

RESPONSIBLE INVESTMENT

# Responsible Investment at Quilter Cheviot

*This applies to centrally monitored holdings only. Your Investment Manager has the flexibility, within a controlled framework, to tailor your portfolio with regard to asset allocation and security selection, in order to accommodate your investment requirements.*

## Responsible Investment

As a responsible investor Quilter Cheviot is committed to its role as a steward of clients' assets in order to protect and enhance long-term returns. This encompasses our engagement with investee companies, through proxy voting and face-to-face dialogue, as well as taking into account environmental, social and governance (ESG) factors which could impact shareholder returns.

## Our firmwide approach to Responsible Investment

At Quilter Cheviot and across Quilter, we have adopted the UN backed Principles for Responsible Investment's (PRI) framework. The points below summarise our three main approaches to responsible investment.

### Stewardship

*Involves engaging with investees, voting at shareholder meetings and filing shareholder resolutions/proposals.*

Stewardship involves engaging with companies to discuss ESG issues to improve their handling and disclosure of such issues. This may be carried out individually or in collaboration with other investors. It includes voting, either in person or by proxy, which involves formally expressing approval or disapproval through voting on resolutions. Additionally, we facilitate client-instructed voting, therefore our clients have the ability to exercise their own stewardship.

## ESG Screening

*Applying filters to exclude or include investments based on specific criteria that reflect your values or investment objectives.*

At Quilter Cheviot we have a firm-wide restriction on investing directly in cluster munitions and anti-personnel landmines. We also monitor any potential indirect exposure to this on an ongoing basis. Clients can also express their own preferences through screening on a bespoke basis within our Discretionary Portfolio Service.

## ESG Integration

*Considering ESG (environmental, social and governance) issues in investment analysis and decisions to better manage risks and improve returns.*

It is not about excluding certain activities but it is understanding the ESG related challenges and opportunities. It is about risk mitigation. The approach depending on the asset class. ESG considerations are a component within the investment process - it is not the overriding consideration. At Quilter Cheviot this is integrated into the investment process and our research teams are responsible for incorporating this into their ongoing analysis of investments.



### **Active Ownership and ESG integration – for all 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.**



### **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.



### **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.



### **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.



### **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.

\* The Sustainable Opportunities Growth Fund and Sustainable Opportunities Balanced Fund. Prior to 8 September 2025, these Funds were known as the Climate Assets Balanced Fund and the Climate Assets Growth Fund.

\*\* For UK, North American and European equity holdings

For more information on our engagement and voting activity including our quarterly and annual reports, as well as Quilter's Stewardship Code report please visit <https://www.quiltercheviot.com/investment-management/responsible-investment/>

To find out more about Responsible Investment at Quilter Cheviot and how we may be able to help you, please contact us using the details below.

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Approver: Quilter Cheviot, 16 September 2025.