Quarterly STEWARDSHIP *Report*

Q3 2026

evelyn
PARTNERS

Our stewardship approach

What is stewardship?

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

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

Why is it important to us?

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

Our stewardship approach assists us in the following ways:

Information gathering/sharing:

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

Adhering to policy:

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

To reduce risk:

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

Who is conducting stewardship?

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

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

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

Investment managers: they meet with clients frequently to understand their sustainability preferences. These insights help ensure our products and services are suitable for them

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

We are active members of various collaborative initiatives including:

Climate Action 100+ · THE INVESTOR FORUM · Votes Against Slavery · BBFAW Business Benchmark on Farm Animal Welfare · Nature Action 100 · Find it, Fix it, Prevent it · United Nations Global Compact

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

PIMFA · THE INVESTMENT ASSOCIATION · TISA

Engagement in the investment process

Pillars of our engagement strategy

Engagement type	Evelyn Partners activities Q3 2026
Engagement with **policy makers** and other stakeholders	• Met with the UK FRC to discuss the updated 2026 UK Stewardship Code and received positive feedback on our inaugural reports in line with the new Code • Attended the launch of industry-led Advisers' Sustainability Group (ASG) report published by PIMFA '*Sustainability in Practice: Guidance for Advisers and Trainers*', to which Evelyn Partners contributed through industry consultation
Stewardship with **investees** and **assets**	• Launched 52 new engagements on our 2026 RI priorities of water stress, health & safety, board gender diversity, and responsible AI practices • Directly met with 2 companies as part of our engagement on board gender diversity and UNGC watchlist controversy • Met with 1 company as part of our BBFAW partnership • 21 Morningstar Sustainalytics-led meetings with companies under coverage
Engagement with **external managers**	• Got satisfactory responses from 6 fund managers regarding our due diligence follow up engagements • Restrictions placed on 1 fund held pending a call with managers
Client engagement	• Charity conference presentations entitled, "Divest or Engage? The pros and cons" in Leeds, Birmingham, Liverpool and London • Preparation of 'Bumpy Energy Transition" megatrend slide deck for use in client-facing investment conversations
Collaboration	• Joined the new Investor Forum Stewardship of AI roundtable and attendance of webinars on topic of AI in and its implications for responsible investing • Participated in the Q3 Virtuvest wealth management peer-group meeting on suitability requirements and client sustainability preferences

Escalation – we act where needed

Where we have concerns about an investee company or collective investment, or where we have reasons to believe that our clients' rights as shareholders are being compromised in any way, we will, in appropriate circumstances, escalate our involvement with investee companies and fund managers.

Escalation can take a variety of forms:

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

How we prioritise engagements

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

1. **Environmental resilience**
2. **Workplace standards**
3. **Excellence in governance**

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



Shifting demographics



Changing world order



Bumpy energy transition



Technological revolution

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

Case studies of engagement with companies

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

Megatrend	RI Priority	Engagement
Bumpy energy transition	Environmental resilience	**TotalEnergies** Our engagement on UNGC watchlist and pollution risks **Sector:** Energy **What we like** • Provides high-quality ESG reporting **Challenges** • Increased risk of incidents due to geopolitical tensions **Stewardship Focus** We had an in-person meeting with TotalEnergies to discuss a UNGC watchlist controversy related to their Mozambique LNG project, management of pollution-related risks, and challenges in the Strait of Hormuz. The company has strengthened their targets for hydrocarbon discharge. Spill incidents fell by 75% between 2015 and 2024 which was attributable to technological advancements and stronger operational controls. AI and drone technologies were used to monitor asset integrity, enabling early corrosion detection and contributing to improved employee safety. Reassurance was also provided on the risk of oil spills resulting from regional conflicts. **Outcome** Total denied the allegations in Mozambique and put MSCI sources on the controversy into context which helped us to assess materiality. They demonstrated a comprehensive framework for managing pollution-related risks.
Technological revolution	Workplace standards	**UnitedHealth Group** Sustainalytics-led meeting **Sector:** Healthcare **What we like** • Board committee is increasingly involved in workforce development **Challenges** • Can improve disclosure on human capital metrics **Stewardship Focus** We attended a meeting led by Sustainalytics to discuss UnitedHealth's approach to workforce development and governance. Board oversight on this topic has evolved over the years, with the Compensation Committee responsible for such matters. The company outlined how workforce considerations are embedded within its strategy through succession planning, employee development, workforce metrics, and culture initiatives. A key consideration is the rapidly changing work environment, especially given the growth of AI, to ensure employees are equipped with tools and skills to thrive. **Outcome** We gained greater insights on UnitedHealth's governance and oversight of their workforce, and how AI is being integrated to training.
	Excellence in governance	**Williams Companies** Our engagement on board gender diversity **Sector**: Energy **What we like** • Comprehensive diversity metrics reporting **Challenges** • Significant energy experience requirement limits candidate pool **Stewardship Focus** We met with the company to discuss low female board representation (12%). The company stated that improving gender diversity remains a priority but stressed it would not alter its recruitment criteria to simply meet a threshold. We questioned whether its requirement for C-suite energy sector experience could be broadened and suggested that growth areas such as data centres could expand recruitment opportunities, which they have considered. We also discussed the evolving political environment in the US around diversity, equity, and inclusion (DEI), with the company noting it has not affected their policies or reporting. **Outcome** The meeting provided greater transparency on board succession planning and ongoing efforts to improve gender diversity. We explained that this meeting would inform our voting assessment ahead of the 2027 AGM, should board gender diversity remain below our threshold.

Case studies of engagement with fund managers

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

Megatrend	RI Priority	Engagement
 Changing world order	 Excellence in governance	**Asia ex-Japan Equity Fund** Fund due diligence and escalation on our behalf **What we like** • Fund that focuses on identifying purposeful, regional leaders **Challenges** • Geopolitical shifts leading to defence-related activities becoming more prominent in the revenue mix **Stewardship Focus** We engaged with the team beginning in March regarding its holding in Singapore Technologies Engineering. The fund does not have a conventional weapons exclusion within its policy, but companies are required to satisfy a 'positive purpose' test, and it was our understanding that companies involved in the production, manufacture and sale of such weapons would not, and should not pass this test. Originally acquired as an engineering and sustainable transport investment, the company has materially pivoted towards the manufacturing of weapons following the election of President Trump and the subsequent rise in geopolitical uncertainty. Following a one-to-one in-person meeting between the Portfolio Manager and the CEO in May, the decision was made to exit the position. **Outcome** We received feedback from the team that they appreciated our engagement efforts in relation to this holding. Post the sale of this holding, the fund rating was upgraded from Neutral to Positive. We also gained confirmation that the likelihood of a similar holding entering the portfolio is very low.
 Excellence in governance		**Global Equity Trust** Due diligence exercise on responsible investment **What we like** • Robust rebalancing discipline of adding to investments when temporarily underperforming and trimming after strong gains **Challenges** • Various responsible investment deficiencies identified **Stewardship Focus** As part of our external fund manager due diligence, funds that we cover are assessed using our proprietary Sustainability Strength Rating (SSR) framework. We contacted this fund who fell short of our expectations as they had two low scores among the 7 criteria of our SSR matrix. We asked the fund manager questions on internal capabilities and external data to support the firm's ESG/responsible investing process. The firm highlighted that it supports responsible investment through dedicated ESG specialists, integration of ESG across the investment process, and strong governance oversight. They provide ongoing ESG training to analysts on themes such as stewardship, climate risk and biodiversity. Regarding external research, the firm uses MSCI as a key data provider but also supplements this with a range of additional external data sources to enhance robustness. **Outcome** We concluded that the fund manager provided a satisfactory response to our follow up and demonstrated how responsible investment considerations were supported across the firm. Based on the information provided, we assessed that the fund had appropriate internal and external resourcing and increased the score in line with our matrix.

Proxy voting

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

How we voted this quarter

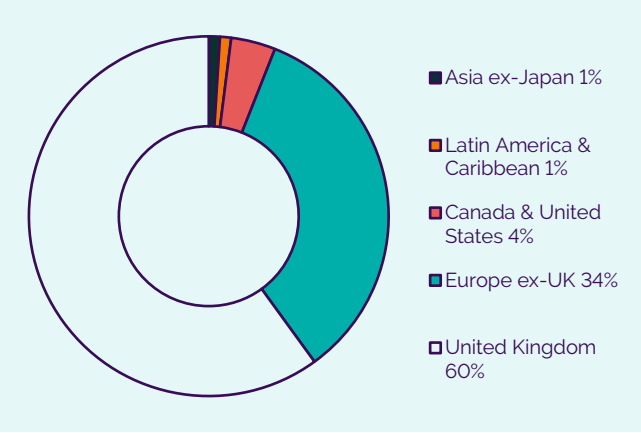
100 meetings

1067 proposals

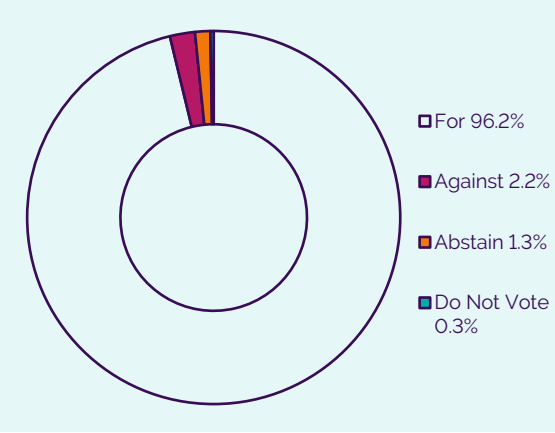
Voted 96.2% in line with management

Supported 12.5% shareholder proposals

Voting by region

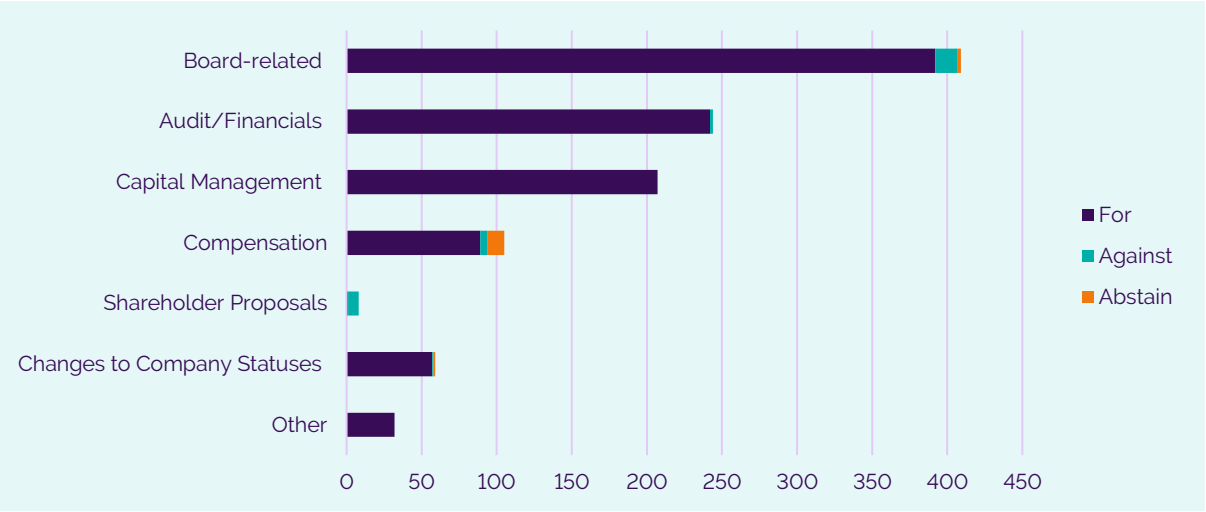


Management proposals – votes cast



Source: Glass Lewis

Voting by proposal category



Source: Glass Lewis

Significant votes

For the majority of resolutions, we vote in line with management. However, on occasion our opinion may differ from the position indicated by our voting policy and the RI framework used to assess company proposals.

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

- At **Jet2 plc's** AGM, we opposed a director's re-election due to concerns regarding related party transactions arising from consultancy payments made by the company
- We abstained from voting the remuneration report at **Games Workshop** as the company's executive remuneration plan does not integrate ESG metrics
- We voted against a director at **Linde** due to potential overboarding concerns, given their role as the Chief Operating Officer of a public utility company while serving on public company boards of two global multinational companies
- At **Airtel Africa's** AGM, we voted against the remuneration policy due to proposed significant increases to long-term incentive grant levels while maintaining restricted share awards unchanged
- We voted against the chair of the Nominating and Corporate Governance Committee at **Sunbelt Rental Holdings,** given the company's limited disclosure on diversity metrics
- We supported the election of a shareholder sponsored candidate at **Workspace Group,** given his extensive experience in real estate and capabilities in capital allocation, portfolio strategy, and asset repositioning.

Appendix

Specialist meetings with companies in Q3 2026

Company	Sector	Type	Environment	Social	Governance
AstraZeneca	Healthcare	Led by Morningstar Sustainalytics			X
Bank of America	Banks	Led by Morningstar Sustainalytics	X		
Freeport McMoRan	Metals & Mining	Led by Morningstar Sustainalytics	X		
ING Groep	Banks	Led by Morningstar Sustainalytics	X		
Intesa Sanpaolo SpA	Financials	Led by Morningstar Sustainalytics			X
Johnson & Johnson	Healthcare	Led by Morningstar Sustainalytics			X
Linde Plc	Chemicals	Led by Morningstar Sustainalytics	X		
L'Oreal	Consumer Staples	Led by Morningstar Sustainalytics		X	
Mondelez	Consumer Staples	Collaborative	X		
NextEra Energy	Utilities	Led by Morningstar Sustainalytics	X		
Norsk Hydro	Materials	Led by Morningstar Sustainalytics	X		
Nvidia	Information Technology	Led by Morningstar Sustainalytics			X
Pfizer	Healthcare	Led by Morningstar Sustainalytics			X
Reckitt Benckiser	Consumer Staples	Collaborative			X
RWE	Utilities	Led by Morningstar Sustainalytics	X		
SAP	Information Technology	Led by Morningstar Sustainalytics			X
Shell	Energy	Led by Morningstar Sustainalytics	X		
Sherwin Williams	Chemicals	Collaborative (Led by BBFAW)	X		
TSMC	Information Technology	Led by Morningstar Sustainalytics	X		
Texas Instruments	Information Technology	Led by Morningstar Sustainalytics			X
TotalEnergies	Energy	Led by Evelyn Partners	X		X
UnitedHealth Group	Healthcare	Led by Morningstar Sustainalytics		X	
Vinci	Industrials	Led by Morningstar Sustainalytics	X		
Waste Management Inc	Industrials	Led by Morningstar Sustainalytics	X		
Wheaton Precious Metals	Metals & Mining	Led by Morningstar Sustainalytics		X	
Williams Companies	Energy	Led by Evelyn Partners			X

Contact

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

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

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

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