outline good practice frameworks for client engagement and client portfolio reviews, using case studies to illustrate effective approaches, ideally by firm and client types in scope to cover the various client journey rather than a one size fits all approach
- Develop comprehensive training and professional development programs, balancing client sustainability preferences with investment objectives and other suitability, oversight and control framework considerations
- Collaborate and foster cross-industry bodies to provide practical guidance and examples on integrating sustainability into the investment process

Outcome: *PIMFA acknowledged our contribution and response. At the time of writing, final recommendations and output are still being drafted by the working group and expected in early summer 2025. We continue to monitor developments and industry best practice, in light of the implementation of FCA SDR investment and labelling requirements.*

Assessing the effectiveness of our industry and policy advocacy activities

As noted above, our recommendations and our response to the FCA's CP 24/8 consultation were contained in several features of the final responses of the respective trade bodies, in addition to our own direct response. ensuring our perspectives and suggestions were effectively represented.

In February 2025, the FCA announced an extension to its deliberations beyond Q2 2025, highlighting the careful consideration it is giving to the constructive and detailed feedback it has received. Their aim is to ensure that an extension of SDR to portfolio management delivers good outcomes for consumers, is practical for firms and supports sector growth.

By actively contributing to the evolving policy and regulatory landscape we, along with other industry peers and stakeholders, have played a role with the aim of improving the effectiveness of a well- functioning investment market. At Evelyn Partners, our efforts focus on promoting sustainability considerations, developing good business practice and disclosures, and addressing the evolving needs of our clients.

Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

We believe it is our duty to clients as responsible investors to ensure we are transparent in our investment processes by promoting stewardship.

Approach to assurance

Our approach to assurance is in the first instance to ensure we have a robust governance process in place. We have sufficient checks and balances for a firm of our complexity and size, whilst also being proportionate, given most of our assets under management are invested in external collective investments which are managed by UN PRI and UK Stewardship Code signatories. As explained under Principle 2, the investment management business represents the first line of defence to ensure that its stewardship and responsible investment activities are undertaken in the best interests of our clients. The business has dedicated teams, who propose standards, design process and draft policies to enhance our responsible investment approach. Their output is then subject to a two-stage review by SRIG and IPC before final adoption by the business. There is an additional review of strategic RI matters by the business at FS ExCo, which includes representatives from the Compliance and Risk departments. Compliance tracks and presents regulatory developments, including those relating to responsible and sustainable investment. The Investment Management business provides updates on how it is responding to these developments and its general day to day activities, including project work. FS ExCo escalates issues to the GEC and/or the RAC, where appropriate. There is also an opportunity for review and independent challenge at the Board ESG Committee and by the GEC. The RAC approves internal audit priorities for the Group and as a result, BDO LLP – on behalf of Internal Audit – conducted an audit of our responsible investment framework in 2024– see below for further details.

Policies

We maintain a set of policies under the overarching structure of our Responsible Investment policy. All of these are disclosed on the '**Stewardship**' section of our website. Stewardship is broken out into various areas, supported by detailed policies.

Principle 2 outlines the governance structure of the Group. Individual policies are designed by the RI team pulling together operational, legal and compliance expertise as required. These are approved by SRIG and then reviewed by IPC.

Specific policies and disclosures covering stewardship activities can be viewed on our website at **Responsible investing | Evelyn Partners** and include:

- Responsible Investment policy
- Voting policy
- SRD II Engagement policy
- Sustainability-related disclosures

Responsible investment policy

Our Responsible Investment policy (available **here**) covers the integration of ESG factors into our investment process, and how we act as responsible stewards on behalf of our clients, including through voting and active engagement with investee companies.

Investment objectives: we consider and integrate material ESG factors into our investment analysis and monitor non-financial risks alongside traditional financial measures. We use MSCI ESG Manager screening services to assist by providing relevant data and insights.

Governance: ultimate oversight is provided by the Board ESG Committee (see governance structure in Principle 2).

Active ownership and engagement: we vote on discretionary holdings which are on our direct equity MU, any company on our AIM monitored list, and where our materiality threshold is met.

Voting policy

We use Glass Lewis as our proxy voting service provider but adapt their proposals to our own policies, based on our direct engagement with the firms we invest in. Our focus is on the following areas:

- Transparency and communication
- Corporate culture
- Strategy
- Financial disciplines, structure & risk management
- Stakeholders, environmental and social issues
- Governance

In-line with Principle 9, if we vote against a resolution, we write to the company explaining our position to allow them to provide additional information. This provides a valuable cross-check with the information provided by Glass Lewis. All Sector Specialists have direct access to the

Glass Lewis proxy voting reports as they become available. They are consulted as part of the voting process and consider continuing the discussion directly with the company as part of their ongoing engagement, where relevant. All our voting activity is made publicly available each quarter on our website. We can also provide individual voting records for each client upon request. Glass Lewis provide an annual review of regulatory changes for each proxy voting region, including a discussion forum which allows us to share any concerns and hear views of other investors. Our own detailed policies are continually adapted based on our growing practical experience, feedback from the companies, Sector Specialists, investment managers, senior staff and informal client discussions.

SRD II engagement policy

Our engagement approach is based on integrating material ESG factors alongside traditional financial metrics when making investment decisions, according to the criteria set out under Principle 1.

Investee companies are monitored on the following considerations:

- Strategy
- Financial and non-financial performance and risk
- Capital structure
- Social and environmental impact and corporate governance

Evelyn Partners complies with SRD II requirements for all discretionary and non-discretionary clients.

Sustainability-related disclosures

The Group's UK and EU regulated legal entities are subject to various sustainability-related regulations and this section provides an overview of our disclosure obligations as part of our responsible investment approach, including:

- FCA's requirements for TCFD recommendations and disclosures
- FCA Sustainable Disclosure Requirements (SDR) applicable to the Group
- Obligations for the Group's Irish regulated entity Evelyn Partners Investment Management (Europe) Limited (EPE) and our in-house pooled funds managed in the EU under the Sustainable Finance Disclosure Regulation (SFDR)

Further information can be found on our approach to integrating sustainability risks in our Sustainability-related disclosures statement on our **website**, including climate specific disclosures and our approach to **Responsible investing**.

Monitoring effectiveness

We recognise that responsible investment is continually evolving and therefore we need to ensure that our policies remain relevant. These policies and their effectiveness are reviewed at least annually by IPC and SRIG, and more regularly where changes are required. The process is designed to be transparent, with numerous checks and balances, as noted elsewhere under Principle 8.

Reporting – other disclosures

As a signatory to the UN PRI, we submit an annual transparency assessment report. We publish our voting records on our website as well as a copy of our Stewardship Code response. During the year, we also submitted our third climate questionnaire to CDP; we became a CDP supporter in 2022 to track and benchmark our progress as we align with the TCFD recommendations. We published our climate-related disclosures in our annual Corporate Responsibility report. As noted above, we also published our first mandatory stand-alone TCFD entity report, in respect of our discretionary managed investments for 2023 (available on our website **here**).

External communications

External communications are subject to further checks and balances. For example, the drafting of the UK Stewardship Code was conducted by the RI team, reviewed by the Co-Chairs of SRIG, CIG and DIG, the Head of the Charities team, the Chair of IPC, also Chief Asset Manager Officer, before being subject to Marketing review. This multi-stage review process, conducted by different stakeholders, helps to ensure that our communications are fair, clear and not misleading, in accordance with the FCA's SDR anti-greenwashing rules.

Assurance

In order to review our processes and provide internal assurance of our overall stewardship and responsible investment activities, the RAC, reporting to the Board, have appointed BDO LLP as our internal auditors. Our corporate ESG policy, first introduced in 2022 and updated annually, sets out our approach to each element of ESG and how it is considered both operationally, and for the responsible investment pillar for our investments. It outlines how ESG is considered throughout the value chain, which includes suppliers, employees, clients, investees and shareholders.

Internal audit assurance – responsible investment framework

BDO LLP conducted a review of Evelyn Partners' RI framework, assessing its design effectiveness and operational efficiency in 2024. The review concluded that the framework "Meets Expectations in Most Respects," with all identified issues and recommended actions rated as 'Low' risk. The review highlighted some areas for improvement in governance documentation, oversight mechanisms, and disclosure consistency, while also noting several areas of good practice, including effective governance, well-applied policies and procedures, clear articulation of the RI strategy, and relevant training content.

The internal audit report has been provided to RAC and we have created an action tracker to monitor implementation of the proposed improvements throughout 2025.

Assurance – TCFD climate disclosures

The Group's UK regulated entities are subject to the UK FCA's implementation of the TCFD recommendations, applicable to asset managers with AUM greater than £5 billion from 1 January 2023. In 2024, we published our first mandatory FCA TCFD stand-alone entity report for the year ended 31 December 2023, covering our discretionary managed assets.

Following the publication of our report in June 2024, we conducted an informal benchmarking review of our TCFD report against other peer firms to identify emerging industry best practices. Evelyn Partners performed strongly in outlining our approach to climate risk scenario analysis and presentation of climate metrics for our investments, including our collective AUM. The exercise provided us with valuable insights and a level of comfort about our approach, while also identifying areas for further improvement.

FCA Sustainable Disclosure Requirements (SDR) obligations – anti-greenwashing review

The FCA SDR regime final rules, published in November 2023, provides guidance on the new anti-greenwashing rule applicable to all product and services communications as well as distributor requirements for the investment fund labelling and disclosure regime.

Under the SDR anti-greenwashing rules, that came into force on 31 May 2024, the FCA outlined that FCA UK regulated firms must ensure that sustainability-related claims are fair, clear, and not misleading. This applies to any claim about environmental or social characteristics relating to a regulated product or service.

Ahead of the FCA implementation deadline, Evelyn Partners reviewed relevant client facing and internal collateral for use of sustainability-related terms and claims, to address the risk of potential greenwashing across the Group. We provided training and guidance to 1,441 Financial Services front office colleagues, as part of their Ethical Continuing Professional Development, via mandatory online modules and during in person sessions with internal colleagues.

Badges and awards

Over many years, the high quality of our services has been recognised with industry awards, providing an important independent endorsement of our position as a market leading business that is committed to delivering excellent performance and client service. Below are examples of some of the awards that we won during 2024, including the STEP Private Client Awards for Investment Team of the Year. In addition, we are proud of our practitioners, particularly those who were recognised through individual awards and third-party rankings during the year.

Financial services awards

We are proud that Evelyn Partners achieved gold ratings for our Discretionary Fund Management Service and 5-star ratings for our Model Portfolio Service (MPS) Platform, MPS Direct as well as our Bespoke Portfolio Service across our core and active product ranges.

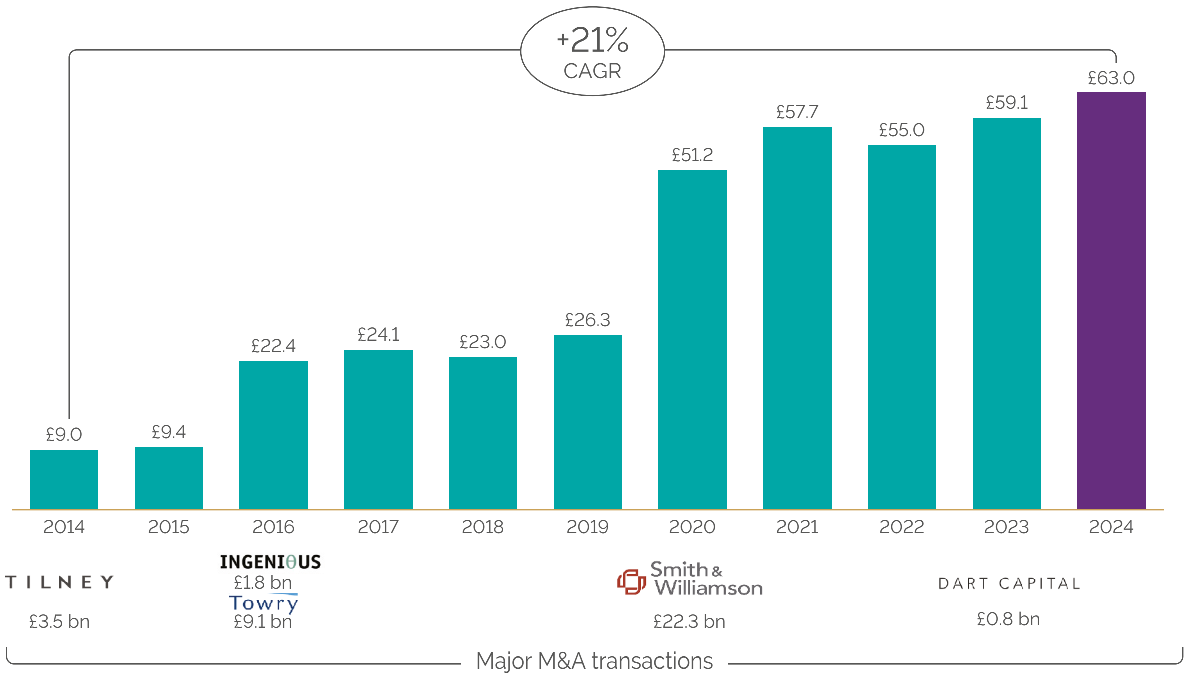
All funds in our Evelyn Partners active range are rated by RSMR (an independent fund ratings agency) and have achieved the Dynamic Planner category of 'Premium Fund'.

Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Supporting our clients with the management of financial affairs is core to what we do. As outlined in Principle 1, our services are distinguished by the strength of our expertise in both financial planning and investment management, enabling us to provide clients with a truly holistic 'dual expert' wealth management service. For stewardship, our activities are primarily focussed on our discretionary managed clients.

Evelyn Partners offers a bespoke discretionary portfolio management service (DPS) which is aligned to individual client's objectives and risk appetites. Our client base is a mix of private client portfolios, trusts, charities, companies, and independent financial planners. We had a total of 155,439 clients as at 31 December 2024. Accordingly, it is of the utmost importance that we take account of each client's needs and regularly communicate these activities and outcomes. Over the last ten years, our AUM has grown predominantly via a mixture of the Group's mergers and acquisitions (M&A) related activities and the combined new business growth from the legacy Tilney and Smith & Williamson businesses, following the merger in 2020. The Group's combined AUM increased to £63.0 billion as at 31 December 2024, an increase on the prior year of 6.6% due to a combination of net inflows and market movements.



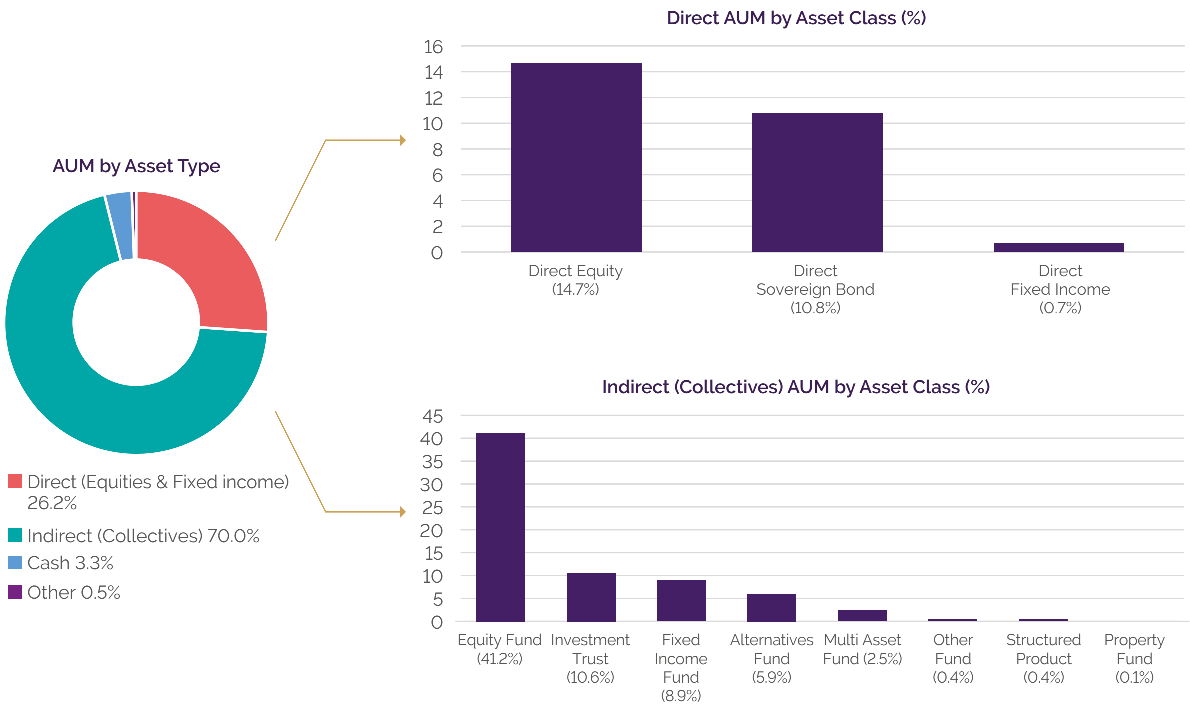
Attracting new clients through an integrated approach to marketing and business development

Our strategy for acquiring new clients is centred on an integrated approach to marketing and business development. We have moved from a broad, service-led marketing to an approach that is highly focused on carefully identified client verticals with attractive characteristics, including entrepreneurs and charities. Our focus is on targeting client groups where we can demonstrate a deep understanding of their needs, where the breadth of expertise is highly relevant and where we can build strong recognition among these verticals as the 'go-to' wealth manager.

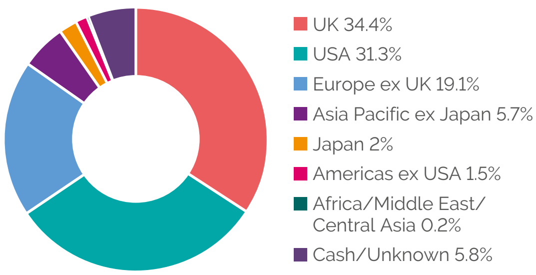
In addition, we created a Commercial Transformation Team in 2024 with the aim to assess and improve our processes looking through a client lens. The team developed an 8-stage gated business lifecycle plan to better understand and design appropriate communication channels throughout the client journey. This plan will be implemented throughout 2025 by creating standard operating procedures to optimise our client experience at every stage of their journey with us. This will improve clarity, consistency and ultimately our clients' experience.

As outlined in the tables below, the vast majority of our AUM are invested in collective investments (circa 70%), comprised mainly of equity and fixed income securities. Around 26% of our AUM is invested directly in equity and fixed income assets, including sovereign bonds. A geographical breakdown shows that the large majority of our AUM is predominantly invested across the UK (34%), US (31%), Europe (19%), and Asia Pacific – ex Japan (6%).

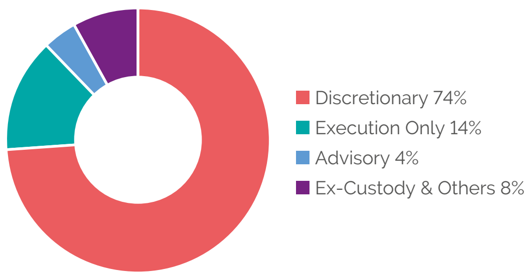
AUM by Asset type



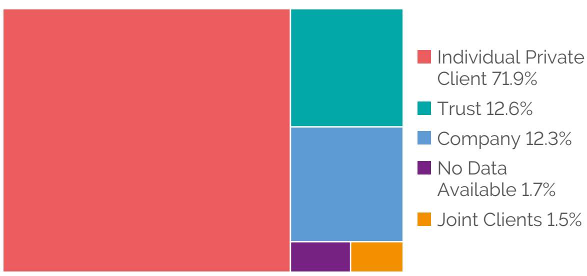
AUM by Region



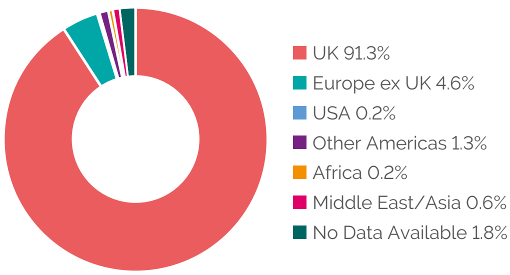
Client AUM by Service Category



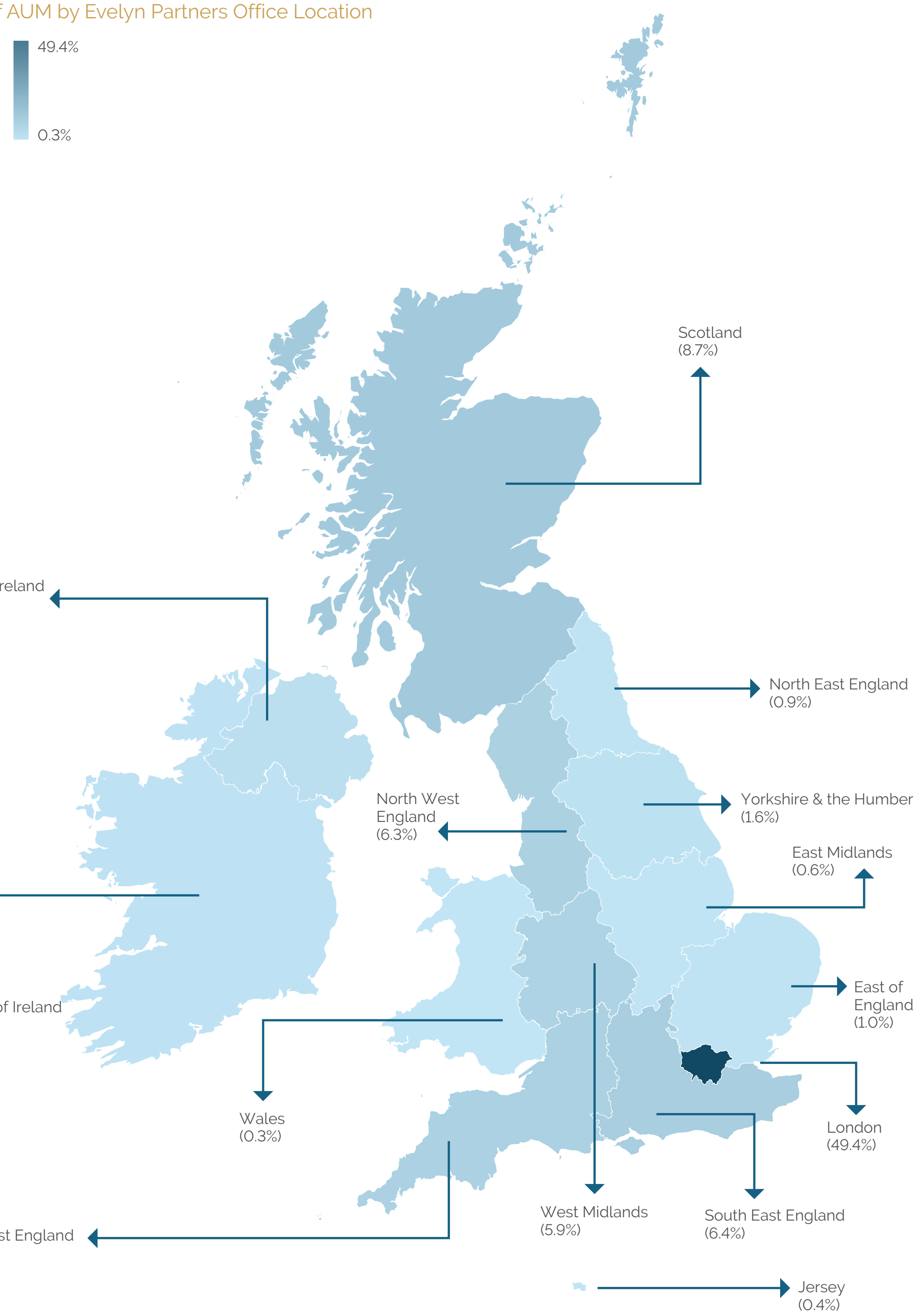
AUM by Client Type



AUM by Client Geographical Location



Share of AUM by Evelyn Partners Office Location



As outlined above, the majority of our AUM (circa 74%) is managed via our bespoke DPS service for discretionary managed assets. The remaining AUM are execution-only, advisory or ex-custody assets. Our core offering provides discretionary investment management services to private clients, trusts, businesses, charities, as well as independent financial advisers (IFAs). Our DPS proposition to clients enables portfolios to be tailored to individual client preferences, which vary in composition, based on the following requirements:

- Portfolio size
- Investment objective
- Target income
- Target total return
- Risk tolerance
- Strategy time horizon
- Liquidity
- Investment constraints, such as tax
- ESG or sustainability-related and ethical preferences

We create bespoke investment portfolios for our clients to meet their requirements, long-term goals and values as well as overall suitability considerations. This means each client has their own investment time horizon based on their individual circumstances. These fall under three categories, short-term, medium-term and long-term. To invest a significant proportion of a portfolio in equities requires a time horizon of greater than five years, reflecting the volatility of this asset class and the need for a longer time horizon to make sure the strategy meets its objectives.

We believe holding the right blend of assets – including equities, fixed income, and diversified alternatives – is the primary determinant of long-term investment performance. As a framework for constructing portfolios, we use a range of asset allocation strategies, built by our specialist in-house team. Our investment managers fine-tune the allocation to meet clients' requirements before selecting appropriate investments within each asset class.

Each client goes through a comprehensive fact-find prior to their account being opened. Seeking our clients' views and values is an integral part of this discussion and is well documented on their application form. These views are formulated into actionable investment guidelines and agreed with the client. This is reviewed with the client as part of their Periodic Suitability Review (PSR), to assess the suitability of the investment service or advice being provided. The frequency may vary according to client mandate and internal standards and depending on the risk profile of the client (e.g. annually for high-risk clients). This approach is used to ensure that portfolios can be tailored to individual values and that information on clients' circumstances objectives, risk profile or time horizon remain accurate and up to date. Sustainability and ethical preferences may form part of the overall investment strategy, where they do not impact on overall portfolio suitability. Where a client wishes to place a formal restriction on certain assets, for example, specific sectors or companies to reflect their values (e.g. no tobacco, gambling or alcohol), this is implemented and monitored at a desk level by the investment manager.

Our investment managers have traditionally used MSCI ESG Manager to obtain details to support positive or negative restrictions and screening for their client portfolios, for both direct and collective investment schemes. With our proprietary dashboard for responsible investment metrics, they also have access to PAI data, for each portfolio, to review the potential impact of their clients' investments on society and/or the environment. For some of our clients, such as charities, we have separate mandates for their restrictions. We can provide them with enhanced reporting, including details of the investments' exposures based on their stipulated preferences.

We conduct ad hoc client surveys to help understand what is important to our clients. However, more importantly, it is the primacy of the relationship between client and investment manager that matters. Understanding our clients and what is important to them is an integral and ongoing part of the relationship, which helps us shape bespoke portfolios to meet their ongoing needs.

Since 2022, we added a set of questions on responsible investment in our annual internal investment management survey. These questions include the investment managers' views on the RI process at Evelyn Partners and their clients' demand and perception of ESG related issues. We review the questions relating to RI annually, whilst maintaining a set of core questions to assess and compare proxy client views via their investment managers over several years. This enables us to continue to cater for our clients' evolving interest and understanding of ESG and sustainability related issues as well as our business needs gained from those best placed as trusted advisers and managers of our clients, i.e. our investment managers. The combination of client conversations, formal periodic suitability reviews, and feedback via surveys, ensure that we continue to see and understand our clients' views and understand their needs.

Client reporting and feedback

We seek to build valued, long-term partnerships with financial advisers, accountants, lawyers and professional bodies to help achieve positive outcomes for clients. We also respond to market trends and feedback from our clients. In 2024, we undertook the following activities:

- Our series of client events in preparation for, and response to, the Autumn Statement engaged more than 5,000 people and. as further detail emerges following government consultations, we will continue to hold specific follow-up activity
- As part of our enhanced client insight programme, we introduced digital exit surveys for clients that have left the firm so that we can learn about ways we can improve our propositions and service offerings

We regularly report and provide feedback to our clients and engage with them through a variety of channels, including:

- Direct client face-to-face meetings and conversations with practitioners or virtually as part of client onboarding and periodic suitability reviews, as noted above
- Formal reporting to clients via quarterly valuation statements
- We continue to expand our business development team to nurture our professional relationships and augment direct client contact with conferences, virtual and in-person seminars and the provision of expert content
- As part of the continued Consumer Duty work, there have been enhancements made to the Products and Services offered by Evelyn Partners, including enhancing the annual product assessment reviews to ensure products and services were offering fair value. Price and Value outcomes include the simplification of our propositions and fees and pricing harmonisation, to ensure that all clients have a fair and consistent outcome
- As part of Consumer Understanding, client surveys have been rolled out for approximately 15,000 clients to better understand how they understand the products and services they receive and ensure key client collateral documents have been updated. Client feedback was also sought for updates to the client portal and application, resulting in changes to delivery priorities
- In regard to Consumer Support, vulnerable clients continue to be identified and flagged, and training on vulnerability has been rolled out to colleagues. Customer journeys had also been reviewed and improved to ensure consistent outcomes for new clients

Client reporting

Clients receive a quarterly valuation statement that includes specific geographical and asset class breakdown, alongside details of all holdings in their portfolio. Each valuation includes house commentary from our investment Strategy team, and a detailed bespoke summary from the investment manager on at least an annual basis. Clients have access to our quarterly voting report which is available on our website. They can also request ad hoc statements of all votes relevant to their portfolios.

As standard, discretionary holdings that meet our materiality threshold are voted on in line with the Evelyn Partners voting and engagement policies. However, clients can request at any time that their holdings are excluded from this process and instead specify how specific holdings are voted on according to their preference. Specific voting reports are also available upon request by clients.

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. These can be used to assess ongoing activities to adjust the overall sustainability characteristics and profile of portfolios, as well as the monitor the relative success of these activities. We have found that these reports often need significant explanation and careful caveating, particularly given the evolving nature of sustainability-related terms and concepts, and the emerging development of data and measures used in these reports.

In 2024, we also added key RI updates in the house commentary in our quarterly client valuation reports to ensure our clients are aware of our activities and regulatory obligations. We aim to improve our clients' knowledge base by continuing to produce responsible investing 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 article '**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?**'. Furthermore, we are exploring additional options to extend our client outreach with our Marketing department in 2025, as part of our Insights magazine for clients and through social media.

During the year, we provided a variety of means to engage with our clients on responsible investment 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. The RI team attended client meetings alongside their investment managers and we also released a **Guide to Responsible Investing** which explains to clients what RI is and how it is integrated into Evelyn Partners' investment approach. Our annual Stewardship and Responsible Investment Report and UN PRI Transparency Reports are also available on our **website**.

We have added a few examples of how we respond to client feedback below.

Case Study: Responding to client feedback – post webinar presentation

We held a live webinar on how charities can align their investments to Net Zero in April 2024. Following listening to this webinar, an existing charity client contacted us asking for more information on their own portfolio's investment profile. We provided a customised presentation with their portfolio's data using a series of historic and forward-looking climate-related metrics. An assessment of the overall portfolio holdings at the time projected an implied temperature rise of less than 2°C. They are now monitoring several climate metrics with their investment managers to continue to understand their portfolio's investment profile and climate-related risks and opportunities.

Outcome: *The client had a better understanding of the series of climate-related metrics that can be used to monitor the alignment of their investment portfolio with the goals of the Paris Agreement.*

Case Study: Responding to client feedback – responsible investment conference

We held an in-person conference in June 2024 designed to educate and inform our clients on responsible investment. We had external speakers including Sam Fankhauser from the Smith School of Climate and the Environment in Oxford, and Stuart Kirk from the Financial Times.

To provide additional sessions which clients would find the most useful, we gave them a series of options to choose from on the invitation, and then conducted the sessions that were the most popular. This included a 'jargon free' session on responsible investing, designed to explain our approach in plain language. We also provided a 'jargon busting' session, where key responsible investment terms were explained to help educate clients.

During the day, we utilised an interactive application to get a feel for the development of the audience's understanding (which increased during the day) and asked for specific event feedback at the end of the conference. During the day, we utilised an interactive application to get a feel for the development of the audience's understanding (which increased during the day), and asked for specific event feedback at the end of the conference. The feedback was positive, requesting more events on this subject.

Outcome: *We are now in a better position to understand the needs of our clients and will use this to inform and plan our activities in 2025.*

Looking ahead

Supporting our clients is an ongoing journey, and we are committed to continuously enhancing and refining our RI and stewardship approach. Through major system upgrades, the adoption of cutting-edge technologies like AI notes, and by offering comprehensive learning and development opportunities as outlined in our Client Engagement Programme, we aim to empower our investment managers to excel in what they do best – serving their clients.

Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Evelyn Partners corporate purpose is 'to place the power of good advice into more hands'. Our core values are to deliver a personal and inclusive service to all clients irrespective of their size, to build long-term partnerships which will stand the test of time and focus on performance, as we strive to be a forward-thinking and innovative business. Responsible investment is one of the four key pillars of Evelyn Partners Corporate Responsibility approach (see Principle 1).

We believe that responsible investment strengthens our internal processes and is at the forefront of our fiduciary duty to our clients. Responsible investment involves considering material ESG issues when making investment decisions, known as ESG integration, and influencing companies or assets, known as active ownership or stewardship. ESG factors, once considered non-financial risks, may now represent material financial risks that have not been accounted for as 'externalities' in the current valuation of investments. Additionally, long-term non-financial risks and opportunities, such as those associated with nature and climate-related factors, are increasingly significant.

At Evelyn Partners, responsible investing is the default approach across all our investment services and products.

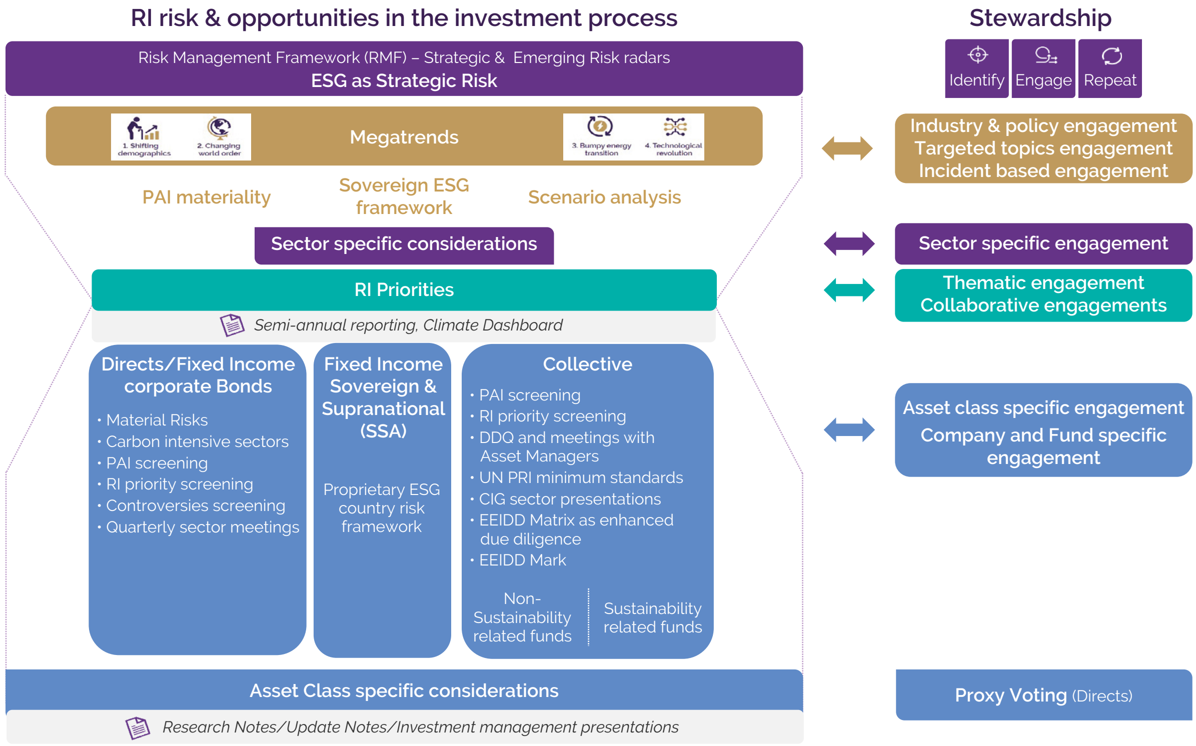
- Our investment process involves rigorous analysis across geographies, asset classes, collective funds and companies, and includes assessing material ESG factors alongside traditional financial appraisal techniques, together with an active stewardship programme
- Consideration of material ESG factors improves our ability to identify high quality investments and strengthens the resilience of the portfolios that we build for clients over the long-term

Integration of material ESG factors and stewardship

Responsible investment and ESG considerations are layered into the investment process in a variety of ways. Identifying, assessing and mitigating systemic non-financial risks and opportunities are central elements of our Strategy team's long-term megatrends research, as outlined in Principle 4.

This work has helped our Sector Specialists and investment practitioners to incorporate wider themes that may impact client portfolios, and also broadly informs our stewardship approach. Typically, our stewardship activities are directed towards where standards of investee companies or fund managers investing on our behalf, fall short of our expectations, but where the investment case remains intact. We then work to effect change using our influence across both collective investment funds and direct investments.

See below for an overview of our RI process, integration of ESG factors and stewardship.



Inputs to materiality assessments

We approach our assessments of materiality using a variety of lenses, which are outlined below.

Country risks

In late 2024, we introduced a sovereign risk assessment framework. Country risks are now identified, considered and monitored using our new proprietary screening framework for ESG factors. The framework focuses on key ESG metrics that are deemed material and good proxies for country-level ESG risk exposure (see Principle 4 for further details).

Regional equity and fixed income asset class scores are incorporated to generate portfolio level scores using our Strategic Asset Allocation (SAA) weights approved by TAAG (formerly AAC). These additional inputs are considered by the Strategy and Fixed Income teams during their analysis. They provide a useful method of monitoring country related risks on an ongoing basis.

SFDR PAI considerations

In 2022 and 2023, we started monitoring and reporting 18 mandatory and 9 additional SFDR PAI indicators on our investments to SRIG, DIG and CIG.

Beyond the mandatory PAIs required by SFDR, we have assessed the materiality of additional PAIs through a proprietary framework. This involved the mapping of additional PAIs to our existing material risks, defining a minimum coverage threshold, assessing the materiality for our investment holdings and the likelihood of their occurrence. The shortlist of considerations was then presented to SRIG for a final qualitative assessment and selection. The additional PAIs selected reflect the following factors: exposure to areas of high-water stress, land degradation, desertification, soil sealing, companies without a policy to address deforestation or biodiversity protection policy, lack of supplier code of conduct, and child or forced labour or human rights issues.

We have added these additional PAIs to our semi-annual RI reporting (see below), which is produced for CIG, DIG and Sector Specialists. This report provides data and insights on PAI impact values and top contributors per indicator. This helps us to identify any outliers for the Group's discretionary managed assets under management and enables SRIG, CIG and DIG to consider relevant actions to take, including referring to the RI team for further examination, escalation and engagement with investee companies or fund managers. Actions could include, for example, deep dives into individual investee companies, engagement activities with fund managers, considering dropping coverage from our monitored universe, querying the accuracy of data with Sector Specialist, or escalating to our data providers for further clarification.

The firm will continue to adapt and improve its approach to considering PAIs as circumstances allow.

Climate Dashboard and TCFD considerations

Our ongoing monitoring of risks and opportunities is the key to our management of material climate related risks. Our approach is to integrate climate considerations at strategic, industry sector, fund and individual asset level, where the data allows and provides useful insights.

In 2022 and 2023, we developed our monitoring and reporting of TCFD historical metrics, such as carbon emissions, WACI and carbon footprint. To support the practical implementation of climate-related risks and forward-looking trends, we developed a Climate Dashboard in 2024, to monitor and provide specific and regular reports to relevant investment committees as well as to senior management. This complements our regular GHG emissions reporting with six additional key metrics for monitoring our discretionary managed assets, as follows:

- Implied Temperature Rise (MSCI methodology)
- % of companies with SBTi approved targets
- % of Green Revenues
- MSCI CVaR – Policy Risk
- MSCI CVaR – Tech Opportunities
- MSCI CVaR – Physical risk

In addition to ongoing risk monitoring and reporting, we use these to inform our stewardship activities to manage long-term risks. Through our engagement activities, we aim to encourage better disclosures and practices related to climate risks, improve data availability and reduce risk over the long-term.

Bottom-up RI priorities

Taking all of these factors together and assessing how our portfolios are exposed to these various risks, Evelyn Partners identified and implemented a series of bottom-up RI priorities in 2024. This included a materiality assessment of many non-financial indicators to inform our priorities. The aim of the priorities is to provide a focus on key areas for investee companies and with funds. The priorities are comprised of PAIs, MSCI metrics and forward-looking climate metrics. This provides us with a framework to understand key risks from a bottom-up security level. These RI priorities, ultimately, inform our risk identification and stewardship activities. Our approach is consistent across both collective investment funds as well as direct investment assets, as can be seen from our thematic engagements on climate and child labour (for more information, see Principle 9).

Our bottom-up RI priorities comprise of three ESG related components as follows: Environmental Resilience, Workplace Standards and Excellence in Governance.

- **Environmental Resilience** includes the examination of a company's business model in terms of its environmental footprint, including carbon emissions and intensity, and its plans to adapt to the future, both in terms of risk mitigation as well as finding ways to generate revenues in climate-related solutions
- Our social orientated theme is **Workplace Standards**, which looks at the commitment of investee companies to maintain acceptable working conditions in their own operations and in their supply chain. We believe that fair and equitable policies form a solid foundation for ongoing productivity and success
- The final theme of **Excellence in Governance**, comes with the expectation of a competent, independent, inclusive and committed board that aligns strategies with goals, and with reasonable, long-term remuneration terms. We expect companies to have appointed credible management teams and make changes where necessary

Semi-annual reporting

Following the definition of our overarching RI priorities, we have standardised our RI reporting in 2024 to provide consistency and increased understanding of key RI concepts and metrics. These reports are available on our internal RI Hub for investment practitioners. This enables Sector Specialists to use the relevant ESG-related data and metrics to assess potential impact on the companies or funds within their specific sectors, including climate related metrics and PAIs for monitoring and risk management.

We will continue to monitor changes, improve and embed data associated with our RI priorities, together with other regulatory and risk management metrics to inform our stewardship activities, as well as provide details and outcomes associated with of our engagements in our semi-annual reports via our investment governance structure throughout 2025 and beyond.

Beyond these activities, we also have specific processes by asset type for direct and collectives investments as described below in this section.

Direct investments

The direct investment process seeks to provide investment managers with a sufficient choice of securities from which they can construct and maintain suitable portfolios. The process seeks to cater for our clients' wide range of circumstances, values and objectives. However, our core philosophy is that investment in direct equities of growing companies with sustainable (long-term) and attractive returns, generates superior portfolio performance. The securities identified by this process form our direct investment MU. A key objective of the direct investment process is to demonstrate that adequate due diligence of investments held in managed portfolios has been carried out. By fulfilling this regulatory requirement, we are able to manage bespoke portfolios in a way that should lead to the best client outcomes. Consideration of material ESG factors is included as an intrinsic part of the investment selection process. For direct investments, our internal use of MSCI ESG Manager provides multiple ESG data points, ESG ratings, industry/thematic research, as well as business involvement screening for all companies on the MSCI ACWI and the MSCI UK IMI. We also receive additional ESG and thematic research from other third-party research providers for consideration in our investment research and selection. In 2025, we will review our research note documentation and will include a standard set of ESG-related metrics.

Sector level material ESG factor identification – material risks and RI priorities

As described in Principle 4, we use a sector-based top-down analysis to assess the likely impact of sustainability risks (otherwise known as the consideration of material ESG risk factors) on the returns of direct investments. This is where top-down and bottom-up approaches join up, which enables our Sector Specialists to identify material ESG risks and opportunities relevant for their companies.

The framework to identify the ESG factors is reviewed annually by the RI team. This ensures that our methodology remains relevant, and any significant change to sector ESG factors, from one year to the other, is highlighted to the Sector Specialists for incorporation into their assessment.

The basis of our model has previously been reliant on our core data provider, MSCI, and their interpretation of industry sector ESG Risks. The issues underlying the individual ratings for each sector are aggregated to establish the top three to five material risks per sector, based on MSCI's methodology. In 2023, we reviewed our approach to ensure alignment with MSCI's methodology and was extended to incorporate sector risks based on the Sustainability Accounting Standards Board (SASB) Materiality finder. In 2024, we further refined our model to include MSCI's Climate Value at Risk (CVaR) scenario analysis methodology, to identify which industry sectors are particularly vulnerable to climate policy (transition), physical risks, as well as which sectors are likely to benefit from climate-related technology opportunities.

The model outputs are presented to the Sector Specialists annually. They then make a final qualitative decision on the top five material risks per sector for the purposes of our investment process. Where an ESG factor impacts the investment case of an individual stock, this feeds into the overall stock recommendation.

Environment pillar		Social pillar		Governance pillar
Climate Change Vulnerability	Raw Material Sourcing	Chemical Safety	Product Safety & Quality	Corporate Governance (including Ownership & Control, Board, Pay and Accounting)
Biodiversity & Land Use	Toxic Emissions & Waste	Controversial Sourcing	Supply-Chain Labour Standards	
Carbon Emissions	Water Stress	Financial Product Safety	Responsible Investment	Corporate Behaviour (including Business Ethics and Tax Transparency)
Electronic Waste	Opportunities in Clean Tech	Health & Safety	Community Relations	
Financing Environmental Impact	Opportunities in Green Building	Human Capital Development	Access to Finance	
Packaging Materials & Waste	Opportunities in Renewable Energy	Labour Management	Access to Health	
Product Carbon Footprint		Privacy & Data Security	Opportunities in Nutrition & Health	

Source: MSCI

Carbon intensive sectors

For listed equity and corporate fixed interest, heightened transition policy-related risks are evident on an industry sector basis.

During 2024, we identified our exposure to the three most carbon intensive sectors of **materials, energy** and **utilities**, making up approximately 6% of our total Discretionary AUM. Investments in these sectors are likely to be more affected by government policy shifts, such as carbon taxes or changes in incentives to mitigate, and/or contribute to climate related solutions.

We refined our approach to the identification and consideration of carbon intensive sectors at the end of 2024, using four views:

1. GICS Sector & Evelyn Sector* Contribution* to Evelyn Partners' overall Discretionary Assets WACI – influenced by highest industry sector exposure/AUM
2. GICS Sector & Evelyn Sector WACI – not influenced by industry sector exposure/AUM
3. List of carbon emissions intensive sectors and activities defined by FINZ Standard (SBTi)[1]
4. List of high carbon emitting sectors defined by UN PRI (extracted from 'One Earth Climate Model')[2]

* a propriety classification which combines a mix of high level GICS sectors and sub-sectors

This refined approach led to the extension of our definition to a fourth carbon intensive sector, **transportation**. This will be incorporated, where relevant, into the assessment and planning of our engagement activities in 2025.

During 2024 these activities informed our engagement approach. We assessed the external commitments to science based targets via the SBTi and CDP disclosures of our investee companies in the above three carbon intensive sectors. This aligns with our RI priorities for environmental considerations, and also with the foremost material carbon intensive sectors of our client's investments.

Many of the companies in those sectors are already aiming for and delivering measurable reductions in their overall carbon emissions. However, where they fell short of our expectations, we made contact with them, to encourage them to enhance their climate-related disclosures and/or target setting (see Principle 9).

We will continue the dialogue around these four sectors in 2025.

Sector Specialists' assessment within their sector

When analysing a company, our Sector Specialists can consider the ESG rating as a starting point and the sector-level material ESG factors in which the company operates. They are encouraged to understand the drivers behind the ESG rating, alongside their own judgement, to ascertain if the factors are important to the long-term performance of the individual company. In particular, it is important to understand the reasons behind low scores.

Every week, direct Sector Specialists (equity and fixed income) and RI Analysts attend a review meeting, alongside representatives from the Strategy team, the Fixed Income team, the Head of RI and the Director of Stewardship & RI. The purpose of this meeting is to review recommendations within the industry sector being covered and explore additional inputs, including material ESG factors from the aforementioned teams. Each sector is reviewed on a quarterly basis. For each quarterly review meeting, a summary of ESG rating changes, new controversies, RI priorities and material risks is given by the relevant RI Analyst. This helps Sector Specialists understand ESG issues and ensure that any conclusions have been integrated into the investment recommendation.

The data is incorporated within the Research Notes but our proprietary RI Dashboard allows Sector Specialists to easily access most material RI datapoints, and take relevant actions at any point in between quarterly meetings.

Sector Specialists also provide updates to all investment managers on their respective sectors, including coverage of key RI risks and metrics at the Weekly Investment Meeting (WIM) on a quarterly basis.

This analysis enables the identification of some key areas of engagement during company meetings (see Principle 9 for further information on our direct engagement).

The same approach also applies to the AIM sector, with a strong emphasis on governance risk factors due to the sector's specificities.

Fixed income- corporate bonds

The weekly meetings described above include fixed income team participants who cover corporate bonds.

1 See https://sciencebasedtargets.org/resources/files/The-SBTi-Financial-Institutions-Net-Zero-Standard-Consultation-Draft.pdf

2 See https://www.unepfi.org/publications/one-earth-climate-model-sectoral-pathways-to-net-zero-emissions/

Fixed income- sovereign bonds

Our proprietary Sovereign, Supranationals, and Agencies (SSA) bond ESG risks scores are available for our monitored universe for sovereign bond assets. This reflects the more direct relationship between these asset classes and country risks. Updates to our proprietary country ESG screens are provided by the RI team at the Fixed Income Group (FIG), to ensure that these risks are considered in this part of the investment process and incorporated into our SAA.

Integrated direct securities ESG research on RI material risks is provided at sector level quarterly meetings by RI Analysts. This also includes Fixed Income team participants which cover sovereign bonds.

For both asset classes, external credit research used by fixed income analysts also contains ESG factors. Individual issuer analysis conducted by the Fixed Income team, includes the consideration of changing factors over time, including sustainability-related factors.

Indirect – collective investments (funds)

The majority of the firm's discretionary AUM is invested in collective investments (circa 73%), which represent a core element in our investment approach. Benefits of investing in collectives include enabling convenient access to a wide range of:

- Markets, sectors and themes, especially for smaller investment sums
- Investment styles and approaches to seeking alpha returns
- Best-of-breed fund managers

The collective investment process seeks to provide investment managers with a sufficient choice of funds from which they can construct and maintain suitable portfolios. The process seeks to cater for our clients' wide range of circumstances, values and objectives with the key objective to demonstrate that adequate due diligence is carried out. By fulfilling this regulatory requirement, we can manage bespoke portfolios in a way that should lead to better client outcomes.

For each new monitored fund, Sector Specialists complete a Research Note. CIG regularly reviews the Note template, which contains set sections with details of the team and investment responsibilities, the objectives of the fund and its philosophy, the process followed by the funds, details of the portfolio, details on its ESG approach, charges, performance and a Fair Value assessment.

The Research Note is then reviewed every three years and annual Update Notes are produced to reflect new information and outcomes of meetings with fund manager or representatives (see Principle 8).

Analysis of ESG factors is integrated into our collective investment research process and the assessment mainly takes the form of a qualitative approach supported by quantitative data and reports from MSCI ESG Manager and Morningstar Direct/Sustainalytics (through a dedicated internet portal). Sector Specialists are also informed by the lists of signatories to the UN PRI and the UK Stewardship Code, collated as part of our standard due diligence for all collective investments.

In 2022, the Evelyn Partners Active Fund Framework was launched to provide additional guidance to collective investment Sector Specialists for their selection of the 'best-of-breed' funds. We identify these funds and their exceptional managers by using this fund selection framework, focusing on ten important considerations as outlined below.

The Evelyn Partners Funds Framework

Evelyn Partners serves the needs of a wide range of clients. We build portfolios suited to their diverse objectives by selecting from our list of 'best-of-breed' funds. Our exclusive fund selection framework helps us identify exceptional fund managers by focusing on the following ten most important considerations.

Best-in-class

The investment team and the strategy are regarded as being of exceptional quality, in both absolute and relative terms. The strategy pursued is differentiated, considered and attractive. It is expected to appeal to, and be suitable for, investors across the marketplace. A fund will not satisfy this definition purely by virtue of being the only available opportunity with a given niche.

Well-defined

There is a well-defined investment philosophy, together with a set of objectives by which success may be judged. Of particular interest is what they consider to be an attractive investment.

Unconstrained

The investment team has the freedom to take a high conviction approach in its pursuit of preserving and growing clients' wealth, without excessive focus on the benchmark's composition.

Disciplined

The investment process is robust, transparent, and consistently applied. The managers focus on the successful delivery of the strategy over the longer-term and ignore short-term market noise.

Proven

There is evidence that the philosophy and process are repeatable, and are capable of delivering superior risk-adjusted returns across market cycles.

Aligned

Reward and incentive structures for the fund management team should be aligned with investors' interests.

ESG-conscious

Consideration of Environmental, Social and Governance factors should be integrated with the investment process. Additionally, funds should pursue active engagement strategies to drive improvements in the companies they invest in.

Appropriately structured

The liquidity of the underlying securities must be appropriate to the strategy and the fund structure, which in turn should be capable of accommodating capital flows without compromising investor outcomes.

Suitably resourced

The managers of the fund should be appropriately resourced to ensure the focused and consistent delivery of the strategy, with consideration of succession planning and named alternates. Business management, oversight and support functions are also critical and must be properly resourced.

Good value

Fund charges should reflect the complexity of the asset class and the nature of the strategy on offer. They may not be the lowest available in the market but will offer good value-for-money.

This framework supports the Sector Specialists in identifying a selection of high-quality funds within their sector, which are representative of a variety of styles on offer. The main elements that they evaluate include:

- The strategy (including its longevity)
- The approach to incorporating ESG considerations
- The consistency and quality of the historic track record
- All costs
- The liquidity (of the fund and the underlying investments)

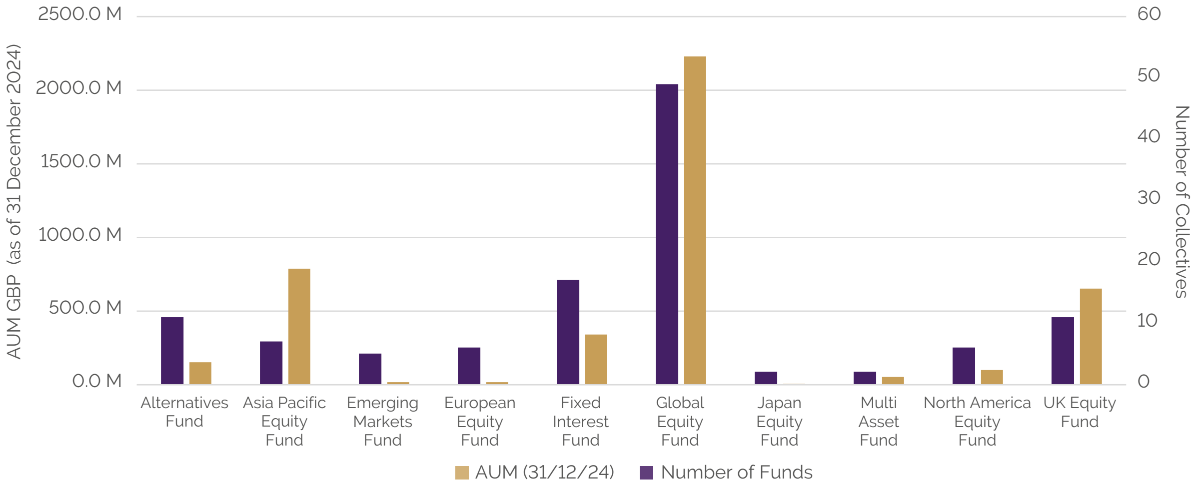
This process applies to all funds formally monitored by Evelyn Partners.

Collectives are then assessed and ranked for their ESG integration into two main categories:

1. **Responsible/Sustainability-related funds** with investment labels or using sustainability-related terms: eligible funds have specific responsible strategies/mandates in place. Evelyn Partners can accommodate bespoke negative and positive screening at the request and preference of clients, or a combination of both using this category of funds.

Some of these funds have gone through a propriety framework called the 'Enhanced ESG Integration Due Diligence' (EEIDD) process and were allocated a mark on the collectives MU to reflect their more stringent ESG integration credentials (the inclusion of responsible investment issues in investment analysis and investment decisions). The EEIDD funds process was created in 2021 and further extended throughout 2022 and 2023. The collective investments that have obtained higher propriety scores, are more likely to be suitable for clients with stronger sustainability-related preferences. Any fund can be eligible for the EEIDD mark, where RI considerations are well embedded into the investment process and/or they show a robust commitment to sustainability-related policies. It is the responsibility of the collective investment Sector Specialist to propose funds that should be assessed against these more stringent criteria. They complete the assessment and populate the resulting propriety scoring matrix, which is then reviewed by one of our sustainability colleagues, and the assessment is either approved or rejected.

In 2024, we successfully increased the number of qualified funds that met the EEIDD mark criteria from 80 in 2023 to 116. See the tables below for numbers of funds represented by asset class and AUM by sector breakdown.



2. **Other funds:** we have extended our standard due diligence assessment of funds to the rest of the collectives monitored universe (i.e. those with no specific sustainability-related objective or criteria) and have integrated ESG considerations into the Sector Specialist analysis. In addition, we have started using our EEIDD matrix to ensure a deeper and more consistent due diligence is completed on all existing funds. Initially covering 92 funds in 2024, we will extend the approach to all neutral or positively rated monitored funds in 2025, which will add over 300 funds using the EEIDD due diligence (see Principle 8 for additional details).

Our analysis of collectives incorporates an assessment of the likely impact of sustainability risks on the returns of these funds. In general, where a sustainability risk exists with an investment, there may be a negative impact on its value. Sustainability risk can either represent a risk on its own, or impact and contribute significantly to other risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Collectives and SDR labels

- In 2024, we also started to integrate consideration of SDR labelled or unlabelled funds, although the information only started to become readily available to market participants from December 2024
- To comply with our ongoing obligations as distributors of collectives, we have subscribed to a new data feed from Morningstar Direct; we obtain weekly extracts of SDR labeled/unlabelled funds to identify those UK funds which have sustainability characteristics or meet the FCA's criteria for an SDR label
- We have made the additional consumer facing sustainability-related disclosures available to our clients on our website and internally for our practitioners (further information can be found **here**)
- This information is also regularly provided to CIG to inform the group and provide relevant communications to investment managers. We will continue to develop our operational processes in 2025. The implementation of SDR provides us with direction to evolve our understanding and incorporation of fund changes as part of our existing RI integration efforts into the Collective investment research process

Due diligence on collective managers – new funds

All funds, regardless of whether they are eligible for the responsible/sustainable list or an EEIDD mark, are subject to ESG due diligence prior to addition onto our monitored universe. This assessment focuses on the investment philosophy and process, any restrictions or specific inclusions, internal and external research and assessing their voting and engagement policy.

Due diligence is undertaken on all of our funds under coverage in our MU, under the following headings:

1. Industry bodies: all new additions to the Monitored Universe must be UN PRI signatories. and should be a signatory to the UK Stewardship Code, or another equivalent body.
2. Investment policy: a fund's investment policy should incorporate the principles of the UN PRI and/or the UK Stewardship Code in their approach to responsible investment.
3. Investment process: the fund manager should be able to describe how responsible investment and consideration of material ESG factors is integrated into the investment process.
4. Responsible Investment resource: training should be available to all investment professionals. Additional note will be taken where there is dedicated resource and/or external ESG data providers.
5. Stewardship: voting and engagement policies are being developed to also cover responsible investment and material ESG issues.
6. Principal Adverse Impacts: the investment firm/company should consider and disclose the PAIs of their investments.

UN PRI minimum standards

In 2024, CIG established a new policy stating that only funds with UN PRI membership will be added as new funds to our MU, unless there are exceptional circumstances (e.g. a fund can demonstrate high standards of responsible investment practice relevant to their activities).

The vast majority of funds in our monitored universe are already UN PRI signatories (approximately 97% of our collective investment AUM), but there are a small number of funds, typically in the property sector, who are not. We contacted these non-signatories last year, encouraging them to consider joining the UN PRI, in line with Principle 4. This is to promote acceptance and implementation of the principles within the investment industry. We will consider our approach to non-compliance in the coming year.

In 2024, we also made assessments on all new funds relating to the verification of their stewardship approach. This involved reviewing and evaluating the managers' stewardship reports and policies across various areas, such as the alignment of their stewardship policies with the investment mandate, their participation in collaborative engagements, engagements with companies on systematic sustainability issues, and engagement activities with policy makers. We also looked at the UN PRI Transparency Reports of all new funds to assess whether they had conducted any third-party assurance or an internal audit of their RI processes.

Internal Ratings – collective and direct investments

Following our due diligence process, investments in the collective and direct investments MU are assigned one of five ratings by Sector Specialists:

- **Top Picks '++':** highest conviction funds/stocks exhibiting best-in-class characteristics relative to peers, which have received the highest level of due diligence and have been approved by CIG and DIG. The investments attaining a 'Top Picks' rating will display most of the following characteristics within a three-to-five-year time horizon: good liquidity profile, consistent performance, attractive discount or premium, attractive risk-return metrics
- **Positive '+':** a wider opportunity set of highly rated funds/stocks that could be considered for new investments in client portfolios. The funds in this category complement the 'core' Top Picks investments within client portfolios
- **Neutral 'N':** analysts do not hold a particularly strong view but are happy for investment managers to hold these positions and to add to them, should they wish to
- **Negative '-':** funds which have issues of significant concern. These are securities with a negative recommendation but do not need to be sold immediately. Each investment manager or adviser must decide whether to continue holding or to sell, but analysts may cease coverage of the security in due course
- **Sell '- -':** funds recommended for immediate full sale, as soon as possible. Typically, this rating is reserved for instances where analysts consider there to be an urgent need for a firmwide exit from a holding

The investments attaining a 'Top Picks' and 'Positive' ratings are considered core holdings within their respective sectors and investment styles. These investments are evaluated based on superior characteristics, including the consideration of material ESG factors, over a minimum three-to-five-year time horizon, ensuring alignment with the long-term needs of our clients. When we invest in companies or funds on our clients' behalf, we typically do so with a five-year-plus investment time horizon, which aligns with our long-term investment approach. This also accords with our expectations for engagement, either directly or collaboratively, where the timeframes for seeing change and the effects of stewardship activities are often extended over several years. For instance, we joined CA100+ in 2020, and have observed it can take several years to see changes in investee company practices. There are also general industry concerns around demonstrating a causal link between stewardship activities and real-world sustainability outcomes. Circumstances change, or the investment case may not remain intact for us to continue coverage on our MU for a variety of reasons, in which case we may escalate or remove from coverage and divest from a company (see Principles 9-11 for details of our engagement and escalation approach).

Overall, however, client investment time horizons are determined according to their individual circumstances. As discussed in Principle 6, we create bespoke investment portfolios for our clients to meet their requirements, long-term goals and values as well as overall suitability considerations.

Once a fund/stock is onboarded and initiated for coverage on our MU, Sector Specialists regularly meet with fund managers/issuers, and closely track the performance of funds or the respective company. They will regularly assess the prospects of a collective or direct investment throughout the holding period and document this in the respective Research or Update Notes (see Principle 8 for more details on our monitoring of third-party collective funds).

Our expectations across fund asset classes, geographies and strategies – our case studies:

The case studies outlined in this Principle show the breadth of work that we undertake across asset classes and geographies. We show examples of engagement activity and ESG integration analysis for both US and global equities, our largest areas of investment, as well as European, Asian, and emerging markets equity, bonds and real estate investment trusts (REITs). Some of these case studies are found at the end of this Principle but supporting examples can also be found between Principles 7-11. We broadly take a consistent approach to ESG integration and stewardship, although we are mindful that strategies with shorter holding periods find it harder to employ these, and our expectations are typically lower there. They comprise, however, only a minority of assets held for our clients.

Active ownership – direct investments

Active ownership is performed at a firm level, directed by the SRI team. We receive recommendations from Glass Lewis, our proxy voting provider. However, we enforce our own voting policy, which is built from our experience and engagement with the companies, as well as the expertise of our investment analysts and managers. All proposals to abstain or vote against a resolution are reviewed by a minimum of the Sector Specialist, a member of SRIG or an ESG specialist, and a senior member of the SRI team. If the stock is unmonitored, the largest material holders are consulted. Where the company in question is AIM listed, or an investment trust, we include our AIM and investment trust specialists as one of the signatories. Recommendations are also reviewed by the RI Analyst, as well as the material holders in the company. Our approach can be found in our Voting and Engagement policies, which can be found on our website (see Investment stewardship | Evelyn Partners).

As outlined in this Principle, our engagement approach varies based on asset type and geography. Additionally, as noted above, we consider time horizons according to a minimum 3-5 year period, recognising that some of our investments can involve strategies with shorter holding periods, and clients determine their own investment time horizons and risk profile preferences.

Teams and resources

The SRI team is responsible for all the firm's stewardship activities, including the proxy voting process, targeted and collaborative engagements, and providing transparency on our activity. Some of our investment managers are also SRIG members and Sustainability colleagues within our investment management teams. They provide support to the wider front office with ESG integration activities, thematic investing and client communication. For more information on our resources and training, please see Principle 2.

We use MSCI ESG Manager as the primary external source of ESG and ethical screening services for both direct investments and collective investment funds. We also make use of Morningstar, as well as data from Bloomberg and Refinitiv. Our Sector Specialists conduct in-depth research into UK and overseas equities by holding meetings with companies' management teams each year, as well as undertaking media and other desk-based research. In addition, we have mobilised our investment management graduates, which we refer to as 'RI Analysts' in Principle 2, since 2021, to go through relevant training and provide analytical support. We are committed to ensuring responsible investment is integrated from the onset of their investment management journey, whilst providing support to existing resources. The RI Analysts are tasked with MSCI ESG screening of companies in their allocated sector, and reviewing any controversies raised by MSCI. We aim to rotate this cohort of graduates every year with a six-month overlap, thereby helping to ensure a large portion of our junior investment managers develop a deep understanding of RI.

Remuneration

As outlined under Principle 2, our Remuneration Policy comprises all relevant feedback, including non-financial criteria, which is provided to the Remuneration Committee for consideration in the assessment of variable remuneration. This includes whether the investment process has been followed with regard to matters such as asset allocation, security selection, responsible investment and investment risk management, including sustainability risks. Our Sector Specialists are also investment managers with client responsibilities. They receive additional bonuses linked to their performance, with ESG integration representing an important tenet of their responsibilities.

Oversight

Oversight and steering of our investment process is led by IPC and managed by SRIG, DIG and CIG.

Looking ahead

In 2024, we successfully deployed the Evelyn Partners RI bottom-up priorities, identified to further inform our responsible investment process. In 2025, we aim to refine our processes and automate, where possible, the incorporation of RI priorities' data into our Direct and Collective Investment Research Notes, as well as voting data for direct investments.

We also aim to review the collective investment presentation templates and research documentation, including SDR labelled and unlabelled funds information. We will assess how we can embed additional information from the FCA's requirement for 2-page Consumer Facing Disclosures (CFDs) for UK funds with sustainability characteristics, into our fund due diligence and monitoring process.

We have plans to upgrade our internal Investment Portal and RI Hub intranet, to enable us to make better use of data, enhance transparency and improve our communication, making documentation easily available by our Sector Specialists and investment manager practitioners.

To support these changes, we are planning further training and communication with the various investment teams impacted (e.g. RI Analysts, direct or collective Sector Specialists, fund managers and investment managers with client-facing roles). We will develop needs-based training sessions or other mediums (e.g. face to face or through short videos).

Case Study: Assessing global SMID fund's non-financial factors

We initiated coverage of this global fund which is managed by a highly regarded small and medium-sized (SMID) focused asset manager. The fund aims to have a high conviction portfolio of 25-30 stocks and has had a track record since early 2020, stacking up against peers in a difficult period for the investment style.

As part of the initiation of the fund's coverage, we assessed various RI-related factors, including the fund's engagement policy, voting policy, and dedicated responsible investment resources. The fund team's investment process to select stocks involves meeting with management and conducting site visits as well as meeting with competitors, peers, and suppliers to gain a more holistic view of the company. They also assess the risk to reward ratio and develop recommendations before presenting to their Investment Committee for approval.

Non-financial factors are integrated throughout the investment process. For example, the fund has established exclusion policies and may not invest in companies with more than 10% revenue exposure to the manufacturing of supply of weapons, tobacco, alcohol, and fossil fuels. They also conduct qualitative and quantitative assessments of the ESG profiles of the companies held in the fund, scoring companies' ESG profiles by assessing it against its own environmental, social, and corporate governance policies.

Additionally, the fund managers look to engage with companies through the following means: direct company engagement, proxy voting, deep dive research, collaborative engagement, and public policy advocacy.

Outcome: *This fund's approach to integrating ESG meets our expectations for our fund managers. We maintained a view of the fund as an appealing option for the global SMID sub-sector. The fund was initiated with a 'Positive' rating in our MU.*

Case Study: Private equity engagement – questionnaire on ESG processes

During a standard update meeting with a private equity fund of funds, the question about ESG integration in their investment process was posed to the manager. The fund manager explained that they have a detailed questionnaire which they send to all prospective General Partners. We asked for a copy of the questionnaire to establish the extent of the due diligence on these matters, which we received promptly after the meeting.

Outcome: *Following receipt of the questionnaire, together with answers to other questions provided in the meeting, we were comfortable with the integration of ESG processes of the private equity fund manager. The questionnaire covered their ESG polices, relevant KPIs, disclosure requirements and training, and was in line with our own expectations for managers, although modestly adapted for this specific asset class.*

Case Study:
Emerging markets fund's careful and thorough analysis where ESG risks are higher

One of the emerging markets funds in our MU is favoured for its prudent and repeatable investment process and well-resourced team of on-the-ground research analysts (80+ analysts across 14 countries). We met with the fund management team in June 2024 and found that there had been no significant changes to their investment philosophy and process. Their philosophy centres around the core objectives of the three S's: 'Structural Opportunities', 'Sustainable Earnings' and 'Responsible Stewardship'. Fundamentally they believe that earnings are the primary drivers of equity markets, and they look for mispricing through proprietary research. The process looks to filter the universe for these objectives alongside market capitalisation and liquidity, then a more in depth fundamental and bottom-up research with ESG integration is performed to form a Global Emerging Markets coverage list from which the portfolio is constructed.

The fund manager believes in the responsible stewardship of clients' capital and that ESG factors create risks and opportunities for companies. ESG analysis is therefore integrated alongside fundamental bottom-up analysis in the research process, and they engage regularly with companies as active owners. As investors with significant scale across emerging markets, they believe that their engagement efforts are key to developing a detailed understanding of companies and to improve outcomes for shareholders, as well as stakeholders more broadly.

Their analysts seek to identify material ESG issues and are guided by ESG Sector Framework Guides prepared by their independent ESG team. The frameworks have been informed by SASB and identify a minimum set of ESG issues most likely to materially impact the operating performance or financial condition of a typical company in its industry group. The fund manager typically conducts over 2,000 company meetings a year and view this, along with voting and engagement, as part of its broader objective of responsible stewardship.

They seek to engage with companies on material issues via several approaches, including management and board meetings, letter writing, proxy voting and shareholder resolution filing. The approach to voting is designed to enhance shareholders' long-term economic interests and all decisions are made in-house.

At Evelyn Partners, we believe that investing in emerging markets hold higher levels of country related risks. The fund manager holds this belief as well, viewing top-down factors as a source of risk, not a source of alpha. As such, they do not take large active calls on geographical allocation against the index. The process establishes a country-specific cost of capital, with an emphasis on currency, and implement this into their individual stock analysis. Around 40-60% of their overall risk budget is attributable to stock-specific risk, and only 20-30% comes from macro-factors. They apply a sovereign ESG lens, which assess factors such as ease of doing business, climate commitments and political risk when assessing their overall risk exposure on a country level.

Outcome: *We were reassured that the fund manager's investment process remains on track and well resourced, which is particularly important in these markets. The emphasis on engagement fits well with our expectations of external managers, as does the good analysis of country risk and the fund rating remained as a 'Top Pick' on our MU after the meeting.*

Case Study:
ESG integration and exclusion policy of a passive fund

We asked for a meeting in the spring of 2024 with the manager of a passive fund to understand their processes for creating products with specific ESG exclusions. This was a result of a client enquiry for a new passive fund mandate, where the client had specific ESG preferences. We learned about the sectors that were removed from the manager's investment universe, depending on the product, as well as their parameters for alignment with the Paris Agreement. The fund manager also answered questions about their overall firm's approach to Net Zero as an asset manager, as some clients are interested in this aspect while choosing a fund.

Outcome: *The fund manager provided us with a good understanding of their processes and products, and this was a useful research meeting. As a result, this fund was initiated with a 'Top Picks' rating in our MU. With a specific focus on climate issues and the reduction in carbon footprints, we believe this passive fund would be a solid option for clients with such preferences.*

Case Study:
Environmental opportunities in infrastructure funds

Some sectors have more opportunities to make positive contributions than others, and we believe that infrastructure funds are at the forefront of environmental developments. We therefore wish to understand their approach in more detail. In particular, the overall strategic approach to biodiversity and the existence of Biodiversity Action Plans is seen as critical to the value of land and importance for nature and environmental considerations. We posed a series of questions to various infrastructure funds in our MU and their responses are outlined below:

Infrastructure Fund 1:

We acknowledged the strong commitment to ESG integration in the investment process of the fund and applauded the impressive commitment that the fund has made to the SBTi. They then asked whether the manager encourages positive biodiversity measures in underlying projects, and whether any examples could be provided.

The fund manager recognised the growing importance of promoting positive biodiversity measures. They are in the process of enhancing its approach to managing nature and biodiversity risks and opportunities across their portfolio. During the due diligence process, they typically assess the proximity of assets to biodiversity-sensitive areas and evaluate potential risks of negative impacts. This approach allows them to identify sensitivities to these risks early, and implement mitigation strategies where appropriate. They were conducting an in-house materiality assessment, notably using ENCORE (a biodiversity tool for assessing nature-related risks and opportunities), which will be used to inform the future development of a nature-based strategy.

They also provided examples of two sites where they have achieved biodiversity net gains of 39% and 27% respectively, exceeding the minimum legislative requirement, and delivering measurable progress towards enhancing local habitats. They emphasised their commitment to furthering their contribution to positive biodiversity outcomes and will continue to build on these efforts as part of a broader ESG strategy.

Outcome: *We were pleased to see the commitment to biodiversity for this fund of funds, and noted that their materiality assessment is underway, using a well-respected tool, which is important to inform their overall investment strategy.*

(Case study continued on next page)

Infrastructure Fund 2:

For this fund manager, we asked a series of questions to establish the degree of commitment to improving biodiversity on their own land, as well as specific questions relating to site-specific Biodiversity Action Plans, percentage of the available solar land covered, and whether there is any collaboration with organisations, such as Natural England.

The fund has a formal Biodiversity Mission Statement, that applies across all portfolios. They have stated their commitment to enhancing biodiversity on their sites and integrating best practices across all operations.

The manager explained that there are site-specific ecological management plans, such as Landscape and Ecological Management Plans (LEMPs) or Biodiversity Management Plans (BMPs), which have been implemented to meet planning and operational requirements. For example, the UK Solar sites in the fund's holdings have ecological management plans integrated into their planning conditions, covering key activities like hedge management and tree planting. These plans are regularly updated using ecological surveys, which guide their maintenance and enhancement efforts. These surveys are crucial in tracking and improving the ecological value of each site. They also work to implement biodiversity enhancements beyond what is required by planning requirements for land use, and have worked with an external biodiversity consultancy to identify some of these opportunities.

Currently, 100% of the operational solar sites are covered by some form of biodiversity management plan (LEMP or BMP). These plans ensure that all areas under management are assessed and maintained according to ecological best practices. Through ongoing surveys, the manager is able to monitor progress for these assets and improvements in biodiversity measures.

The fund manager uses an external consultancy to work across the fund's UK solar sites. Their primary role is to provide detailed ecological reports and recommendations based on site surveys. While they are not responsible for the direct implementation of biodiversity initiatives, they work closely with site operations teams to ensure that ecological enhancements, such as tree planting and habitat creation, are aligned with their recommendations.

Outcome: *For all our engagement activities with fund managers, we believe it is important to show support for demonstrable positive actions. We were pleased to be able to support this fund in their comprehensive efforts to develop solar sites, as well as their encouragement and involvement of Natural England to help improve land management practices (whom are able to provide grants for such works) and help to deliver better nature-related outcomes. We retain a 'Positive' rating on the fund.*

Infrastructure Fund 3:

During this engagement, we asked the fund manager for the key sources of greenhouse gas emissions and acknowledged the fund's commitment to a rigorous emissions reduction target. We were told that 69% of Scope 1 emissions arise from the energy from waste facility, due to the municipal solid waste feedstock used. Around 70% of Scope 2 emissions arise from the non-energy waste plants.

In response to our queries around understanding the nature of habitat enhancement work, the fund manager explained that the majority of effort focusses on solar and Anaerobic Digester (AD) investments. They noted that 100% of solar locations have habitat management plans in place, 91% of the ADs have habitat management plans, with the remaining to be completed by the end of the financial year.

They provided an example of planting devils-bit scabious at the perimeter of one of the solar sites in Cornwall. The plant provides a food source that is vital for the endangered Marsh Fritillary butterfly. Habitat development on the solar site helps to enhance the butterfly corridor in the local area. This planting event was held in partnership with the Eden Project and Natural England. They explained that Natural England provided valuable expertise during the project, and that the experience was overwhelmingly positive, demonstrating the power of partnerships in driving meaningful conservation efforts.

In terms of AD habitat activity, we were told about their work on delivering grassland, scrub, hedgerow, pond, reedbed and insect improvements across the site, as well as the planting of wildflower meadows and installation of items, such as hedgehog and bird boxes.

Outcome: *The degree of detail in response to our questions by the fund manager shows the substantive focus on these issues. We were able to show our support for the efforts being made on the ground. It served to perpetuate our 'Positive' rating on the fund.*

Stewardship, investment and ESG integration – outcome

The above description of our activities demonstrates our ongoing commitment to enhancing our stewardship practices. By integrating responsible investment priorities, improving data utilisation and transparency, and providing targeted training, this helps to ensure that our research and due diligence process for direct and collective investments is well-informed, reduces risks, identifies opportunities, and is aligned with the best interests of our clients. See Principle 8 for details on how we monitor our service providers and our expectations of third-party collective fund managers to integrate material ESG considerations and stewardship into their activities.

Principle 8

Signatories monitor and hold to account managers and/or service providers.

Our fiduciary duty to our clients is at the heart of everything we do. Ensuring that our managers and service providers are monitored is extremely important for us to be able to continue to serve our clients and support our investment process.

Internal governance arrangements for outsourced service providers

Evelyn Partners has implemented an appropriate governance structure with clearly defined roles and responsibilities. The Board has overall responsibility for ensuring that all ongoing outsourcing decisions taken by Evelyn Partners, and activities undertaken by third parties, are in keeping with this policy. Senior management (first line of defence) are responsible for the implementation of the outsourcing policy and procedures, with day-to-day management assigned to the business owners. Each outsourcing arrangement is assigned a business owner (first line of defence), who has sufficient expertise and experience to understand the nature of the services or activity being outsourced and thus is able to manage the associated risks.

Group Risk and Group Compliance (second line of defence) are responsible for reviewing and challenging the effectiveness of the identification, assessment and mitigation of the Group's key risks, including those associated with outsourced service providers. The Group Procurement function provides support and technical advice to business owners with respect to the establishment and ongoing management of such arrangements. It also conducts annual due diligence assessments to confirm service standards remain acceptable, and that appropriate governance and controls remain in place.

Internal Audit is the third line of defence and ascertains:

- That the Evelyn Partners framework for outsourcing, including the outsourcing policy, is effectively implemented and in line with applicable laws and regulation
- The adequacy and effectiveness of the assessment of critical or important functions
- The appropriate involvement of governance bodies
- The appropriate monitoring and management of outsourcing arrangements

The Board has delegated authority to the GEC for monitoring the effectiveness of Evelyn Partners outsourcing framework.

The GEC periodically receives management information on existing outsourcing arrangements to facilitate monitoring of the effectiveness of those arrangements, and the level of risk associated with them.

Critical or important functions

Before entering into any outsourcing arrangement, Evelyn Partners assesses whether the planned outsourcing concerns a critical or important function. As per SYSC 8.1 requirements, "An operational function is regarded as critical or important if a defect or failure in its performance would materially impair the continuing compliance of a common platform firm with the conditions and obligations of its authorisation or its other obligations under the regulatory system, or its financial performance, or the soundness or the continuity of its relevant services and activities."

Based on the above, at Evelyn Partners, a relationship is described as critical if any of the following apply:

- A defect or failure of the service being provided would impair continuing compliance with regulatory or statutory requirements, financial performance or the continuing ability to conduct business, soundness or continuity of investment services or activities, or the ability to service clients in a timely and appropriate way
- The outsourced service, regardless of size, is performing a regulated activity, or
- Where the financial cost in any single financial year is expected to be significant as defined by internal policy

Where the outsourced relationship is one relating to an FCA (UK), JFSC (Jersey) or CBI (Irish) regulated entity, Evelyn Partners notifies the relevant regulator when it intends to rely on a third-party for the performance of operational functions which are critical, or important, for performing relevant services and activities on a continuous basis.

Risk assessment

Before proceeding with the initiation of a critical or important outsourcing arrangement, Evelyn Partners ensures that it conducts a risk assessment. When assessing the risks of a potential outsourcing arrangement, we balance the expected advantages of the proposed outsourcing arrangement, including any risks which can be managed and mitigated, against any potential risk which may arise as a result of the proposed outsourcing arrangement, taking into account, inter alia, the following:

- Concentration risks, from multiple outsourcing to the same or related service provider
- The level of cyber risk posed by the potential outsourced arrangement
- The level of bribery risk posed by the potential outsourced provider, and
- The level of tax evasion risk posed by the potential outsourced provider

Where a potential outsourced provider presents a significantly high-risk exposure, Evelyn Partners will not proceed with the initiation process.

Due diligence

The level of due diligence conducted is proportionate to the risks associated with the outsourcing arrangement. For critical functions, in line with FCA rule SYSC 8.1.7R, before entering into an outsourcing arrangement. Evelyn Partners ensures that the service provider has appropriate and sufficient ability, capacity, resources, organisational structure and, if applicable, the required regulatory authorisation(s) to perform the critical or important function. Where client data will be held or processed by an outsourced service provider, the provider must also demonstrate robust cyber security controls and have adequate cyber insurance. As part of the due diligence process, technical expertise is sought from the relevant teams. For example, when reviewing the financial statements of the provider, the Finance department is consulted for guidance.

The implementation, monitoring and management of outsourcing arrangements

We consider service providers to be an essential part of our investment process. Evelyn Partners monitors their performance on an ongoing basis, to ensure that outsourcing arrangements meet appropriate performance and quality standards. Where indications are identified that service providers may not be carrying out the outsourced function effectively, Evelyn Partners takes appropriate corrective or remedial actions. Each outsourcing arrangement is also subject to an annual review. This exercise is conducted by the Group Procurement Team. We hold service review meetings (SRM) with all providers of important and critical services. The frequency – monthly, quarterly, or annual is dependent on the tier risk rating of the provider. The SRMs ensure service levels are reviewed, and issues resolved with the supplier. These meetings also provide awareness of any recent developments and upcoming system changes. This also enables us to plan any training sessions with our in-house investment analysts. New providers are considered when existing contracts are approaching renewal, to assess whether existing providers are still appropriate for our needs and expectations.

Service providers

MSCI

As per Principle 2, MSCI is our main ESG data and research provider, and we hold quarterly meetings with them to discuss our ongoing needs and how they are being met. During these meetings, we also arrange training sessions, which are held throughout the year between their industry specialists and our Sector Specialists.

In between meetings, if there are circumstances where we have an issue or the level of service has not met our expectations, these are raised as a ticket and tracked until they are resolved or escalated at our quarterly meetings.

We use several MSCI datasets and systems, as follows:

- **MSCI ESG Manager** is our main screening tool and provides detailed ESG-related research
- **MSCI's Climate Lab Enterprise (CLE)** delivers a comprehensive view of climate-related risks and opportunities across our strategies, portfolios, and companies. Using scenario analysis, it provides a forward-looking view of transition and physical risks, based on the Network for Greening the Financial System (NGFS) scenarios, and calculates GHG emissions and other climate metrics. It also enables us to 'look-through' to the underlying holdings of collective investments to the climate metrics of their underlying assets (e.g. typically equity and fixed income assets for our AUM)
- **MSCI's Climate Lab Company** is a more interactive tool and enables us to explore a specific company's climate-related risks and opportunities, in accordance with the recommendations from TCFD, and includes peer comparisons of companies based on their sector
- **MSCI's TCFD managed reporting service** delivers scalable TCFD quarterly customised reporting for our Evelyn Partners managed in-house pooled funds

In addition to regular quarterly meetings, we initiate ad hoc meetings with MSCI, where we wish to discuss any immediate issues that we might have with their system, services, or particular data points. In addition, we have regular discussions to provide input and understand their product development roadmap, and evolving models and methodologies. Following the onboarding of new climate-related MSCI datasets and systems in 2023, our interactions with MSCI significantly increased in 2024. We used these opportunities to further develop our technical knowledge and understanding of their climate scenario analysis (CSA) for TCFD reporting, and also other methodologies related to their ESG datasets (e.g. there were significant SFDR methodology changes implemented in 2024).

Furthermore, investment managers often request clarification on specific ESG related data, where the numbers seem inconsistent. We regularly ask MSCI to provide further clarification on the methodology used in their products or challenge the quality of their data, where we identify inconsistencies across issuers or asset classes (e.g. see the case study below). This enables us to better monitor the research we receive from them as part of our internal due diligence checks.

To manage the increasing complexity of the datasets and systems with MSCI, we have implemented two additional data due diligence processes in 2024:

- We built an automated workflow using Microsoft PowerApps to identify, assess and communicate the numerous updates that we obtain from MSCI. We have assigned a RI Data Analyst from the RI team to monitor and escalate when necessary, and to advise the relevant groups where there is significant impact from changes (e.g. recent ESG rating issues)
- To better manage our data coverage and changes, we have built PowerBi dashboards that enable us to monitor any significant changes in the main ESG data used and applicable coverage for both our direct and collective investments. We aim to conduct a quarterly analysis of these data changes in 2025

Together, these tools improve our ability to address ESG-related data quality concerns, better manage changes in methodology and help to ensure that we continue to have a constructive dialog with our main RI data supplier.

Case Study:
Child labour data assurance

As part of our routine screening for RI risks and opportunities in 2024, we noted that a series of companies were being highlighted as having a risk of child labour, some of which were in unexpected sectors. We contacted the data provider to understand whether or not the data was correct. They reviewed a few of the specific companies that we had highlighted and found that a few had errors in the data provided. We requested that MSCI conduct a more comprehensive review of their process and screens used before publishing their data. They went on to conduct a full audit and their assessment of the child labour metric, and subsequently updated the data for all companies in their data coverage in May.

Outcome: *We were able to use the updated data on child labour with more confidence. The due diligence process of the provider has been enhanced and the underlying data is now more accurate for all of their clients.*

Glass Lewis

We use Glass Lewis as our Proxy Voting adviser service. We have a Service Level Agreement (SLA) in place, and have quarterly meetings with them to discuss the service we are receiving and any issues that we have encountered. In addition, we attend various Glass Lewis meetings and webinars throughout the year, in order to keep up to date with global regulations, policy changes and evolution of their products. We routinely monitor Glass Lewis recommendations. In the event that any contradictions occur, we discuss with internal stakeholders for company feedback on recommendations or differences with our policies, and check for updates on recommendations prior to voting.

Case Study: Voting data due diligence

Glass Lewis had recommended to vote against the election of several directors at an upcoming AGM. When we sent the letter to the company, notifying them of our intended vote decision, we were informed that they had not seen the Glass Lewis research report. Unlike other proxy service providers, Glass Lewis do not provide draft reports to companies to comment on before publication. It was also noted by the company that there was an error in the meeting attendance data in their 2024 annual report and that one of the directors had in fact surpassed the threshold for 75% attendance of board meetings.

A representative from Glass Lewis replied to our enquiry, stating that their Issuer Data Report (IDR) process is open to all companies to verify data in advance of analysts publishing their Proxy Paper research. However, drafts and conclusions of their research report are not shared to companies. If they wished to view the research and recommendations after the report is published, they would have to purchase the report. They noted that, should the company purchase the report, they have the 'right to reply' through Glass Lewis' Report Feedback Solution (RFS). Glass Lewis stated that the company had had the opportunity to participate in the IDR process and purchase the research report but declined in both cases.

Outcome: *Following our interaction with Glass Lewis and the company, we amended one of the vote decisions, voting with management instead of against them. The company sent us supporting material showing that the director had attended more than 75% of board meetings. Our engagement with both the company and Glass Lewis allowed us to gain a deeper understanding of the voting recommendations process and the independence of our voting policy.*

Broadridge

Broadridge provide us with the electronic voting system that we use to support our proxy voting process. They liaise between our Corporate Actions and our custodians, Glass Lewis and company share registers. Voting records are automatically checked and mismatches are identified as part of the process. We regularly meet with Broadridge to discuss our ongoing requirements and any additional system developments. This will continue into 2025.

We conducted an assessment of the votes that we casted in 2024 to ensure we have full visibility over our system logic, and to determine what we actually vote on (see Principle 12 for additional information).

Case Study: Due diligence with Broadridge regarding missing holdings

A member of our Corporate Action team contacted a representative at Broadridge regarding missing holdings in their daily file submission for the vote reporting depot for our holdings. This issue was part of a broader problem regarding custodians and related to the separate Royal Bank of Canada acquisition by CACEIS (a subsidiary of Credit Agricole SA). We requested confirmation on whether Broadridge had received any positions for the depot since the CACEIS move. Broadridge involved the ICSEurope Custodians team to verify the information. We explained that the daily file from their data warehouse was not picking up the positions, even though CACEIS was reporting them. We asked if Broadridge would be alerted if there was a mismatch between the positions reported by CACEIS and those in their daily file.

Broadridge confirmed they would create ballots from the positions reported by CACEIS but did not have an alert system for missing corresponding positions from the Corporate Action team. Broadridge noted that CACEIS had been reporting positions for the account. We questioned why there was no alert system in place at Broadridge, especially given a similar issue with SEI accounts discussed previously, emphasising the need for an alert system to cover such discrepancies.

Outcome: *This case highlighted the challenges in ensuring accurate and complete data submissions and the importance of having an alert system to identify discrepancies between reported positions from different sources. It underscored the need for improved communication and proactive measures from service providers to support their clients effectively.*

Third-party funds – collective investments

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.

All third-party fund managers for our monitored collective investments are assessed regularly. This primarily occurs through our regular engagement with fund managers. These presentations are arranged by our Sector Specialists, and meetings are open to all our investment managers, to discuss the fund's portfolio composition, market changes, management, performance, and their approach to responsible investment and stewardship.

Sector Specialists complete an Update Note to summarise the main changes to the fund at least once a year. Each sector also presents key considerations and any concerns that they might have on the research process for their sector to CIG regularly (at least annually, from 2025 onwards).

Throughout the year, Sector Specialists are able to adjust their view and the internal rating of a fund based on new information. For example, they may decide to upgrade, downgrade or even remove funds from coverage where a fund falls short of our expectations in any of the areas which are considered as part of Evelyn Partners Active Fund Framework (see Principle 7). Any change from the rating is reviewed and approved by CIG members and then communicated with the fund manager.

All fund research notes and any related presentation materials can be found on our internal Investment Portal. The frequency and quality of Research Notes is monitored by CIG as part of our monthly sector presentations by Sector Specialists.

In addition, all investment managers have access to a Morningstar Portal with key fund information.

Ongoing fund due diligence

The EEIDD matrix

As outlined under Principle 7, we reviewed our proprietary EEIDD process in 2023 to take into consideration the increased level of ESG integration in funds over the previous 2 years, and to further incorporate SFDR and TCFD considerations. In 2024, we made the decision to leverage our approach to assess a larger proportion our top funds. To further embed ESG considerations in the collective investment research process, we extended the EEIDD matrix analysis to a subset of our 'Top Picks' collectives (92 funds).

To facilitate this analysis, we defined a mapping of relevant UN PRI, UK Stewardship Code criteria, as well as MSCI datapoints of the funds assessed to support the overall qualitative assessment. We also added a seventh criteria to the EEIDD matrix to capture the funds continuous improvement efforts, and we expect funds to have evidence on each of these 7 criteria (see appendices for details of the EEIDD matrix).

We tasked our RI Analysts in the second half of the reporting year to use the EEIDD Matrix to assess the additional funds in scope, and to score them based on the evidence that they found. They also used the Door due diligence questionnaire ('DDQ', see below) for additional information. The results of our due diligence assessments are shared with the Sector Specialists, who in turn, determine whether to discuss further with the fund management teams, where we believe that they need to improve their disclosures and/or investment processes.

Where fund scores fall short of our expectations, i.e. with two or more of the lowest scores in one of the 7 criteria of our EEIDD matrix, we will engage with the relevant fund managers. On this basis, we have selected a list of 7 asset managers to contact in 2025.

We will continue our assessment of all 'Neutral' and 'Positive' rated funds in 2025, with the view to cover most of our monitored universe by the end of the year. Together with new SDR label information and details provided in CFD documents for UK funds, this analysis should enable us to monitor and hold our most material monitored collectives fund managers to account in a more consistent manner.

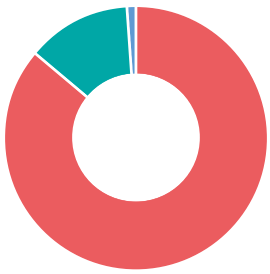
Door questionnaire – due diligence platform

To reinforce our due diligence process on collectives, we signed up to Door, the global digital due diligence and risk management platform a few years ago.

The questionnaire on the Door platform contains a series of detailed questions for fund managers. It provides us with consistent information for comparisons and monitoring. In 2023, we reviewed our initial DDQ in Door to streamline the questionnaire, including all ESG-related questions. As part of this review, as noted above, we incorporated SFDR and TCFD considerations. We also added proprietary questions concerning climate-related credentials of the fund, including the extent of the alignment of the fund's holdings with the goals of the Paris Agreement and green revenues associated with climate-related solutions (e.g. revenue from goods/services within alternative energy, energy efficiency, green building, pollution prevention and sustainable water). We submitted our first DDQ requests in September 2022 for 427 funds from our MU, covering 118 individual fund (asset) managers. In 2024, we started a new wave of DDQ requests following the questionnaire review.

We contacted more than 100 individual asset managers which were responsible for 324 funds. A summary of responses from Asset Managers (AM) is outlined below.

2024 DOOR DDQ response rate



Sector Specialists are responsible for embedding relevant ESG factors with other sources of information received through meetings and fund documentation, in the research documentation. The main categories of our extensive DDQ questionnaire are highlighted in Appendix 1. Some examples of questions are presented below:

- Do you have a sustainability risk policy?
- Does your strategy incorporate ESG principles?
- What are the internal and external ESG resources used in your investment process? Do you use any ESG data providers?
- Which ESG training and CPD resources are available for your staff?
- Do you have a policy on voting and engagement?
- Does your firm engage directly with companies on ESG issues? If so, please provide practical examples of engagement and outcomes.

Although our expectations are broadly similar across all asset classes that we invest in, data coverage can be different, and the overall context is used to inform our understanding when assessing the quality of ESG processes for a fund. For example, voting policies and records are not relevant for fixed income funds, whereas, we would expect that emerging market vehicles will tend to rely more on internal research resources, since external sources are often less available. For alternative investments, such as private equity, real estate, infrastructure, commodities and hedge funds, data coverage can also be limited. Although our exposure to investments in private assets is generally low as a proportion of our overall AUM, tailored reports are taken into consideration. For funds holding private assets, MSCI screening scores are generally not available. However, many of these companies produce their own assessments, which we can review as part of our due diligence. Moreover, expectations for strategies with short holding periods are typically lower, given that engagement takes time to organise and implement, but such strategies are in the minority in our monitored universe. We have included case studies in this report to show our due diligence for some of these asset classes (see below for a range of different fund examples regarding non-UN PRI signatories and also Principle 7 for infrastructure, emerging markets, and private equity funds examples). Collective investments incorporate a broad range of products and structures. They comprise closed-ended and open-ended vehicles (both on and offshore, regulated and unregulated) and also include passive funds, Non-Mainstream Pooled Investments (NMPIs) and structured products.

Case Study: Downgrade of fund due to RI screening/process changes

A meeting was held in June 2024 with the manager of one of the responsible global equity funds in our MU. During the meeting, we became concerned that aspects of their responsible investment screening seem to have been watered down, in favour of convergence to the benchmark, after a period of underperformance and focus on expanding the number of 'leaders' names in the investible universe (particularly focused on the 'Magnificent Seven' US technology companies).

Following the meeting with the fund manager, we decided to reassess the rating of the fund. Though the shift in strategy had resulted in good fund performance, they believed that the pursuit of performance came somewhat at an expense of the rigour of the RI screening process and overall investment process.

On the plus side, the fund manager was an active owner, with climate change listed as one of their top engagement topics. For example, it had engaged with Aptiv, an automotive technology supplier, on their product supply regarding the 'electric vehicle' transition and the business' wider decarbonisation strategy. The firm's upstream Scope 3 emissions was also discussed, as Aptiv had conducted a lifecycle analysis to establish a baseline of carbon emissions production at each stage of the supply chain. The fund also highlighted that the company's disclosures on climate risk were relatively early-stage, and that improvements were needed to provide more information to investors.

One area of focus for our next update meeting will be the rigour of their approach to the responsible investment characteristics of their fund's holdings, and to also see if the relevant committee had vetoed any choices, in line with their process. We will be monitoring to see if Microsoft makes it into the funds investible universe. The company was excluded due to the weapons exposure detailed in the investment process, but it was apparent that the team would like to invest in the company. Whilst the shift towards 'leaders' has resulted in good performance, we were wary of the reasons behind doing so.

Outcome: *Given the trend of investment processes evolving in line with market-driven factors, and the RI process appearing less of a priority than it previously had been, a downgrade from 'Top Picks' to 'Positive' was considered appropriate. However, we remain comfortable with our position and holding given the overall characteristics of the fund are positive. We will keep a close eye on the fund to see how this plays out over the next 12 months.*

Case Study: Monitoring manager's commitment to climate action

One of our external managers publicly announced their decision to leave Climate Action 100+. We contacted them shortly afterwards to set up a meeting. We met with the Head of ESG who provided us with the rationale behind their decision. We were reassured that mitigating climate risk through ongoing extensive private engagement activity remains a critical element of their stewardship programme.

Outcome: *While we view anything that reduces alignment of broader engagement activity on climate-related action disappointing, we remain positive about this external manager's approach to engagement.*

Case Study:
Due diligence exercise with non-UN PRI signatories

Continuous improvement in our stewardship activities is one of the expectations of the Stewardship Code. In 2024, we assessed the degree of UN PRI membership throughout our MU to identify improvements in our due diligence of funds. While the proportion is very high, over 97% of our collectives MU AUM are signatories, our Collectives Investment Group decided to strengthen our due diligence processes by requiring that no new funds would enter our MU unless they are managed by UN PRI signatories, unless there are exceptional circumstances. This supports our aim to invest in funds that have similar values to Evelyn Partners and our expectations of them to demonstrate high standards and responsible investment practises.

In addition, SRIG decided to contact non-signatory managed funds within our MU to encourage membership, as part of our fulfilment with Principle 4 Stewardship Code expectations. An extract from the letter copied below was sent to the management companies or boards of 14 funds, and we received responses from all of them.

"We are writing to you as investors in your funds on behalf of our clients, on the understanding that you are not currently UN PRI signatories. As part of our own commitment to the UN PRI we need to demonstrate adherence to the following principles where Principle 4 is the most relevant: "we will promote acceptance and implementation of the Principles within the investment industry." The vast majority of external funds that we hold are managed by UN PRI signatories. We are contacting the minority, who are not currently signatories to encourage them to demonstrate their commitment to ESG integration and active stewardship in this formal way by becoming signatories."

Below are some responses from the firms that we contacted:

Firm 1: The firm, a FTSE 100 listed REIT, responded stating they were doing everything that is required to allow the firm to be a UN PRI signatory. However, becoming signatory would involve reporting in the UN PRI's extensive format. The firm had instead prioritised disclosing in line with CDP, GRESB, ISS disclosures, among other reporting frameworks.

Firm 2: The firm, an American hedge fund, believes that they are aligned with the overarching principles of the UN PRI and were not considering becoming a signatory. They were of the view that the reporting requirements entailed were not additive to their investment process. While the firm is not a signatory, it agrees that ESG issues can affect the performance of investment portfolios and that incorporating ESG considerations into investment analysis and decision-making can benefit the environment and society, as a whole.

Firm 3: The firm, a dedicated healthcare investment firm, have adopted responsible investment policies and practices in line with some of the principles outlined by the UN PRI. They believe that their reporting demonstrates their commitment to responsible investing but were not considering becoming a signatory. As a US-based fund manager, a concern is that signing up to the UN PRI may put the firm in conflict with US SEC requirements if the Principles are revised.

Firm 4: The firm, a FTSE listed REIT, stated that they had no plans to become a signatory to the UN PRI as they believed it didn't directly apply to a company like theirs. Their board was in the process of deciding between signing up to CDP and GRESB, both of which were considered more relevant and had greater representation within their core peer group.

Outcome: *We were pleased to get a 100% response rate from the fund managers contacted as part of this due diligence exercise. Given the varying reasons outlined by the fund managers, we will consider our approach to non-compliance in the coming year.*

Case Study:
Verifying responsible fund screens as part of due diligence for good governance in an emerging market responsible fund

We contacted the fund manager of a responsible emerging markets fund, following an internal exercise to verify the investment processes of funds which claim to have a heightened level of screening.

The data that we obtained is designed to establish sustainable impact exposure, generated by our external ESG data service provider. However, they differed from that of the fund manager, and we were keen to understand their approach and differences in the measures of sustainability of their investments.

The most significant difference was in their assessment of good governance versus our data provider's assessment. The fund manager explained that using their ESG data service provider's methodology, the governance portion of the screen is broken down into four parts: i.e. sound management structures, employee relations, remuneration of staff, and tax compliance. The fund manager's screen utilises these four areas to indicate good governance. However, a critical difference is that, while their service provider states that this score is broken down into these areas (which they believe are the best way to determine good governance), the basic overarching external ESG rating is the only data source for all four of these points. So, for example, any company with a 'B' governance rating will fail this section. For emerging markets, with the lower data availability and different corporate governance structure, judging a company against a developed market framework usually lends itself towards a negative bias. This is why this manager starts out with data for each of these segments from another provider, together with more specific additional data points to inform their overall assessment. Along with this, each of their analysts conducts a manual assessment across the four sub points, ensuring that passes and fails for each holding are as accurate as possible, and are directly connected to the actual governance practices of the company, rather than using a broad proxy figure and single governance rating indicator. Due to this process, they have full coverage and indicators of good governance for all of the companies held in their fund. The companies in the fund all pass the good governance test with the same criteria that is laid out in the external service provider's methodology document.

Outcome: *We were pleased with this detailed answer to our questions on screening for good governance practices of investee companies, and noted the interesting options they had used for generating solutions for areas with lower data coverage. This helped our understanding of the use of screens by this fund as well as our own use of screens in certain areas and we retain an overall 'Positive' rating on the fund.*

Looking ahead

We are extending the EEIDD matrix analysis to most of our monitored collective investments to incrementally increase the level of due diligence that we conduct. We aim to progress beyond the initial EEIDD mark, toward a more nuanced assessment, including incorporating the new FCA SDR label and CFD considerations for UK funds with sustainability characteristics.

We will continue our review meetings with both MSCI and Glass Lewis. These regular service provider meetings assist us with our monitoring of ESG-related data used in our investment process, and provide an opportunity to escalate issues, where relevant. Our Corporate Actions team also hold monthly meetings with Broadridge, or more frequently if needed, during the proxy voting season.

Principle 9

Signatories engage with issuers to maintain or enhance the value of assets.

As a responsible investor and as a signatory to the UN PRI, Evelyn Partners is committed to ensuring that we monitor and engage with investee companies on behalf of our clients. We are committed to improving the transparency of our reporting to enhance and demonstrate value for our clients. We are active stock pickers, so meeting and engaging with companies is a normal part of what we do. We meet and report to each client regularly to keep them informed and to make sure we know when their circumstance or constraints change.

We take a flexible approach to engagement across all asset classes, working where we can to use our influence to help improve business practice in areas of concern. For example, this has directed us towards setting up meetings on climate-related issues, as well as having meetings about mitigating the risks of child labour. In addition, we have regular meetings with companies where we are able to ask relevant questions concerning their performance, business practices and long-term strategy. We also write letters to companies where we vote against management or abstain to raise our concerns directly with them (see Principles 11 and 12 for more details).

Rationale for our stewardship approach

As mentioned in Principle 1, we believe that engaging with the companies and fund managers of the assets that we hold for our clients is central to our role as effective stewards of our clients' capital. It is fundamental to discharging our fiduciary duty to act in our clients best interests. 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.

We believe that by engaging with companies and collective funds, and raising our concerns with them, this helps us to improve outcomes for our clients, in line with Principle 6. We apply the same broad engagement principles across all assets and geographies. We monitor investee companies on relevant matters including:

- Strategy
- Financial and non-financial performance and risk
- Capital structure
- Social, environmental impact and corporate governance

Types of engagement

The table below provides an overview of our engagement activities and types described in this report.

Engagement as part of sector analysis (business as usual process)
Sector Specialists regularly meet with the companies that are under their coverage to discuss a range of topics from ESG issues to traditional analytical metrics. Key material risks are shared with the Sector Specialists: these should form part of regular discussions with companies.
Proxy Voting engagement
Proxy Voting engagement happens as a result of our Proxy Voting process. In cases where we deem it necessary, we will abstain or vote against management resolutions. In these cases, we always write to the Chair of the Board to open a dialogue with the company. We may also choose to engage with companies ahead of casting our vote, and request additional information.
Targeted sector and thematic company engagement
Targeted company engagement focuses on a smaller group of companies i.e. by sector or by theme. They usually result in mailing a set of targeted questions to specific companies.
Reactive engagement
In the event of a large market event or controversy (such as the Russia Ukraine conflict) we would consider engaging with relevant companies.
Client led engagement
Specific clients might request that we engage on their behalf. These requests are reviewed by SRIG and other internal investment management stakeholders on the basis of various factors, including their alignment with Evelyn Partners existing position and the specificity of the client's request. This is different to client specific voting.
Collaborative engagement
Collaborative engagement occurs when a group of investors come together to engage in dialogue with companies. The discussions can be on a wide range of topics, although there will generally be a single thematic issue under consideration. Through these memberships, taking care to avoid anti-competitive practice and 'acting in concert' or collusion considerations into account, we are able to engage more meaningfully with companies where we might otherwise represent a small shareholder minority. By speaking to companies with a unified voice, investors can more effectively communicate their particular concerns to corporate management. The result is typically a more informed and constructive dialogue.

Collective investment managers

Our business is driven by the power of good advice principally to discretionary clients, who comprised around 74% or £46.6 billion of total AUM as of end of December 2024. We believe that a combination of investing in direct and collective investments tends to serve most of our clients, although we tailor our discretionary portfolio management service, depending on client specific requirements. Approximately 73% of our discretionary managed assets are invested in collective investment funds.

Expectations of external fund managers in our monitored universe

We acknowledge our fiduciary duty and requirement to scrutinise the policies and effectiveness of external fund providers that manage our collective investments. During our due diligence of funds (see Principle 7), 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. As outlined in the process description below, our Sector Specialists are aware of whether fund managers are UN PRI and/or UK Stewardship Code signatories. Additional due diligence is performed for those who are not signatories or have other similar commitments. We have included case study examples of the additional due diligence conducted in these very limited occasions, given that, in 2024, over 97% of our collective AUM in the MU are managed by UN PRI signatories and 81% of our monitored collective AUM are managed by UK Stewardship Code signatories.

We expect all fund managers to follow the principles of the UK Stewardship Code, where possible. However, we are mindful that differing approaches to ESG integration and stewardship may be appropriate, depending on the asset class and investment geography of the manager (we are global investors as outlined in Principle 5, and funds we invest in are domiciled predominantly in UK, European, and US markets). Accordingly, we adapt our expectations to a certain extent on these factors, where relevant. For those few managers in our MU without UK Stewardship Code signatory status, the majority are in asset classes where active stewardship may not be practical e.g. hedge fund strategies taking short-term positions, which renders engagement challenging, or overseas funds that are not covered by the UK Stewardship Code.

In terms of overseas funds, many are covered by their own relevant country standards. For example, a high proportion of our holdings in specialist Japanese funds are signatories of the equivalent Japanese stewardship standard. These companies may support the UK Stewardship Code's objectives and strive to implement its principles within their business strategies and investment decision-making processes, yet they have not formally committed to the UK code by becoming signatories.

Case Study:
Japanese equities fund – multi-year engagement success

We had a meeting with the management of this Japanese equities fund in February 2024, in which we initiated coverage on a 'Top Picks' rating after following the fund for some time. This asset manager is a signatory to the UK Stewardship Code and complies with the Japan Stewardship Code in respect of Japanese listed equity investments. With a specialism in engagement, the fund has differentiated themselves from peers, while allowing to unlock shareholder value beyond the core structural trends within the portfolio. The fund management team prides themselves on how they incorporate engagement and stewardship into their process, with access to their own intelligence network as well as an exclusive consultant for Japanese corporate engagement.

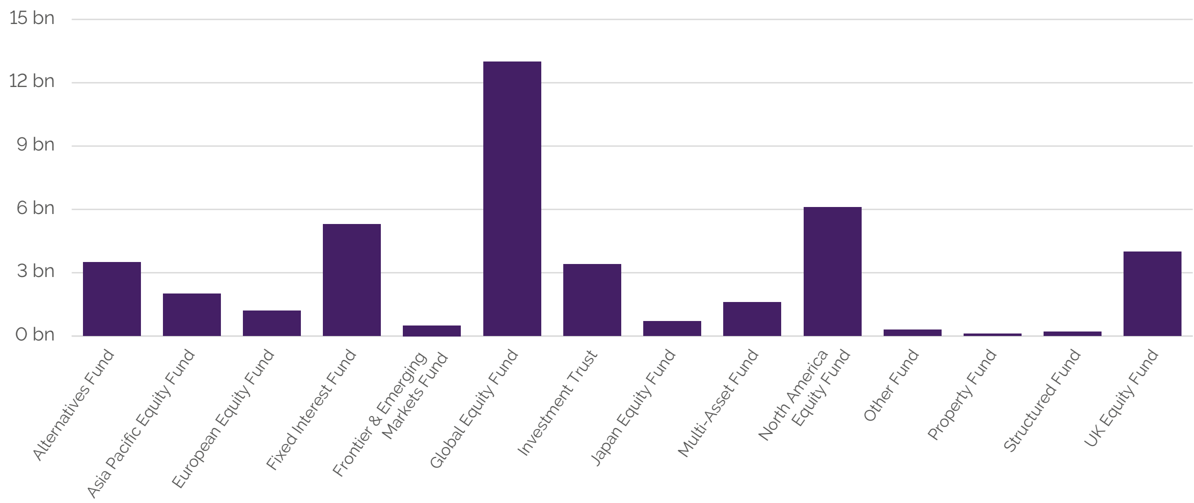
The manager explained that they had a recent multi-year engagement success which involved Sanrio, a Japanese entertainment company who own the intellectual property (IP) of the famous Hello Kitty brand. The fund manager saw that the company had spent decades skilfully building an IP portfolio of great value but was underachieving its potential. A new CEO at the firm brought an end to poor commercial management of the valuable character IP portfolio. The fund management team provided the company with suggestions for improvements on governance and strategic related issues; their exclusive consultant was involved with the company's management team, to influence improvements in their governance policy. Following years of constructive dialogue with the company, their stock price has increased by 5.5 times since 2021.

Outcome: *We were particularly impressed with the process when we met with fund's management team. The specialism that the fund has in their engagement approach has proved to be effective based on past case studies. The fund's 'business owner mentality', as well as their understanding of Japan's corporate and cultural landscape, highlighted a solid approach to engagement. in line with our own expectations and standards of fund managers.*

Collective investment process

All third-party collective investments, that are formally monitored by Sector Specialists, are subject to ESG-related due diligence as part of the overall initiation for coverage of the fund. Over 100 collective investment analysts cover around 600 funds across 13 sectors, including open-ended funds, investment trusts and offshore specialist funds. They regularly meet with fund managers and closely monitor the performance of the MU. In 2024, they conducted 305 meetings with external managers.

Collective investments: AUM by sector



Our fund due diligence process covers ESG integration and stewardship policies and expectations of our fund managers (as outlined in our Evelyn Partners Active Fund Framework under Principles 7 and 8). The information gathered from our ongoing due diligence contributes to the Sector Specialists' annual update meeting with the fund manager and assessment of their respective funds under coverage. They subsequently document the outcomes from those engagements in an annual Update Note. These are published on our internal Investment Portal for wider dissemination to investment managers. In a business like ours spanning 25 offices, it is important that information is easily accessible. Every sector – whether for direct or collective investments – is presented annually at the WIM. This is open to all investment managers and includes relevant RI considerations as part of our investment process.

As outlined under Principle 7, our Evelyn Partners Door Due Diligence Questionnaire (DDQ) work informs our view of the collective investment managers' ESG approach prior to meetings, but, more importantly, acts as a point of engagement; these can be seen from the case studies provided below. Some examples of the content of the meeting and outcomes are also included in this section, based on the most significant sectors, which represent some of our typical collective investments held on behalf of Evelyn Partners' clients (Global Equities, UK Equity, Fixed Income). We have not included the names of the collective investment fund managers, to ensure that we can continue to influence their activities in the future.

While most of our assets are in listed equities and funds in which we invest for both global and US equities, we also undertake due diligence in asset classes where we have less exposure, or where other relevant investment data is needed to support our analysis. We present some examples below of engagements that are based on environmental and social factors. This reflects different lenses which we consider when engaging with external fund managers.

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

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. 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 the customer shift away from oil (underlying customers 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 with Shell and our wider climate engagement activities. 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:
Engagement on workplace standards

The fund is a US-based global equity fund which had engaged with a company regarding their mitigation of modern slavery risks. This included reviewing the company's existing anti-slavery policies and procedures and also its 2023 transparency statement pursuant to the UK Modern Slavery Act Statement. The fund manager discussed the company's views on its most significant human rights risks and strategies for preventing such issues in its operations. The company has a dedicated team within its legal and compliance groups that oversees these policies, with a focus on anti-slavery and anti-corruption measures. They conduct training sessions for employees, particularly those in production roles, with a specific focus on regions or areas where there may be higher risks of corruption. The company was assessed by the fund manager to have a robust policy in place to mitigate risks arising from these issues and they will continue to monitor its ongoing progress.

Outcome: *We were pleased to see that the fund manager had engaged with the company on this specific topic. Their practices are in line with our own corporate policies on modern slavery, and expectations that we have of our fund managers. We continue to retain a 'Positive' overall rating on this fund.*

Case Study:
Climate collective themed engagement on top holdings in collective investments

While undertaking routine screening of holdings for our RI priorities, we identified our collective investment funds in our MU with significant exposure to several areas of risk and decided to engage with them as part of our risk mitigation actions. In terms of GHG emissions, we contacted the 30 largest fund emitters which covered 28% of all our discretionary AUM emissions across all our collective investment asset classes, as of December 2024. We received responses from 100% of those contacted.

We followed up with the managers of the 4 funds that responded negatively to our questions, asking whether the fund engaged in collaborative and/or direct engagement actions, and whether they had focused on reducing emissions or enhancing disclosures in underlying companies in their funds by encouraging enhanced climate-related disclosures like SBTi or CDP. As summarised below, we present the responses from each of the fund managers:

- **Manager 1:** most of this firm's AUM are in sovereign bonds or treasury bills with a particular focus on index-linked bonds. This fund's equity investments are via listed investment trusts and, due to this, they found that collaborative climate-related initiatives are typically focused on individual operating companies, rather than sovereign bonds or investment trusts. They have found that the most powerful style of engagement is escalating their concerns directly through boards, since they can vote against directors
- **Manager 2:** this firm became a signatory to CA100+ in 2020, at a time when the initiative focused on corporate climate-related disclosures. In June 2023, CA100+ published its Phase 2 strategy, which required signatories to make an overarching commitment to use client assets to pursue GHG emissions reductions in investee companies through stewardship activities. However, this firm believed this commitment would raise legal considerations particularly in the US and transferred membership to its international arm
- **Manager 3:** this firm's overall engagement goal is to improve their risk assessment of relevant ESG factors that can be applied and are material to a company's valuation. They see engagement primarily as a discovery process to inform their own ESG risk assessments as well as an opportunity to inform companies of their views
- **Manager 4:** as a fund manager, this firm participates in collaborative engagements, including CA100+, which they thought was sufficient without specifying whether the fund's holdings are aligned with SBTi commitments or make CDP disclosures

Outcome: *We will continue to monitor fund managers' approaches to climate risks and opportunities, particularly in view of the changes in the US administration and potential implications on stewardship practice, and how these are aligned with our own climate-related priorities and approach.*

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

In line with our bottom-up stewardship and RI priorities, in 2024, we initiated an engagement on child labour targeting investee companies (see Principle 7 and case study below for funds in our MU). 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 our key engagement activity which the funds that we had contacted have conducted on child labour and UNGC violations are outlined below.

Child labour collective 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 by fund managers
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.

Outcome: *The aim of the fund manager's engagement was to encourage a shared commitment to understanding and managing the risks of child labour and the risks that qualify as UNGC violations. The results from our own due diligence questionnaire show that 23/24 funds have the ability to screen for child labour risks, and 10 funds already plan to address these matters through their engagement programme in 2025. We were pleased to find that 13 funds screen for broader UNGC violations as part of their standard processes. In particular, we noted that the use of UNGC violations as a trigger for activity was widespread. We will continue to follow up with the managers of these collective investment funds in 2025, particularly for those who needed further clarity to complete the questionnaire and/or do not conduct regular activity to receive assurances that screening and monitoring of these issues and potential risks in their underlying holdings are well embedded in their processes.*

Case Study:
Fixed income fund showing consistency across asset classes

We met with this specialist bond (fixed income) fund manager in September 2024. A principal element of their investment process is engagement where it is able, even though the majority of the assets are in sovereign bonds, municipals and securitised debt.

The following examples were provided to highlight their approach:

The fund manager had engaged with several sovereign debt offices on climate policy and sustainable debt issuance, including an eastern European sovereign issuer. The aim of the engagement was to learn more about the country's progress and ambitions to improve its energy mix. They discussed the government's goal of increasing the share of renewable energy sources, primarily through more solar and hydroelectric energy production. They also enquired how the country planned to curb carbon emissions from the transportation sector, given its position as one of the largest contributors. The fund management team were encouraged to hear about the steps the country was taking, such as transport planning, incentives for the use of energy-efficient technologies, and subsidies for public transport. Overall, the engagement facilitated a deeper understanding of the country's sustainability progress and reaffirmed that foreign investment could help the country meet its goals in a timely manner.

Additionally, the fund manager engaged with a telecommunications company that provides internet access to low-income families across North America. They had concerns about the issuer's board structure and potential over-boarding. The fund management team believed that acting executives should hold board seats at no more than three organisations and raised concerns regarding the potential re-election of one particular board member. They were reassured to learn that the individual was planning to relinquish a board seat at another company. Following several meetings, the issuer showed receptiveness to shareholder and bondholder feedback, demonstrating progress in restructuring its board, with 90% of top management positions becoming independent.

Outcome: *The fund manager displayed good levels of engagement activity in line with our expectations and appeared to be making a positive impact. We retained a 'Positive' rating on the fund after the meeting.*

Case Study:
Responsible UK equities fund with similar approach to Evelyn Partners

We met with the fund manager in August 2024, where they discussed their ESG integration approach, engagement activities, and RI priorities. The fund manager explained that their central ESG team had been reorganised to give more structure and support, which had led to the introduction of formal quarterly meetings regarding their oversight of companies held in the fund, as well as more engagement work and proactive engagement opportunities.

The fund manager is a great believer in sticking with companies and continuing to influence them rather than divest, which is reflected their numerous engagements with these holdings. They defined their success criteria for engagement as 'seeing real action and change' from companies they engage with, whether collaboratively or directly.

The fund management team had organised a large-scale CDP and SBTi project in 2023, which is aligned with our own priorities and expectations. We discussed the success that the team had had with this climate project in 2023 with 8 companies. MoneySuperMarket (MONY Group) came out with much clearer disclosure of their carbon metrics and also a clearer carbon plan after their engagement with them. We were pleased with this result and seek to further encourage the fund manager's efforts.

The risks of child labour in underlying investee companies and fund holdings is a key thematic and RI priority at Evelyn Partners. This is an area that the fund has relatively low exposure to. The fund's strategy owns Next, M&S and Sainsbury's and the team has worked with each of these companies on the supply chains of their clothing brands. They have discussed the use of local teams to ensure that they're operating in the right areas and that people are being treated fairly.

Outcome: *This fund manager has been investing in their ESG integration capabilities and teams resourcing. It appears that their strategy and approach has benefitted a great deal from this investment, particularly on the engagement front, and being able to be more proactive. We are also pleased that many of their initiatives align well with our own responsible investment priorities and expectations of fund managers. We retained a 'Positive' rating on the fund.*

Direct investments

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 MU, which is made up of over 300 companies. Our participation and engagement with management teams is contingent on the size of our holdings in a company. In 2024, we conducted 263 company meetings (circa 85% of companies in our MU).

We have limited ability to engage on direct fixed income assets, as we are typically not a large enough fixed income investor to be consulted on the covenants in loan agreements when they are issued. We actively monitor the ESG issues related to the company itself, and our fundamental analysis places significant weight on balance sheet issues, especially gearing levels and interest cover.

Where we have concerns about the performance or strategy of an investee company, or where we have reason 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. Whilst we do not believe in the micromanagement of management teams, in some cases we consider that it is necessary. This could include issues with the board, independence or remuneration. In cases such as these, we would open a dialogue and write to the company or meet directly with management to express our concerns. In some circumstances we would be willing to act collaboratively with other investors.

As a firm with largely collective investments as our principal investment mechanism, we are cognisant of the need to ensure that our resources are being used as efficiently as possible whilst engaging on material issues of concern. To that end, we prioritise opportunities based upon the scope of the engagement and the materiality of the issue on which the engagement is based with reference to our own direct investment shareholdings. Our engagement and voting activities for this are detailed below.

Identifying engagement opportunities

Weekly Sector Specialist meetings take place where each sector is analysed. Key material factors and controversies are flagged alongside engagements where relevant. Engagement priorities are discussed at regular DIG and CIG meetings, principally based on whether we think they are detrimental to the long-term valuation of the business. These engagements are led by Sector Specialists and supported by the SRI team. For direct investment holdings, over 90 Sector Specialists conduct in-depth research into UK and overseas equities by holding various meetings throughout the year, as noted above, as well as undertaking media and other desk-based research. Collective investment analysts currently cover around 600 funds across 13 sectors, including open-ended funds, investment trusts and offshore specific funds. The analysts regularly meet with fund managers and closely monitor the performance of covered funds, as described earlier in this Principle about our fund due diligence.

Collaborations

We choose to take part in larger collaborative engagements through various memberships with collaborative engagement platforms, such as: The Investor Forum, CA100+, Find it, Fix it, Prevent it modern slavery collaboration, the Corporate Mental Health Benchmark, NA100 and FAIRR. Through these memberships, we can engage more meaningfully with larger issuers where we represent a small shareholder minority. Examples and details of our collaborative engagements can be found under Principle 10.

Engagement following proxy voting

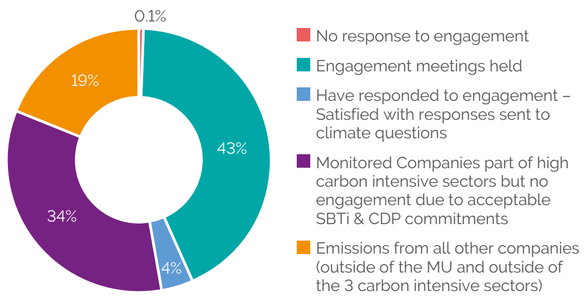
In cases where we deem it necessary, we will abstain or vote against management resolutions. Where we abstain or vote against management resolutions, we write to the Chair of the Board to explain our reasons. If a satisfactory response is not possible, we may look to escalate this further. Our escalation process would include, but is not limited to:

- Holding additional meetings with management specifically to discuss concerns
- Intervening jointly with other institutions on particular issues
- Submitting resolutions
- Meet directly with management to discuss concerns
- Disinvest if we felt that clients would be at a material disadvantage

Examples of some of our engagements with issuers for our most material holdings in direct investments are outlined below.

Case Study:
Climate related themed engagement project on direct investments

The aim of our direct climate engagement project is to encourage investee companies with 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 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 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 and 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 and 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.
American Water Works (AWK)	We met with the investment relations team in January. They noted that water companies have a lower overall carbon footprint than electric utilities within the sector. In 2022, AWK revisited their original carbon emissions reduction goal, which was set back in 2008. They started a new internal project to address their emissions reductions. At that time, they looked at SBTi, but the lack of a water specific framework was a disincentive. However, they used the SBTi methodology for calculations of their progress. The GHG emissions for a water utility, which are significantly weighted towards higher Scope 2 emissions. Therefore, having renewable energy providers is key to meeting their goals. In the US they have been discouraged by the Government to invest in their own power assets, so they have focused on agreements with renewable energy providers. A recent power purchasing agreement (PPA) in New Jersey will assist with their decarbonisation goals.	Following our meeting, we shared Severn Trent's sustainability report as good practice example, which detailed their SBTi target, despite the lack of specific water guidance. AWK had provided a detailed response to questions from us on biodiversity, which they were happy to share. By providing examples of other disclosures and giving ongoing encouragement during our communications, we hope to see improved disclosures at AWK. The lack of sector specific water guidance is a matter we raised with SBTi in February 2024.
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.
Ecora Resources	The company has built its royalty portfolio to focus on commodities, which are essential for the decarbonisation of energy supply and consumption, as well as producing them in a more sustainable manner. The demand outlook for these commodities over the next decade is very promising. Although they don't operate the assets directly, they recognise the ESG risks associated with their investments and aim to influence good ESG practices in the mining industry. They promote responsible mining and strong ESG management through their policies, due diligence on new investments, and ongoing engagement with operating partners.	We wanted to encourage reporting either to CDP or to publish assessments of climate risks and opportunities and for those investee companies to do the same. The management was open to this idea, saying that they would investigate this further. We will remain in touch to encourage this development.
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 in 2024 for our climate engagement project	

Case Study:
Engagement on working conditions with Rio Tinto

Background: We met with Rio Tinto in March 2024, where the Investor Relations officer began the meeting by explaining that, when the CFO became CEO three years ago, he set out to "fix the culture" given the poor record on workforce practises and alarming incidents against women. There has also been a focus on safety and, aside from a tragic plane crash in January in the Northwest Territories, Canada, there have been no fatalities in operations for 5 years.

We discussed their future development opportunities, while maintaining good relationships with local communities, given the Aboriginal caves incident in Australia by former Rio management. There are inevitable tensions as the company navigates between providing key metals like copper, a critical transition metal, and the adverse effect on the environment. The Resolution copper mine, if it proceeds, would play a major role in powering electrification, as it will provide a significant increase in the much needed resource. However, it is in a very sensitive area for native Indian tribes. They would work to employ local people, wherever possible, should this get permission. So far, there has been 8 years worth of environmental impact assessment work undertaken.

The main attraction of the key Simandou mine, which is rapidly becoming the company's largest mine, is extracting iron ore of high grade quality, which commands a higher price increase and it needs less energy to process.

Their main carbon reduction target for the firm is by 2030, with an ambitious 50% reduction which was set a couple of years ago. Around 80% of their carbon emissions are from processes, particularly from the large aluminium smelting operations. In North America, it is hydro-powered, and there is a transfer taking place towards the use of oxygen in the process. They have repowered their Pacific operations, which is now in part powered by solar and wind. However, the amount of power required is enormous and coal is very cheap. For example, in Australia for one refinery alone, 4 GW of power is needed.

They also work with customers to bring on new technology with higher grade ore, which will reduce Rio's overall Scope 3 emissions. This is a positive structural story and a better product. However, Chinese steel demand has become lumpy and it is expected that there will be downward pressure on the price of iron ore from the downturn there. Sometimes a fall in prices has some beneficial environmental effects, e.g. it would halt the transport by truck to the coast in Australia by competitors.

Following the damning report that revealed discrimination and poor working conditions three years ago, the 'Respect' programme undertaken by Rio has made considerable changes and improvements. The management team made the decision to publish their poor statistics and this will be repeated at the end of this year as well. The focus has been on improving conditions in camps, with better lighting and sports provision, and they have also improved the process for reporting grievances. Managers are encouraged to share ideas on improvements. They have also been running bi-annual employee surveys, where there are 70% participation rates; the CEO wants aim for 85%.

Outcome: *Rio has been the focus of considerable attention for its poor working practises. However, it is working in the spotlight to improve them. Their commitment to carbon emissions reductions in a high energy intensity sector is important, and worth encouragement from shareholders. However, if the business mix changes, depending on revenues, they may look like that they have missed their ambitious reduction targets at times. We were critical but supportive during our meeting with them and will continue to be so and encourage them further to continue their ambition to make improvements and in workplace standards and practices.*

Case Study:
Child labour engagement with Nestlé

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.

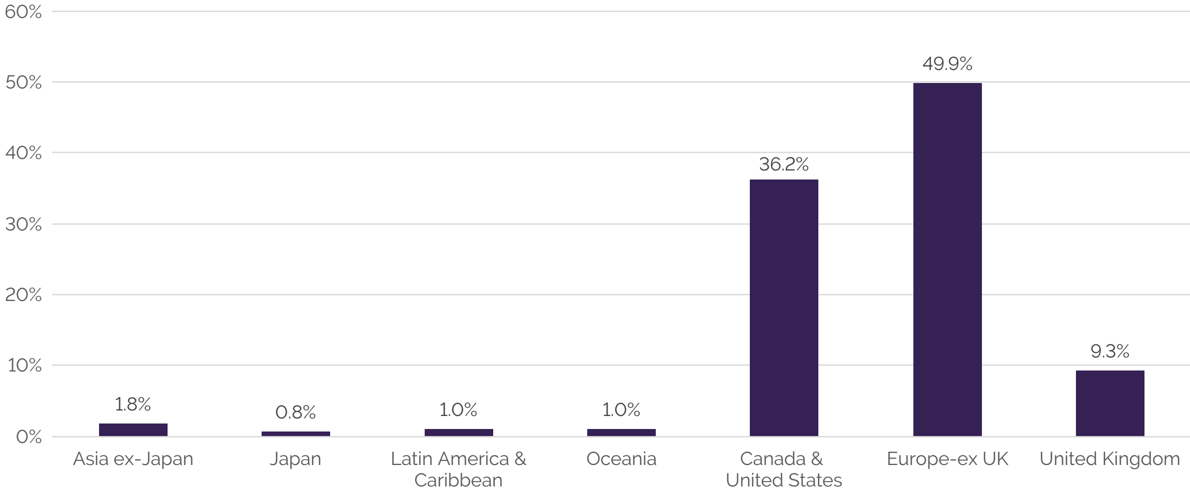
We met with several key members of the Nestlé team in December. The company has been working for over thirteen years in addressing the use of children in their cocoa supply chain. Darrell High, the person responsible for the 'Nestlé Cocoa Plan' in Cote D'Ivoire and Ghana, spent time explaining the measures used by Nestlé to us, and which they 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 by reducing humidity in the orchards. This is a route they have been rolling out in the last few years, together with payments to both farmers and wives in the scheme. The use of mobile banking helps to broaden the 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. The aim for 2025, is for all of Nestlé's cocoa for confectionary products to be sourced from farms that are part of the scheme.

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 Nestlé'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 Nestlé 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.*

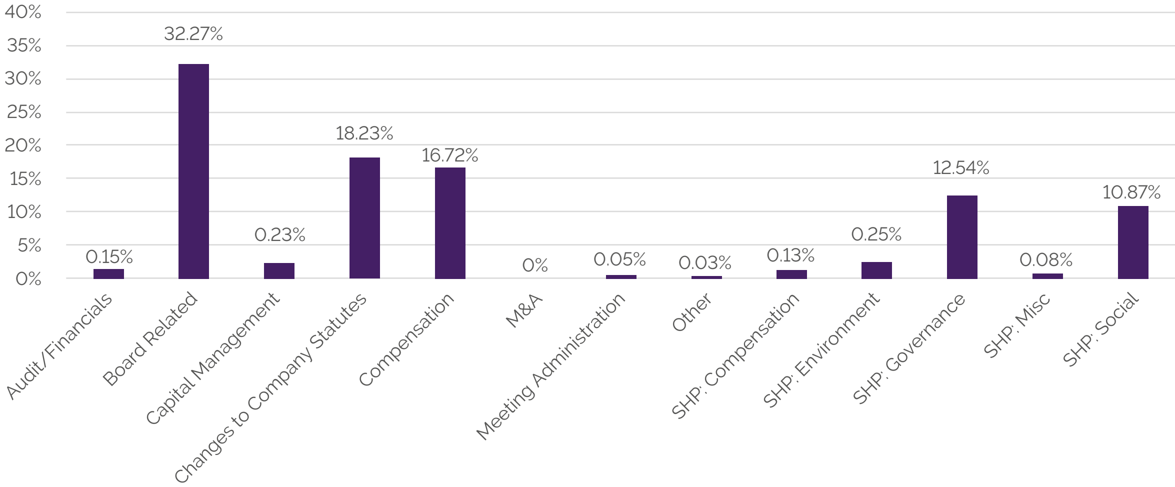
The following graphs illustrate the breadth of our engagement for direct investments and voting activity across different regions and themes. See Principle 12 for further details of our voting activities in 2024.

Proxy voting engagement by region



Source: Glass Lewis

Proxy voting engagement by theme



Source: Glass Lewis

Case Study:
Direct engagement prior to a vote (remuneration) - Ashtead

Following a recommendation received from our proxy adviser, Glass Lews, we were advised to vote against the remuneration policy and amendment to the long-term incentive (LTI) plan at Ashtead's 2024 AGM. Under the proposal, the CEO's LTI would increase from 350% to 850% of the base salary. Meanwhile, the CFO's LTI would increase from 225% to 300%. The company's rationale for the changes in the remuneration policy was that the policy needed to be brought more into line with relevant competitive market norms, given the CEO was based in the US. Despite the rationale provided, we were concerned by the scale of increase of the proposed LTI opportunity.

After we sent our letter to the company informing our vote decision, the Director of Investor Relations requested a meeting to provide further rationale of the remuneration policy. We met with the company in August 2024, where it was communicated that the company had experienced challenges as a US-based company which was listed in the UK. A vast majority of Ashtead's businesses were based in the US, and the CEO's pay was behind his US-based peers. Though we acknowledged the company's unique position, we challenged the large difference in remuneration between the CEO and CFO and asked for more benchmarking information regarding this. After the meeting, we were sent information regarding Ashtead's CFO benchmarking which formed the decision making by the Remuneration Committee.

Outcome: *We assessed the information sent by the investor relations team. However, we did not believe it addressed the key question around the pay comparison between the CEO and CFO. We decided to stick with our original position to vote against management in line with Glass Lewis. Unfortunately, 63.2% of all votes cast supported the remuneration policy and the proposal was carried. We will continue to monitor the pay disparity at Ashtead.*

Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

We choose to take part in larger collaborative engagements through memberships with platforms, such as: The Investor Forum, CA100+, NA100, FAIRR, Find it, Fix it, Prevent it and the Corporate Mental Health Benchmark, 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 to 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 interact with investors before making decisions.

THE INVESTOR FORUM

The engagements we consider with The Investor Forum are put to us after key issues have been identified and constructive solutions have been developed. The process is detailed below:

1. Principles

- Is it proactive and grounded in economic rationale?
- Is there a long-term focus?
- Is there likely to be a constructive solution?

2. Prospect of support

- Is there a reasonable prospect of securing sufficient support among the company's largest shareholders to foster a meaningful dialogue with the company?

3. Safe and secure

- Is there a reasonable expectation of conducting the engagement in accordance with the Forum's policies and procedures and all applicable laws and regulations?

They use their Collective Engagement Framework and guidance for members to define the terms of each project, taking care to avoid anti-competitive practice and acting in concert.

Since becoming members of The Investor Forum (in December 2019 (via our legacy Smith & Williamson business), we have been involved in several collaborative projects. Our decision to participate involves a check to ensure that we have holdings in the company in question and a conversation with the lead Sector Specialist to ensure it is an issue of importance for us. We will then work within the terms of the engagement and report back where relevant to DIG and SRIG.

Whilst we believe that transparency is important, we ensure that feedback is within the confines of the engagement agreement and that ongoing activities are not made public in our reporting until the engagement is completed.

In 2024, we attended various pre-AGM calls as part of the Investor Forum with companies, including Reckitt Benckiser and BHP. We also continued to work as part of the Stewardship 360 Water Working Group. See Principle 10 for another collaboration engagement example with the Investor Forum and United Utilities.

Case Study: Vistry Group plc – remuneration and 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.*

Climate Action 100+

Climate Action 100+ is the largest investor engagement initiative on climate change with more than 600 signatories. We joined this collaborative initiative in 2020, as part of our legacy Smith & Williamson business.

Through CA100+ we are indirectly engaging with 169 of the world's biggest listed corporate greenhouse gas emitters and driving faster corporate climate action in line with the global goal of reaching Net Zero emissions by 2050 or sooner.

The initiative's high-level agenda consists of three goals:

- Implementing a strong governance framework which clearly articulates the board's accountability and oversight of climate change risk
- Taking action to actively reduce greenhouse gas emissions across the value chain, including engagement with stakeholders such as policymakers and other actors to address the sectoral barriers to transition
- Providing enhanced corporate disclosure and implementing transition plans to deliver on robust targets

Climate Action 100+ at a glance

600
Investor signatories

$68
Trillion AUM

169
Focus companies

77%
of focus companies have net zero commitments

93%
have Board committee oversight of climate change risks and opportunities

90%
of focus companies explicitly commit to aligning their disclosures with the TCFD recommendations

In 2023, CA100+ initiated its second phase by enhancing the three original goals to ask companies to not only disclose but also to implement robust transition plans, and to take action with a wider set of stakeholders, to address sectoral barriers to the low-carbon transition.

As part of the second phase, we have continued to work with Walmart during 2024 and had two productive meetings where we addressed relevant topics, including emissions reduction targets, Scope 3, Project Gigaton, lobbying and political spending.

We also had meetings with Rio Tinto as part of the CA100+ working group. This large working group met several times with the company in 2024 to discuss Scope 1, 2 and 3 emissions, offsets, and in particular, their steel decarbonisation project.

Find it, Fix it, Prevent it

According to the International Labour Organization (ILO), around 50 million people are living in modern slavery. Of those trapped in forced labour (27.6 million people), 63% are in the private sector, which means that the business sector is exposed to modern slavery risks. Not only is legislation increasing the requirements on businesses to address this across the globe, but also stakeholder expectations about acting to mitigate these risks are growing.

We acknowledge that modern slavery is hidden and difficult to tackle and it is possible that modern slavery may exist in the supply chains of many UK businesses. The construction sector has been identified as an area of high potential risk.

Evelyn Partners is proud to be a part of the Find it, Fix it, Prevent it modern slavery collaboration, which represents £15 trillion AUM and over 65 investors.

We are currently members of two working groups that are looking at Balfour Beatty and Persimmon, with the possibility of joining a third group. We will continue the conversations with both companies in 2025.

Corporate Mental Health Benchmark

Evelyn Partners became a founding signatory of the Corporate Mental Health Benchmark in July 2022. Mental health deterioration was identified for the first time in the Global Risk Report for 2021 as one of the top risks to businesses as a result of the Covid pandemic. In recent years, there has been increased acknowledgement of the important role that mental health plays in achieving global development. This was also highlighted by the inclusion of mental health in the UN Sustainable Development Goals (SDGs) in 2015.

Employers have a 'duty of care' to their employees – they must do all they reasonably can to support their health, safety and wellbeing. Mental health research, published by Deloitte in May 2024, shows that poor mental health cost UK employers £51bn in 2023-24.

As part of the CCLA benchmark, the top 100 UK and global companies were assessed on a set of 27 criteria (which can be found here) and, based on their publicly available information, were ranked across 5 Tiers.

We worked with easyJet and were encouraged to see that they had moved from Tier 5 to Tier 4 in the 2024 benchmark assessment. We hope to continue this engagement during 2025. We also interacted with United Health on this issue, who remain in Tier 5, and we intend to continue dialogue with them over the coming year.

Votes Against Slavery (VAS)

Evelyn Partners joined VAS in 2023. This engagement initiative, led by the Rathbones Stewardship team and co-ordinated through the PRI Collaboration Platform, brings together asset managers and institutional investors to target 158 FTSE AIM smaller listed companies and FTSE 350 companies. These are companies that fail to comply with Section 54 disclosure requirements of the 2015 Modern Slavery Act, requiring companies to update and publish annual modern slavery statements on their UK website, including approval from their boards. During 2024, we engaged with British American Tobacco and Octopus Renewable Infrastructure Trust, where we discussed their modern slavery practices. This work will continue into 2025.

Farm Animal Investment Risk & Return Initiative (FAIRR)

We joined the FAIRR collaborative initiative in 2023. FAIRR is a collaborative investor network that raises awareness of the environmental, social, and governance risks and opportunities in the global food sector. They are focused on the issues linked to intensive animal production and seek to minimize risks within the broader food system.

We have been involved in multiple programs, including:

- Restaurant antibiotics: this group aims to address the antimicrobial resistance (AMR) risk in the quick-service restaurant (QSR) sector's agricultural supply chains. The aim is to encourage companies to adopt global policies aligned with the World Health Organization's recommendations regarding medically important antibiotics. As part of this group, we worked with Starbucks and McDonalds
- Working conditions: this collaborative engagement aims to strengthen the labour standards and corporate practices of animal protein producers to mitigate labour risk in the industry. We engaged with Cranswick on this subject
- Protein diversification: this workstream asks companies to support the transition to a planetary health diet through the integration of protein diversification into climate strategies. It also aims to allocate resources to diversify their protein portfolio and improve nutrition and sustainability attributes. As part of this effort, we engaged with Mondelez and Tesco
- Waste and pollution: this engagement focuses on waste and pollution which has been identified as a key driver of biodiversity loss, climate change and water scarcity. We addressed some of these issues through engaging with Cranswick (see case study below)

Case Study: Mondelez – integrating protein diversification into climate transition plans

As members of FAIRR's working group engagement on protein diversification, we sent a letter to Mondelez to understand how the company was diversifying their portfolio to promote diets that are sustainable and healthy. We met with Mondelez in April 2024, to engage with them on the following topics:

- How are they integrating protein diversification within their climate transition plan
- How does the company ensure its governance and influence align with positive climate and nutrition outcomes
- What plans and actions the company has in place to support and facilitate a just transition in the animal agriculture sector
- How is it allocating resource to expand its offering and improve its alternative protein sources' nutrition and sustainability attributes
- How is the company driving increases in the consumption of alternative protein sources across key geographies and brands

With regard to the company's Scope 3 carbon emissions footprint, cocoa and dairy contributed 25% and 15% respectively. It was noted that protein diversification was not being employed as a primary lever for the company's emissions reductions strategy. Mondelez acknowledged the potential for emissions reductions with plant-based options, but this expansion would be driven by consumer demand rather than the carbon mitigation potential that their products offer.

The company has conducted plant-based product trials in Europe and will continue to gauge consumer response to their new products, and evaluate whether they expand their offering to other regions. We also discussed how the company is working with dairy and cocoa suppliers to implement farm-level climate solutions.

Outcome: *The company was transparent with the investor group on the work that they are doing to promote plant-based products. Insights gained from the engagement have helped investors involved in the collaboration further understand the role that the world's largest food manufacturers and retailers have to play in shifting to more healthy and sustainable diets.*

Case Study:
Cranswick – waste and pollution

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has identified the nutrient runoff from the use of fertilisers, including 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.*

Nature Action 100 (NA100)

Nature Action 100

Biodiversity loss is the third most severe threat humanity faces, according to the World Economic Forum. and investors and companies play a critical role in addressing this threat. Depleting natural capital creates significant operational, regulatory, litigation, and reputational risk for investors and businesses alike, and negative economic repercussions globally. Global crop outputs are at risk annually from pollinator loss, posing operational risk for companies sourcing agricultural commodities.

Depleting natural capital also creates significant operational, regulatory, litigation, and reputational risk for investors and businesses alike, and negative economic repercussions globally.

Scientists say a critical threshold has been reached and action is necessary to avoid more catastrophic climate change and the attendant economic consequences.

NA100 aims to drive greater corporate ambition and action in eight key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030, as follows:

- Biotechnology and pharmaceuticals
- Chemicals
- Household and personal goods
- Consumer goods retail
- Food
- Food and beverage retail
- Forestry and packaging
- Metals and mining

NA100's expectations for companies are a set of timely and necessary corporate actions that aim to protect and restore nature and ecosystems. They outline their expectations based on six actions which investors are able to call on for companies to take in the related areas of: 'Ambition', 'Assessment', 'Targets', 'Implementation', 'Governance', and 'Engagement'.

We joined NA100 in 2023. In 2024, we participated in the engagement teams for Associated British Foods and Sherwin Williams, and met with both of these companies (see below). We aim to continue the engagements over the coming year.

Case Study: NA100 and Sherwin Williams

In 2023, an initiative letter was sent to relevant companies in key sectors. In April 2024, we had an introductory meeting with Sherwin Williams to discuss information around NA100's key indicators. We specifically asked about the company's ambition to avoid and reduce drivers of nature loss, their approach to setting targets, their management of nature-related impacts, and board oversight and expertise on the topic of nature.

Sherwin Williams stated they are still learning about nature-related impacts and were developing their understanding of the links between climate, energy, and waste and how they impact nature. The company have begun the process of aligning frameworks with the Taskforce on Nature-related Financial Disclosures (TNFD) and have set waste reduction targets, although they have not done so for water or packaging. They also communicated their intentions to conduct another materiality assessment which will help inform the company on relevant impacts, risks, opportunities, and dependencies.

Outcome: *Following the release of NA100's inaugural benchmark findings, Sherwin Williams did not meet the criteria across five indicators (Ambition, Assessment, Targets, Implementation and Governance) and partially met the criteria on the Engagement criteria. We will continue to work with the company as part of the initiative to encourage better performance.*

Case Study: NA100 and Associated British Foods (ABF)

As part of NA100, we had our first meeting with ABF in November to discuss the company's performance against the initiative's inaugural benchmark findings, which were released in October 2024. Out of the six indicators, ABF had only met the criteria for the 'Ambition' indicator, which assesses a company's public commitment in setting a strategic direction across the organisation to prioritise nature and demonstrate the company's intent to address its nature-related opportunities.

It was clear from our discussion that ABF considers nature-related risks and opportunities, though this is rooted from a bottom-up approach depending on the divisions such as Primark, ABF Sugar, AB Agri, etc., rather than something that is integrated across the overall enterprise. It was noted that non-financial agendas were set by looking at issues relevant to the divisions or individual businesses. For example, Primark, which relies on cotton as a main fibre, have worked with biodiversity consultancies with their nature-related challenges and have been trying to understand disclosure pathways, including the TNFD recommendations. Meanwhile, ABF Sugar have been focused on utilising organic inputs rather than pesticides for their sugar cane operations in Africa.

Other topics covered in the meeting included the company's intention to set nature-related targets, their risk management materiality matrix, board oversight on nature, and training on nature-related topics.

Outcome: *ABF explained that the way the company operates may not fit into benchmarks as clearly as other companies. However, the engagement to date has helped us to further understand their approach to considering nature related risks and dependences. We will continue to engage with ABF on their ongoing assessment of risks and monitor their progress as they seek to improve their reporting and disclosures.*

Collaborative engagements by external fund managers

With respect to external fund managers of our collective investments, we are flexible and open to the different investment approaches used, as long as they are consistent with their own stated policies. As part of our EEIDD process (as described in Principles 7 and 8), our Sector Specialists assess the investment manager's engagement policies and activities, including their participation in collaborative initiatives. As previously mentioned, in 2024, we extended our process and 92 funds were assessed in this way. We will continue to expand coverage in 2025. With 97% of our fund managers who are signatories to UN PRI, we have the ability to assess the firm's position concerning collaborative stewardship efforts as well as their approach to collaborations.

Additional examples of collaborative engagements that external fund managers have been involved in, on our behalf for some of our collective investments, and which meet our stewardship expectations are shown below.

We have not included the names of the collective investment fund managers to ensure that we can continue to influence their activities and communicate our expectations of them in the future.

Case Study: Corporate bond fund's active collaborative engagement approach

As part of routine research on stewardship in 2024, the funds analysts undertook a review of this fund's responsible investment approach, including their approach to collaborative engagement. For this corporate bond fund managed by a UK investment company, the firm is a member of CA100+ as well as the Investor Forum and we have worked on a modern slavery related collective engagement with them. The firm is also involved with the Institutional Investors Group on Climate Change's (IIGCC) Net Zero Engagement Initiative, recently leading an engagement with FirstGroup, a bus and rail operator in the UK. Through this initiative, the firm met with the company to discuss their science-based approved targets and electrification plans for both bus and rail divisions. The firm's ongoing engagements with FirstGroup will focus on the company's commitment to publish more information on its performance against their decarbonisation targets, as required by the SBTi.

Outcome: *This fund satisfied our expectations of a reasonable approach to stewardship, which in this case included the use of collaborative engagement. We retain a 'Positive' rating on this fund.*

Along with taking part in formal collaborative initiatives, some of our external managers may also decide to co-ordinate with other investors or service providers to effectively communicate their concerns to corporate management. An example is highlighted in the case study below.

Case Study: Environmental fund initiating collaborative engagement with distribution partner to address forced labour issues

We had a meeting in September 2024 with the management team of a fund which invests in companies that are developing innovative environmental solutions to address resource challenges to support these markets. The meeting included discussions on the firm's learning modules for knowledge sharing with clients around various topics such as Net Zero, nature, etc. and we also asked for recent engagement examples.

The fund provided an example with Shimano, a Japanese manufacturing company for bicycle components, which was added to the portfolio in early 2023, given compelling valuation and additional growth potential from e-bikes. At the time of purchase, sustainability disclosures were limited with few targets around carbon emission reduction and the company had established an ESG Committee in May 2023. Despite this, operational risks appeared to be well managed. In December 2023, allegations emerged that Kwang Li Industry (KLI), one of Shimano's suppliers, had used forced labour in Malaysia. As a result, the fund manager launched a collaborative engagement with one of its European fund distribution partners. In response to the allegations, Shimano initiated an investigation with the help of an external law firm and requested that any affected workers should be remediated if the allegations were true. The manager also questioned Shimano's broader process for managing human rights-related risks in its supply chain, and the company disclosed that all suppliers were required to adhere to and sign a supplier code of conduct.

The fund team had a follow-up meeting with the company in May 2024, where it was noted that, although the investigation was still ongoing, some of the affected workers had been compensated. Shimano had committed to increasing on-site inspections of overseas vendors and promoting its whistleblowing policies and contact details more broadly.

Outcome: *The collaborative engagement launched by this fund manager with a fund distribution partner had resulted in some enhanced business processes following the forced labour controversy at Shimano. The fund manager eventually decided to exit the stock, as the company lacked direct remediation measures and their analysts had perceived limited near-term catalysts to the upside value of the company.*

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

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. Our updated escalation policy is outlined below.

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, 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 (as outlined in Principle 10)
- 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

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.*

We accept that successful engagement may take time to be effective, and that we need to be patient in our standard engagement programmes prior to elevating any escalation action. In our experience, a flexible approach which takes advantage of different options has proved to be useful. For example, it may be possible to gain access to a board member by co-ordinating with other investors, either through an existing collaboration or through initiating a new one.

Maintaining an open and flexible approach depending on the situation is therefore important.

Direct investments

For direct investments (see Principle 7 and 12), we use voting as the primary means of escalation on key issues, where the matter is significantly out of step with our responsible investment priorities. Our voting policy and records are publicly available, which includes escalation on specific ESG or sustainability-related topics. For example, we may abstain on resolutions where a company has no form of Net Zero target, where a company has no board remuneration link to health & safety, and/or more broadly when there is no established link to good performance based on material ESG matters and business practices. We follow up after the vote with the company explaining our reasons. In this way, we believe that we are using our voting influence as an important and differentiated form of escalation.

Case Study: Escalation following poor environmental record at United Utilities

Type: Direct escalation with a company – divestment following sector wide engagement

Background: Since 2023, we have been members of a working group organised by the Investor Forum with UK water companies to improve their environmental practises. United Utilities was involved in these meetings, which were attended by Evelyn Partners and other representatives from the investment community and the water industry. Although United Utilities had reported a rise in underlying profits for the year end to 31 March 2024, press coverage of the sector had overshadowed operational performance, as the company faced headlines surrounding unauthorised spills into Lake Windermere. Continued focus on both sea and river run-off pollution, water resilience, underinvestment and over leverage by other water companies did not help the sentiment.

Activity: The engagement with the sector has afforded limited guarantees from the underlying companies and where the risks are increasing. With guidance from DIG, we assessed the outlook of the company. Whilst they offered 'defensive income prospects' and a positive correlation to inflation, we believed that there were more attractive opportunities in utilities networks businesses and integrated renewable names which offered better growth profiles.

Outcome: *In June 2024, a decision was taken to remove this stock from our coverage, given ongoing environmental problems generating high regulatory and political risk.*

Collective investments/other asset classes

With respect to our external fund managers (collective investments), we expect a minimum standard in terms of their approach to ESG integration and stewardship activities. This was formalised in 2024 by a new CIG policy, stating that all new funds entering our monitored universe now need to be managed by firms that are UN PRI signatories, unless there are exceptional circumstances. At the same time, we engaged with those fund managers that are covered who were not yet signatories, with the aim of encouraging them to join.

In terms of our expectations about escalation approaches used by our external fund managers, we are open to different approaches, as long as they are consistent with their own stated policies. As voting is our key form of escalation, our due diligence process for external managers includes assessing their voting records on key votes to ensure that they are following through with their views on material issues and concerns with underlying holdings. Given the majority of our fund managers are UN PRI signatories, we have the ability to assess the firm's escalation measures across various asset classes, as well as ascertain whether their approach to escalation has been integrated in their stewardship policies or guidelines. We accept that the extent of their influence (and ours) depends, to some extent, on the size of and holding period, asset class, geography and investment strategy. Accordingly, we consider the investment processes of our managers across these factors. We challenge fund managers to provide examples of active stewardship and escalation and also work to learn from their actions to identify improvements for our own engagement practices.

Our responsible investment priorities are measurable across collective investments and are included in our analysis of funds in our MU. We believe that our intervention will be more successful if our priorities are acknowledged, but it takes time to effect change, particularly within the business practices of underlying investee companies. We expect our influence to be greatest in funds where our holdings are greater, and these are the focus of our engagement activities for collectives, although, over the medium-term, we aim to discuss our priorities with all our fund managers across all asset classes. If, over time, standards in responsible investment practises continue to fall short of our expectations, then we may reduce the capital allocation to these funds until concerns have been addressed and/or we may remove funds from coverage. Where appropriate, we will inform the fund managers of the reasons for our decision.

Case Study:
Responsible fund's consistency of due diligence on engagement process (global equity fund)

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 via their 'Impact -Ambition – Trust Framework'. Their robust investment process therefore tends towards a focus on long-term dividend and earnings resilience, rather than compromising on fundamentals to achieve higher short-term yields. The fund holds our 'Top Picks' rating and is a significant holding in our client portfolios across the firm.

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.*

Case Study:
Successful escalation by an external manager (global equity fund)

Type: Escalation on our behalf by fund manager – engagement then voting resulting in policy change

Background: In May 2024, a meeting was held as part of the standard annual review of the fund, where we requested engagement examples from this global equity fund. The fund management team provided examples, including a constructive engagement with a leading internet streaming company, which has been a holding since 2022. We liked this example where engagement, together with voting as a key escalation tool had achieved the desired result.

The fund manager noted that shareholders benefit when variable compensation levels are based on metrics with pre-established goals, and are demonstrably linked to the performance of the company. This is in line with our own Evelyn Partners voting policy, which states on remuneration that, "Executive remuneration should be directly linked to the performance of the business that the executive manages. Incentive programs should generally include specific and appropriate performance goals."

Activity: During a meeting with members of the board, legal advisors, and the ESG director, the fund manager raised concerns regarding management's proposed executive compensation plan. Their concerns focused on the short vesting period for Long-Term Incentive Plan (LTIP) awards, the absence of performance conditions for equity awards, and a provision that allowed executives to receive a significant portion of their compensation in cash, rather than stock. Consequently, during the next proxy voting process, the fund manager voted to oppose management's advisory vote on executive compensation.

A few months later, in a Form 8-K filing, the company addressed several of their recommendations. The board had agreed to key adjustments to the executive compensation proposal. This included eliminating the option for executives to choose between cash and stock allocation, introduction of performance-linked metrics through 'Performance Stock Units' and 'Restricted Stock Units' in lieu of stock options, and extending the vesting period for LTIP awards, from one year to three years.

Outcome: *This was a good example of proactive stewardship on our behalf, highlighting voting as a key escalation tool by an external fund manager. We continue to retain a 'Positive' rating on this fund.*

Case Study:
Removing fund from coverage and sending feedback to fund manager (global equity fund)

Type: Escalation with external fund manager

Background: We initiated coverage of this impact fund in 2020, which has a focus on companies with sustainable business models and established brands. The fund had undergone significant management and process changes in the past year, which hadn't been communicated very well by the fund's sales team. We had a meeting with the fund management team in May 2024 to discuss these changes.

Activity: During the meeting with the new fund managers, it was clear that the investment process had changed significantly. We contacted the manager after the meeting, and provided some feedback regarding our concerns over the significant change in their investment approach and process. The original attraction of the fund, for us some years ago, was that the investment approach had an engagement focus on sustainability impact goals, which was a key strength for the specialist fund management team. Following the original team's departure, we heard that elements of the process were being driven by a new quantitative screen and that this could mean that engagement priorities could potentially be shifted away from an impact focus. The resulting portfolio also moved to a longer list of holdings, up from 50-75 to 100-150, and this increase could also serve to reduce the fund's influence with individual companies.

Outcome: *Given the fund had significantly diverged from its original strategy, we acted on the view formed after our engagement, by removing the fund from coverage and providing clear feedback for the decision to the fund manager.*

Case Study:
Direct communication with chair of board of closed-ended trust

Type: Escalation with external fund manager – providing feedback on strategic issues to board

Background: The meeting with the board of this closed-ended trust was initiated in response to a public letter released by an activist shareholder, who had made several criticisms of the current strategy and approach taken by the Board for dividend distributions. The meeting confirmed that the board will look to review its distribution policy annually; the current distribution policy only covering 15% of gross distributions. The Chair admitted that this probably needed to increase, but did point out that it is more attractive than peers that have various figures netting off. Positively, dividend distributions had been outweighing calls for the previous four months and that it looked set to continue. The Chair said that the activist's letter was not necessarily the 'nirvana' that it suggests, and that they did not intend to reply to it publicly.

Activity: We explained to the Chair that share buybacks are not a cure to discounts, but that they show willing and positive messaging, which is equally important. We would expect to see the current distribution policy amended to reflect a greater level of realisations set aside for capital returns, either through share buybacks or tender offers.

Outcome: *The Chair of the Board listened to our suggestions and the following announcements were made shortly after our meeting in January 2025:*

The allocation to the pool attributable to returning cash to shareholders doubled to 30% of gross distributions and is expected to be used for share buybacks. Simplification of the investment structure whereby capital will be deployed via a dedicated vehicle directly into third-party GP funds, secondary opportunities and co-investments. This will enable greater flexibility in the deployment of capital, an enhanced ability to allocate investments in line with the approved Strategic Asset Allocation targets, greater control over portfolio liquidity and a substantial reduction in embedded leverage.

A continuation vote will be put to shareholders at the AGM in July 2026. This would be an ordinary resolution requiring a simple majority of votes cast. This is the first time a listed PE fund of funds investment company has taken this step.

This essentially buys time for the company to introduce some stability to its discount, ahead of the continuation vote, which we would only expect to vote against should the discount not have narrowed significantly.

Looking ahead

Our escalation process is more explicit for our direct equity investments, where voting can play a significant role. But we deem engaging with external fund managers also an effective method to communicate our expectations and therefore ensuring appropriate escalations with companies is undertaken on our behalf for our collective investments (see Principle 12 which outlines our voting activities). However, escalation tends to be less effective for fixed income, given the limited size of our holdings and difficulty engaging in meaningful way. As outlined in Principle 9, we have significant engagements with companies and consider the investment implications for both our direct equity and fixed income holdings.

We will continue to review our approach to engagement and escalation, for our direct and collective investments, and expect to make further changes in 2025. Our intention is to complete the EEIDD matrix for all 'Top Picks', 'Positive' and 'Neutral' rated funds in the first half of 2025 to inform our fund manager engagements and escalation process in the second half of the year.

Principle 12

Signatories actively exercise their rights and responsibilities.

Evelyn Partners voting policy – direct equity investments

The group's voting process covers discretionary holdings in our direct investment monitored universe for equities, any company on our AIM monitored list, our in-house pooled Evelyn Partners funds, and any situation where our materiality threshold is met. The 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, the relevant Sector Specialist, or internal pooled fund manager, assesses the vote and passes it to a member of SRIG for a second opinion, prior to a third and final approval by a senior member of the SRI team. If all three reviewers agree, the vote recommendation is passed to our Corporate Actions team for execution of the vote. In case of disagreement, a 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 (as discussed in Principle 9), and at times this specialist knowledge can put us in a better position in which to make voting decisions.

As noted in Principle 3 and 6, our voting also permits clients to have their votes cast separately from the Group's process and override our house policy upon request. Clients can request at any time that their holdings are excluded from our process and instead specify how specific holdings are voted on according to their preference.

Factors affecting voting intention

Voting is affected by our analysis of corporate and specific director performance but is also dependent on the wording of the individual resolution, whether it is a company or shareholder proposal. Areas where Evelyn Partners receives detailed independent advice and expectations on governance matters on companies and recommendations from Glass Lewis (contained in our Voting policy), include:

Leadership

- Companies should have a talented board with a proven record of protecting and delivering value. Board members should have diverse backgrounds, positive performance records, and a breadth and depth of experience. The board should also reflect diversity in gender, nationality, and ethnic origin
- For effective oversight and protection of shareholders' interests, the board should be significantly independent. Ideally, only independent directors should serve on a company's audit and remuneration committees, while a majority of the nomination committee members should be independent. Additionally, at least one member of the audit committee should have relevant financial experience

Effectiveness

- There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the company's business operations. The board and its committees should have the appropriate balance of skills, experience, independence, and knowledge of the company to effectively discharge their duties and responsibilities
- The Committee Chair is responsible for the actions of the respective committee. The audit committee should act independently from the executive to ensure shareholders' interests are protected in relation to financial reporting and internal control. Audit committees are assessed based on their monitoring decisions and the level of disclosure provided to shareholders. Committees should have at least three members, or two for smaller companies
- Remuneration committees play an important role in overseeing executive remuneration and should be able to match appropriate pay with performance
- Nomination committees are responsible for ensuring the board has the right balance of skills, experience, independence, and knowledge, as well as adequate diversity, to effectively oversee the company on behalf of shareholders. This includes managing board appointments, both initially and on an ongoing basis, with an emphasis on progressive refreshment. The committee should set out the board's diversity policy, specifically referencing gender, and include details of any internal objectives and progress against them

Accountability

- Each company should be led by an effective board, collectively responsible for the company's long-term success. Good governance requires continuous and high-quality effort. The board should promote shareholders' interests and consist mostly of independent directors, who should be held accountable for their actions and results
- The board should establish a formal and transparent process to review the company's corporate reporting, risk management, and internal control principles. A director's history can often indicate future conduct, so it is likely that voting against directors will occur for directors who have served on boards or as executives of companies with poor performance records, over-remuneration, audit or accounting issues

Remuneration

- Executive remuneration should be directly linked to the performance of the business that the executive manages. Incentive programs should generally include specific and appropriate performance goals
- Executive pay is examined on a case-by-case basis. Good disclosure of the company's remuneration structure and practices is important for shareholders to make an informed assessment
- In the event of significant opposition to remuneration proposals, the committee's responsiveness to shareholder concerns is assessed. Incentives tied to long-term performance and holding restrictions provide the strongest alignment with the interests of long-term shareholders
- Remuneration committees should retain a reasonable level of discretion to ensure that pay outcomes are justified and linked to performance, and that the implementation of the remuneration policy remains appropriate

Performance of directors

- Performance measures should be carefully selected by the company to align with the specific business and industry in which the company operates, particularly focusing on the key value drivers of the company's business. Individual performance of directors is evaluated in their roles as board members and executives of the company, as well as their performance in other positions at different firms. We would consider voting against an individual if they fail to attend at least 75% of board meetings

Climate Accountability

- Beginning in 2023, Glass Lewis introduced a new focus on director accountability for climate-related issues. Companies whose GHG emissions pose a financially material risk should provide clear and comprehensive disclosures regarding climate risks, including how these risks are being mitigated and overseen
- For companies with significant exposure to climate risk from their operations, we expect thorough climate-related disclosures in line with the recommendations of the TCFD
- While this policy initially applied to the largest carbon emission emitters in 2023, in 2024, Glass Lewis extended this policy to FTSE 100 companies in industries where SASB industry classifications identified GHG emissions as financially material

Priority specific abstentions

Evelyn Partners has identified a series of bottom-up RI priorities of: Environmental Resilience, Workplace Standards and Excellence in Governance (as discussed in Principle 7). We use the ESG module of 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 a 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

Fixed income

For corporate fixed income assets directly held, we have found that the instruments in which we invest and the size of our investments have limited our ability to influence terms and conditions in contracts. We are not shown terms prior to issue of bonds and deal through secondary markets.

We are constantly looking for ways to improve and develop our processes, which our FIG monitors at their regular meetings.

Stock Lending

We don't lend stock as we do not see this activity as being consistent with our fiduciary duties, and do not have the regulatory permissions to do so.

Monitoring our shares and voting rights

To monitor that our votes have been cast and counted correctly, we use the following tools as part of our procedures and processes.

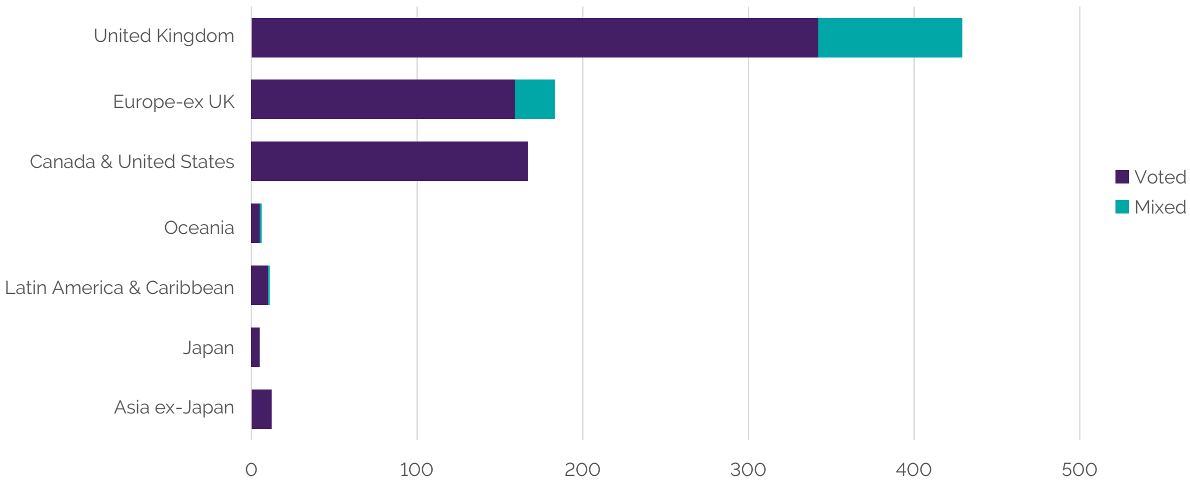
- **Annual votable universe assessment:** at least once a year, we review our vote audit file against our holdings to assess what we actually voted on versus our materiality logic and voting policy thresholds. This helps us identify any changes in the logic that might have impacted our votable universe and in 2024 led, for instance, to a small change in one of our upstream systems for a minor portion of our assets. This analysis provided confidence that we vote on approximately 96% of eligible assets in our monitored universe for direct investment equities
- **Proxy voting log:** we have a Proxy voting Log which we record all meetings on. When the votes have been cast, the meetings are moved to a closed tab on the record. A daily reconciliation is completed within the team to check all eligible votes have been cast
- **Proxy Voting Control Sheets:** we use checklists for all voting (we cover both Discretionary voting through our colleagues in the Proxy Voting Working Group*, and any Execution only votes that we receive on an ad-hoc basis)
- **Glass Lewis (Viewpoint system):** we receive Daily Alerts from the Viewpoint system which highlights the voting status of all meetings; we can also check the system itself to check that votes have been cast. If the Glass Lewis recommendation is to vote against management proposals, we send these to the Proxy Voting Working Group for review. All meetings where Glass Lewis propose 'For' in line with Management, will be processed automatically
- **Broadridge (Proxy Edge system):** we receive vote confirmation emails from Broadridge which reflect our voted positions for votes we have cast. The vote status section on the Proxy Edge system also confirms the votes cast

* Proxy Voting Working Group is the set of individuals asked to review and approve the voting recommendations

Evelyn Partners 2024 voting activity

Please see below for details or our voting activities undertaken during 2024.

Meetings by region and vote status

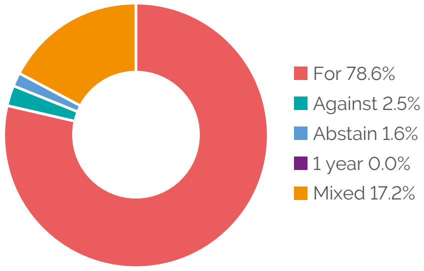


Source: Glass Lewis

We voted at 819 AGMs, covering 28 markets.

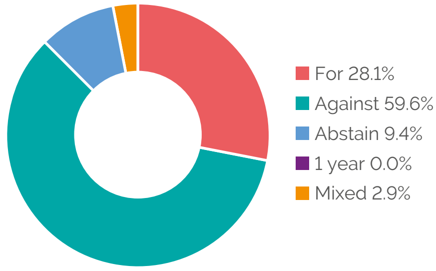
This amounted to 11,106 resolutions and 507,656 ballots.

Management proposals – votes cast



Source: Glass Lewis

Shareholder proposals – votes cast



Source: Glass Lewis

For most of our voting activity, we vote in line with management. However, on occasion our opinion may differ from that of management, and we have either voted against or abstained. Most of our votes against management are either related to the board, compensation, or changes to company statues, as outlined in the tables below.

Votes vs Management

Proposal Category Type	With Management	Against Management	N/A	Mixed
Audit/Financials	1,595	9	0	381
Board Related	4,192	193	0	747
Capital Management	1,304	14	0	353
Changes to Company Statutes	326	109	0	82
Compensation	782	100	0	198
M&A	87	0	0	11
Meeting Administration	36	3	0	5
Other	84	2	1	36
SHP: Compensation	39	8	0	2
SHP: Environment	61	15	0	1
SHP: Governance	21	75	3	6
SHP: Misc	15	5		1
SHP: Social	136	65	0	3
Total	**8,678**	**598**	**4**	**1,826**

Source: Glass Lewis
Note: SHP means Shareholder Proposals, all other proposals emanate from management

Votes vs Glass Lewis

Proposal Category Type	With Glass Lewis	Against Glass Lewis	N/A	Mixed
Audit/Financials	1,599	5	0	381
Board Related	4,334	51	0	747
Capital Management	1,310	8	0	353
Changes to Company Statutes	430	6	0	81
Compensation	849	33	0	198
M&A	87	0	0	11
Meeting Administration	39	0	0	5
Other	85	1	1	36
SHP: Compensation	45	2	0	2
SHP: Environment	76	0	0	1
SHP: Governance	72	27	0	6
SHP: Misc	17	3	0	1
SHP: Social	189	12	0	3
Total	**9,132**	**148**	**1**	**1,825**

Source: Glass Lewis
Note: SHP means Shareholder Proposals, all other proposals emanate from management

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

On occasion our opinion may differ from that of management, below are a few examples where we voted against management:

3i: David Hutchison was the Chair of the Nomination Committee, but his tenure had exceeded nine years without a delineated succession plan. We thought that it was necessary for the board to consider appointing another Chair, or at least provide greater disclosure into succession plans.

Outcome: *We voted against his reappointment. Over 90% of all votes cast voted in support of this proposal.*

Universal Music Group: we were concerned about their remuneration report. Some elements were notably excessive, including the 'One-Time Transition Award' in which the CEO received €92,406,852 during the year, where 50% of the grant was in the form of restricted shares and 50% was granted as share options. We were of the view that the company had not implemented a remuneration strategy that adequately aligned executive pay with performance, and that further details determining the size of the grant were needed.

Outcome: *We decided to vote against the resolution, in accordance with our policies. Around 29% of all votes cast also voted against the proposal.*

Taiwan Semiconductor Manufacturing Company: as we mention in our voting policy, we believe that the Audit Committee should be chaired by an independent director to ensure there is fair and objective oversight.

Outcome: *We decided to vote against the election of Peter Bonfield as the Chair, given the nominee was not independent. 88% of all votes cast voted in support of Mr. Bonfield.*

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.*

Case Study:
Tesla: approval of stock option award to Elon Musk – VOTE AGAINST MANAGEMENT

At Tesla's 2024 AGM, shareholders were asked to ratify the 2018 CEO Performance Award, which we were recommended by Glass Lewis to vote against. In June 2018, a shareholder filed a complaint in the Delaware Court alleging breaches of fiduciary duty, unjust enrichment and waste. During the legal process, the company went on to meet various performance objectives to result in Mr. Musk vesting in all 12 tranches of the award. At the end of 2023, Mr. Musk was yet to exercise any of the options that vested under the award. In January 2024, the Delaware court sided with the plaintiffs that the board had breached its fiduciary duties in approving the award which led to the company announcing the award could be placed before shareholders to ratify it at the 2024 AGM.

Our proxy provider had raised numerous concerns when the 2018 Performance Award was originally presented for shareholder approval, including the excessive size of the award. Under the pay plan, Mr. Musk would have been eligible for approximately $44.9 billion in stock options as of April 2024. Furthermore, the potential for such substantial awards to dilute shareholders existing holdings was another key concern. Given these points, we decided to vote against the ratification of the stock option award to Mr. Musk.

Outcome: *76.9% voted in support of Elon Musk's stock option award and the proposal was carried.*

Voting in practice – 2024 case studies: shareholder resolutions

JPMorgan Chase & Co. – Governance

We reviewed a shareholder proposal requesting the Board adopt a policy and amend the governing documents as necessary so that two separate people hold the office of the Chairman and the office of CEO. We believed having an independent Chair would enable better oversight of the executives of the company and set a pro-shareholder agenda without the inherent conflicts faced by a CEO or other executive insiders. While JPMorgan Chase & Co. had appointed a lead independent director and listed their duties and responsibilities of the position, vesting a single person with executive and Board leadership concentrated too much responsibility in a single person.

Outcome: *We decided to vote in favour of the proposal. This resolution received support from 42.67% of votes and was not carried.*

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.*

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.*

Boeing – Climate targets

We favoured the shareholder proposal requesting that Boeing adopt value chain emission reduction targets to achieve Net Zero emissions by 2050 or sooner. The company had set 2025 and 2030 GHG targets for its Scope 1 and 2 emissions as well as a target to achieve Net Zero by 2030 for all manufacturing and work sites within its operational control and Scope 3 business travel, but we believed support for the proposal was warranted. In late 2022, the Biden Administration proposed rules that would require certain federal contractors to establish SBTs inclusive of Scope 3. Though the 2022 rule was not finalised at the time of our vote, it was viewed as valuable for the company to begin to consider how it would comply with these regulations should they come into effect.

Outcome: *Given the company could be subject to significant climate change risks as well as regulatory risks, we decided to vote in favour of the proposal. This resolution received support from 30.4% of votes and was not carried.*

Collective investments

It is not possible for unit holders in open-ended collective investments to vote themselves, though voting for closed-ended investment companies are included in our voting statistics in this report. Our due diligence process on all funds does, however, include specific questions on how fund managers vote and engage with their investees (for more information on our due diligence please see Principle 7 and Principle 8).

Voting on in-house Evelyn Partners collective investment funds

Where assets are not held in Evelyn Partners' direct custody, a chain of custody agreement may be in place. In this situation ballots are sent to Broadridge who collate and forward to Glass Lewis. Once in Glass Lewis these ballots form part of Evelyn Partners proxy voting process, which is covered by our voting policy.

Expectations of fund manager voting policy and practice on behalf of collective investments

Our key expectations for fund managers of collective investments on our behalf are to have publicly available, active voting policies. These policies can vary across managers depending on the geographic spread of assets and asset classes, although we expect a reasonable degree of consistency to be aimed for where possible, in line with our own experience and practice. We also, for example, assess whether fund managers are being consistent with their own policies in practice, by reviewing their voting records. In the case study examples below, we assessed the managers' voting policies and records/activities to establish whether these were aligned with our expectations.

Case Study: ESG integration in voting approach of UK-based fund manager

The exercise of rights and responsibilities through voting is a fundamental aspect to this UK firm's active ownership approach. This fund manager seeks to develop constructive relationships with investee companies and actively engage with boards and management teams. Additionally, they have disclosed their proxy voting policy and monthly voting records, including their rationale for when they have voted against management.

The manager has outlined key ESG areas in its voting policy, which are assessed on a case-by-case basis. Climate was listed as a key theme, with the firm supportive of the goal of reaching Net Zero by 2050 or sooner. As such, the manager stated that they expect to vote against management-proposed climate resolutions where they feel the company's progress has not met expectations, as well as support well-constructed shareholder proposals that address a deficit within a company's transparency around climate strategy. In assessing the manager's 2024 voting records, we found that there were consistencies across the manager's policies and practices. In 2024, the manager voted in support of various climate-related shareholder resolutions. This included supporting proposals to: report on efforts to measure, disclose and reduce GHG emissions associated with underwriting, insuring and investing at Berkshire Hathaway, report on climate lobbying at Bank of America, and report on the impact of the climate change strategy consistent with just transition guidelines at Amazon.

Outcome: *This manager has integrated key ESG-related themes into their voting policy and stewardship approach. The policy and practices of this fund manager are in line with our expectations of active ownership on our behalf.*

Case Study:
Voting approach of specialist investment manager

This manager offers expertise in Indian, Japanese and global emerging markets equities and is a signatory to both the UK Stewardship Code and Japan Stewardship Code. The manager does not use proxy advisers or outsource its stewardship activities. Proxy voting results are published on a quarterly basis on their website, along with the rationale for cases they voted against or abstained management's recommendation.

Through its voting policy, they aim to protect or enhance the economic value of its investments and will vote against agendas that threaten this position. In particular, where there are concerns over inappropriate incentives, changes in capital structure and mergers and acquisitions, these are seen by the manager as detrimental to the creation of business value. In assessing their 2024 proxy voting records, this manager had outlined cases where they had voted against management, where they did not believe the voting proposal was in the best interest of shareholders.

They state in their voting policy that they aim to vote all their clients' shares where it has its clients' authority to do so, which satisfies our own expectations of the fund manager being active stewards. Their most recent stewardship report noted that they voted on 100% of resolutions, of which they voted 97% in line with management recommendation.

Outcome: *While the fund manager does not use proxy advisers to support their voting process, they have exercised their rights and responsibilities consistent to their stated voting policy. Their approach is aligned and meets our own expectations of active stewardship of managers acting on our behalf.*

Voting improvements

As part of our continuous improvement efforts, we reviewed our voting processes and coverage in 2024. This led us to update our voting approach and process using PowerApps to create an automated workflow, increasing accessibility for all internal stakeholders involved in our voting process by allowing our information to be stored centrally. In addition, we are looking to further embed the use of our Glass Lewis custom policies with a view to develop a more tailored approach to voting. This work will continue in 2025. We have updated our process for monitoring and determining our proxy voting activity amongst our investment managers, which has been implemented ahead of the 2025 proxy voting season.

GLOSSARY

AAC – Asset Allocation Committee; changed to Tactical Asset Allocation Group (TAAG) in 2024

AGM – Annual General Meeting

AIM – Alternative Investment Market

AUM – Assets Under Management

BMP – Biodiversity Management Plan

CA100+ – Climate Action 100+

CBES – Climate Biennial Exploratory Scenario

CDP – Carbon Disclosure Project

CFD – Consumer Facing Disclosure

CIG – Collective Investments Group

CIP – Central Investment Propositions

CISI – Chartered Institute for Securities and Investment

CLE – Climate Lab Enterprise

CRC – Corporate Responsibility Committee

CSA – Climate Scenario Analysis

CVaR – Climate Value at Risk

DDQ – Due Diligence Questionnaire

DIG – Direct Investments Group

DIP – Discretionary Incentive Plan

DPS – Discretionary Portfolio Service

EAP – Evelyn Active Portfolios

EDD – Enhanced Due Diligence; a process and document required when purchasing an unmonitored equity

EEIDD – Enhanced ESG Integration Due Diligence

ESG – Environmental, Social and Governance; non-financial factors that can help evaluate an investment alongside more conventional financial metrics

ESG characteristics – Environmental and/or social characteristics

ESG integration – Ongoing consideration of Environmental, Social and Governance factors within an investment analysis and decision-making process, with the aim to improve risk-adjusted returns

ETFs – Exchange Traded Funds; passively managed funds which track an index

FAIRR – Farm Animal Investment Risk and Return

FCA – Financial Conduct Authority

FIG – Fixed Income Investment Group

FRC – Financial Reporting Council

FS ExCo – Financial Services Executive Committee

FSB – Financial Stability Board

FVPC – Fair Value Pricing Committee

GAYE – Give-As-You-Earn

GEC – Group Executive Committee

GHG – Greenhouse Gas Gases (as defined by the Greenhouse Gas Protocol) – representing the seven gases identified as contributing to global warming

GICS – Global Industry Classification Standard; a classification system developed by S&P and MSCI

Green Revenues – The percentage of revenue for the year, or maximum estimated percent, a company has derived from products, services, or infrastructure projects supporting the development or delivery of renewable energy and alternative fuels, that proactively address the growing global demand for energy while minimising impacts to the environment

I&D – Inclusion and Diversity

IA – Investment Association

IDR – Issuer Data Report

IES – Inclusive Employer's Standard

IFA – Independent Financial Adviser

IIGCC – Institutional Investors Group on Climate Change

ILO – International Labour Organisation

IMC – Investment Management Certificate

IPBES – Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services

Investment Outlook – A monthly publication for clients

Investment Portal – An internal online site; the repository for information and research on investments

ILO – International Labour Organisation

IOC – Investment Oversight Committee

IPC – Investment Process Committee

ITR – Implied Temperature Rise

KPI – Key Performance Indicator

LEMP – Landscape and Ecological Management Plan

LTIP – Long-Term Incentive Plan

M&A – Mergers and Acquisitions

MPS – Managed Portfolio Service

MSCI – A leading index provider; our preferred provider of equity indices and data to evaluate the sustainability of investments, including ESG factors

MSCI ACWI – MSCI All Country World Index

MSCI UK IMI – MSCI United Kingdom Investable Market Index

MU – Monitored Universe (for direct and collective investments)

NA100 – Nature Action 100

NED – Non-Executive Director

NGFS – Network for Greening the Financial System

NMPI – Non-Mainstream Pooled Investment

PAI – Principal Adverse Impacts

PIMFA – Personal Investment Management & Financial Advice Association

PPA – Power Purchase Agreement

RAC – Risk and Audit Committee

REIT – Real Estate Investment Trust

RI – Responsible Investment

Risk Profile – One of 24 asset allocation combinations available to clients; eight for each of GBP, EUR and USD

SAA – Strategic Asset Allocation; a mix of assets which provides a particular level of exposure to financial market risks over the long-term.

SASB – Sustainability Accounting Standards Board

SBT – Science Based Targets

SBTi – Science Based Targets Initiative

SDG – Sustainable Development Goals

SDR – Sustainability Disclosure Requirements (FCA UK)

Sector Specialists – Investment Managers who analyse investment sectors

SFDR – Sustainable Finance Disclosure Regulation (EU)

SLA – Service Level Agreement

SMPS – Sustainable Managed Portfolio Service

SSA – Supranationals, Sovereigns and Agencies

SRIG – Stewardship & Responsible Investment Group

Strategy Team – A central team which provides macro and quantitative inputs and plays the leading role in drawing together the different elements of investment recommendations

Structured Products – Bespoke debt securities; typically with an equity-linked return, created by banks for retail and professional investors

TAAG – Tactical Asset Allocation Group

TCFD – Taskforce for Climate-Related Financial Disclosures

TISA – The Investing and Saving Alliance

TNFD – Taskforce for Nature-Related Financial Disclosures

UNGC – United Nations Global Compact

UNHRC – United Nations Human Rights Council

UN PRI – United Nations Principles for Responsible Investment

VaR – Value at Risk; a risk measure

VAS – Votes Against Slavery

WACI – Weighted Average Carbon Intensity

WIM – Weekly Investment Meeting

APPENDICES

1. Door DDQ ESG Questions (collective investments due diligence)
2. Enhanced ESG Integration Due Diligence (EEIDD) assessment criteria (for collective investments)

1. DOOR DDQ ESG Questions

DOOR DDQ ESG Questions
Personnel
• Organisational chart of Firm. Include biographies of key executives impacting the management and strategic direction of the Firm including head of compliance and head of risk • What measures are the Firm taking to promote DEI and who takes responsibility in reviewing and monitoring it? • Describe Firm procedures for reporting and investigation of harassment and/or discrimination • Does the Firm have a formal policy on Diversity, Equity & Inclusion (DEI) and equality in the workplace? • Has the Firm established a board or management committee with responsibility for reviewing the Firm's ESG investment standards and monitoring compliance? • Describe how the Board of Directors are involved in overseeing policy and procedures related to responsible investment and ESG, including how they monitor and frequency of review • Who in the Firm leads, oversees, or is responsible for ESG-related activities? Include their positions, roles, qualifications and any training provided • Does the Firm have set targets, objectives or goals for diversity (including process improvements, ways to engage employees or collect data, in addition to commitments aligned to external initiatives)? • Describe the Firm's targets, objectives or goals for diversity • Are the DEI policies communicated to all staff? • Describe any ESG training and CPD resources which are made available for staff
ESG/RI
• Does the Firm have a sustainability risk policy/disclosure in place? • Firm's sustainability risk policy/disclosure • What is the Firm's policy for Responsible Investment (RI) and for considering Environmental, Social, and Governance (ESG) issues? • Firm's ESG/RI policy • How are the Firm's ESG and RI policies applied? (E.g. Firmwide and/or across all divisions and business lines partially or on a product by product basis?) • Is the Firm a signatory of the United Nations Principles for Responsible Investment (UN PRI)? • Firm's most recent PRI Transparency report • Describe any other commitments by the Firm in adherence to responsible business conduct codes, international standards, reporting frameworks, or initiatives to promote ESG and RI • Is the Firm rated externally for ESG & RI policies and practices? • Do ESG considerations form part of the appraisal and compensation plan for executives and investment professionals? • How are executives and investment professionals incentivized to consider ESG in investment decision-making? • Is the Firm a signatory to the UK Stewardship Code? • When did the Firm become a signatory to the UK Stewardship Code? • Why has the Firm chosen not to sign the UK Stewardship Code?
Proxy Voting & Engagement
• Does the Firm participate in proxy voting? • Describe the proxy voting policy • Does the Firm have an engagement policy related to ESG issues? • Describe the engagement policy related to ESG issues and how the Firm monitors and sets engagement objectives • Provide examples of the Firms engagement with portfolio companies, with details on the issue, process, and outcome • Does the Firm collaborate with other organisations on engagements? • Provide examples of how the Firm collaborates with other organisations on engagements
General Strategy Information
• Strategy name • Strategy inception date • Investment approach • Does the Strategy follow a particular investment style? • Describe the investment style • What is the investment objective of the Strategy?

DOOR DDQ ESG Questions...continued
People I: Investment Team Overview

- Provide concise biographies for all investment team members
- Does this Strategy have a dedicated ESG team to support the investment team with the management of the portfolio?
- How and to what extent is the analysis/views of the dedicated ESG team integrated within the investment team?

People II: Roles, Responsibilities & Decision-Making

- Who are the primary drivers of the Strategy's positioning and performance?
- Do any of the primary drivers of the Strategy's positioning and performance have responsibilities for other Strategies?
- Explain for each individual, the additional responsibilities for other Strategies and explain how they are (or are not) related to this Strategy
- Describe the compensation philosophy for investment professionals involved in the management of this Strategy
- Does the manager/and or investment team have a personal investment in the strategy?

Philosophy

- Describe the investment philosophy
- Based on this philosophy, how can the investment team add value?
- Has the investment philosophy been modified since the Strategy's inception?
- Describe how the investment philosophy has been modified since the Strategy's inception

Process I: Summary

- Describe the investment process
- Have changes been made to the investment process since inception?
- What changes have been made to the investment process since inception and why were they made?

Process II: Research

- Explain the research approach and how roles are divided (Generalist/global/regional/country/sector etc)
- List the systems and data providers that are important to the research process and note if they are internal or external (third-party) systems/providers
- Does the investment team use third-party research?
- External third-party data sources used for ESG research, analysis and integration
- Describe any ESG data sources, tools and resources that the Strategy uses for analysis and integration
- How are ESG ratings, either third-party or proprietary, used in the research process?

Process IV: Investment Universe

- What is the investment universe for the Strategy?
- Is the investment universe limited to those securities held in the Strategy's benchmark/Index?
- What screens are applied in order to reach the investment universe?
- What are the most important metrics used in the screening process?
- Are there any sectors/industries/countries that are specifically avoided?
- What are the sectors/industries/countries that are specifically avoided? Why?

Process V: ESG/RI

- In line with the SFDR requirements, which Article does this strategy fall under?
- Describe how the investment team assesses good governance practices of the investee companies
- Does the Strategy consider principal adverse impacts on sustainability factors?
- How does the Strategy consider the principal adverse impacts on sustainability factors?
- Does this Strategy incorporate ESG (environmental, social, and governance) principles?
- Describe any ESG/RI screens, either exclusionary or positive/best-in-class, used for the Strategy, and any third-party services used to implement
- What is done to monitor and ensure compliance with RI/ESG policies and principles?
- Describe the investment team's approach to identifying and managing ESG factors within portfolio companies
- Provide examples of how ESG factors are incorporated into the investment decision-making process, and examples of how these factors contributed to an investment decision
- Does this Strategy take into account any of the UN's Sustainable Development Goals (SDGs)?

DOOR DDQ ESG Questions...continued
Process V: ESG/RI continued

- Explain how the Strategy takes into account the UN's Sustainable Development Goals (SDGs) and list out the SDGs affected
- Provide Weighted Average Carbon Intensity (WACI)
- Weighted Average Carbon Intensity (WACI) Units
- Weighted Average Carbon Intensity (WACI) Start Date
- Weighted Average Carbon Intensity (WACI) End Date
- Do you have a stewardship policy?
- Attach Stewardship Policy (or provide link in attachment)
- Can you provide a portfolio ITR using MSCI methodology?
- Can you provide the proportion of the fund with any kind of Paris aligned target, in accordance with the SFDR defined
- Carbon Reduction Initiative?
- Are you able to provide the proportion of the fund in green revenues (as defined by amount in alternative energy, energy efficiency, sustainable agriculture, sustainable water and pollution prevention)?
- How often could the data be provided?
- Proportion of the fund in green revenues:
- Within your strategy, what do you see as the main opportunities with respect to green revenues?

Process VI: Portfolio Construction

- Are decisions driven bottom-up and/or top down?
- What specific factors (e.g. duration management, yield curve positioning, asset allocation, sector selection, security selection, country selection, currency management, maturity structure, etc.) are integral to the portfolio construction process? What is the relative importance of these factors?
- How do the Firm's active ownership activities inform the investment decision-making process?
- As per the Science Based Targets Initiative (SBTI), please provide the proportion of portfolio companies that are: a. Committed to Science Based Targets; b. Have targets set; c. Are none of the above. Please also detail how you are engaging with those companies without Science Based Targets (as per SBTI) to sign up to this initiative

Risk Management

- Specific to this Strategy, how does the investment team define risk?
- How is risk management incorporated within the investment process?
- Describe the interactions between the risk management and investment management teams
- How often is the risk of the portfolio assessed on a relative/absolute basis?
- How is materiality of ESG risks assessed and how are these integrated within overall risk management?
- Is the Strategy's carbon footprint calculated/estimated?
- How are climate impacts, risks, and opportunities across investments assessed, and how does the Strategy manage both the transition risks and physical risks related to climate change?
- Enhanced ESG Integrated Due Diligence (EEIDD) assessment criteria (for collective investments)

2. Enhanced ESG Integrated Due Diligence (EEIDD) assessment criteria (for collective investments)

EEIDD Assessment criteria	Description
Responsible investment policy	Demonstrates the organisation's responsible investment approach. Ideally, the firm's philosophy will mention responsibility/ESG/sustainability. This could be through a dedicated RI Policy or TCFD report
ESG in the investment process	Manager can (i) explain in detail how ESG criteria are used to assess investment opportunities, and how it impacts on valuation methodologies; (ii) give examples where ESG has influenced the investment decision-making process; (iii) explain how they deal with more controversial issues in the portfolio, such as fossil fuels (n.b. this does not necessarily mean divestment); (iv) evidence product label disclosures and policies
Internal ESG resource	Provides details of how analysts have been trained on ESG issues and integration, and what ESG training and CPD resources are available.
External ESG resource	Data providers are used, but data is assessed and interpreted by analysts in a considered and robust way
Voting Policy	Voting policy, including with regard to ESG issues. Ideally voting on ESG issues is firmwide, and not restricted to shares held in the fund under consideration
Engagement Policy	Engagement policy specifies the treatment of ESG issues and details a suitable escalation policy. Managers can cite areas of ESG engagement for companies owned and are also involved with collaborative platforms. Ideally, engagement on ESG issues is firmwide and not restricted to shares held in the fund
Continuous improvement to processes over the last year	Have any improvements been made to the ESG/Stewardship processes throughout the year?

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