

UK STEWARDSHIP *Code Report*

For reporting period 01/01/25 – 31/12/25

evelyn PARTNERS

ACTIVITIES *and* OUTCOMES

UK Stewardship Code REPORT

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CEO *message*

Our reporting this year reflects the updated requirements and guidance made by the UK Financial Reporting Council (FRC) for the UK Stewardship Code 2026. We contributed to industry feedback and were supportive of the FRC's pragmatic changes to streamline signatories' reporting. We were also encouraged to see that one of our illustrations from our 2025 report had been highlighted in their accompanying guidance as an example of best practice.

Under the revised Code, we are now producing two reports, with this one concentrating on activities and outcomes and the other focused on policy and context. We are also aiming to reduce the length of the reports to make them more accessible, in line with the guidance by the FRC. We hope that you enjoy reading our report and would be delighted to hear any feedback you have on the new approach.

Stewardship - year in review

Stewardship made its way into the headlines repeatedly in 2025, both in the UK and abroad. With investment trust discounts at historic highs, there was pressure to make governance changes across the sector in order to return value to investors. During our ongoing engagement programme, including meeting with boards, we were instrumental in a number of trusts making vital changes to both structures and fees, and we detail some of these in this report.

2025 was a year when stewardship came under scrutiny in the US. Many US asset managers withdrew from the investor group Climate Action 100+ (CA100+) in the face of accusations of anti-competitive behaviour. Moreover, proxy adviser firms came under scrutiny by a Senate House committee on their power and practises given the dominance of the market by the two largest players. New legislation was passed in Texas which targets any proxy adviser whose voting recommendations are "not based solely on the financial interests of shareholders" and an Executive Order was signed regarding the influence of proxy advisors in December. These moves illustrate the backlash against what is perceived as undue interference in the strategy of companies by shareholders and we will continue to monitor developments.

We are pleased to share our latest UN Principles for Responsible Investment (PRI) scores, where we were awarded the top rating of 5 stars in the overall policy, governance and strategy section. We also received 4 stars in four other categories, with six out of the seven sections we reported against achieving above the median scores for all signatories. While the scoring criteria next year is changing at UN PRI, we will continue to act in support of following the six responsible investment principles, with environmental, social and governance (ESG) factor integration established in all aspects of our investment process.

In all our activities, we understand the role that collaboration with other stakeholders plays. Evelyn Partners is a committed supporter of trade bodies, with my board role on the Investment Association (IA) and Charley Davies on the board of the Personal Investment Management & Financial Advice Association (PIMFA). Our Responsible Investment (RI) team makes regular contributions to relevant sustainability-related consultations and attends various industry roundtables, both to improve the functioning of the financial system as well as to learn and influence best practice.

With our recent membership of the UN Global Compact (UNGC) we made a commitment to its principles on human rights, labour, the environment and anticorruption, and we appreciate that our values are aligned with many of the companies in which we invest.

Paul Geddes
CEO, Evelyn Partners





Introductory *STATEMENT*

As a UK leader in wealth management, Evelyn Partners provides investment management and financial planning advice to help our clients embrace what's next. Supporting our clients with the management of financial affairs is the core of what we do.

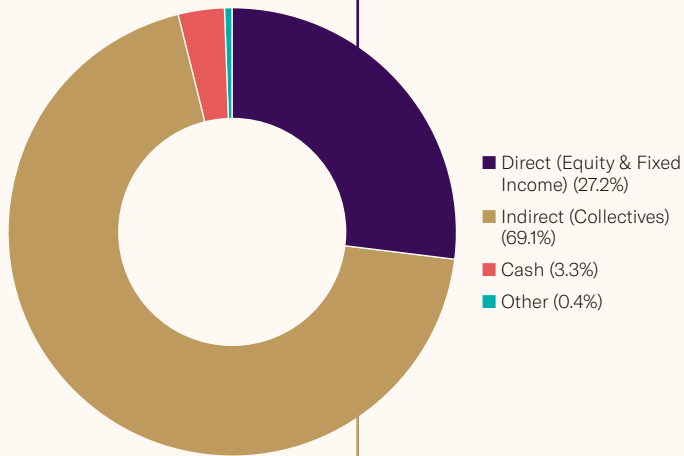
This document should be read in conjunction with our separate **Policy and Context** report.

Our client base is a mix of private client portfolios, trusts, charities, companies, and independent financial planners. We had over 157,000 clients as at 31 December 2025, with total assets under management (AUM) of £68.6bn.

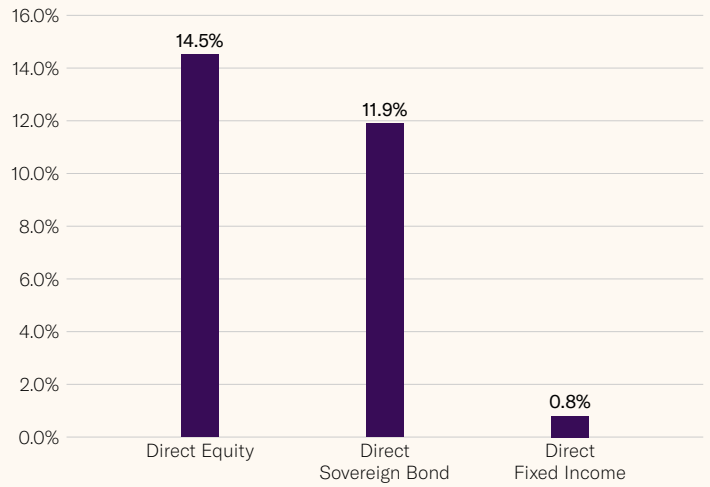
Most of our AUM are invested in collective investments, comprised mainly of equity and fixed income securities. Around 27% of our AUM is invested directly in equity and fixed income assets, including sovereign bonds. A geographical breakdown shows that much of our AUM is invested across the UK, US, and Europe.

AUM breakdown

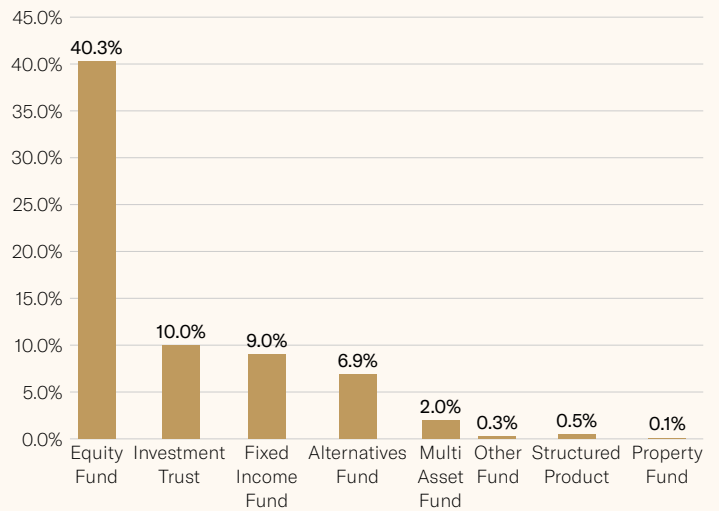
AUM by Asset Type



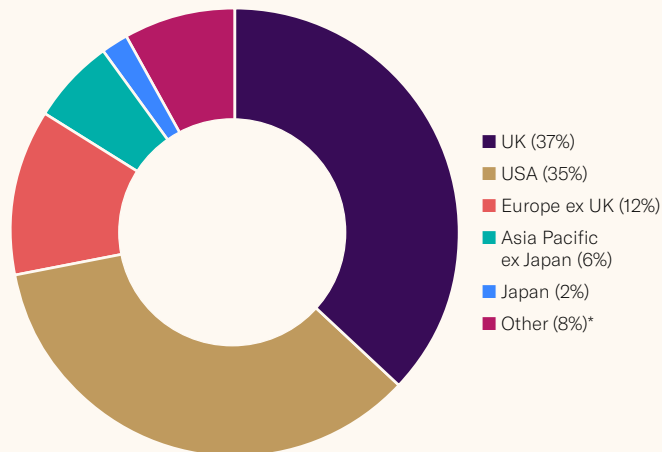
Direct AUM by Asset Class



Indirect (Collectives) AUM by Asset Class

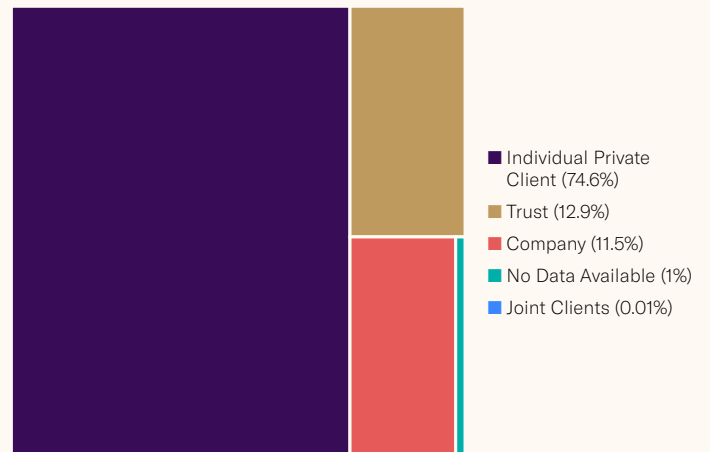


AUM by Geography



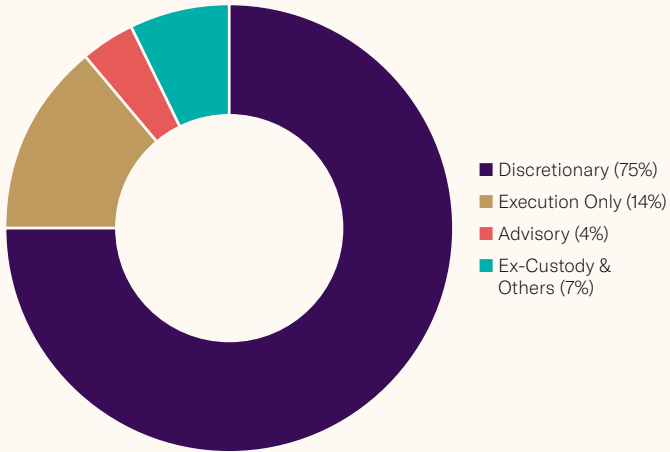
*'Other category' includes unavailable data. Data based on discretionary client AUM only.

AUM by client type

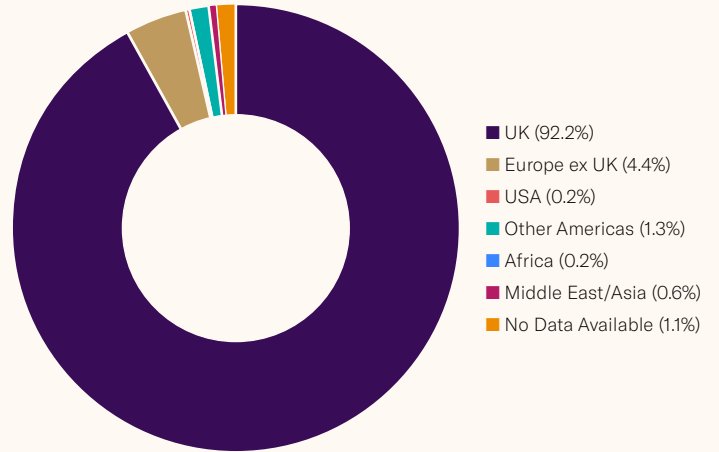


The graphs above are based on £65.3bn of our AUM representing 127,000 clients. Excluded from this breakdown are AUM mainly due to acquisitions. We aim to integrate these into our core systems as part of the Group's ongoing systems integration work to address data gaps and limitations.

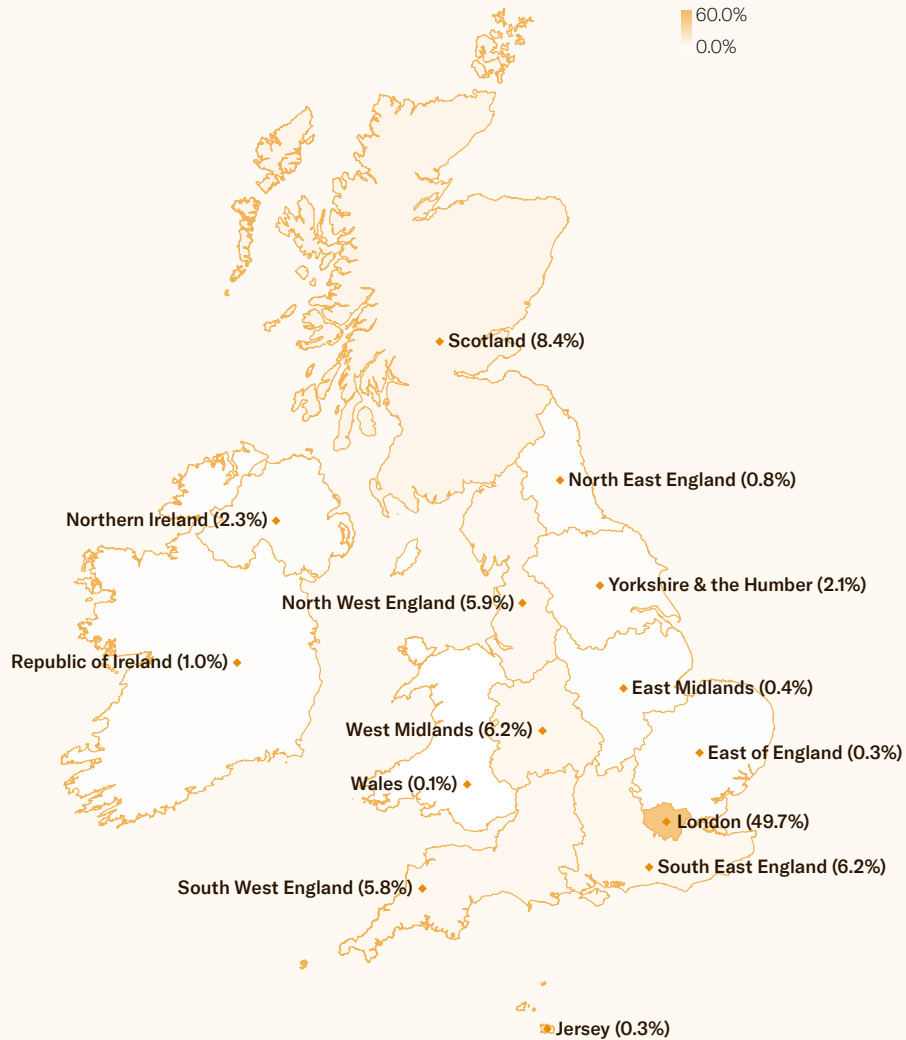
Client AUM by Service Category



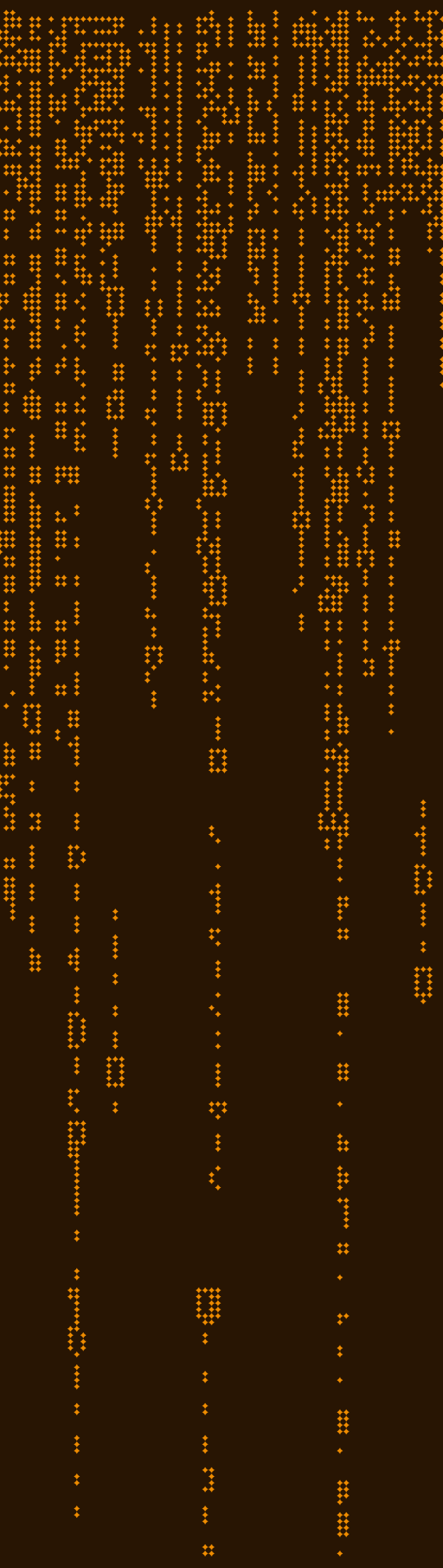
AUM by Client Geographic Location



Share of AUM by Evelyn Partners office location



NB: The office location is applicable to over 89% of our AUM



2025 STEWARDSHIP *activities snapshot*

At Evelyn Partners, we use our influence as shareholders to improve investee companies' and fund managers' (collectives) own ESG practices and performance through engagement and voting. Below is a snapshot of our 2025 engagement and voting activities.

Key achievements

Increased client engagement
 Our RI conference garnered 400 registrations and featured Tom Holland from the 'Rest is History' podcast and Helen Thompson from the University of Cambridge discussing energy security and geopolitics.

Improvements in UN PRI
 Our scores increased from 4 to 5 stars in the Policy, Governance and Strategy module. We also received 4 stars for four further modules and one 3 star. In total 6/7 scores were above median.

Enhanced data quality
 The data presentation of our assets was used by the FRC as a best practice example in the latest Stewardship Code guidance document.

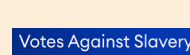
Record number of company engagements
 We reached a record number of engagements in 2025, ramping up our direct targeted engagements as well as participating in Sustainalytics-led meetings.

Engagement activity

Our sector specialists held:
353 Meetings with fund managers
164 Meetings with companies

In 2025 we increased our RI-related activities:
74 Targeted engagements with fund managers
126 Targeted meetings with companies

We are active members of collaborative initiatives including:

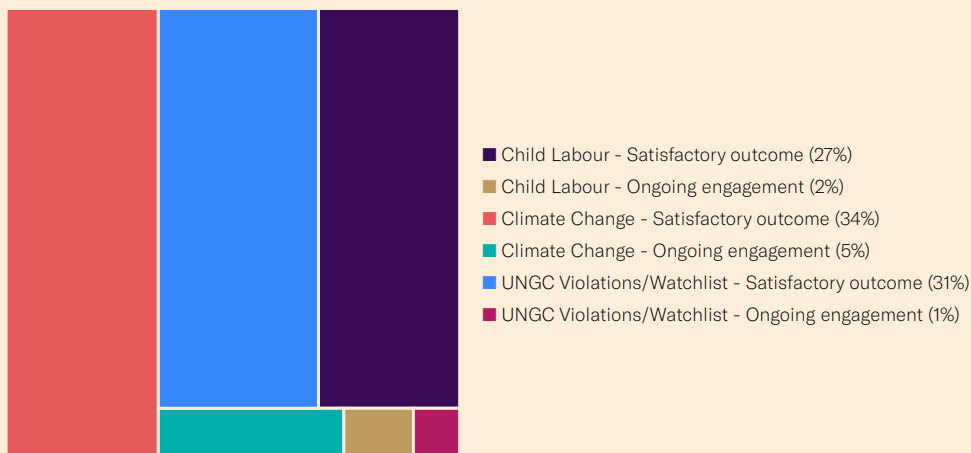


Find it, Fix it, Prevent it

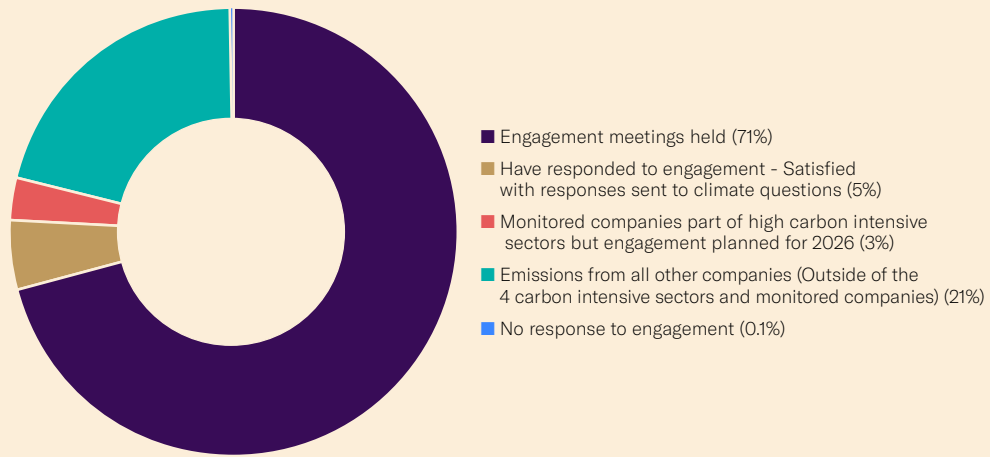
We continued to work with trade bodies to promote improvement in the functioning of financial markets:



Collective engagement programme - themes and outcomes (see Pg. 22 for more details):



Direct climate engagement programme - engagement with over 70% of our financed emissions from direct investments (see Pg. 15 for more details)



Voting activity

Number of voting recommendations made in 2025:

10,390
Proposals

799
Company meetings

27
Markets covered

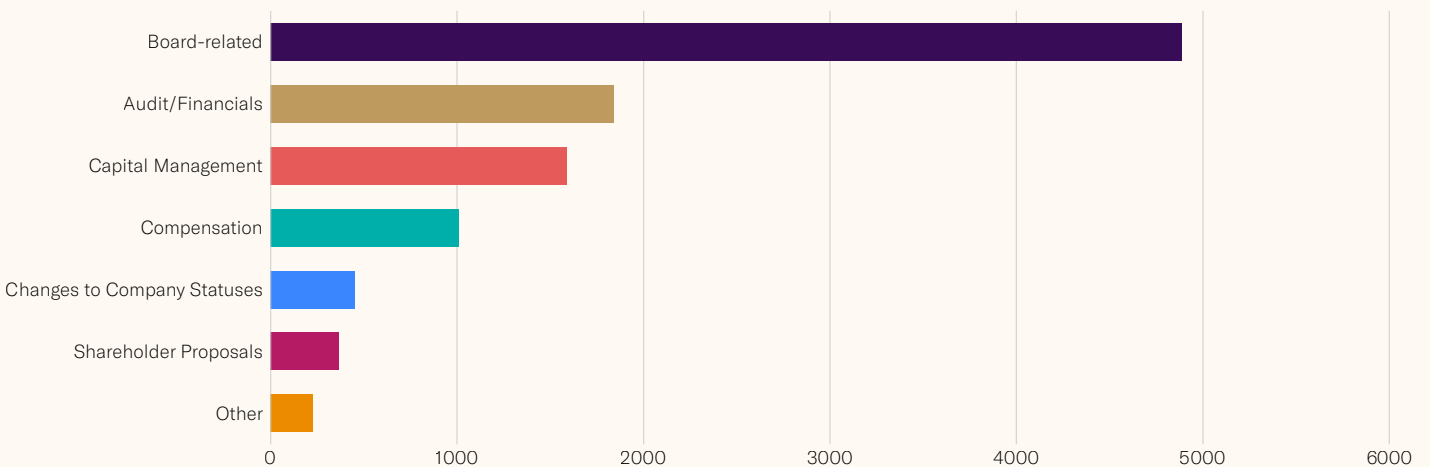
26.8%
Shareholder proposals supported

In line with our voting policy, we abstained:

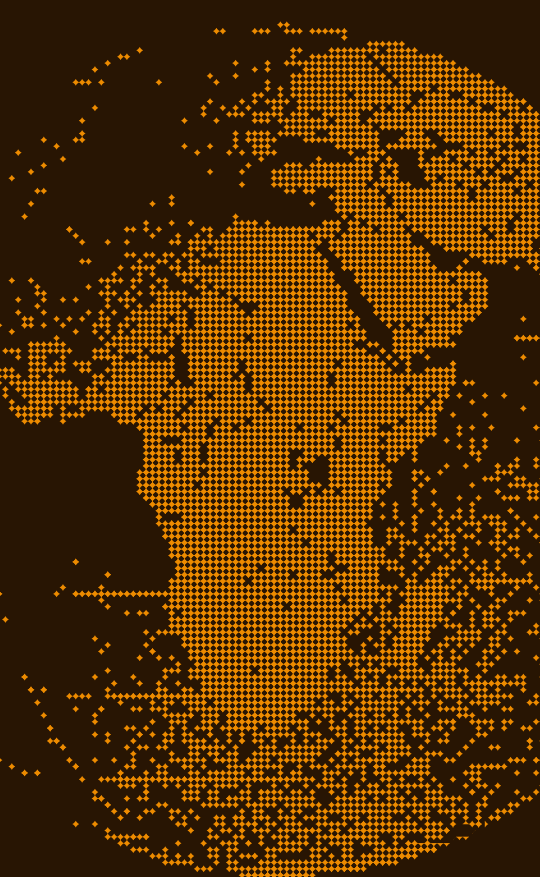
8x
at companies with no net zero targets

10x
at companies with no ESG in remuneration

Voting proposal by category:



Source: Glass Lewis



RESPONSIBLE INVESTMENT:

ESG integration and stewardship

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 non-financial issues when making investment decisions, known as ESG integration, and influencing companies or assets, known as active ownership or stewardship.



Non-financial factors can have a significant impact on the long-term financial performance and risk profile of investments, both positively and negatively. We note that companies with high standards of governance and corporate behaviours are likely to have more resilient business models. When investing in third-party funds, we work to choose those with a similar commitment to ESG integration and stewardship as Evelyn Partners.

Stewardship at Evelyn Partners - why it is important to us

We believe that active stewardship helps us 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: to gather information, to monitor our holdings for policy adherence, and to influence and encourage ambition to raise standards and improve 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. Voting is used as a key escalation element of our stewardship programme. While we expect to vote in favour of most resolutions given that leadership quality is part of our overall investment rationale, we also vote against management at times, in line with our voting policy.

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

How we integrate responsible investment

Our investment process involves rigorous analysis across geographies, asset classes, collective investment funds and companies, and includes assessing ESG factors alongside more traditional financial appraisal techniques. This enables more informed investment decisions, focuses our engagement activity and helps improve the resilience of portfolios over the long-term. Consideration of material non-financial risk factors also improves our ability to identify high quality investments and strengthens the resilience of the portfolios that we build for clients over the long-term. Our existing framework is multi-layered to support the integration of material ESG factors at all levels; top down, investment selection and stewardship (see below diagram).

We aim to take a consistent approach where we can to collective investments and direct investment holdings. We may adapt our expectations to a certain extent depending on geography and/or asset classes, for example, in hedge fund strategies taking short-term positions which renders stewardship challenging, or overseas funds that are not UK Stewardship Code signatories but are covered by their own relevant country standards.

Top down

Responsible investment factors are identified and assessed within our asset allocation process by:

- The qualitative overlay of long-term systemic risks at an overall strategic level, known as 'megatrends,' which seek to identify and manage long-term thematic risks e.g. ageing demographics, and the bumpy energy transition (see **Addressing market-wide and systemic risks** for more information)

- A proprietary ESG sovereign framework operating at both regional and country level, which uses data regarding climate risks, the restriction of civil liberties and rule of law, and a corruption perception index to form country level scores

By sector for direct investments and fixed income

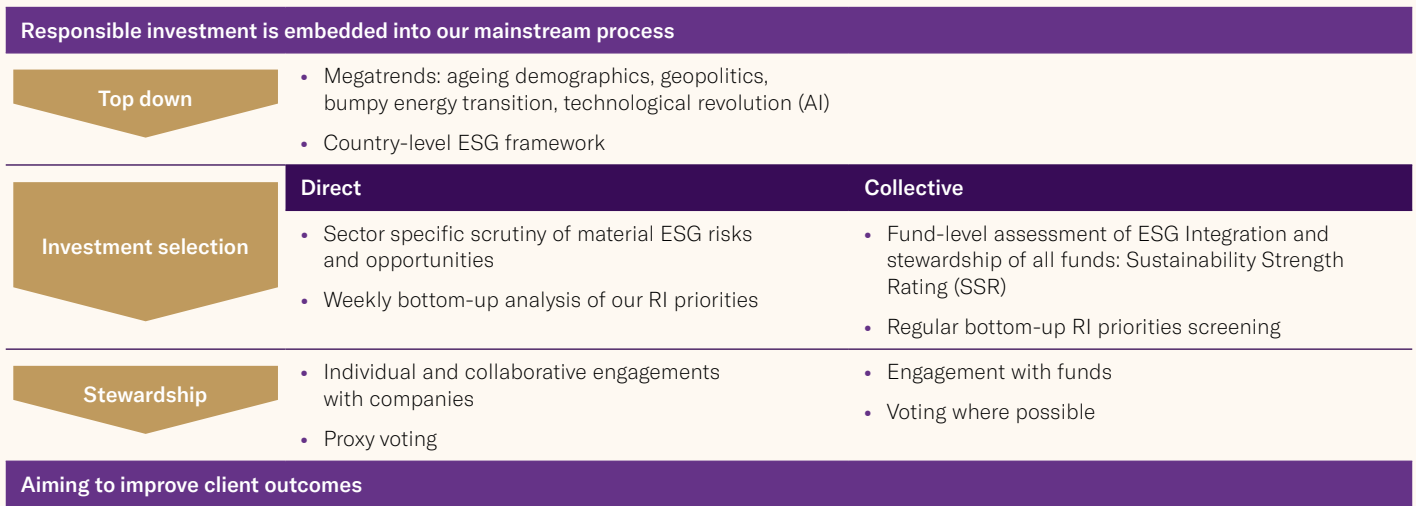
Using formal frameworks, we have determined a list of significant non-financial risks on a sectoral basis, e.g. data security for the communications and technology sector, and have meetings to discuss their implications.

Bottom-up across all asset classes

Our bottom-up responsible investment priorities help us to understand the ESG credentials of a business or a collective fund and help to inform our engagement activities.

- 1. Environmental resilience:** includes the examination of a company's business model in terms of its environmental footprint, including carbon, and its plans to adapt to our future, both in terms of risk mitigation as well as finding ways to generate revenues in climate-related solutions. The key performance indicators (KPIs) selected were chosen both for their relevance to climate factors as well as adverse corporate impact drivers identified by the Task Force for Nature-related Disclosures (TNFD). For example, water use in areas of high-water stress is a metric used across all our investee companies.
- 2. Workplace standards:** includes addressing the commitment of investee companies to maintaining acceptable conditions operationally and in their supply chain. We believe that fair and equitable policies form a foundation for ongoing productivity and success.
- 3. Excellence in governance:** this theme 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 them to have appointed credible management teams and make changes where necessary. We also include those involved in controversies in contravention with established global business norms (using the UNGC principles) and use board gender diversity as a means of assessing cultural values.

Our priorities enable us to focus on key issues for investee companies and for funds. They are comprised of principal adverse impact (PAIs) indicators, MSCI metrics and forward-looking climate indicators. They also help to direct our stewardship activities.



Stewardship

Our engagement and voting activities are designed to influence positive change where standards fall short of our expectations, with the aim of improving the long-term value of our clients' investments.

We engage directly with companies and funds, and collaboratively with other investors, to address key risks identified by our responsible investment priorities. Joint initiatives include CA100+, Find it, Fix it, Prevent it, Votes Against Slavery and Nature Action 100 (NA100). We also work with Morningstar Sustainalytics' Engagement 360 solution, a stewardship specialist, to extend our reach. By complementing our in house efforts, their team of professionals strengthens the depth and quality of our ongoing activities, supporting more targeted and material engagement with companies on priority issues and expanding our influence across more companies (see Pg. 16 and **Monitoring service providers** for further details).

We began proxy voting in November 2018, using Glass Lewis as our proxy provider. In 2025, we voted at 799 annual general meetings (AGMs) and/or extraordinary general meetings (EGMs), covering 27 markets. This amounted to 10,390 resolutions and 555,454 ballots. While we vote in favour of most management resolutions, there are times where we opt to vote against them, on matters in accordance with our stated policies. In such cases, we send a letter to the company or fund manager to explain our reasoning. For more details on our voting activities please see the **Voting** section of this report.

Stewardship integration in the investment process

In 2025, we developed a risk web template which provides clients with a clear view of a portfolio's profile against key ESG metrics relative to a benchmark. It illustrates where exposures exceed or lag peers across environmental, social and governance indicators. Alongside these metrics, we can present a summary of recent stewardship activity, mapped directly to the issues identified in the portfolio, with outcomes signposted to indicate progress on engagements or instances where we voted against management.

This integrated format enables us to present, in a single view, the portfolio's ESG profile and the stewardship interventions undertaken to address material risks, supporting both our stewardship activity and our reporting to clients.

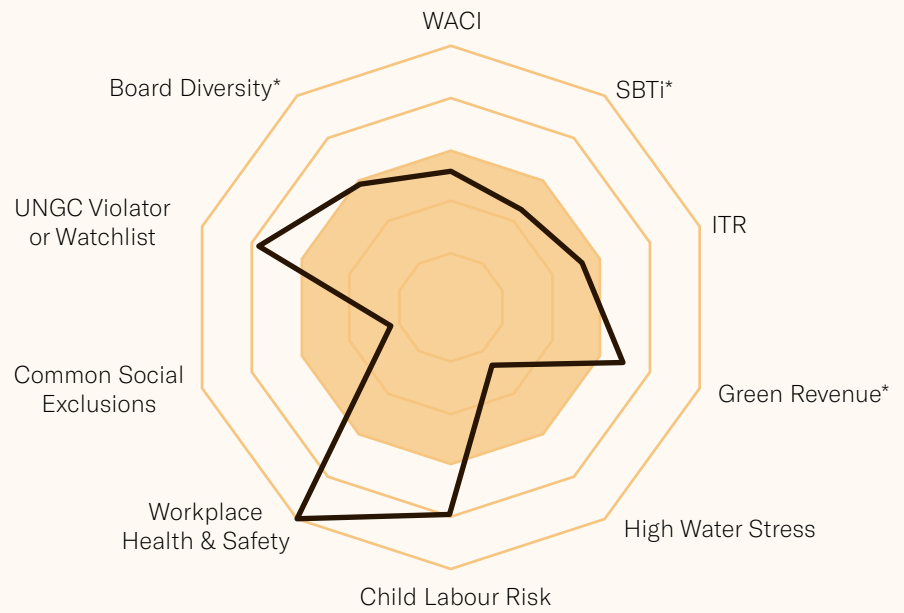
For more details on the metrics listed on the web example below, please refer to the **Appendix**.

Web Example

CRH	Climate (O)	Environmental
Shell	Climate (SO)	
Schlumberger	Climate (O)	
Microsoft	Climate (O)	
Apple	Climate (O)	
NextEra	Climate (SO)	
Fed Hermes Asia ex Japan	Climate (O)	
Veolia	Climate (O)	

Next	Child Labour (SO)	Social
Alphabet	Lobbying, Misleading content & AI (V)	
Meta	Hate speech, child safety, AI & advertising (V)	
Amazon	Working conditions & human rights (V)	
Microsoft	AI & Weapons (V)	

Alphabet	Governance (O) Recapitalisation & oversight (V)	Governance
Microsoft	Governance (O)	
Unilever	UNGC (O)	
Tesco	UNGC (O)	
Veolia	UNGC (O)	
Nvidia	Governance (O) Compensation & diversity (V)	
Meta	Compensation (V)	
NextEra	Board diversity (V)	
Prysmian	Compensation (V)	



Legend:

SO - Satisfactory Outcome
 UR - Unsatisfactory Response
 O = Ongoing Engagement
 V = Vote against management

Key

— Better than benchmark
 ■ Direct 7 Portfolio
*Metric inverted for visual

Source: Evelyn Partners/MSCI

ENGAGEMENT

with companies

Purpose of engagement

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 to help us frame important investment or voting 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, for the companies and investments made on behalf of our clients, they 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 and we conduct meetings for specific outcomes whenever necessary.

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. 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

What engagement means to us

The methods of engagement will depend on several factors such as the stage and topic of the engagement, the relationship with the issuer, our share size, etc.

- **1:1 meetings:** when companies are responsive and open, we prefer to have meetings to build relationships and to have tailored, detailed discussions
- **Meetings organised through collaborative initiatives:** memberships in collaborative engagements allow us to address various systemic risks and we are able to meaningfully engage with companies where we might otherwise represent a small shareholder minority
- **Writing letters:** we use this method primarily as part of our voting activity pre or post AGM/EGM or for targeted topics based on our priorities
- **Creating or supporting sign-on letters or statements (through collaborative initiatives or industry forums):** this may be used to influence broader market norms and is preferred when the engagement topic is systemic
- **Communications via email:** the primary means of corresponding with companies at various stages of an engagement

Please see overview of engagement types in **Policy and Context** report Pg. 19.

Prioritising engagement

Evelyn Partners uses a series of bottom-up RI priorities (see **Responsible investment: ESG integration and stewardship**) as well as our broader megatrend themes (see **Addressing market-wide and systemic risks**) which help direct our stewardship activity. Our approach is consistent across both collective investment funds, as well as direct investment assets, as can be seen from our thematic engagements in the following sections. For our **environmental resilience** priority, this includes focusing our engagement efforts on climate change, particularly targeting companies that we monitor in the most carbon intensive sectors. In line with **workplace standards**, we contacted companies that had significant risk of child labour in their operations and/or supply chain. Lastly, our **excellence in governance** priority is aimed at engaging with companies that were flagged for the UNGC watchlist. To identify companies to target for these thematic engagements, we use MSCI ESG Manager to screen companies in line with relevant metrics. We also use the web templates (as highlighted in **Responsible investment: ESG integration and stewardship**) to see how companies are performing relative to the benchmark across RI priority indicators. We will engage with companies that are laggards across these themes.

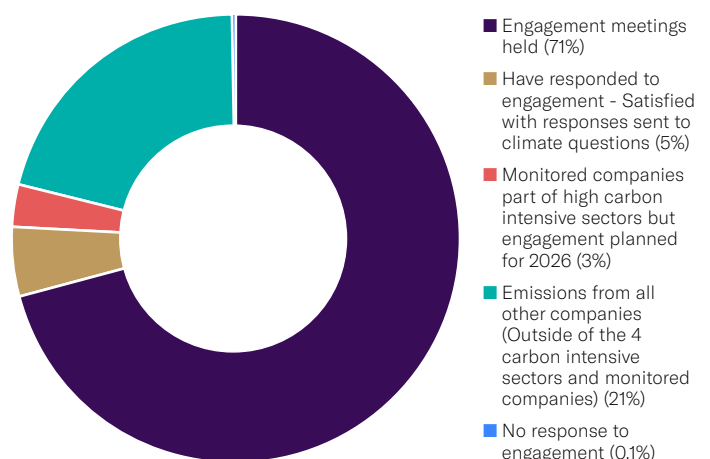
Engagement examples of our RI priorities

Case study: Direct climate engagement programme

Since 2023 we have been engaging with the top carbon emitting companies in the three most carbon intensive sectors of energy, materials and utilities, and have now held meetings with over 70% of our total financed emissions from direct investments. The initial phases of our engagement focused on companies that did not have a Science Based Targets Initiative (SBTi) approved target or were not disclosing data to CDP. In 2025, we expanded our engagement programme to include companies in the transportation sector and focused on meeting with companies that had set SBTi targets to understand their roadmap to decarbonisation, what the key challenges and levers were and support their approach.

Outcome:

We were largely pleased with the responses to this year's direct climate engagement programme. Companies provided clear explanations of their decarbonisation pathways and how they are assessing climate risks, giving us deeper insight into sector specific constraints, including areas where progress depends on policy support. We reiterated our backing for the SBTi, encouraged companies to revalidate targets and to participate in consultations on sector guidance. We will continue to monitor progress, and where momentum remains limited, we may consider escalation. There was one example of this in 2025 (see American Water Works case study below in the escalation section).



Nature Impact focus – example of how we address nature risks using our bottom-up priorities and engagement

The TNFD identifies five principal drivers of biodiversity and nature loss: climate change, excessive resource use, land use change, pollution, and the introduction of invasive species. We recognise climate change as a material and accelerating driver of nature degradation, and this is reflected both in the metrics we monitor and in the focus of our stewardship programme.

For corporate resource use, we apply water stress as a practical and reliable proxy for broader resource intensity, supported by comparatively robust global data coverage. This is assessed alongside carbon emissions to form a coherent view of resource-related risks. At the sector and issuer level, we have undertaken detailed research in areas with pronounced exposure—most notably within the semiconductor value chain, where resource constraints present a potential challenge.

Our exposure to land use change is more limited within typical portfolio allocations; however, we prioritise engagement where land management is strategically significant, including in our infrastructure strategies where biodiversity impact can be material. With respect to pollution, we monitor alignment with the UNGC principles across all funds, where compliance remains consistently high. We also address relevant environmental controversies through targeted engagement, and we request that all underlying managers maintain clear policies governing UNGC adherence.

The only TNFD impact driver that we do not currently address directly is invasive species. Nevertheless, this factor is incorporated into our engagements with NA100 companies where it represents a material risk.

Case study: Airbus – risk of child labour

What we like:

- Leads most global peers in corporate governance
- Integrates sustainability metrics into executives' variable pay

Challenges:

- Aircraft manufacturers face high exposure to product safety and quality-related risks. Their large workforce may increase its exposure to risks posed by the labour-intensive nature of the sector

Stewardship focus:

In January, we met with Airbus' Head of Human Rights to discuss child labour risk management. Airbus emphasised that the risk of child labour within its own operations is very low, supported by stringent controls and the nature of its government linked contracts. The company's main exposure lies within its supply chain. While Airbus has identified indicators of forced labour, it has not detected child labour nor received related allegations through its grievance mechanisms.

Airbus' due diligence process uses public indices to identify high risk geographies and activities, supported by a saliency assessment that prioritises issues, including child labour. A key focus is responsible sourcing of minerals from higher risk regions, such as cobalt from the Democratic Republic of Congo (DRC). Airbus noted the persistent challenge of tracing materials beyond the smelter (the first processing step), as mined materials from authorised and unauthorised sites are often mixed. The company requires procurement through certified smelters and is developing its approach to human rights based prioritisation of raw materials.

Airbus is also drawing on practices from the automotive sector and is engaged in the Responsible Minerals Initiative (RMI), which is working to extend traceability beyond smelters. Additional collaborative efforts under consideration include the Fair Cobalt Alliance and the Aluminium Stewardship Initiative.

Outcome:

The call with the Airbus team provided insights to the unique challenges the company and sector face in relation to child labour risks. The identification of child labour risks is particularly challenging for companies like Airbus. We were pleased to hear that they were working with collective bodies that are working on going 'beyond the smelter' and we encouraged that approach. We will be interested to see how the joint initiatives and the companies they work with progress in the coming years on this topic.

Engagements led by Morningstar Sustainalytics

We started working with Morningstar Sustainalytics in January 2025 to extend and deepen our reach through their Engagement 360 offering. We have direct access to their engagement managers and can actively participate in any meeting within their active schedule which covered 36% of our companies under coverage in 2025.

Where companies and/or topics of concern are not covered by Sustainalytics' ongoing or past engagements, we continue to engage directly, or by using other collaborations.

For more information on how Morningstar Sustainalytics' engagement service supports our stewardship approach and how we have overseen the delivery of their services please refer to **Monitoring service providers**.

Sustainalytics-led case study: LVMH – supply chain labour rights	
<p>What we like:</p> <ul style="list-style-type: none"> LVMH is a well-diversified portfolio of exceptional brands, trading at a reasonable valuation Leads its peers in areas such as raw materials sourcing <p>Challenges:</p> <ul style="list-style-type: none"> Labour management and corporate governance worth monitoring 	<p>Stewardship focus:</p> <p>A meeting was held in September to discuss LVMH's governance, responsible purchasing practices, supplier capacity building and incident management. LVMH provided information about their audit programme, where country risk assessments and EcoVadis supplier scores are used to organise audits for the riskiest suppliers. In cases where a supplier was deemed unsatisfactory and not implementing actions to improve their processes, the company would stop working with them. LVMH flagged varying approaches they take in their supply chain with undocumented workers and child labourers. Where child labour was found, they work with suppliers and local partners to find ways to support the affected community in the long-term.</p>
<p>Outcome:</p> <p>LVMH acknowledged the risks of labour rights violations in its supply chain and made public commitments to strengthen its audits and controls. We would like to see further disclosure from the company on grievance mechanisms and metrics to evaluate ESG performance and will monitor progress through Sustainalytics.</p>	

Collaborative engagements

We participate in collaborative engagements through memberships of established platforms which enhance our access to companies and support more coordinated and effective engagement.

Through these memberships, we can address a range of systemic risks and broader thematic issues that we consider to be important. They provide access to high quality research and benchmark assessments across key topics and sectors and support the exchange of knowledge and learning from industry peers.

In 2025, we reviewed our collaborative engagements against a defined set of assessment criteria to ensure they remain aligned with our responsible investment objectives and client expectations (see **Stewardship policies and processes** in our **Policy and Context** report for further details on our approach).

Collaborative Initiative	Summary	2025 Highlights
The Investor Forum Members since 2019	Practitioner-led membership organisation set up to position stewardship at the heart of investment decision-making and facilitating dialogue to enhance board/investor relationships	Joined 'Aim to Main' and Water projects, gained insights through meetings with AstraZeneca, Reckitt Benckiser, Rio Tinto amongst others
Climate Action 100+ Members since 2020	Investor initiative on climate change targeting the world's biggest listed GHG emitters to drive corporate climate action. Our membership shows our ongoing climate commitment	Participated in workstreams with Rio Tinto, Walmart and TotalEnergies
Nature Action 100 Members since 2023	Global investor-led engagement initiative focused on supporting greater corporate ambition and action to address nature and biodiversity loss	Sherwin Williams engagement as participant on their first TNFD aligned assessment
Find it, Fix it, Prevent it Members since 2019	Focused on the UK construction industry, the programme comprised of 70 members with the aim of using leverage as investors to find, fix and prevent modern slavery in their supply chains	Lead investor in workstreams with Persimmon and Balfour Beatty, co-signing letter to the government on Human Rights Due Diligence legislation
Votes Against Slavery Members since 2023	Targets FTSE alternative investment market (AIM) smaller companies and FTSE 350 companies that fail to fully comply with Section 54 disclosure requirements of the 2015 Modern Slavery Act	We review the benchmark annually and engage with relevant companies. All non compliant companies we covered in 2025 improved their statements by year-end
Business Benchmark on Farm Animal Welfare (BBFAW) Members since 2025	Leading global measure of farm animal welfare management, policy commitment, performance and disclosure in food companies	Following the review of our engagement strategy, we initiated this targeted collaborative engagement to respond to specific client requests. The initiative was also selected due to its relevance across multiple sectors and a broad set of companies
FAIRR Members since 2023	Established to fill the gap in RI in the agricultural sector, FAIRR aims to drive investor awareness of material risks in intensive animal agriculture and opportunities in the global food sector	We participated in meetings with Mondelez on protein diversification and Cranswick on waste and pollution

Collaborative case study: Sherwin Williams – nature-related risks and water management

What we like:

- A clear commitment to advancing nature-related disclosures, including alignment with the TNFD disclosures.
- Consistent and constructive engagement throughout the three-year period with NA100

Challenges:

- The company undertook their first nature-related risk assessment across owned and leased facilities which concluded that nature-related impacts and opportunities were not material to the company and therefore do not constitute priority sustainability issues at this time; no supply chain assessment had been completed

Stewardship focus:

In response to the assessment report, Sherwin Williams committed to responsible water management and to monitoring upstream and downstream risks across its paints and coatings value chain as TNFD adoption progresses. The company also acknowledged that climate and waste – two areas where it is actively working to reduce impacts – are key drivers of biodiversity loss.

An investor call in August provided an opportunity for participating firms to discuss findings from the report. These included the materiality of water-related risks, progress toward the company's 2030 25% waste disposal intensity reduction target and updates on product innovation, particularly the opening of a new global research and development (R&D) centre in Ohio. Investors also discussed hazardous chemicals and the company's approach to lobbying and regulatory engagement.

Outcome:

Although nature-related risks have not yet been classified as material by Sherwin Williams, the company's enhanced disclosures and open, constructive engagement with investors contributed to a positive reassessment within the NA100 benchmark. The company is now considered to be meeting, or partially meeting, a greater number of investor expectations than in the previous year, demonstrating meaningful progress in its nature-related strategy.

Escalation with issuers

Where we have concerns about an investee company, or where we have reasons to believe that our clients' rights as shareholders are being compromised in any way, we will, in appropriate circumstances, escalate our involvement with issuers. For information regarding our escalation process including the various forms which we may escalate please see **Stewardship policies and processes** of our **Policy and Context** report.

Escalation case study: AstraZeneca – Investor Forum sign-on letter

What we like:

- The company demonstrates a best-in-class growth profile both from current products and those in development
- Management remains focused on long-term value creation, prioritising strategic growth opportunities

Challenges:

- The recent adjustments to the shareholder structure created uncertainty for investors
- Limited transparency made it difficult to fully assess the implications for shareholder rights or determine an appropriate voting stance

Stewardship focus:

In response to a member enquiry in June 2025, and alongside market speculation regarding a potential shift of the company's primary listing from the UK to the US, the Investor Forum contacted its membership. A letter, which had been agreed by members, was sent to the company in September, seeking assurance that any listing changes would follow appropriate Board governance processes and be communicated transparently.

The company responded constructively, acknowledging the concerns raised. Shortly afterwards the company announced a harmonised listing structure, including a recommendation to directly list ordinary shares on the New York Stock Exchange (NYSE) while maintaining its London listing. Although the dual listing aspect aligned with earlier discussions, the timing was unexpected, and dialogue had implied that any decision would be subject to more formal consultation.

To ensure clarity ahead of the November AGM, the Investor Forum convened a meeting with the Chair of AstraZeneca. This provided additional context on the company's rationale, governance process, and anticipated implications for shareholders.

Outcome:

The Investor Forum concluded that the meeting provided sufficient information for members to make informed decisions ahead of the vote. We subsequently voted in favour of the proposal and the adoption of articles was approved.

Escalation case study: American Water Works – climate engagement programme

What we like:

- Company in a strong position to address need for investment in the US water industry
- Leads most global peers in corporate governance with a majority independent board and fully independent key committees

Challenges:

- Ageing infrastructure and years of underinvestment
- Water supply operations entail high exposure to operational risks in case of water shortages

Stewardship focus:

In 2024, we met with American Water Works (AWK) as part of our climate engagement programme targeting companies that had not set Science Based Targets (SBTs). During the meeting AWK explained that a lack of a water specific framework was a disincentive to join SBTi. Following this, our team shared best practice examples from Severn Trent who were able to set a SBTi despite the lack of a water guidance.

We followed up with AWK in 2025 to get an update on their climate strategy and they had maintained their position on SBTi. We were pleased to hear that the company successfully met its 2025 emissions reduction targets, which was largely a result of their capital expenditure program to modernise the existing infrastructure.

Another key area of discussion was extreme weather and climate resilience. We shared our concern about how extreme weather events could lead to increased emissions (e.g. droughts or flooding would require more pumping). The company acknowledged that they haven't modelled how extreme weather could impact their emissions trajectory.

Outcome:

Although our engagements with AWK have showed steady progress towards decarbonisation, we decided to remove the company from coverage given ESG concerns and lack of third-party research coverage. The stock had been rated on 'neutral' for some time and AWK lagged in comparison to peers on related issues, particularly in failing to adopt an SBT and in climate resilience.



ENGAGEMENT

*with fund managers
(collectives)*

As of the end December 2025, 69.1% of our discretionary managed assets were invested in collective investment funds (circa 550 funds). During our due diligence of funds, we seek to establish whether fund managers share similar values to those we ascribe to regarding responsible investment principles and practices that support the enhancement of long-term risk-adjusted investment returns. Please refer to the **Stewardship processes and policies** section of our **Policy and Context** report for our approach to monitoring of fund managers.

Due diligence processes

The Sustainability Strength Rating (SSR) matrix

Our proprietary SSR matrix provides a transparent and consistent framework for assessing sustainability integration at both fund and firm level. By the end of 2025, we had completed assessments for 530 funds, representing 96% of our funds under coverage. The matrix evaluates seven dimensions of a manager’s approach to responsible investment, including the integration of ESG and stewardship practices, the robustness of these considerations within the investment process, internal and external RI resourcing, and the quality of voting and engagement activities. It also captures evidence of continuous improvement through enhanced practices, disclosures and reporting, offering a comprehensive view of how sustainability is embedded within investment teams and processes.

Case study: SSR assessment follow-ups

As part of our fund due diligence, funds that we cover were assessed using our proprietary SSR framework, previously called Enhanced ESG Integration Due Diligence (EEIDD). In 2024, a subset of our ‘top picks’ collectives (92 funds) were assessed and in 2025, we followed up with 7 fund managers whose fund scores fell short of our expectations, i.e. with two or more of the lowest scores in one of the 7 criteria of our SSR matrix.

Below is a summary of a selection of funds we followed up with during the year and how they responded:

Fund	SSR deficiencies we followed up on	Fund response
Gold and silver trust	<ul style="list-style-type: none"> ESG in the investment process Internal RI resource 	<ul style="list-style-type: none"> Trust only purchases gold as defined by the London Bullion Market Association (LBMA) which first introduced a Responsible Sourcing Programme in 2012 for gold and 2018 for silver Firm has corporate sustainability committee tasked with the creation and ongoing implementation for the firm’s corporate sustainability programme
Biotechnology fund	<ul style="list-style-type: none"> Internal RI resource External RI resource Proxy voting 	<ul style="list-style-type: none"> Firm conducts ESG training regularly for investment teams, which are tailored for each investment strategy Uses Goldman Sachs Sustain for ESG ratings of listed issuers and scores are integrated with their analysis Firm uses Glass Lewis to provide recommendations for voting
UK micro-cap fund	<ul style="list-style-type: none"> ESG in the investment process Continuous improvement 	<ul style="list-style-type: none"> ESG analysis embedded in fundamental research undertaken for each company. Team evaluates ESG risks as part of due diligence and concerns are reflected in the conviction score In the past year, firm expanded engagement on areas such as climate reporting, board diversity and supply chain practices
Real estate investment trust	<ul style="list-style-type: none"> Engagement approach 	<ul style="list-style-type: none"> Community engagement is one of three key pillars of ESG strategy and the manager engaged with tenants to improve data collection on energy usage and partnered with tenants on biodiversity projects

Outcome:

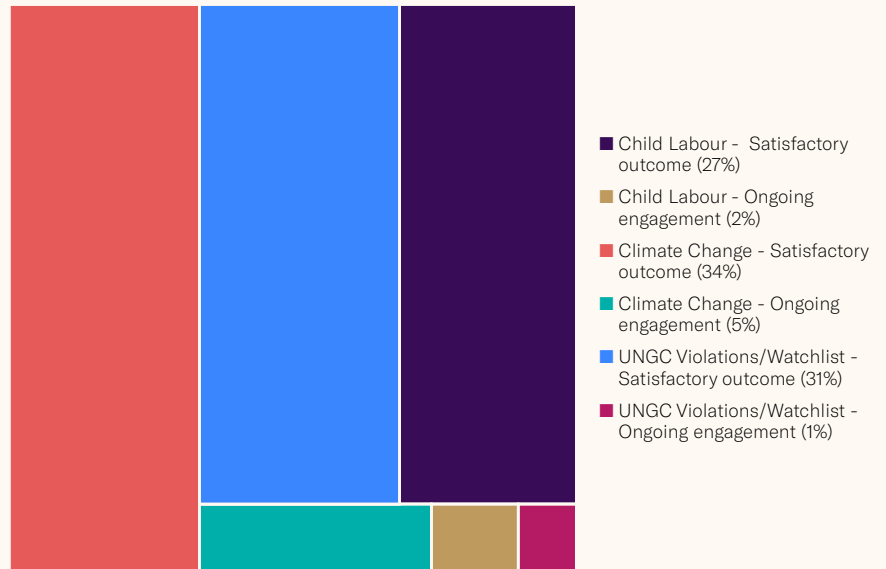
All the funds we followed up with responded to our engagement and provided adequate answers to the SSR deficiencies, highlighting how they were embedding ESG considerations across their processes. We will continue to engage with funds in 2026 that fall short of our expectations.

Engagement activity with fund managers

We believe that engaging with the fund managers of the assets that we hold for our clients is central to our role as effective stewards of our clients' capital. As part of our RI priorities, we continued to engage with fund managers on issues such as climate change, child labour and UNGC alignment to assess how they are managing risks related to these issues as well as how they are engaging with companies on our behalf.

In 2024 and 2025 we conducted 124 fund manager engagements on our priority themes. 92% were categorised with a satisfactory outcome, and the remaining 8% are in progress with follow-ups planned for 2026.

Collective engagement programme – themes and outcomes



Case study: Collectives climate engagement

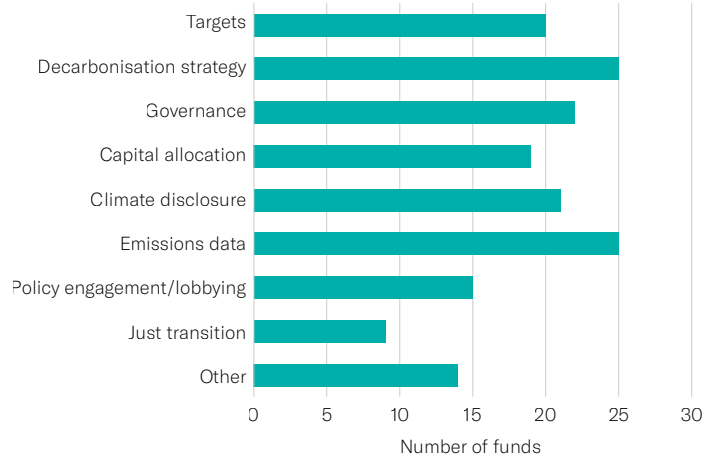
We launched our collectives engagement programme in 2024, targeting the top 30 funds responsible for a material share of our total financed carbon emissions across our clients' portfolios. In 2025, we broadened the scope to include the most carbon-intensive funds as well as those where our holdings are most material. In total, we contacted 36 fund managers in 2025, asking them to set out the steps they are taking to support decarbonisation progress toward aligning with the Paris Agreement.

Our questionnaire assessed whether fund managers were actively engaging with underlying issuers on climate change. The chart summarises the climate-related topics covered in those engagements.

Outcome:

We achieved a 100% response rate from the funds that were contacted. Responses set out each fund manager's approach to climate change. We were pleased to see that all targeted fund managers, across geographies and including both passive and active strategies, reported conducting climate-related engagements across a broad range of topics.

How fund managers are engaging on climate topics on our behalf



Case study: Passive Fund Manager – review of stewardship strategy

What we like:

- Well resourced, globally distributed stewardship team

Challenges:

- Evolving rules in the US and scrutiny of passive managers' stewardship, including voting on environmental shareholder proposals

Stewardship focus:

We met the manager's Head of Stewardship to understand how their voting and active engagement strategy may adapt to recent US regulatory developments from the Securities and Exchange Commission (SEC) for passive managers. He emphasised a materiality-led approach, engaging where they have identified a material risk management factor relating to a company's long-term value, thus insulating them against the new disclosure requirements.

In addition, he outlined plans to pilot pass through voting later in the year, to enable investors in their funds to choose from a series of different policies, depending on their approach to ESG factors. This would give shareholder more independence on voting decisions and distance the passive managers from that.

The Head of Stewardship implied that many companies now had reasonable climate targets, and that some environmental shareholder proposals at times contained unreasonable demands, which they were less likely to support.

Outcome:

We assessed the manager's approach and were satisfied that it was consistent with our expectations as a responsible investor, despite the increased challenges and regulatory context. We provided feedback on their proposed pass-through voting trial and will remain a consultee during the process.

Case study: UK Investment Trust – due diligence on performance and trust structure

What we like:

- The fund team has a quality focused investment approach

Challenges:

- Prolonged discount to net asset value (NAV)
- Lack of progress in heeding shareholder concerns

Stewardship focus:

In common with many other closed ended trusts, this trust has suffered from a discount to NAV in recent years. The chair of the board had not addressed our concerns to our satisfaction about their approach ahead of the AGM in 2024, so we voted against her re-election.

In terms of investment performance, we continued to be positive on the trust as although performance had been weak, we understood why this was the case as it was due to their quality style being out of favour by the market for the time being.

The Chair was replaced in early 2025 which was felt to be a good decision, and we met with him, outlining what we saw as essential steps to improve the position for shareholders. We asked him to consider the measures pre-emptively that would help them maintain a narrow discount going forward. It would also potentially reset their discount floor and give them a greater chance of returning to a premium valuation and subsequent growth, once the managers' investment style comes back into favour.

Outcome:

Since the meeting in September, the trust announced that they will put forward proposals to roll into a soon-to-be-established open-ended fund, with an unchanged investment strategy. Shareholders will be offered a full cash exit and the manager will contribute to costs to ensure no NAV dilution for those rolling their shares. This is a good outcome and we are pleased that our concerns were acted upon.

Case study: Sustainable Global Equity Fund – engagement on our behalf on water stress

What we like:

- Uses best-in-class ESG integration to identify companies driving long-term transformative changes
- Incorporates a notable engagement process through its stewardship service provider

Challenges:

- Increased environmental impact associated with the proliferation of artificial intelligence (AI)

Stewardship focus:

Our analyst sought insight on engagements related to water intensity and water stress to better understand how data centres power AI.

The fund team contacted us in July, sharing their new quarterly engagement pack and noting they had recently met with Microsoft to discuss the environmental impact of data centres. Microsoft explained that they had transitioned into a new type of data centre design that consumes zero water for cooling. The company has also publicly disclosed a water replenishment map which tracks its goal to replenish more water than it consumes across its global operations. At the time of the meeting, the portfolio had grown to 90 projects in over 40 locations across the world.

Outcome:

The fund exhibits a strong stewardship approach, and we were pleased to see that the fund manager has been proactive and discussed this increasingly important topic with companies in the technology sector. We retained a 'positive' rating on the fund.

Case study: UK Equity Income Fund – targeted engagement on funds with UNGC watchlist holdings

What we like:

- The fund team uses engagement for ESG-risk related problems

Challenges:

- The fund has over 20% holdings in UNGC watchlist companies

Stewardship focus:

The fund manager has approached all companies considered to be on the UNGC watchlist held in their funds at various points over the years. Their most recent engagement has been with Tesco. In 2024, the fund manager became aware of the escalation of legal proceedings over equal pay claims filed by Tesco's floor shop workers. The fund management team identified this as a social risk – failing to treat employees of similar work standards equally posed risks to Tesco's reputation as an employer, challenges in recruitment and retention, and potential excess payouts and legal costs. The team first engaged with Tesco's investor relations team in September 2024 and continue to talk to the company on this topic, although there are some limitations due to the confidentiality of the legal case.

Outcome:

The fund has exhibited a strong engagement approach and due diligence process. We were pleased to see that the fund has set a commitment to engage with all issuers considered and classified by MSCI as watchlist status for UNGC compliance and reviews the compliance status of companies on a weekly basis.

Escalation with fund managers

Our RI priorities are measured across collective investments and are included in our analysis of covered funds. 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 remove funds from coverage. Where appropriate, we will inform the fund managers of the reasons for our decision. We may also escalate our concerns to the board to hold fund managers to account.

Escalation case study: Renewable Infrastructure Investment Trust – board governance concerns

What we like:

- This fund owns, builds and operates a diversified set of renewable infrastructure assets

Challenges:

- The proposed fee structure unduly favoured the manager and did not acknowledge movement from competitors

Stewardship focus:

We requested a meeting with the Chair of the investment trust shortly after a new fee arrangement was announced, which we considered was not in shareholders' best interests. We listened to the board's rationale, presented by the Chair and Senior Independent Director (SID), and set out our concerns. An ad hoc board meeting was convened over the following weekend to consider shareholder feedback. The next month, the trust announced materially improved terms, including a 28% reduction in fees, removal of takeover and transaction fees, and a continuation vote at the AGM that year and every year thereafter, if the shares have traded at an average discount wider than 10%.

Outcome:

We were pleased that the board considered feedback following a number of meetings held with shareholders. The new proposals were an improved result for shareholders, and the fund remains positively rated.

Escalation case study: Ethical UK Equity Fund – due diligence on child labour risks and performance

What we like:

- The fund aims to deliver sustainable income and capital preservation through a disciplined, quality-focused approach

Challenges:

- Stock-specific missteps have detracted from performance, evidence by the fund lagging its peers
- The fund has seen significant outflows, with AUM falling from £300m in 2022 to £92m in Q4 2025

Stewardship focus:

We had an annual update meeting with the fund manager in November, who emphasised the team's focus on businesses that generate strong cash flow and deliver high returns on invested capital. The portfolio's sector positioning remained consistent, with significant allocations to industrials (31%), non-balance sheet financials (19%), and consumer sectors (22%).

Earlier in May, we had contacted the team regarding the portfolio's elevated exposure to child labour risks which was notably higher than its peers. This was partially attributed to their bias towards consumer and healthcare sectors, which are typically associated with complex, consumer-facing supply chains that carry heightened risk. The fund manager noted that they spoke with the flagged companies about this risk and that they expect to see appropriate and timely remediation where breaches occur. While the team's response was adequate, the issue remains a concern as we would expect more from a fund in the responsible sector.

Outcome:

From a responsible investment perspective, its approach is primarily exclusionary rather than actively promoting sustainability characteristics or engagement. We decided to downgrade the fund from 'top picks' to 'neutral' due to sustained underperformance relative to both its benchmark and responsible UK income peers with similar exclusionary criteria.

Escalation case study: Asian Investment Trust – performance-focused meeting with fund team and Chair

What we like:

- The wider Asia fund team has a defensive and quality approach
- Additional sustainable criteria raise the bar

Challenges:

- Prolonged and double-digit discount to NAV that the shares have been trading on
- Sudden departures of managers in late August

Stewardship focus:

We met with the fund management team in July to discuss the recent underperformance over the past 9 months. In August, a further meeting was organised with the Chair, where we urged the board to consider pulling every lever they can. It seemed to us that the board were worried about pulling further levers to control the valuation discount as it would lead to the trust shrinking. However, we made the point that shrinking to grow could have been the best bet as the alternative could be enhanced risk of activist shareholders establishing significant stakes. The Chair agreed new methods were needed. We asked them to consider reducing the management fees that are charged by the trust as they were expensive compared to the peer group. We also got positive feedback from the Chair on this issue.

Outcome:

Since the meeting in August, the trust announced a reduced management fee; the introduction of a 3-year performance-related tender offer (for up to 25%), tested over 7 years (of which 4 years have elapsed already), meaning that the managers will need to make up the historical underperformance, and exceed the Index. Although we had a useful meeting with the Chair, there was a sudden departure of the long-term fund managers in late-August. We were given no indication of their departures in the meeting earlier, and decided to downgrade the fund from 'top picks' to 'neutral'.

VOTING

Evelyn Partners voting process – direct equity investments

The group's voting process covers discretionary holdings for direct equities, companies on our AIM market, and closed-ended investment trusts. The voting process uses external service providers, **Glass Lewis** and **Broadridge**, and we have developed our own voting policy alongside Glass Lewis research.

In 2025, we undertook a comprehensive review of our voting process and, in 2026 will implement defined criteria on the Glass Lewis platform to better align our voting policy with our RI priorities and key concerns.

For details of our high-level voting process, refer to the **Policy and Context** report Pg. 20.

Conflicts of interest

To manage potential conflicts of interest arising from our voting activities, we operate a monitored online disclosure form accessible to all investment managers and a register maintained by our RI team. Throughout the reporting period, no actual or potential conflicts were identified that could not be appropriately managed in line with our policy.

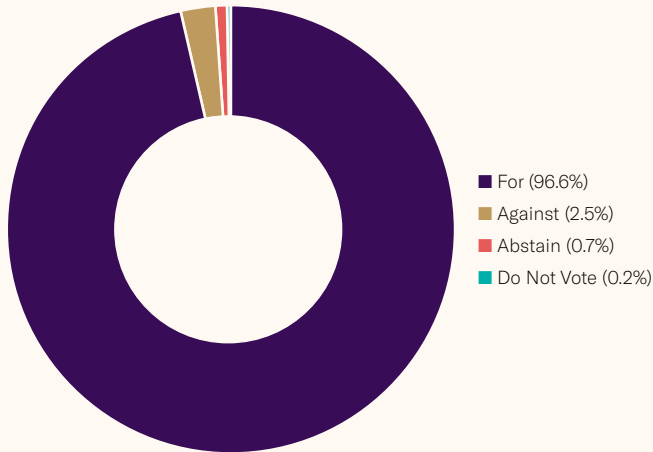
Refer to the **Policy and Context** report **Disclosure D** for details.

Evelyn Partners 2025 voting activity

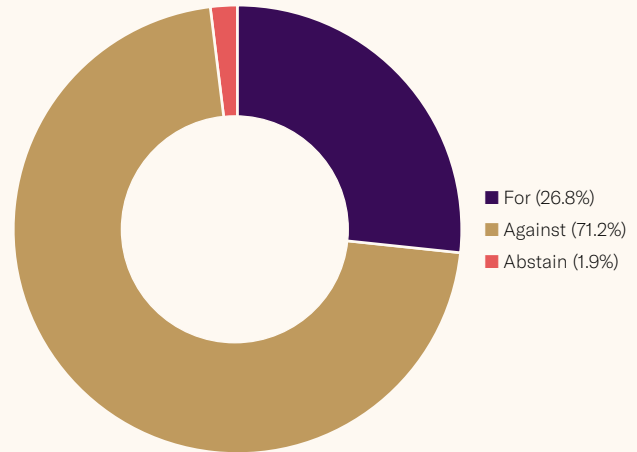
For the majority of our voting activity, we vote in line with management. However, on occasion our opinion may differ from that of management, and we have either voted against or abstained. In such cases, we will send the companies a pre-AGM/EGM letter notifying the Chair of our vote decision and our rationale. We publicly disclose our voting records each quarter on our [website](#), along with rationale in cases where we voted against management.

Please see below for details on our voting activities undertaken during 2025.

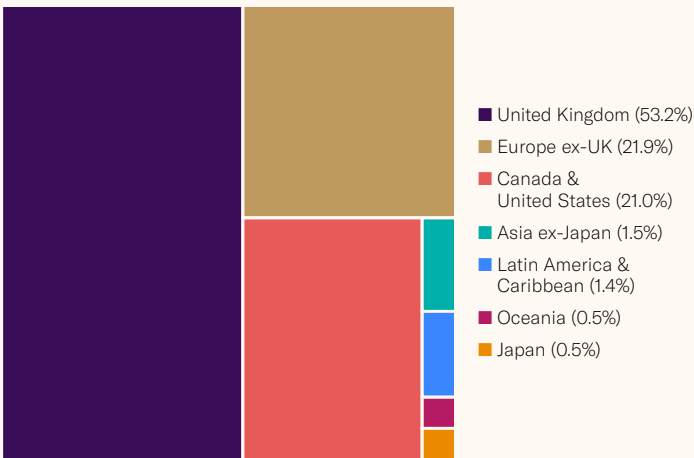
Votes cast – management proposals



Votes cast – shareholder proposals

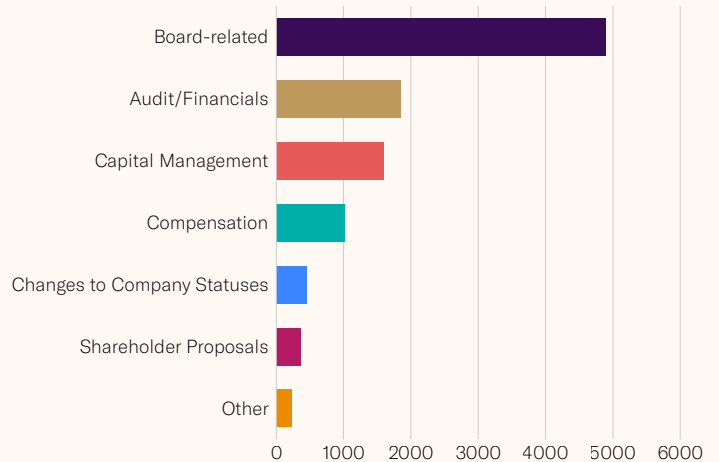


Meetings by region



Source: Glass Lewis

Voting proposal by category



Voting in practice – votes against management

Case study: Amazon.com – Shareholder proposal – report on working conditions (US, Consumer Discretionary)

Amazon.com has faced ongoing reports and allegations concerning their working conditions. Their poor record on worker health and safety have been a source of public anger at the company. In 2025, we supported a shareholder proposal requesting the company commission an independent audit and report of its warehouse working conditions. We believed that independent scrutiny on the company’s working conditions was warranted to provide shareholders with reliable information and help the company address overlooked issues.

Outcome:

The resolution received support from 22.3% of votes and was not carried.

Case study: Tesla – compensation-related management proposals (US, Consumer Discretionary)

At Tesla's AGM, we voted against the advisory vote on executive compensation, amendment to the 2019 Equity Incentive Plan, and approval of the 2025 CEO Performance Award. In line with our voting policy, it is our belief that executive remuneration should be directly linked to the performance of the business that the executive manages. Incentives tied to long-term performance and holding restrictions provide the strongest alignment with the interests of long-term shareholders. Additionally, given the company received 79.4% support for its advisory vote on executive compensation at the 2024 AGM, we expect transparency around the company's response to shareholder dissent.

Outcome:

The proposal items were carried and received the following support of votes:

- Advisory vote on executive compensation – 78.2%
- Amendment to the 2019 Equity Incentive Plan – 78.7%
- Approval of 2025 CEO Performance Award – 76.6%

Case study: Marks & Spencer – Shareholder proposal – report on wage policies (UK, Consumer Staples)

We supported a shareholder proposal at Marks & Spencer requesting the company assess its approach to human capital management by reporting on its wage policies. This included its approach to setting base pay for hourly paid direct employees as well as for third-party contracted staff and the number of employees whose pay is below the real Living Wage. Our view was that the proposal would allow shareholders to better understand how the company is managing and mitigating its human capital risks.

Outcome:

The resolution received 30.7% support of votes and was not carried. Following the AGM, the company noted they intend to develop its people-related disclosures in its annual report to provide shareholders with greater insight on its approach to colleagues and contracted workers.

Case study: Apple – Shareholder proposal – report on risks of AI data reporting (US, Information Technology)

Apple's investment in and use of AI technologies presents a lot of opportunity for the company but also significant risks. During the year, we supported a shareholder proposal requesting the company prepare a report assessing the risks presented by the unethical or improper usage of external data in the development and training of its AI projects and implementation. We agreed with the principle that providing shareholders more information in relation to AI data sourcing and on risks related to material that may be exploitative of children on Apple's platform will be beneficial. Therefore, we supported the shareholder proposal.

Outcome:

The resolution received support from 11.4% of votes and was not carried.

Voting as part of the escalation process

For direct investments, where the matter is significantly out of step with our RI priorities, we may abstain or vote against management proposals as well as support shareholder proposals. In such cases, we will write to the Chair of the Board to explain our reasoning and provide the opportunity to further engage.

Escalation case study: JPMorgan Chase & Co. – Pre-AGM meeting on shareholder proposal regarding an independent chair

What we like:

- A solid and consistently improving capital position underpinning capital return through dividends and buybacks

Challenges:

- Governance concerns given Jamie Dimon's dual CEO and Chairman role which he has held since 2006

Stewardship Focus:

Prior to JPMorgan's AGM in May, we met with the investor relations team following a letter we sent to the company notifying we would be supporting the shareholder resolution. In the meeting, we clarified our voting rationale, emphasising the concentration of power, the importance of having mechanisms to challenge dominant voices in leadership, and understanding where a company goes in succession planning. It was noted Dimon may continue to serve as Chair after he steps down as CEO to ensure a smooth transition.

Outcome:

Post-meeting, we reaffirmed support for the shareholder proposal. Although JPMorgan reiterated their commitment to shareholder engagement and succession planning, we decided to downgrade JPMorgan in August from the highest rating of 'top picks' to a 'positive' rating given the governance concerns.

Following the AGM, the shareholder proposal received 36.6% support of votes and was not carried.



ADDRESSING *market-wide and systemic risks*

We use a flexible, multifaceted approach to identifying systemic risks, drawing mainly on our Strategy team for macroeconomic and systemic insights whilst being cognisant of the firm's Risk Management Framework (see **Policy and Context** section on **Stewardship resources**). This is complemented by intelligence from industry bodies, collaborative engagements and specialist analytical tools to ensure robust horizon scanning across financial and non-financial risks.

Systemic risks—defined by the Financial Stability Board (FSB) as disruptions to financial services with the potential to have serious economic consequences—can arise from environmental, social or governance factors. Many ESG risks, such as climate change or biodiversity loss, cut across sectors and jurisdictions.

We regularly see the same risks emerging through multiple sources of analysis, strengthening the consistency of our risk view and helping us to assess potential impacts on portfolio resilience. For example, cyber risk is identified within our internal risk framework and reinforced by our sector level investment research. Similarly, our participation in NA100 has highlighted nature-related risks that are consistent with our own analysis of material Principal Adverse Impact indicators (PAIs).

We respond to systemic risks in two ways: by using research and data to assess their materiality for clients and the business, and by engaging—often collaboratively—to help us build resilient portfolios and mitigate systemic risks.

Megatrends – identification of systemic risks

We continued to deliver regular insights on four megatrends expected to shape the next decade. This ongoing macroeconomic research helps identify emerging and long-term risks across regions, supporting early recognition of systemic issues relevant to stewardship and responsible investment.

Megatrends are powerful forces influencing economies and industries. They guide us towards sectors with durable growth potential and away from areas exposed to structural risk. For example, demographic trends highlight opportunities in healthcare, while the energy transition points to companies delivering low carbon solutions.

This work ensures investment teams remain alert to wider structural shifts that may impact portfolios and supports the development of resilient, future focused investment strategies.



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. For example, these pressures can heighten the risk of forced labour across global supply chains. The Global Slavery Index estimates that 50 million people worldwide are trapped in modern slavery, with women, children and migrants disproportionately affected. It is suggested that the UK imports around \$26.1 billion of goods each year linked to forced labour.

Through our participation in CCLA's Find it, Fix it, Prevent it initiative, we are working to help companies identify and address modern slavery risks within their operations and/or supply chains. In 2025, our Director of RI Products and Services also recorded a 3-part podcast with a leading authority on demographic and depopulation change (see link: [Demographic megatrends: sustainability & investment – a conversation series with Dr Peter Matanle](#)). This series explored how demographic shifts (ageing population, shrinking workforces and depopulation) are reshaping sustainability, along with the implication for biodiversity, equity and inclusion. These activities support efforts to share knowledge and mitigate a growing systemic risk emerging from demographic change.



Changing world order

This theme highlights a shift in global influence away from transparent, democratically governed systems towards regimes with lower participation and weaker oversight. Significant capital flows into US and UK assets underscore the importance of maintaining strong checks and balances to protect system integrity.

As part of our [2025 RI conference](#), we hosted Tom Holland from the 'Rest is History' podcast and Helen Thompson, author of 'Disorder', to discuss energy security and geopolitics. Over 400 people registered in-person or remotely and the session covered how recent geopolitical events have been driven by a country's need for energy security and how competition for fossil fuels and precious metals affects geopolitical stability.



Bumpy energy transition

The transition to net zero requires significant structural change across the energy system—decarbonising power generation, electrifying demand, improving efficiency and scaling electric mobility. This shift depends on substantial infrastructure investment and is shaped by constraints such as limited supplies of critical metals, higher interest rates and geopolitical pressures, making progress uneven.

These long-term themes present investment opportunities across several sectors, which is reflected in our strategy. At the same time, companies—particularly high emitters—must respond to evolving policy and regulatory expectations, with stronger disclosure consistently supporting better action and reducing systemic risk over time.

We continue to publish a Task Force on Climate-related Financial Disclosures (TCFD) report assessing climate-related risks and opportunities across our operations and investments. Our latest report includes enhanced scenario analysis and is available on our website [here](#).

We produced a podcast with the Head of Strategy and Business Development at Tokamak Energy, to explore why fusion energy is potentially one of the most transformative technologies of the century and why the UK is well positioned (see link: [Fusion: Unlocking the Future of Clean Power – A Conversation with Tokamak Energy](#)). Our views on overall emissions were also featured in articles such as '[Reasons to be cheerful part 3: are global emissions peaking?](#)'.

Case study: Initiation and leadership on avoided emissions with service providers

Guided by our megatrends, climate change continues to be a key focus area within our Environmental Resilience RI pillar. While most of our stewardship work has focused on engaging with companies and fund managers on how they are supporting the net zero transition, we believed engaging on avoided emissions with service providers would provide investors a more comprehensive view of a company's role in the transition. Whilst financed emissions reporting is crucial, we believe that encouraging solutions – such as the additional perspective that avoided emissions data can bring – is an important contribution to reaching net zero.

In 2025, we undertook an analysis on ESG data providers which provided avoided emissions metrics and wrote to 9 data providers to explore introducing avoided emissions data as part of their offering. Given the limitations of traditional climate metrics such as Scope 1-3, we believed there was a need among investors for transparent, quantified data to support the facilitation of the low carbon transition. We reached out to 16 fund managers to gauge interest for avoided emissions metrics from data providers. A total of 10 fund managers agreed to sign onto our letter which we sent to the data providers in December.

Outcome:

Our engagement with various fund managers affirmed our sentiment that there was a gap among service providers' offering in avoided emissions data. We will be continuing this engagement 2026, including assessing the service providers' response to our letter and survey as well as organising roundtables to discuss this important topic.



Technological revolution

The final megatrend theme supports our analytical work by directing investment managers towards companies driving innovation or benefiting from it. Within our investment process, Privacy and Data Security is a core component of the material risks framework for direct equities and ranks as a top five ESG risks across 13 sectors.

The rapid expansion of AI has increased expectations on companies to demonstrate effective governance and oversight of AI-related risks, reflected in a rise in AI-focused shareholder proposals. In 2025, we supported proposals at Apple, Alphabet and Meta, as we considered that improved disclosure would strengthen shareholders' understanding of how these companies manage material AI risks.

Throughout the year, our Strategy team also published AI-related insights, which examined whether AI is genuinely driving corporate profitability, the economic risks and opportunities of AI and the rise of off-balance-sheet financing to fund massive AI infrastructure (see: [Investment Outlook: December 2025 – Show me the money \(AI edition\)](#)). Our Head of RI was also interviewed by Asset TV to discuss some of these innovations and share views on what truly drives client appetite (see: [Is Sustainable Investing Entering Its Most Transformative Phase Yet?](#))

Using engagement to identify and respond to systemic risk

We use engagement as a core tool to identify and address system level risks. We regularly assess new collaborative initiatives, such as those led by the UN PRI, and partner with other investment managers where this enhances our understanding. These existing and emerging collaborations help us monitor risks as they evolve.

In 2025, we continued to advance our understanding of corporate risks and exposure to the combined climate/nature nexus of related risks, with our stated priorities incorporating climate metrics as well as key several impact drivers from the TNFD. Our membership of NA100 continues to help us with this work.

Our membership of the Investor Forum also plays an important role in 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 where aligned. In 2025, we were involved in various collaborative engagements with them, including pre-AGM meetings, as well as their Stewardship 360 project on the UK water industry and the 'Aim to Main' whitepaper.

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

Evelyn Partners activity and policy engagement in 2025

As per our **Policy and Context** report in the **Stewardship policies and processes** section, we are members of various trade bodies including the IA, PIMFA and The Investing and Saving Alliance (TISA).

Evelyn Partners has representation with two board level positions:

- **Paul Geddes**, CEO, serves on the **Investment Association** Board
- **Charley Davies**, General Counsel, sits on the **PIMFA** Board

Our membership and participation amongst these groups allow us to collaborate with peers, contribute to best practice and support initiatives that enhance the functioning and resilience of the investment market.



2025 policy engagement

During 2025 we contributed to multiple consultations, primarily via the IA, including:

- **FCA sustainable finance policy:** provided questions and clarifications for the IA's meeting with the FCA on its review of asset manager TCFD reports, International Sustainability Standards Board (ISSB) adoption, transition plan updates, and the proposed extension of SDR to portfolio management services
- **UK Stewardship Code 2026:** contributed to the IA's response to the FRC consultation (see case study)
- **FCA SDR amendments:** provided input on technical updates, highlighting the need for clearer guidance for multi asset and fund of fund strategies
- **UK climate transition plans:** supported the IA's feedback on the Government's proposals
- **UK Green Taxonomy:** supported the IA's position that a standalone UK taxonomy lacked a clear use case and risked unnecessary complexity; the Government subsequently decided not to proceed
- **Sustainable Finance Disclosure Regulation (SFDR) 2.0:** provided supporting comments to the IA's draft response to the European Commission's review
- **Responsible business conduct:** submitted feedback to the Department for Business and Trade's review

- **Adviser sustainability guidance:** contributed comments to PIMFA's Sustainable Finance Working Group on draft industry guidance for advisers and trainers

2025 academic collaborations

1. Edinburgh Futures Institute (EFI) — Compassion in Financial Services (CFS) Hub

In 2025 we joined the University of Edinburgh's EFI as a founding partner of the 'Compassion in Financial Services Hub', which brings together the financial sector, policymakers, academics, and communities to build a more inclusive, sustainable, and compassionate financial system (see case study below).¹

2. University of Exeter – Transition Risk Exeter Limited (Trex) academic partnership for understanding tipping points and systemic climate risks

In 2025, we joined a user group on climate tipping points led by Trex, a spin-out of the University of Exeter. This collaborative initiative brings together asset owners, managers and academics to improve understanding of systemic climate risks. Through this forum, we have begun to engage with emerging research on climate tipping dynamics and their potential financial implications, supporting our understanding of forward-looking climate science and the limitations of current mainstream modelling techniques. Through this collaboration we hope to strengthen our ability to identify, monitor and respond to long-term climate-related risks on behalf of our clients.

Policy engagement case study – FRC Stewardship Code 2026 (via the IA)

We contributed to the FRC's consultation on the revised UK Stewardship Code 2026 through technical feedback submitted via the IA. Our input supported a more streamlined, outcomes focused Code, including a revised stewardship definition aligned with the FCA's SDR and anti greenwashing framework, a reduced reporting burden through a two part model, and greater flexibility in how signatories report. We also advocated for clearer differentiation between asset owner and manager expectations, optional reporting prompts, and a transition year.

Outcome:

These points were reflected in the IA's final response and subsequently in the FRC's published 2026 Code, which adopts fewer principles, a four year Policy and Context cycle with annual Activities and Outcomes reporting, and transitional arrangements for existing signatories. The revised framework offers improved clarity and proportionality, helping signatories focus on decision useful outcomes. We were also pleased that one of our 2024 Stewardship Code Report infographics was highlighted in the FRC's guidance as an example of effective disclosure.

Academic partnership case study – EFI: Compassion in Financial Services Hub

Through our partnership with the EFI, we supported a landmark piece of research led by Emily Shipp, published in her report 'It's Not About Confidence – the hidden forces shaping women's financial futures'², which explores how we can close the financial literacy divide for women. The report examines the confidence gaps that hold women back from investing, retirement planning, and wealth management, with an aim to identify the barriers preventing more women from pursuing careers in financial services.

Outcome:

The report:

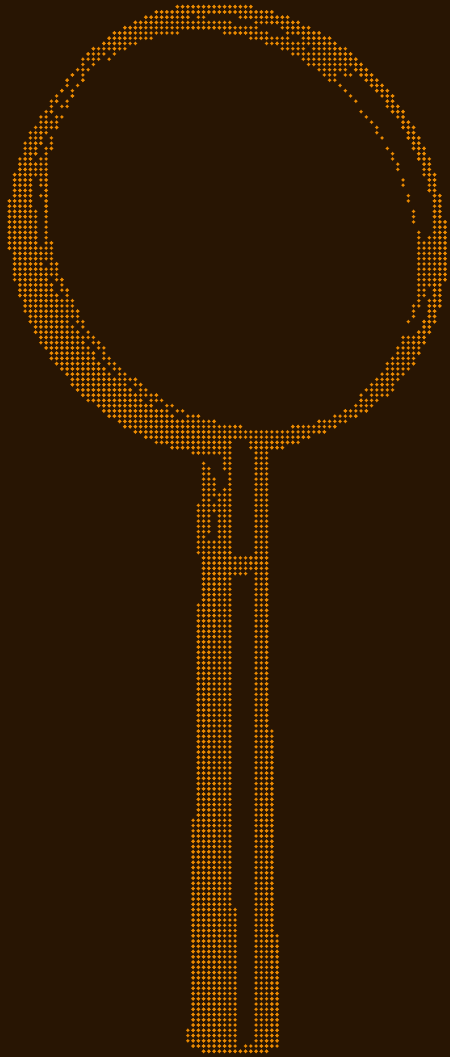
- Highlights an engagement and 75% defined contribution pensions wealth gap at age 60 between women and men, and calls for industry and policy responses beyond individual 'confidence' remedies
- Introduces a 'Windows of Possibility' framework (systemic, sociocultural, situational, self) and provides a shared language and specific recommendations for financial services, advisers, pension product teams and policymakers to align Consumer Duty/Targeted Support with real decision contexts (including time scarcity, mental load, caregiving)

This partnership reflects our commitment to empowering women, championing financial wellbeing, and using culture and education to shape a more equitable future. We have set up a working group internally to work on how we can address these issues and will host more events in 2026 to showcase the research.

¹ [Edinburgh Futures Institute launches Compassion in Financial Services Hub](#) (Feb 2025).

² [It's not about confidence – new report reveals systemic reasons for gender pensions gap - Edinburgh Futures Institute](#) (Jan 2026).

A copy of the report can be accessed here: [Edinburgh Innovations | Women's wealth](#)



MONITORING

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.

Oversight of proxy advisors

Glass Lewis

We use Glass Lewis as our proxy voting adviser to provide us with research and recommendations for consideration in our voting decisions and maintain a Service Level Agreement to ensure service quality. We meet with them regularly to review performance, discuss any issues and monitor policy developments. We review all recommendations to vote against or abstain in line with our policies before casting votes.

In 2025, we undertook a comprehensive review of our voting processes with Broadridge, Glass Lewis and our internal teams to strengthen alignment with our voting policy and improve transparency. As a result, we implemented enhancements to our voting logic, which are expected to deliver outcomes more consistently aligned with our stewardship objectives.

Case study: Meeting on new Texas laws for proxy providers

Texas SB 2337 is a 2025 bill that restricts proxy advisers (like ISS and Glass Lewis) by requiring them to justify any voting recommendations based on non-financial factors, such as ESG or diversity, equity, inclusion (DEI). It applies to research on Texas-based public companies and requires additional detailed disclosures by the proxy advisers. Violations can be enforced by the state or private parties.

Glass Lewis successfully applied for an injunction in August to block this law until February 2026, when there will be a trial. In their public response to the Texas House of Representatives, Glass Lewis highlighted their disagreement with the bill's extreme position that no environmental, social or governance factor could ever be material.

We requested a meeting with Glass Lewis in October to understand how the new legislation in Texas directed against them would affect their ability to provide services to us in future. Their general counsel gave us his views on how they would comply with the law in the event of a negative outcome in February.

Outcome:

This was a positive meeting where Glass Lewis gave us assurances that they would continue to be able to provide us with research and advice in accordance with our contract, regardless of the outcome in February 2026.

Oversight of engagement service providers

Morningstar Sustainalytics

Our corporate engagement activity is comprised of direct engagements as well as collaborative engagements. In 2025, we subscribed to the Morningstar Sustainalytics' Engagement 360 service to expand our capacity and reach for corporate engagements. The Engagement 360 service designed to help clients generate positive and meaningful environmental, social and governance change.

Engagement 360 has supported our stewardship objectives through increased and proactive dialogue to address a wide variety of ESG issues. Engagement performance is measured using a range of parameters such as response, progress, and milestones, which allow us to understand how willing companies are to engage, how they are improving their performance and whether they are meeting engagement objectives. As of December 2025, Sustainalytics led engagements with 36% of the companies that we monitor, which has more than doubled our coverage in the previous year.

Monitoring and participation in Sustainalytics' services

Following our subscription to Sustainalytics' engagement service, our RI team hosted multiple training sessions with sector specialists on how to:

- Use Sustainalytics' Global Access platform to access the wealth of engagement information
- Register for company meetings
- Use the portfolio management and monitoring tool to get customised notifications on engagements
- Communicate this service to our clients

Evelyn Partners' participation in the engagement programme led by Morningstar Sustainalytics includes attending meetings of investee companies that we cover, sending letters to support engagements, using the Global Access platform to obtain relevant information on engagements and monitor progress, and participating in consultations to provide feedback to their programme.

Case study: Sustainalytics top 10 engagement priorities consultation

In December 2025, Sustainalytics launched an 'investor-selected engagement' client consultation to expand the coverage of their Engagement 360 offering. To ensure that this expansion aligned with clients' priorities, investor clients were invited to submit a prioritised list of 10 candidate companies for engagement where there was no ongoing activity. As part of this consultation, we conducted a gap analysis using our risk webs tool based on our RI priorities (see Pg. 11) to determine relevant companies that we cover. This included looking at flagged companies for metrics such as health and safety, UNGC watchlist, water stress, weighted average carbon intensity (WACI), and implied temperature rise (ITR). We submitted a list of 10 companies that we believed would be best suited for Sustainalytics to engage with in line our RI priorities and with their thematic stewardship programme. For example, Schlumberger was identified in one of our top emitting sectors, however, the company was unresponsive to our outreach as part of our direct climate engagement programme in the past. We nominated the company as a candidate for Sustainalytics to engage with as part of their Net Zero Transition theme.

Outcome:

We were pleased to see that Sustainalytics had introduced an 'investor-selected engagements' offering to enable clients to nominate specific companies for ESG dialogue and to further ensure alignment with our stewardship and RI priorities. We look forward to hearing updates from Sustainalytics regarding the outcomes of their client consultation in 2026.

Appendix - RI Web Metrics

Metric	Definition
WACI	The Weighted Average Scope 1+2 Carbon Intensity measures a fund's exposure to carbon intensive companies.
SBTi	% of portfolio market value exposed to companies with science-based carbon emissions reduction targets
ITR	Implied Temperature Rise (ITR) measures a portfolio's temperature alignment (in °C) to global climate targets
Green Revenue	Portfolio exposure to Green Revenues (alternative energy, energy efficiency, green building, pollution prevention and sustainable water)
High Water Stress	Portfolio exposure to issuers operating in areas of high-water stress and with no water management policy
Child Labour Risk	% of portfolio's market value exposed to issuers with disclosed operations and suppliers at significant risk of child labour incidents
Workplace Health & Safety	% of portfolio's market value exposed to companies that do not have a workplace accident prevention policy
Common Social Exclusions	% of portfolio's market value invested in companies involved in controversial weapons, tobacco production or violations of UNGC/OECD guidelines
UNGC Violations or Watchlist	% of portfolio's market value exposed to violators of the UN Global Compact principles, or on MSCI's "Watch List" for potential violations
Board Diversity	% of female board members to total board members

Glossary

AI – Artificial Intelligence

AGM – Annual General Meeting

AUM – Assets Under Management

BBFAW – Business Benchmark on Farm Animal Welfare

CA100+ - Climate Action 100+

CDP – Carbon Disclosure Project

DEI – Diversity, Equity, Inclusion

EFI – Edinburgh Futures Institute

EGM – Extraordinary General Meeting

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

FAIRR – Farm Animal Investment Risk and Return

FCA – Financial Conduct Authority

FRC – Financial Reporting Council

FSB – Financial Stability Board

GHG – Greenhouse Gas

IA – Investment Association

ILO – International Labour Organisation

ISSB – International Sustainability Standards Board

ITR – Implied Temperature Rise

KPI – Key Performance Indicator

MSCI – A leading index provider; our preferred provider of equity indices and data to evaluate the sustainability of investments, including ESG factors

NA100 – Nature Action 100

NAV – Net Asset Value

NYSE – New York Stock Exchange

PAI – Principal Adverse Impact

PIMFA – Personal Investment Management & Financial Advice Association

RI – Responsible Investment

R&D – Research and Development

SBT – Science Based Target

SBTi – Science Based Targets Initiative

SDR – Sustainability Disclosure Requirements (FCA UK)

SEC – Securities and Exchange Commission

SFDR – Sustainable Finance Disclosure Regulation (EU)

SID – Senior Independent Director

SSR – Sustainability Strength Rating

TCFD – Task Force for Climate-related Financial Disclosures

TISA – The Investing and Saving Alliance

TNFD – Task Force for Nature-related Financial Disclosures

UNGC – United Nations Global Compact

UN PRI – United Nations Principles for Responsible Investment

WACI – Weighted Average Carbon Intensity

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T: 020 3131 5203

E: contact@evelyn.com

W: www.evelyn.com

Gresham Street, London EC2V 7BG.

evelyn PARTNERS

Evelyn Partners Group – legal entities

The Group's Investment Management business is a signatory of the UN PRI and UK Stewardship Code 2026 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: Evelyn Partners Investment Management Services Limited (FCA) | Evelyn Partners Investment Management LLP (FCA) | Evelyn Partners Discretionary Investment Management Limited (FCA) | Tilney Discretionary Portfolio Management Limited (FCA) | Evelyn Partners Securities (FCA) | Evelyn Partners Asset Management Limited (FCA) | Dart Capital Limited (FCA) | Evelyn Partners International Limited (Jersey) | Evelyn Partners Investment Management (Europe) Limited (Ireland). Evelyn Partners UK legal entities are authorised and regulated by the Financial Conduct Authority (FCA) | Evelyn Partners Investment Management (Europe) Limited is regulated by the Central Bank of Ireland | Evelyn Partners International Limited (Jersey) is regulated by the Jersey Financial Services Commission.