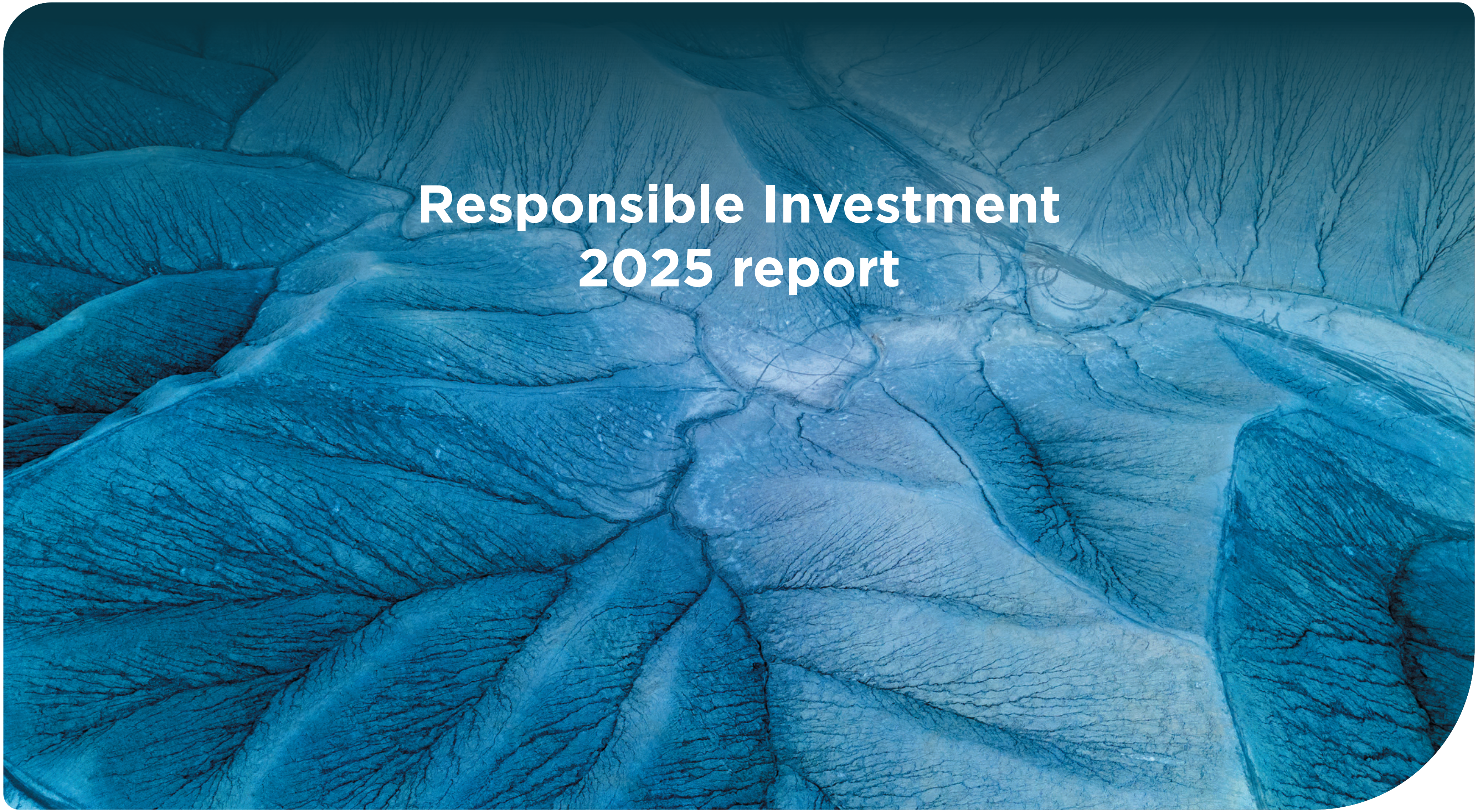
QUILTER CHEVIOT

Responsible Investment 2025 report



SPECIALISTS IN INVESTMENT MANAGEMENT

Contents

Introduction

A year in review

*As Quilter, we achieved **five stars** for Policy, Governance and Strategy in our annual UN backed Principles for Responsible Investment assessment which reflects our active stewardship strategy. We published our first **Climate Action Plan** (CAP) which sets the pathway for how we manage climate-related risks within our investments, more on this later. The Sustainable Investment team achieved **Sustainability Focus** labels under the UK Sustainable Disclosure Requirements (SDR) for the former Climate Assets funds., which are now named the Sustainable Opportunities Funds.*

Data and systems: we continued our project to develop fund dashboards for our centrally monitored third-party funds, to enhance how we categorise funds within our responsible investment framework as well as how we collect firm and strategy level information from those managers. We have a small universe of directly held corporate bonds, and have constructed a dashboard to more easily monitor their ESG characteristics. We continue to interrogate the data we receive from third-party ESG data providers and participated in the FCA consultation on how it might regulate these in the future.

External activity: we continued to play an active role in various collaborative engagements which we outline in this report, and joined the PRI-led Advance initiative focused on human rights. **Greg** presented Quilter Cheviot's responsible investment strategy and highlighted ESG performance expectations for a range of FTSE 250 companies at an Investor Forum event in December. We continued to respond to sustainability-related FCA consultations and having been a part of the Advisers' Sustainability Group, we look forward to the expected publication of the report in early 2026.

Our team: **Margaret** won the Communicating Integrated Thinking Leadership Award, and was a finalist for the Rising Star Award at the Finance for the Future Awards. The **team** was shortlisted for the 'Best ESG Provider Award' by Money Marketing. This was a highly competitive and prestigious nomination which recognises various asset managers for their outstanding contribution to the industry through their stewardship efforts. Additionally, **Nicholas** and the **team** were short-listed in the 'Rising Star' and the 'Best Sustainable Investment Engagement Group Initiative' categories respectively for the Sustainable Investment Awards. **Yumna** joined the team in July to lead our fund focused responsible investment activity.

2025: how we met our commitment to the PRI

As part of Quilter, we are a signatory to the Principles for Responsible Investment (PRI). Below we outline how our responsible investment policy and approach aligns to the six principles, and how we measure our progress through Key Performance Indicators (KPIs):

PRI principle	How we monitor this (KPIs)	2025 outcomes
1. We will incorporate ESG issues into investment analysis and decision-making processes.	We monitor this through changes to a recommendation – for example, where we have removed a holding from a model or downgraded its responsible investment categorisation. Decisions to engage based on ESG issues being flagged.	15 companies or funds had changes to their categorisation: • Eight were moved from Aware to Engaged • Four were moved from Engaged to Aware • One initiation • One upgrade to buy • One downgrade to neutral We engaged with 18 companies and funds based on ESG issues being flagged. This is out with our usual proxy season and thematic engagement activity.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.	Coverage of the voting universe as a percentage of in scope Assets under Management (AuM). The occasions, following efforts to engage, that we vote differently to the recommendations set by our proxy voting provider. Ongoing tracking of our engagement activity through alignment to themes, asset classes and outcomes.	97% In 2025, out of the 7,460 resolutions, we voted differently to ISS' recommendation for 91 of them (1.2%). In 2025, we undertook 160 engagements focused on different ESG issues across equities, funds, fixed income and alternatives.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.	Continued participation in the CDP (formerly the Carbon Disclosure Project) Non-Disclosure Campaign. Voting on shareholder resolutions which promote appropriate disclosure on ESG related issues.	We participated in the CDP Non-Disclosure Project. In 2025, we voted on 226 ESG-related shareholder resolutions.

2025: how we met our commitment to the PRI

PRI principle	How we monitor this (KPIs)	2025 outcomes
4. We will promote acceptance and implementation of the Principles within the investment industry.	Our centrally monitored third party funds' PRI status is reviewed annually and we will engage where appropriate on PRI signatory status.	Of the 361 funds within our centrally monitored universe, 354 are PRI signatories. Of these, we have engaged repeatedly with the two long equity managers to encourage PRI signatory status; both are based in the US and have taken a risk averse approach to this. The remaining funds are special situations/asset classes.
5. We will work together to enhance our effectiveness in implementing the Principles.	Through our active participation in collaborative engagements.	Please see our engagement activity reporting.
6. We will each report on our activities and progress towards implementing the Principles.	Maintain Stewardship Code signatory status. Regular quarterly and annual reporting, as well as monthly voting disclosure in line with SRD II.	Quilter retained signatory status of the Stewardship Code. Please see **Stewardship | Quilter Cheviot** for our reports.

Meet the team

Your responsible investment team

Gemma Woodward, Head of Responsible Investment

Gemma joined Quilter Cheviot in 2015 to develop its approach to responsible investment and lead the strategic direction across the business. Within Quilter Cheviot she is a member of the Investment Oversight Committee and chairs the Sustainable Investment Forum. Externally, Gemma is a member of TISA's Responsible & Sustainable Investment Committee, as well the Advisers Sustainability Group for the FCA, having previously sat on the Disclosure and Labelling Advisory Group (DLAG). She has 30 years of investment experience and has spent much of that time focused on the charity sector, and specifically clients with complex responsible investment requirements. Gemma has held multiple trustee and investment advisor positions for charities and is currently a trustee and chair of the investment advisory committee for a large medical grant making charity, as well as being an independent investment adviser for another charity. She is a Chartered Wealth Manager and has a degree in history from Durham University. Gemma's experience of being an investment practitioner clarifies the real-life issues of incorporating ESG factors within the investment process and for client portfolios and strategies.

E. Gemma.Woodward@quiltercheviot.com

Greg Kearney, Senior Responsible Investment Analyst

Greg joined Quilter Cheviot in 2019 and his role is focused on providing oversight and leadership for our active ownership agenda including our voting and engagement activity. This includes structuring and delivering thematic engagements. Greg represents Quilter Cheviot on several collaborative working groups including those for Climate Action 100+ and Nature Action 100, as well as the 30% Investor Club. He studied International Political Economy at the University of York and holds the Chartered Alternative Investment Analyst (CAIA) qualification. Greg's experience working at the UN-backed PRI has informed Quilter Cheviot's approach to responsible investment and understanding what best practice looks like.

E. Greg.Kearney@quiltercheviot.com

Nicholas Omale, Responsible Investment Analyst

Nicholas joined Quilter Cheviot in 2021. and has been integral in the development and use of systems and data to better inform our ESG integration and active ownership activity. Additionally, he led the cyber security thematic research in 2024 and engages with investments to better understand how they manage ESG (environmental, social and governance) risks and opportunities. Prior to joining Quilter Cheviot, Nicholas completed the Investment Trainee programme at BNP Paribas Asset Management and has an MSc in International Financial Management from Queen Mary, University of London. He has also completed the CFA ESG qualification and CFA UK Investment Management Certificate. Nicholas' quantitative approach to responsible investment brings a new skillset to the team and has enabled the building of new data tools to help with our stewardship activity.

E. Nicholas.Omale@quiltercheviot.com

Your responsible investment team

Margaret Schmitt, Responsible Investment Analyst

Margaret joined Quilter Cheviot in May 2023 as a climate specialist within the team. She oversees Quilter Cheviot's climate strategy for its investments including the development of our Climate Action Plan. She leads climate-related engagements, including collaborations (Climate Action 100+, Institutional Investors Group on Climate Change (IIGCC), Net Zero Engagement Initiative) and is a member of the IIGCC External Fund Managers Working Group, as well as Wealth Managers on Climate. Margaret also supports the delivery of annual TCFD group, entity and product disclosures. Prior to joining Quilter Cheviot, she worked in ecological research before joining a consultancy on carbon accounting and biodiversity. Margaret graduated with a degree in Environmental Science and Policy from Grinnell College (Iowa, USA). Her climate expertise is key to Quilter Cheviot's approach and disclosure in this area.

E. Margaret.Schmitt@quiltercheviot.com

Yumna Yusuf, Responsible Investment Analyst

Yumna joined Quilter Cheviot in 2025 and is focused on expanding the firm's ESG capabilities across third party funds. Her role includes developing proprietary dashboards and tools to strengthen ESG assessments, working closely with fund research analysts to provide in-depth ESG analysis, and leading engagements across equity, fixed income and alternative strategies, including investment trusts. Yumna has worked in the sustainability and climate field since 2019, where she was a part of the UK Government's United Nations Framework Convention on Climate Change (UNFCCC) climate negotiations team before joining Schroders' Sustainable Investment team as a climate engagement specialist. She holds a degree in history from SOAS, University of London and has international experience of working in China and Tanzania. Her background in climate policy, stewardship and ESG analysis across asset classes informs Quilter Cheviot's approach to engaging with external managers.

E. Yumna.Yusuf@quiltercheviot.com

What we do

Overview of our responsible investment approach across discretionary holdings at Quilter Cheviot

Stewardship

Our approach can be broken down into two main activities:

Engagement
We are active owners on behalf of our discretionary clients. We initiate dialogue with companies (including investment trusts) and funds. Engagement can be carried out in reaction to concerns or to better understand a company's or fund's approach to material sustainability issues. We engage to better understand and manage individual company and fund related risks but also to contribute to the better functioning of markets in which we operate.

Voting
We use our voting rights to express formal approval or disapproval of the way investee companies or investment trusts are managing risks and opportunities. As well as being a core aspect of being an active owner, it is an important escalation tool in our stewardship process. In addition to our discretionary portfolio service voting (and engagement) coverage includes*:

- MPS (Managed Portfolio Service) Building Blocks
- Sustainable Opportunities Balanced and Growth Funds**
- Quilter Cheviot Global Income and Growth Fund for Charities
- Quilter Investors Ethical Fund
- AIM Portfolio Service
- Quilter Cheviot International Funds
- Libero Balanced

ESG Integration

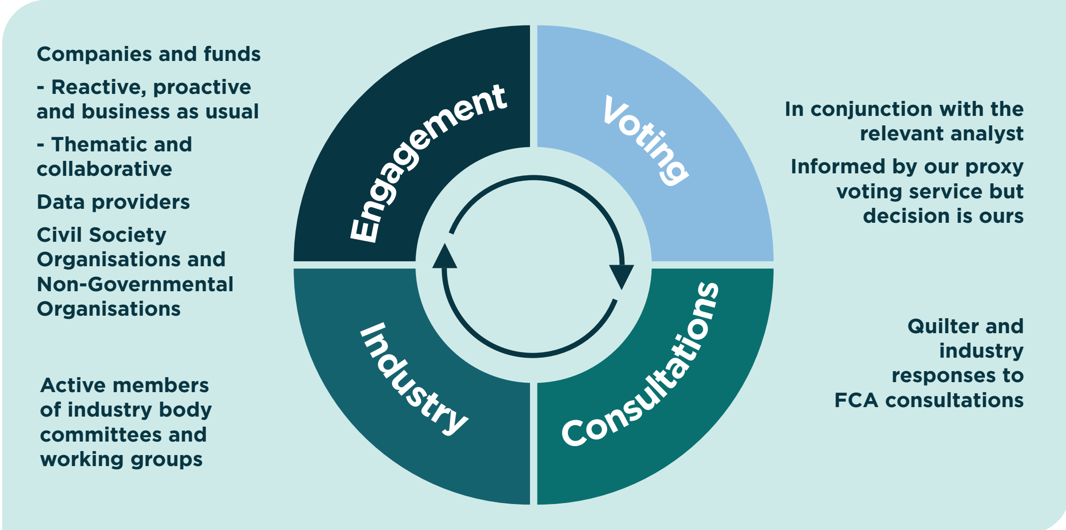
- Analysing ESG data to better inform investment decisions.
- ESG integration applies to holdings which are within the monitored research universe, focusing on our core list of equities, funds and fixed income holdings.
- Our proprietary ESG data dashboards leverage multiple data providers.
- The purpose is not to exclude certain activities or sectors but to understand the ESG related challenges and opportunities for an investment.
- It is about risk mitigation and the approach will depend on the asset class. ESG factors are a component within the investment process and is not the overriding consideration.

ESG Screening

Ethical and value oriented investment based on client requirements is incorporated on an individual client basis, informed by their specific ethical preferences and values within Quilter Cheviot's discretionary portfolio service. These will vary from client to client and will focus on sectors, industries, or individual companies. In line with international and national laws, we exclude direct investment in controversial weapons (cluster munitions and anti-personnel landmines).

*This includes our global equity and investment trust monitored lists; as well as holdings in the AIM Portfolio Service and UK holdings where we own more than 0.2% or £2 million of the market cap. As far as reasonably possible given the local regulations regarding share voting. Notably, we do not vote where it results in the blocking of trading positions. We also do not currently vote on discretionary holdings (within the global equity and investment trust monitored lists) where we do not have the power of attorney in place. These markets being Switzerland, Sweden, Belgium, Norway. Other infrequent instances of non-vote placement may include where Crest Depositary Interests (CDIs), ADRs or GDRs are held. Ability to vote on these holdings differs on a case-by-case basis.
** Formerly the Climate Assets Funds

Being an active owner



Best practice stewardship is not about single company or fund engagements on governance topics, we aim to do more.

We want to amplify our engagement voice and outcomes as well as create a more enabling environment for our approach to responsible investment. We are doing this in a number of ways:

Collaborative engagement

We use a number of collaborative forums including to join with other investors to undertake engagement.

Industry participation

We have representation on industry groups' responsible and sustainable investment committees where we are looking to share best practice and feed into industry thinking in enabling a supportive policy environment.

Engaging the wider 'ecosystem'

We aim to engage with external industry actors that contribute to the operations of investee companies, this includes recruitment consultants and remuneration consultants. This is not only an effort to facilitate systemic change but also allows us to have more informed conversations with investee companies when discussing material topics like diversity and remuneration.

2025 in review

Introduction | Meet the team | What we do | 2025 in Review | 2026 priorities | Voting highlights | RI at Quilter Cheviot | RI Reels

Climate change: overview

Climate Change is the defining issue of our time, and we are at a defining moment. From shifting weather patterns that threaten food production, to rising sea levels that increase the risk of catastrophic flooding, the impacts of climate change are global in scope and unprecedented in scale. Without drastic action today, adapting to these impacts in the future will be more difficult and costly*.

SDG Alignment: 7 Affordable and Clean Energy, 13 Climate Action, 15 Life on Land

Thematic engagements

Capitalising on Climate Opportunity

Greening algorithms: Artificial Intelligence and emissions

Slow to Start - Science-Based Targets Initiative (SBTi) alignment
We began this engagement in 2025, and will conclude this in 2026.

Collaborations

Part of Climate Action 100+

2023 onwards

Part of the IIGCC Net Zero Engagement Initiative

2023 onwards

Wealth Managers on Climate

2024 onwards

IIGCC External Fund Managers Working Group

2024 onwards

CDP SBTi Campaign

2022 - 2024

* United Nations

Climate change: case study

Capitalising on Climate Opportunity

We continued our ongoing thematic engagement program on climate disclosure and transition planning with the largest emitters held within our Sustainable Opportunities Funds.

Objective: To better understand each company's current plans and progress towards them. Whilst this is the first phase of engagement focused specifically on the holdings in the Sustainable Opportunities Funds, it is built upon the ongoing thematic engagement that Quilter Cheviot has conducted with the highest emitters amongst its broader investment universe. This previous engagement established a framework for what a robust climate action plan looks like.

- A focus on the next ten years with specific short- and medium-term targets (2050 goals are welcome but action over the next decade is critical).
- We want to see a reduction in absolute emissions. This includes Scope 3 metrics and is largely absent of carbon offsets. Carbon intensity measures can be supplemental but should not be the main target.
- Demonstrate alignment of capital expenditure with transition targets and consideration of Paris Climate goals into significant capital expenditure projects.
- Limited used of carbon offsets. Residual emissions may be abated with offsets and carbon capture and storage but use should be specific with clear end dates. This should not be a structural element of reduction targets.
- The linking of executive remuneration to internal carbon reduction targets to help integrate transition planning into company strategy.
- Assessment of alignment of climate transition strategy with member industry associations lobbying activities.
- Taking ownership of Scope 3 emissions and building these into carbon reduction targets.

Outcome: This thematic engagement was positive and productive. We were able to increase our understanding of the climate action plans of the Funds' top emitters and took the opportunity to provide feedback on best practice along the way. We recognised some impressive work to decarbonise and are generally supportive of plans for further decarbonisation into the future. We do not view this engagement as complete and will continue to engage on this topic - and with these companies - and look forward to the further implementation and, hopefully, results of their plans.

Climate change: case study

Legal and General

Objective: Our Science Based Targets initiative (SBTi) Slow to Start engagement series stems from our Climate Action Plan (CAP), targeting the most financial and emissions-material companies in our centrally monitored universe which have not set a SBTi-validated target and where a sector-relevant SBTi pathway is available.

The purpose of our discussions is to identify key barriers which deter companies from seeking SBTi validation, as this is an important metric Quilter Cheviot utilises to gauge climate risk management within its investments.

Our engagement with L&G Group's climate team served primarily to clarify its array of climate commitments and targets, to understand whether these are comprehensive across all the Group's companies. L&G confirmed its range of targets appears complex because of its membership in, and the applicability of, multiple third-party climate frameworks (including SBTi, Net Zero Asset Owner Alliance (NZAOA), Net Zero Asset Managers (NZAM)). The majority of its existing targets are covered by those it received SBTi validation for in 2021. The only parts of the Group's business not covered by these are targets for its less-material Scope 3 emissions (categories 1-12,14).

The team made clear that the company remains wholeheartedly committed to its 'climate-responsible' approach, and is a fervent supporter of the initiatives it has become a firm advocate of. However, the Group's Climate Director emphasised that the company's support does not guarantee its adherence to these standards in future. During the consultation and piloting work with SBTi, the company made clear it has reservations about some of the terms and requirements included in this guidance. It is generally felt that SBTi is at risk of prioritising scientific rigour over practical achievability in its standards.

Outcome: L&G to date has a robust reputation as a stalwart supporter and early endorser of climate frameworks and decarbonisation commitments, including the SBTi. Its targets and thorough climate strategy across all of the Group's businesses can attest to this, and the relevance to its core business (insurance) remains paramount. However, its lukewarm reception of SBTi's latest guidance specific to financial institutions attests to a degree of wariness which has set in amongst even the SBTi's most keen advocates. As with other early movers in climate, the true test of whether it will continue to participate in SBTi validation will only become clear nearer to the expiry of its 2030 near-term targets.

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Climate change: case study

National Grid

Objective: The Climate Action 100+ annual meeting with the company to discuss updates to the Clean Power 2030 Action Plan (CP30), with a focus on grid connectivity and community engagement around the transition narrative.

Members of National Grid's Sustainability team, as well as Investor Relations, provided an overview of its progress against the UK government's Clean Power 2030 Action Plan. The company is developing 17 discrete projects as part of the government's ambitious energy decarbonisation strategy. In addition to extensive hiring and strategic planning, the company has also been working to secure its critical supply chain materials.

Our engagement group raised several queries in our discussion. We asked what measures National Grid is taking to mollify the community opposition to large new infrastructure as part of its CP30 programme. The company noted its use of new visualisation tools, allowing community members to see realistic – and, importantly, accurate – visual impacts of new infrastructure such as pylons and offshore wind turbines. It also emphasised the importance of a strong unifying narrative for these projects, and the vital contribution they are making towards the UK's energy independence, the numerous jobs supported and other benefits manifesting at community level, like cheaper energy bills.

National Grid was clear, however, that it supported recently proposed changes to streamlining community consultation processes. It is committed to understanding community views in the consultation process but is keen to streamline this process as much as possible, particularly given the pace needed to achieve the CP30 scheme within a fast-approaching deadline.

Outcome: National Grid appears to be concentrating on positioning itself for success in achieving the CP30 scheme, with over a thousand new hires linked specifically to these projects in the last year. The company is learning and, with relative speed, overcoming barriers to bring these projects online on time. Notably, it succeeded in lobbying for changes to the grid connection queue process, after decade-long quoted wait times for businesses shook confidence in its ability to deliver the range of new infrastructure planned. The next few years will be critical to seeing some of the promised infrastructure taking shape and realising much of the planning done to date. There was no change to the RI categorisation as a result of this engagement.

Human rights: overview

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination*

SDG Alignment: 5 Gender Equality, 8 Decent Work and Economic Growth, 10 Reduced Inequalities, 16 Peace, Justice & Strong institutions

* United Nations

Collaborations

30% Club
GROWTH THROUGH DIVERSITY

'Fix the Exec'

2023 onwards

Modern Slavery collaborations:

- Find it, Fix it, Prevent it
  2022 onwards
- Modern Slavery in the UK
  2021 onwards

PRI Advance
2025 onwards

advance
A stewardship initiative for human rights and social issues

Modern Slavery

Co-signed alongside other asset managers an investor letter requesting that the UK Government give parliamentary time to discussing the introduction of Human Rights Due Diligence legislation in the upcoming session.

Human rights: case study

Collaborations - 30% Club ‘Fix the Exec’

Our aim

The 30% Club is a business-led campaign founded in the UK in 2010 to improve gender diversity at board and senior management levels. In recent years, significant progress has been made on board gender and ethnic diversity, and our focus has now shifted to executive management.

As part of the 30% Club’s ‘Fix the Exec’ working group, we are engaging with companies that lag in gender diversity at the executive level. While board representation has improved, attention is now turning to executive management, where women hold only 32.7% of roles in the FTSE 100 and 27% in the FTSE 250. Building on the FTSE Women Leaders Review, we are encouraging companies to target 50% female representation on executive teams and meet the Parker Review’s diversity objectives.

Human rights: case study

British American Tobacco

Objective: The 30% Club's 'Fix the Exec' working group is engaging with companies that lag in gender diversity at the executive level, where progress has been much slower than at board level. The goal is to encourage firms to reach 50% female representation in executive teams and meet wider diversity expectations, such as the Parker Review.

A discussion with British American Tobacco (BAT) focused on its policies and programmes intended to support gender diversity. Female representation on BAT's executive management board is currently 7% (one woman among 13 executives), though this is expected to rise to 15% once a woman assumes a forthcoming EMEA leadership role. BAT aims for at least two of the four key leadership roles (CEO, CFO, Chair, SID) to be held by women—exceeding FCA requirements.

Succession planning is overseen by the Nominations Committee, which uses accredited executive search firms and insists on gender-balanced candidate pools. Within BAT's leadership pipeline, 36.5% of senior leaders are women (target: 40%), and 43.5% of the next level management tier are women (target: 45% by end-2025). Recruitment is constrained by the nature of the tobacco industry, which limits early-career outreach and contributes to fewer female applicants.

BAT operates several internal diversity initiatives, including a Women in Leadership Programme (1,239 participants since 2013) and a Truly Inclusive Leaders Programme focused on unconscious bias. However, BAT did not provide evidence of their effectiveness. STEM outreach efforts exist in some countries but are not centrally coordinated.

Outcome: Overall, the conversation offered high-level insights but limited detail on measurable outcomes. While BAT has set ambitions for greater gender balance and plans to appoint another female executive, current representation remains low, and it is unclear how far existing initiatives will drive meaningful progress.

Human rights: case study

LVMH

Objective: We engaged with LVMH's Investor Relation's ESG lead to follow up on two alleged social controversies. The objective of the meeting was to better understand the materiality of recent allegations of misconduct and labour rights abuses within the group and whether this pointed to broader structural problems.

Specifically, we discussed a sexual harassment claim at Moët Hennessy and labour violations in Loro Piana's Italian supply chain. This engagement was aimed at gathering information, setting expectations for remediation, and assessing any implications for our responsible investment view of LVMH.

The meeting began by exploring the Moët Hennessy harassment case. Management categorically denied the ex-employee's claims of a sexist culture, describing the incident as isolated rather than symptomatic of a broader problem. They emphasised that internal metrics such as sick leave and exit interviews have not indicated systemic issues, despite reports of elevated numbers by media sources. Moët Hennessy's leadership team highlighted a 50% female representation in senior roles and outlined staff support through employee programmes like the LVMH Heart Fund (which offers staff financial aid and counselling in times of need). An internal investigation was launched, and management reiterated its commitment to a safe, inclusive workplace, promising enhanced conduct training and standards. Management believes this is an isolated case and highlighted that the individual had bypassed internal grievance channels and taken her story public, leading LVMH to defend its reputation through a defamation complaint.

Turning to Loro Piana's Italian supply chain, management addressed the discovery of illegal subcontracting and worker exploitation by one supplier in May 2025. Loro Piana immediately terminated contracts with the supplier and all associated sub-suppliers. In July 2025, the division was placed under court supervision for one year to ensure labour compliance. LVMH responded by launching hundreds of unannounced supplier audits, tightening subcontracting approval protocols, and granting auditors greater access to lower-tier suppliers. It also strengthened its oversight by engaging directly with all manufacturing heads and collaborating with industry peers and Italian authorities on national supplier certification programmes. The company also noted that this is a sector wide problem in the northern Italian manufacturing region, with a number of companies negatively impacted by illegal and hidden subcontracting of orders.

Management noted that these incidents have not had a material impact on LVMH's financial performance to date, but acknowledged the reputational risks involved. Ensuring ethical labour practices is now a top priority group wide. We were also told that LVMH's CEO personally convened all manufacturing heads to reinforce these expectations, underlining how seriously the group takes this matter.

Outcome: The engagement gave us a better understanding of LVMH's actions and commitments regarding these social issues. On the basis of our dialogue, we believe that management addressed our questions openly and demonstrated, in the case of Loro Piana, a clear plan to prevent future occurrences. As a result, we maintain our current responsible investment categorisation of LVMH. We expect LVMH to follow through on its enhanced oversight measures and will continue to monitor progress. We concluded by reinforcing our expectations that LVMH maintains high standards on workplace conduct and supply chain labour conditions, and management agreed to keep us updated on the outcomes of the internal investigation and the audit programme.

Natural capital: overview

Natural capital can be defined as the stock of renewable and non-renewable natural resources (e.g., plants, animals, air, water, soils, minerals, etc) that combine to yield a flow of benefits and ecosystem services to society*. The purpose is to understand the impact that companies have on the natural world including water, deforestation and biodiversity.

SDG Alignment: 6 Clean Water and Sanitation, 12 Responsible Consumption and Production, 14 Life Below Water, 15 Life on Land.

Thematic engagements

Disposable disclosures: Consumer goods and single use plastic

Making a splash - Water (Sustainable Opportunities)

Collaborations

Nature Action 100

2023 onwards

PRI Spring

2024 onwards

* Task-Force on Nature-Related Financial Disclosures

Natural capital: case study

Disposable disclosures: Consumer goods and single use plastic (thematic engagement)

Objective: Our thematic engagement on plastics aims to assess corporate plans to manage product packaging's lifecycle and reduce plastic pollution, while also seeking a better understanding of how companies are navigating an increasingly complex legal and political landscape. Using the Brand Audit report from the NGO Break Free From Plastic (BFFP), we identified top global corporates whose packaging ends up as pollution. BFFP's 250 brand audits in 41 countries collected 537,719 pieces of plastic waste, documenting around 7,000 brands from 4,000 parent companies. The engagement focused on five leading consumer goods companies (Coca Cola Europacific Partners, Nestlé, Unilever, Coca Cola HBC, and Mondelez) – which correspond to the largest users of single-use plastics by volume in our investment universe. We sought to understand how these investee companies with significant plastics exposure are addressing key risks and opportunities – including their plastics strategy across different geographies, use of recycled plastics, reusable packaging formats, the impacts of packaging regulations, and emerging health and liability risks related to plastics.

This engagement with the Sustainability team provided a comprehensive look at Unilever's plastics strategy and its recent course-correction toward more realistic goals. Unilever remains committed to tackling plastic packaging waste, even as it has extended the timelines for some targets in light of practical challenges. Although it is disappointing to see a paring back of goals, the company has made tangible progress – for example, achieving a 23% reduction in virgin plastic use and reaching 93% waste collection – and it has a detailed action plan to push those numbers further in the coming years. Importantly, Unilever is undertaking both internal measures (redesigning products, investing in recycled content, R&D on new materials, etc.) as well as external collaboration and advocacy for systemic change. This two-pronged approach – improving its own operations while also helping shape broader industry standards and infrastructure – aligns with what we as investors expect from a leader in sustainability.

Despite falling short of its initial 2025 aspirations, Unilever's updated strategy appears credible and business aligned. The new strategy candidly recognises what was not working (especially around flexible packaging and the original deadlines). We were encouraged by Unilever's openness about the hurdles it faces – such as the need for better recycling technology for sachets and the reality that consumer behaviour is hard to shift. The real test will be in execution, achieving the interim targets in 2026/2028, scaling up reuse models, and innovating viable alternatives for problematic plastics. These remain significant challenges. For instance, solving the use of disposable sachets will likely require breakthroughs in material science or new delivery models that have yet to be proven at scale. Similarly, reaching 100% reusable/recyclable packaging by 2030/35 will demand not only product innovation but also functioning recycling systems in all the markets Unilever serves.

Outcome: We view the "realistic roadmap" as a positive in that it sets achievable benchmarks and encourages accountability, though we will watch to ensure that ambition is not further diluted over time. Unilever's leadership in global initiatives and support for regulation should help drive industry-wide progress, which ultimately makes its own goals more attainable. We maintain our responsible investment view based on the meeting.

Governance: overview

We research governance related themes which inform our voting policy for direct equity holdings.

Thematic engagements

Indexing active ownership: How index trackers deliver stewardship

Voting at the margins

Collaborations

The Investor Forum

2024 onwards

THE INVESTOR FORUM

Fund ESG integration: overview

Over the course of this year, we have been building a proprietary dashboard to adopt a data driven approach for improved consistency and depth in ESG assessments using a baseline view of funds, complemented by qualitative insight.

Our annual survey data collection process (ESG RFI*) gathers firm and strategy level insights from the third-party funds in our centrally monitored universe. This is complemented by information from third-party providers which provide data points at the portfolio holdings level for a wide range of metrics across climate, natural capital, human rights and governance and turned into thematic scorecards. Where third party data is not available, especially for the alternative asset classes, we have undertaken engagements across infrastructure, real estate and private equity to understand in-depth how funds are incorporating ESG integration during due diligence and the holding period of the assets and have used this to develop sector scorecards.

The survey questions are assessed qualitatively across four key ESG pillars, and scored on a scale of 1-5:

- Oversight and implementation
- ESG integration into the investment process
- Stewardship and engagement
- Transparency and reporting

These layers of data provide a multi-dimensional view of sustainability performance across each fund enabling us to identify risks and opportunities across different levels of investment. By integrating firm-level governance insights, strategy-specific practices, and granular portfolio metrics, we can benchmark a fund's progress and highlight best practices. The insights also help to drive targeted engagement with funds to improve outcomes aligned with our responsible investment objectives.

Additionally, we have undertaken engagements with funds during the building of the fund dashboard to reassure, validate, and challenge both the RFI and third-party data. These conversations have provided an opportunity to clarify methodologies, address discrepancies, and strengthen the overall credibility of the insights presented. We will continue to enhance the dashboard and continue to have these discussions with funds to address potential data gaps and ensure that the insights driving our dashboard remain robust and actionable.

*ESG Request for Information

Fund ESG integration: case study

Pantheon Infrastructure Plc

Objective: To deep dive into the PINT fund's ESG integration practices and policies and understand material ESG opportunities and risks facing the global infrastructure sector.

We met with the Global Head of Sustainability at Pantheon as part of our deep dive into the infrastructure funds we invest in to deepen our understanding of the company's firmwide ESG policies as well as ESG integration at the fund level, with specific reference to the PINT fund. Pantheon highlighted strong sustainability governance and oversight where sustainability and ESG risk is managed and reviewed at several executive-level fora including the value creation board, international investment committee and sustainability committee. The manager has rolled out four key ESG pillars (transparency, integration, engagement and strategy) which were first tested with the PINT portfolio given its smaller size. As part of this, they develop scorecards for each asset and engage with managers on an annual basis comprised of 20+ questions mapped to the SDGs. The team stressed that these scorecards are mandatory for each investment and it is unlikely for an investment to be approved if this is not completed.

There was a discussion around the data challenge which has slowly improved from continent level data to country level, but currently granular physical risk analysis is a big undertaking for a portfolio spread across multiple geographies. They recognised that this is a key issue and noted that there is a lot more that could be done in this space.

Pantheon has been involved with a number of industry initiatives including the development of The Private Markets Decarbonization Roadmap (PMDR) which provides a framework for private equity assets to showcase asset decarbonisation. PMDR alignment has been completed for PINT and whilst there are no associated timelines, asset level progress is tracked year on year. It was noted that biodiversity related risk still has a way to go with regards to availability of data and disclosures. 10% of the scorecard focuses on biodiversity but they are unsure about the Taskforce for Nature-related Financial Disclosures (TNFD) as a voluntary disclosure framework.

Outcome: Overall this was a good insight into how ESG and sustainability is considered, integrated and managed across Pantheon as an organisation, and at the fund level. Based on the evidence provided on governance and oversight, engagement and transparency, this engagement has led to a change in the responsible investment categorisation from Aware to Engaged.

Engagement priorities 2026

These descriptions represent prospective engagement designs, these may be adjusted as necessary.

Introduction | Meet the team | What we do | 2025 in Review | 2026 priorities | Voting highlights | RI at Quilter Cheviot | RI Reels

Direct equities

Climate change

Taking the temperature: assessing progress on climate transition plans

'Taking the temperature' is a recurring biennial climate engagement surveying the quality and progress of our most emissions-material companies' transition plans. This is the third iteration of this engagement, which focuses on 20 companies with the highest emissions contribution to our financed emissions in transition-critical sectors.

Introducing the QCCAT: our climate baseline

The Quilter Cheviot Climate Alignment Test (QCCAT) is a new tool developed to assess and monitor how well companies and funds manage climate risk. We will be introducing this tool across our centrally monitored universe in 2026. This will be an information piece, outlining the methodology and criteria utilised in the QCCAT and providing a climate alignment baseline.

Climate disclosures

This is a new engagement as part of our Climate Action Plan (CAP), where we will be engaging with both companies and funds which currently lack annual climate disclosures. The aim is to demonstrate the value of these data to our stewardship activities, and devise solutions to common obstacles in compiling useful climate disclosures.

Human rights

Moral machines: Artificial Intelligence (AI) and ethics

As AI systems become more integrated into commercial processes, the ethical implications of their use have come under increasing scrutiny. We will engage investee companies to better assess the challenges and opportunities that arise when developing and deploying AI technologies, including issues of bias and fairness, as well as questions of accountability, privacy, and transparency. Our engagement will focus on exploring the measures companies have in place to address and manage the principles of AI use in relation to human values, ensuring that companies have appropriate policies and practices in this area, and that they maintain a robust standard of reporting incidents.

Natural capital

Plastic fantastic: the cost of fashion

Expanding on our previous work covering single user plastic among consumer goods companies, we are launching a thematic engagement with investee apparel companies to examine how they are addressing plastic use across their operations and supply chains. With growing scrutiny on the industry's plastics footprint and the use of chemicals of concern, we expect companies to demonstrate credible strategies, measurable progress, and accountability in reducing plastic dependency and waste. To this end, we aim to understand the processes and policies that companies have implemented to minimise the risks associated with plastic use, and to assess how those most exposed to plastic use are preparing for a changing regulatory environment. Additionally, our engagement seeks to identify gaps in current approaches and encourage the adoption of best practice throughout the sector.

Wooden dollars: how the banking sector funds deforestation

We are initiating a targeted engagement with global investee banks to assess how they evaluate deforestation risks in their lending portfolios. Drawing on Forest 500 Finance data to review performance, we expect institutions to demonstrate robust due diligence and accountability in addressing deforestation linked to their financing activities. As part of this engagement, we will explore the measures companies have in place to manage deforestation linked to financing activities, assess the relative performance of investee companies in terms of deforestation financing, and ensure that companies have appropriate policies and practices in this area, including a robust standard of reporting incidents.

Systemic

It's good to talk: how engagement validates company data

Quilter Cheviot produces a proprietary dashboard comprised of both publicly and commercially available data as part of the ESG integration process to assess company performance. While we strive to use the best, most complete data sources available, there are gaps or numbers that require engagement. To address these challenges, we will be systematically engaging companies within our dashboards to improve disclosures, follow up with laggards and better understand where this data is not being collected by ESG service providers. The primary objectives of this approach are to improve material company ESG disclosures, evaluate poor quantitative performance, enhance the consistency of reporting amongst service providers, and gain a deeper understanding of the systemic challenges in comprehensive ESG data reporting.

Collaborative engagements

Climate Action 100+

Quilter Cheviot is an investor participant of Climate Action 100+ and continued the work in 2025. Climate Action 100+ is an investor led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Being an active participant in collaborative engagement initiatives is an important element of our overall stewardship agenda and we are pleased to be a member of the National Grid and Trane Technologies engagement working groups.

IIGCC External Managers Working Group

Quilter Cheviot is an active member of this working group which was established in 2024 to support ongoing net zero alignment work being undertaken for use by IIGCC members. The working group meets on a regular basis to develop resources relating to the use of external fund managers when attempting to align portfolios with the goals of the Paris Agreement. The initial focus will be creating target-setting and implementation guidance for when investors use external fund managers to achieve their individual investment objectives. The group has just issued a first version of investor guidance on applying a climate alignment framework to externally managed funds, which is now open for public consultation.

Wealth Managers for Climate Action

Quilter Cheviot is a member of the Wealth Managers on Climate Group (WMC), a collection of UK wealth managers working together to support climate action in our investments. The group was convened as a forum specifically for wealth managers, who often have different operating constraints and opportunities to larger asset managers. The purpose of the group is for managers to effectively and collaboratively engage on sustainability-related topics, especially the climate. Recent projects of the group have included compiling and adopting a standard climate questionnaire for externally managed fund annual RFI (Request for Information) exercises, and climate framework consultations with IIGCC and ShareAction.

Net Zero Engagement Initiative

The Net Zero Engagement Initiative aims to enable net portfolio alignment by supporting investor engagement and seeking the disclosures investors need from companies to determine if they are aligned with net zero. This engagement will therefore seek Net Zero Investment Framework (NZIF)-aligned transition plans from companies. We are part of the working groups for two target companies, Tesco and Siemens.

Collaborative engagements

Nature Action 100

Quilter Cheviot is a member of Nature Action 100. This is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. The initiative engages companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030. Quilter Cheviot is part of the engagement working group for a global diversified mining company.

Spring

Spring is a PRI stewardship initiative for nature, addressing the systemic risks of biodiversity loss to protect the long-term interests of investors. Through this, the initiative aims to contribute to the global goal of halting and reversing biodiversity loss by 2030. Spring seeks to enhance corporate practices, ultimately generating positive, real-world outcomes, while protecting and enhancing investment returns. In its first phase, Spring will focus on tackling forest loss and land degradation in priority geographies and encouraging responsible practices in corporate political engagement. We are an active participant in engagement groups for Reckitt Benckiser Group plc and BHP.

30% Club UK Investor Group: 'Fix The Exec'

Quilter Cheviot is a member of the UK investor branch of the 30% Club, a campaign to boost the number of women in board seats and executive leadership at listed companies in the UK. More specifically, we are also member of the 'Fix the Exec' working group which will engage some of the worst performing listed companies in the UK in terms of the representation of women at executive and senior management level.

Advance

Quilter Cheviot is an active member of the working group for Anglo American where we are working with other investors to advance progress on human rights through stewardship.

Collaborative engagements

Find It, Fix It, Prevent It

Quilter Cheviot is a member of the working group engaging Persimmon on modern slavery risk management and performance. Engagement with the company is ongoing.

Investor Forum

The Investor Forum is a practitioner-led membership organisation that aims to enhance stewardship practices in the UK and facilitate corporate dialogue. We regularly participate in investor feedback on stewardship related topics, such as investment trust board expectations, and utilise the forum to join group dialogues with individual company board members. In 2025, we participated in several group engagements including dialogues with the chairs of Shell and Prudential. At an event convened by the Investor Forum in December, we presented Quilter Cheviot's responsible investment strategy and highlighted ESG performance expectations for a range of FTSE 250 companies. This was a useful way to engage with a broad corporate audience and to communicate our view of UK company best practice on topics like board composition and remuneration.

AIC – Investor Forum

The Association of Investment Companies (AIC) was founded in 1932 to represent investment trusts. The organisation's mission is to support and promote the long-term benefits of investment companies by engaging with members, investors, and the wider financial community with a view for closed-ended investment companies to be understood and considered by every investor. We are an active participant in their quarterly meetings and attend industry events.

Collectives

Where's The Net? Third Party Managers and Net Zero Ambitions

In 2025, we paused on work related to Net Zero Asset Managers (NZAM) initiative. We will continue our third-party fund-alignment engagement, however, the focus will be dependent on what the future of NZAM looks like. We will continue having discussions with our largest external fund managers, outlining our expectations in addressing the climate impacts of their investments. Our engagements will include discussion of firms' rationales where they lack alignment targets, highlighting relevant barriers to setting targets (e.g. asset types lacking established alignment methodologies), and understanding what measures firms can reasonably take to mitigate the climate impact of investments.

Measuring the Responsible Manager: What Does Good Look Like?

Quilter Cheviot is developing a proprietary dashboard which is used to assess our centrally monitored third-party funds across a range of ESG factors and metrics. We will be actively engaging with managers to explore what it means to be a 'responsible manager' in practice, moving beyond high-level commitments to assess real-world implementation and outcomes.

Investing For Impact: How Do Funds Measure Up?

This is a new engagement exploring how funds claiming to deliver positive environmental and social impact actually measure up against their stated objectives. It examines the frameworks, metrics, and methodologies used to assess impact, comparing these across different funds to identify best practices and gaps. By analysing transparency, alignment with global standards, and the robustness of reporting, the study aims to provide investors with insights into how the funds distinguish themselves not only through their stated impact objectives but also through the credibility and depth of their measurement and disclosure practices.

Collectives

Revisiting Investment Trusts: Is There Progress?

Quilter Cheviot has previously published several reports on our responsible investment expectations for investment trust boards. In-depth engagement and analysis were carried out to understand how investment trust boards were performing against key criteria including board effectiveness, board composition and disclosures. On the back of this, we developed a Red, Amber, Green (RAG) rating system where we rated all 41 of the investment trusts. We will follow up on this research to see how boards have evolved based on our findings over the last 12-18 months.

ESG Through the Growth Lens in Emerging Markets

Emerging markets present a unique intersection of rapid economic growth and pressing sustainability challenges. "ESG Through the Growth Lens in Emerging Markets" explores how environmental, social, and governance considerations can be integrated into high-growth economies without compromising development objectives. This piece examines how asset managers structure portfolios to capture high-growth potential while embedding sustainability objectives. By exploring how funds balance macroeconomic volatility, governance risks, and social imperatives with long-term ESG commitments, it highlights strategies that position ESG not as a constraint but as a driver of resilient returns.

Voting highlights

2025 voting

We have summarised the key voting issues of the period.

Environment

Climate-related voting activity at the oil and gas majors remains a key focus. Once again, this year's proxy season saw Quilter Cheviot register a material number of votes against management at high carbon emitting companies. We aim to ensure consistency in our voting approach and will determine the voting action taken based on a company's performance in managing climate risks relative to its peers. While 2024 saw several companies, notably Shell and BP paring back their climate ambitions, 2025 did not see many changes to climate transition plans but signalled a general lull in aspiration. We continued to use voting action to express our concerns regarding a company's climate risk management. Alongside engagement, this forms a key part of our stewardship process.

We continued to take a strong stance on **Chevron** and **Conoco Phillips**, voting against key board members owing to the inadequacy of both companies' transition plans. US based oil and gas companies continue to lag European peers in terms of the energy transition targets or disclosures. Chevron and Conoco Phillips still sit at the bottom of the pack in terms of operational emissions targets (i.e. Scope 1 and 2) and low carbon capital expenditure, despite committing to a broad net zero aims by 2050. Both companies recognise the physical and transition risks of climate change but do not appear to be taking meaningful steps to manage these risks. We did moderate our view on **Exxon** given increased capital expenditure on low carbon activities. This investment provides optionality through the transition, which is valuable and an element of a good transition plan.

When voting, we will not support shareholder resolutions where we believe the requirements are too specific, unrealistic or poorly structured – even if we are generally supportive of improvements in the company's climate-related disclosure. This year we did support a shareholder resolution at the **Shell** AGM to clarify how its current fossil fuel expansion is consistent with the existing transition plan. This received over 20% of shareholder support so will require formal response from management.

At a number of large financials, including **Bank of America** and **Wells Fargo** we supported a shareholder resolution requesting the disclosure of a ratio of the proportion of fossil fuel versus renewable financing. This is a common measure that several large banks already publish (including **JP Morgan**). We also supported a shareholder resolution at **Markel** asking for better disclosures on financed emissions, most peers in the insurance industry already provide detailed reporting.

5x votes in favour of reporting on fossil fuel financing activities (shareholder proposal)

We believe shareholders would benefit from greater transparency on how financial institutions are addressing any misalignments between financing activities and greenhouse gas emissions reduction targets. It is also becoming increasingly common for peer groups to report on this metric.

Companies voted on: Bank of America, Berkshire Hathaway, Goldman Sachs, Markel Group, Wells Fargo

2x votes in favour of reporting on GHG emission reduction targets (shareholder proposal)

We supported this shareholder request as more information on how Shell's current business plans align with the continued commitment to reach net zero by 2050 would benefit shareholders.

Companies voted on: Shell (x2)

1x vote in favour of reporting on efforts to reduce plastic use (shareholder proposal)

We supported this request as shareholders would benefit from additional information on how large users of single-use plastics are tackling harder to recycle plastics that are often the largest contributors of plastic waste and pollution.

Companies voted on: Procter & Gamble

Social

During 2025, companies faced a surge in anti-ESG proposals, notably across the U.S, signalling an ongoing political and ideological backlash against corporate ESG strategies. These proposals often aim to challenge or dismantle policies tied to environmental sustainability, diversity, equity and inclusion (DEI), and broader social responsibility commitments. Notably, some advocates have shifted their approach, framing opposition through lenses such as fiduciary responsibility, risk oversight, and political neutrality to resonate with a wider investor audience.

At the same time, companies are encountering heightened demands for transparency around human rights practices. For instance, Meta faced multiple shareholder resolutions seeking greater disclosure on how it addresses and mitigates risks associated with data collection and usage, as well as its advertising practices.

2x votes in favour of conducting human rights risk assessment (shareholder proposal)

These resolutions were filed by shareholders at technology-based companies where there is a greater risk surrounding advertising policies. We supported these proposals in cases where we believe that providing additional transparency on how companies manage and mitigate such risks would deliver meaningful benefits to shareholders.

Companies voted on: Alphabet, Microsoft

2x votes in favour of reporting on risks related to AI products (shareholder proposal)

We supported this proposal as shareholders would benefit from additional disclosure on how companies are managing and mitigating AI-related risks.

Companies voted on: Alphabet, Meta Platforms

1x vote in favour of adopting a human rights policy (shareholder proposal)

We supported this shareholder request as the adoption of a comprehensive human rights policy would be beneficial for shareholders to assess how the company is managing and mitigating risks.

Company voted on: Gilead Sciences

Governance

Remuneration-related proposals were the dominant focus of governance voting activity across 2025, attracting heightened scrutiny and a noticeable increase in shareholder opposition—particularly on advisory votes concerning remuneration reports. This trend was largely fuelled by concerns over the alignment between pay and performance, alongside a move toward more flexible and customised compensation structures, such as hybrid incentive plans. Additionally, we observed a growing number of UK-based companies with global operations seeking to align their remuneration packages more closely with U.S. practices in an effort to attract and retain top talent.

64*x votes against electing / re-electing director (management item)

We voted against the re-election of directors owing to executive compensation concerns, the presence of multi-class voting structures and lack of board diversity.

Companies voted on: 3i Infrastructure, Accor (x2), adidas, Alphabet (x6), American International Group (x3), Berkshire Hathaway (x5), Bioventix, BlackRock World Mining Trust, Chevron, ConocoPhillips, Dolby Laboratories (x4), DSV, East Japan Railway, Essex Property Trust, Exxon Mobil, Hermes International (x2), Image Scan Holdings, Kering (x2), KION GROUP (x5), LVMH Moet Hennessy Louis Vuitton, Meta Platforms (x6), Netflix, NIKE, Phoenix Copper (United Kingdom) (x2), Prosus (x2), Regional REIT, T-Mobile US (x7), The PRS REIT, TotalEnergies (x2)

61x votes against management on compensated related resolutions (management item)

We voted against remuneration reports, policies, and financial statements where short and long-term incentive performance metrics lacked transparency and robustness. Additionally, we opposed cases where inflight payments were granted without a compelling rationale, as we view such opacity as detrimental to shareholders. Furthermore, we voted against remuneration reports when companies failed to address shareholder concerns regarding compensation.

Companies voted on: Accor, Allianz, Amazon.com, American International Group, Ares Management Corporation, Elixirr International, Equinix, EssilorLuxottica (x3), Euronext, GE Aerospace, Hermes International (x4), Howden Joinery Group, Intel (x2), InterContinental Hotels Group (x2), International Workplace Group (x3), Intertek Group, JD Sports Fashion, KION GROUP, Kennedy-Wilson Holdings (x2), Kering, L'Oreal, LVMH Moet Hennessy Louis Vuitton (x5), London Stock Exchange Group, Meta Platforms (x3), Nokia (x2), Palo Alto Networks, Pfizer, Prosus (x2), Sanofi, Schneider Electric, Seeing Machines (x2), Siemens Healthineers, Stellantis (x2), Tate & Lyle, The Goldman Sachs Group (x2), Thermo Fisher Scientific, Unilever (x2), Valero Energy, Young & Co.'s Brewery.

*Withheld and abstain votes have been included within votes against figures.

Voting statistics

In 2025 we voted at:

495
COMPANY MEETINGS

Over the year we voted on:

7,460
RESOLUTIONS

for

211

resolutions we voted against management*

We enabled clients to instruct votes at

114

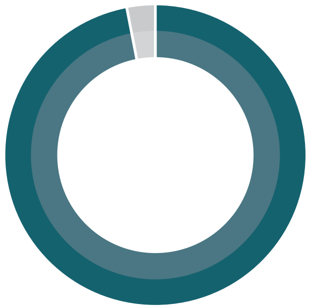
meetings

It is important to note that on a number of occasions having engaged with the relevant company we did not follow our proxy advisor (ISS') recommendations.

* Includes shareholder proposals

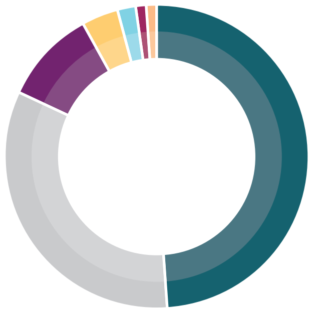
Management resolutions voted in 2025

(excluding shareholder proposals)



Votes against management in 2025

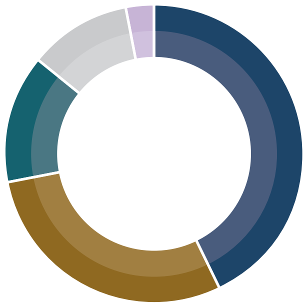
(excluding shareholder proposals)



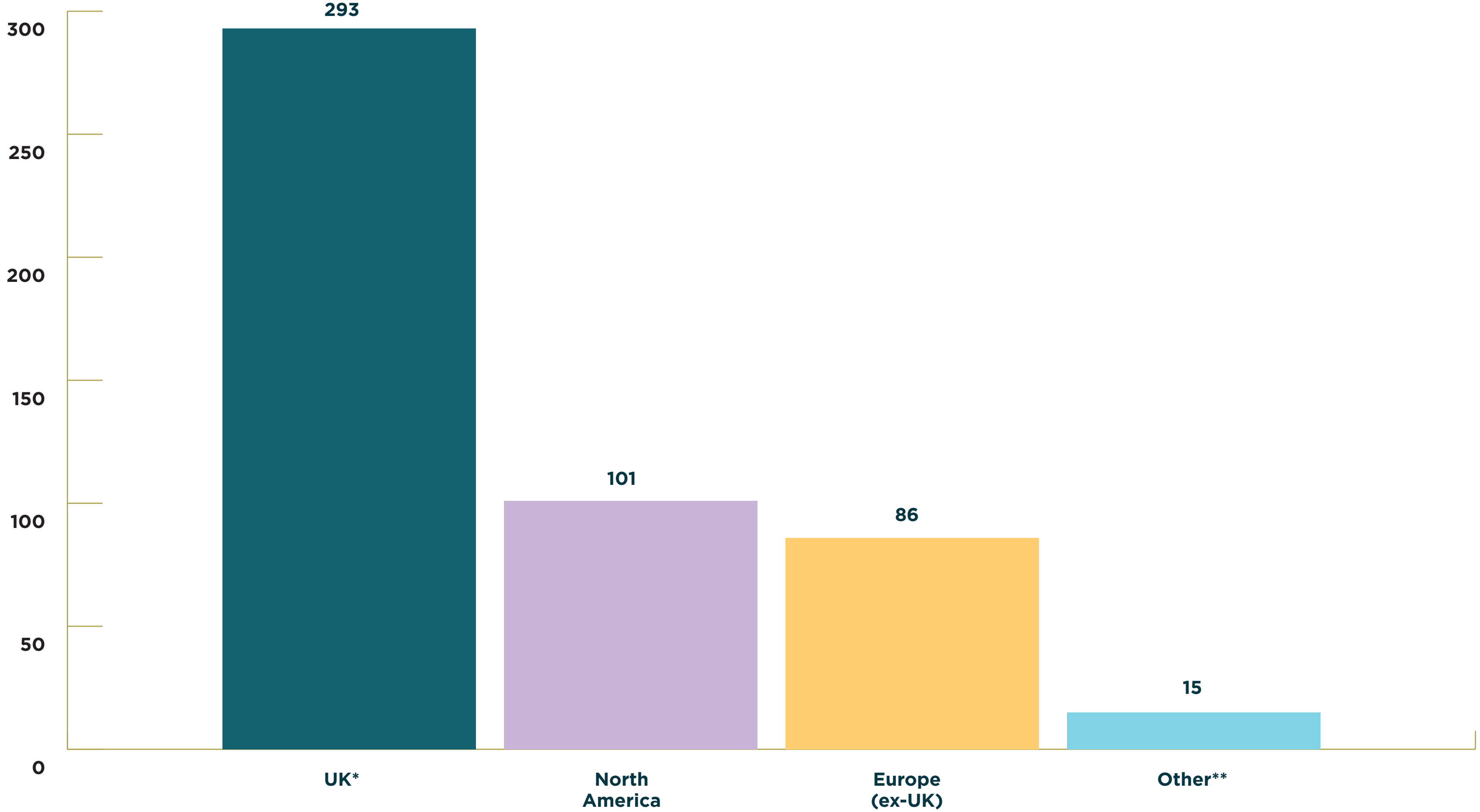
Meetings with votes against management in 2025

(including shareholder proposals)

Shareholder proposals supported in 2025



Meetings voted in each geography in 2025



*UK includes the Crown Dependencies of Jersey and Guernsey **Australia & New Zealand, Asia ex-Japan, Latin America, Japan

Responsible investment at Quilter Cheviot

Active ownership and ESG integration - for discretionary clients

We vote and engage with companies and fund managers on environmental, social and governance (ESG) matters. Integrating ESG considerations into our investment process can have direct and indirect positive outcomes on the investments we make on behalf of our clients.

We take a more targeted approach for clients that want their portfolios to reflect their specific interests or preferences.

A Direct Equity Approach* - DPS Applied

The strategies harness Quilter Cheviot's research and responsible investment process, as well as data from external providers, to implement ESG factor screening on a positive and negative basis. Positive screening relates to the process of only including companies that reach a certain performance threshold. Negative screening excludes companies involved in pre-defined activities or controversial practices. This ensures more emphasis is placed on ESG risks beyond the firm-wide approach to active ownership and ESG integration which forms the basis of the Aware categorisation.

A funds based approach – Positive Change

A pragmatic approach that combines funds that invest with a sustainability focus or for impact, with funds managed by leading responsible investment practitioners. Meaningful engagement by fund houses with company management is prioritised over formal exclusions on the basis that engagement can encourage change where it is needed most.

Sustainable Investment – The Sustainable Opportunities Funds** and Strategy

Through an actively managed multi-asset approach, these are suitable for clients who want to support the development of sustainable societies by focusing on investment opportunities in the areas of Clean Energy, Food, Health & Well-Being, Resource Efficiency, and Water. Ethical exclusions are also applied to avoid investments in controversial sectors.

Ethical and Values Oriented Investment – Client Specific

This is incorporated on an individual client basis, informed by their specific ethical preferences and values. These will vary from client to client and will focus on industry groups, industries or individual companies.

* For UK, North American and European equity holdings.

** Formerly known as the Climate Assets Balanced Fund and Climate Assets Growth Fund.

RI Reels

In the spotlight - RI Reels

Insights into Quilter Cheviot's approach to responsible investment, as well as topical issues.

RI Reels: SBTi alignment

Margaret Schmitt, Responsible Investment Analyst, discusses our latest SBTi 'Slow to Start' engagement.

Watch vlog

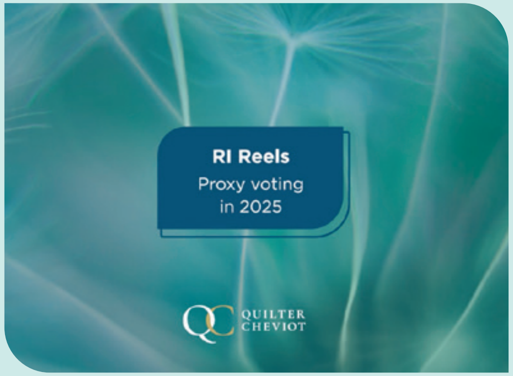
Watch time: 9 minutes

Corporate Sustainability

Jack Condon, Sustainability Data Analyst at Quilter, talks about Quilter's approach to Corporate Sustainability.

Watch vlog

Watch time: 4 minutes



Proxy Voting in 2025

Greg Kearney, Senior Responsible Investment Analyst at Quilter Cheviot, runs through 2025's proxy season.

Watch time: 6 minutes

Watch vlog

Consumer goods and the apparel sector

Research Equity Analyst, Mamta Valechha discusses the behavioural patterns in the luxury goods space.

Watch time: 5 minutes

Watch vlog

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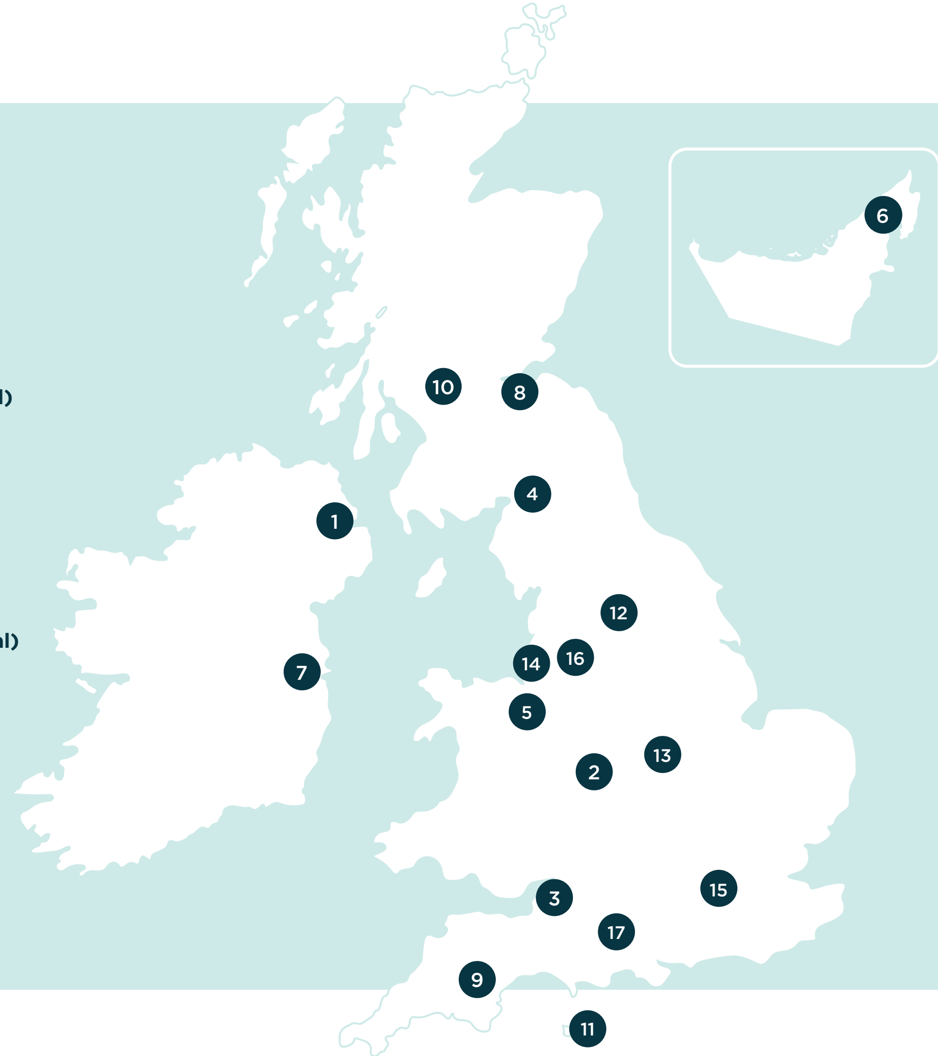
15. **London**
16. **Manchester**
17. **Salisbury**



Quilter Cheviot
Senator House
85 Queen Victoria Street
London EC4V 4AB

+44 (0)207 150 4000 **enquiries@quiltercheviot.com** **quiltercheviot.com**

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