STEWARDSHIP AND RESPONSIBLE INVESTMENT ANNUAL REPORT

2023

evelyn PARTNERS

Responsible investment introduction

Evelyn Partners has a lengthy pedigree in responsible investment. Our 2023 Annual Stewardship and Responsible Investment report aims to bring to life our recent activities and the work we do on behalf of our clients.

Identifying, assessing and mitigating risks are central elements of our client service. The Global Risk Report, published by the World Economic Forum in January 2024, suggests that risks, both in number but also intensity, are growing. Climate change, demographic shifts, AI technology and geopolitics are changing structural forces that are making the world less stable. Evelyn Partners monitors these 'megatrends' and ensures that we are identifying and mitigating the most significant risks, both in our investment process for clients and within our operational actions. These risks also provide significant opportunities for those industries that are on the right side of these tectonic changes.

For example, major carbon emitters could find themselves with the most opportunities arising from a move to a greener economy – as long as they adapt. While the transformation may initially have been motivated by the need to act on climate change, high energy prices and falling renewable energy costs have accelerated it.

Evelyn Partners have been long term supporters of collaborative engagement programmes, with active membership of the highly successful Climate Action 100+ programme since 2019. This is now entering Phase 2 with a focus on breaking down sectoral barriers to transition and encouraging the implementation of enhanced transition plans. Our collaborative engagement focused on social issues including modern slavery and improving working conditions.

We are also increasingly active in our own themed engagement projects. The aim of our climate-related direct engagement, which began in 2023, is to encourage investee companies with high levels of carbon emissions within their operations and lower disclosure standards and targets to raise their ambition. In the three most carbon intensive sectors of energy, materials and utilities, 43 companies were responsible for 80% of our financed emissions in directly owned equities. We have received good responses to the initial communication and will be able to share more of the results in the next report.

With an ageing population – a key aspect of our socially orientated megatrend – workforce shortages can be expected with knock-on effects to vulnerable groups. Recently, child labour was uncovered in several US-listed company supply chains. This highlights how important it is for businesses to conduct appropriate due diligence. While our exposure to these companies was minimal, we aim to focus on this risk in the second half of 2024.

We can also point to recent lessons in history that illustrate humanity's capacity for collective action during moments of crisis, with the hole in the ozone layer now healing thanks to the joint action taken on chlorofluorocarbons. There are even signs of progress on emissions. The International Energy Agency, for instance, found that government policies indicate that global energy-related CO2 emissions may have peaked last year. While this doesn't put us on track to limit the planet to 1.5°C of warming by 2050, it is an important step in the right direction. If you look back 20 or 30 years, our lives looked vastly different. We are transformative beings when we want to be.

Paul Geddes,
CEO, Evelyn Partners

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INTRODUCING EVELYN PARTNERS

Evelyn Partners is a leading wealth management and professional services group, created from the merger of Tilney and Smith & Williamson in 2020, with a rich heritage of supporting individuals, families, businesses and charities with their financial affairs for over 187 years.

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

This report covers the stewardship and responsible investment activities of Evelyn Partners for the year to 31 December 2023. Further information can be found on our approach to responsible investment on our website.

2023 responsible investment activities at a glance

At Evelyn Partners, we use our influence as shareholders to improve investee companies' and collectives' own environmental, social and governance (ESG) practices and performance. We do this by engaging (directly and collaboratively) with companies where we have material shareholdings and by voting at shareholder meetings. Highlighted below is a snapshot of our 2023 engagement and voting activities.

Engagement activity

Assets under management (AUM)

£59.1bn

Our sector specialists held

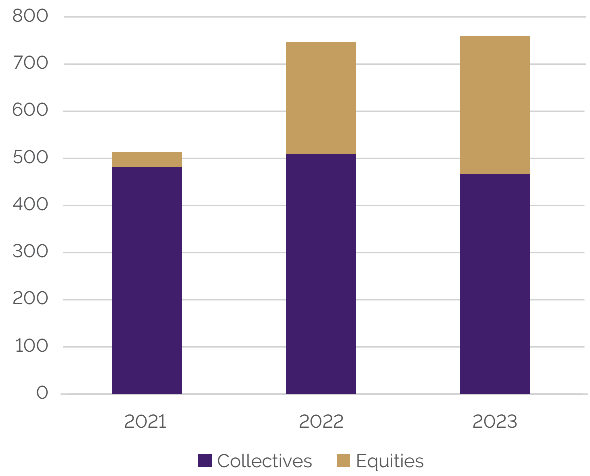
293 meetings with companies

466 meetings with collectives

Our SRI team conducted

28 thematic engagements

Equities and collectives meetings



We are members of various collaborative engagement platforms

Voting activity

Number of voting recommendations made in 2023

12,044 proposals at 830 company meetings

85.5% management proposals supported

177 letters sent during proxy season

The Group participates in industry working groups for stewardship initiatives and is a member of the following bodies:

Our voting service providers:

Approach to responsible investment

The Group exercises its fiduciary duties for all clients as a responsible investor by integrating ESG factors into the investment process.

Why is stewardship important to us?

The Financial Reporting Council (FRC) defines stewardship as the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, environment and society. Stewardship allows non-financial issues to be considered alongside financial issues when building a portfolio so investors can be sure they're investing responsibly as well as profitably.

Stewardship encourages communication with wider stakeholders on issues that matter to investors. This takes the form of informal discussions, as well as more formal voting and collaborative engagement, with the aim of improving ESG performance of companies. Whether it's voting in a certain manner or sharing information about regulations that could impact ESG goals, clear and direct communication helps shape policies in a way that encourages companies to maximise their long-term value.

We use a range of methods when putting our approach to investment stewardship into action from taking an active part in company voting to engaging with boards or committing to corporate social responsibility. When investing in third-party funds, we choose those with the same commitment and approach to stewardship as Evelyn Partners.

Responsible investment governance

During the year, John Erskine, the Chief Investment Management Director, led the responsible investment pillar, and reported to the Board ESG Committee on progress against the responsible investment strategy quarterly. At the end of 2023, John stepped down as a Group Executive Committee (GEC) member and responsible investment pillar lead and was replaced by Chris Kenny, Chief Investment Management Director.

The board has delegated authority to the Investment Process Committee (IPC) who have appointed the Stewardship and Responsible Investment Group (SRIG) to oversee the Group's approach to responsible investment. This includes the data, research and tools required to integrate climate change into our investment decisions. SRIG reports regularly to the IPC. Responsible investment strategy progress is reported, by the responsible investment pillar lead, at the GEC ESG meeting and to the Board ESG Committee on a quarterly basis. Progress is also reported to the Environment Steering Committee (ESC) on a monthly basis.

SRIG's objectives include the integration of ESG and responsible investment considerations into the investment process, including voting and shareholder engagement, and ensuring stewardship activities are communicated. To manage active stewardship, SRIG works closely with all parts of the investment process.

The Stewardship and Responsible Investment (SRI) team are responsible for the day-to-day management of responsible investment and for maintenance of our internal responsible investment hub. They provide advice and assistance to investment managers as the first point of contact for responsible investment matters.

Megatrends – an overarching strategic, ESG inclusive approach

Responsible investment involves considering ESG issues when making investment decisions, known as ESG integration, and influencing companies or assets, known as active ownership or stewardship.

At Evelyn Partners, responsible investing is the default approach across all our services and products with a combined focus on traditional financial risk and significant ESG factors, together with an active stewardship programme.

Megatrends are powerful, disruptive forces that shape economies, businesses and societies. They drive innovation, steer investment and create new ideas. Identifying these trends helps guide us to opportunities – and away from risks. They steer us towards those sectors and industries with a clear runway of growth, enabling us to build better investment portfolios. This is particularly important today, as the world wrestles with profound changes such as the societal impact of climate change and shifting demographics. Each change brings risks, but also significant opportunities for those industries that are on the right side of tectonic shifts.

Focusing on these profound environmental, social and political changes in the global landscape ultimately helps strengthen the resilience of our portfolios at Evelyn Partners.

Engagement

Engagement with companies to improve their ESG performance is a vital part of our responsible investment process.

As a responsible investor, Evelyn Partners are signatories to the UN PRI and the UK Stewardship Code. We are also committed to ensuring we monitor and engage with investee companies on behalf of our clients. We believe that by engaging with companies we can ensure the investee company takes into consideration our concerns, thereby improving the outcome for our clients.

We apply the same broad engagement principles across assets and geographies. Additionally, as most of our assets are collectively invested, we seek to establish whether fund teams share the values we ascribe to regarding responsible investment principles and practices.

Over 90 sector specialists conduct in-depth research into UK and overseas equities by holding various company meetings each year as well as undertaking media and other desk-based research. Close to 100 collectives sector specialists currently cover around 500 funds across 16 sectors, including open-ended funds, investment trusts and offshore specific funds. The sector specialists regularly meet with fund managers and closely monitor the performance of covered funds. This includes a review of the fund managers' own responsible investment policies including their Stewardship Code and UN PRI submissions where applicable.

Responsible investment priorities

While our investment team has long been active in looking beyond the financial statements of companies to make investments, we have identified three bottom-up priorities to inform our responsible investment selection, risk management and stewardship activities. This has been greatly assisted by the emergence of new forms of disclosures by companies that continue to improve. The three priorities are Environmental Resilience, Workplace Standards and Excellence in Governance.

Bottom up ESG priorities

Three overarching themes enable a consistent and focused approach to responsible investment throughout our process

Environmental resilience

1

Addressing the challenges of the future?

- Temperature alignment
- Externally validated target?
- % green revenues

Workplace standards

2

Fair and robust policies?

- UN global compact violations
- Child labour
- Health and safety

Excellence in governance

3

Does management have our trust?

- Board/management track record
- Suitable remuneration link
- Proven track record

Collaborative engagements

We choose to take part in larger collaborative initiatives such as The Investor Forum, Climate Action 100+, Find it, Fix it, Prevent it and the Corporate Mental Health Benchmark, to amplify the impact we make.

Through these memberships we can address various systemic risks and wider themes that we consider important, as well as learn from industry peers. Engaging in this way has taught us to hold boards to account and also provided the opportunity to attend meetings where companies are proactive and can engage with investors before making decisions.

New collaborative initiatives in 2023

We joined two new collaborative initiatives in 2023:

Nature Action 100 (NA100)

E: Environmental resilience

NA100 is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. We joined the engagement teams for Associated British Foods and Sherwin Williams.

Farm Animal Investment Risk & Return Initiative (FAIRR)

E: Environmental resilience
S: Workplace standards

FAIRR is a collaborative investor network that raises awareness of the environmental, social, and governance risks and opportunities in the global food sector. We have been involved in five of FAIRR's engagement initiatives: restaurant antibiotics, animal pharmaceuticals, working conditions, protein diversification, and waste and pollution.

We provide a few examples of our work in 2023 below arranged in our ESG priorities:

Existing collaborations

Climate Action 100+

E: Environmental resilience

Walmart

We have been engaging with Walmart as part of CA100+ since becoming members. We have previously discussed with the company about their emissions reporting and progress against GHG targets. In 2023, our meeting with Walmart was an opportunity to offer a disclosure comparison with another company in the consumer-related sector, which allowed investors to understand emissions reduction initiatives in context.

Outcome: *We will continue to engage with Walmart as part of CA100+ and expect to see progress on the company's emissions reduction targets and renewable energy goals among other indicators.*

Find it, Fix it, Prevent it

S: Workplace standards

Balfour Beatty

Modern slavery is a general term encompassing forms of entrapment including forced or compulsory labour. The International Labour Organisation (ILO) estimates that 50 million people worldwide could be victims of modern slavery. It is thought to occur in every country in the world and in every business sector, with the construction sector having one of the highest incidences of modern slavery.

We are currently involved in the project focused on the construction sector, acting as the lead engager for Balfour Beatty. In 2023, we wrote to the company asking for a meeting to discuss their approach to modern slavery. We specifically asked if the company had found modern slavery in its operations or supply chains in the past year and if not if they were able to demonstrate the existence of rigorous prevention processes. We had a call with the company to discuss various topics including internal and external audits, creating clearer policies, and targeted training.

Outcome: *In 2024, we will review the company's modern slavery statement and continue discussions to encourage improvement.*

Investor Forum

G: Excellence in governance

Vistry Group

As part of the Investor Forum, we engaged with Vistry Group plc because of controversies around the remuneration policy and wider governance issues around board succession. The objective of the engagement was to ensure a broad based debate on management incentives, and to convey to the board views from across the shareholder base about capital distribution and long-term value creation.

The Investor Forum wrote to the Chair to outline a range of investor perspectives to help inform the board's next steps following the AGM outcome which saw 47% of shareholders voting against the remuneration report. The participants met with the Chair to discuss issues raised, providing input into the company's extensive engagement to inform revisions to the remuneration approach and the company's distribution policy. Following the General Meeting's voting outcomes and results announcement, The Investor Forum wrote another letter to the Chair to provide further feedback, noting that participants supported the new strategy and were keen to see their concerns on board composition and appointments to key roles addressed before plans to succeed and replace the Chair were pursued.

Outcome: *The objectives of the engagement were met. During the course of the engagement the company consulted widely with shareholders to understand perspectives on capital allocation. Board governance issues were brought into focus as the engagement proceeded and the implications of the various changes became apparent.*

Direct engagements

Climate engagement with largest direct emitter

E: Environmental resilience

Shell

We had a series of communications with the Investor Relations (IR) department from Shell in the autumn of 2023, culminating in a meeting with the specialist ESG team in November. This was following the changes in management and subsequent refinement of corporate focus. With the departure of the Head of Sustainability as part of the shake-up, the key questions from a responsible investment risk and opportunities perspective were whether the company would continue to commit capital towards renewable energy products and honour their net zero commitment. The interim operational Scope 1 and 2 CO_2e reduction goal of 50% by 2030 was ambitious compared to its peers.

The risks for an oil major based in Europe are multi-faceted, including significant policy risk, consumer consumption pattern changes, cost of capital issues from activist shareholders and physical climate-related problems from extreme heat. Our meeting went into the details of their response to our questions on these issues.

The opportunities are also apparent, with the rapid growth in global renewable energy markets. While our discussions suggested downside risk to their EBITDA forecasts in some segments, notably hydrogen, there was positive news from the already rapid electric vehicles rollout in Asia.

In respect of their critical net zero transition plan, all targets, including the key interim Scope 1 and 2 reductions had been reviewed. The new management had committed to these, and this was significant given the volume of emissions generated.

Outcome: *The series of engagements with Shell's IR and specialist ESG teams helped to inform and assist our understanding that despite adverse publicity, Shell remained committed to their ambitious Scope 1 and 2 targets and had considered both transition and physical risks in their strategic planning. Our meetings ensured that they knew this was important to our clients.*

SBTi and CDP engagement

E: Environmental resilience

22 targeted issuer engagement

In 2023, we initiated a project to encourage investee companies with high levels of GHG emissions within their operations and low emissions disclosure practices to raise their ambition. We identified the companies we decided to monitor from the three most carbon intensive sectors of energy, materials, and utilities. We focused on companies that did not have a Science Based Target (SBT), had not committed to work on a SBT or were not disclosing to CDP.

Out of our total emissions coming from directly held equities summing to approximately £16 billion across advisory, discretionary and execution only mandates (which can be seen in the chart below), 40% was from companies within the three highest carbon intensive sectors which already had SBTs and another 40% arose from 22 companies that were contacted for this engagement. Around 19% of the total emissions were out of the scope of the engagement, since they were not in the three highest carbon emitting sectors identified as the priority.

Top 3 Carbon Intensive Sectors Identified:
Energy
Materials
Utilities

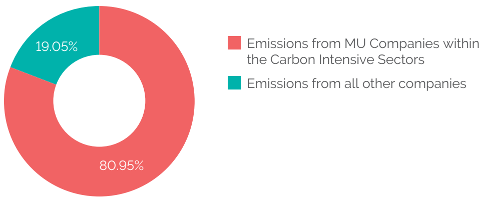
There are 43 companies in our MU that are within these sectors.

Total Evelyn Partners Emissions from Direct Investments = 719,254.44 tCO2e

This covers direct investments in all service types amounting to £16.3bn AUM as of Dec 2023.

The 43 companies make up 80.95% of our total Scope 1+2 emissions from direct investments as of Dec 2023.

Direct Corporate Investments Emissions Breakdown



Of the 43 companies within the analysis, 22 do not have one or more active carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) or have not committed to work on a science-based emission reduction target aligned with SBTi's criteria.

These 22 companies amount to 40.88% of the Evelyn Partners Scope 1+2 Emissions from Direct Investments.

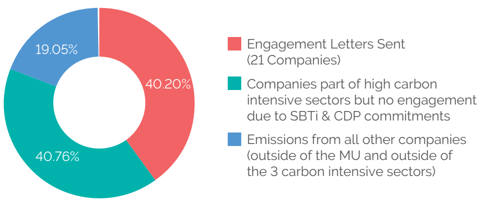
39.85% of emissions are from the remaining companies that have one or more active carbon emissions reduction targets approved by the SBTi.

0.23% of emissions are from the companies that have committed to work on a science-based emission reduction target aligned with SBTi's criteria.

Of the 43 companies within the analysis, 6 do not report its carbon emissions to the CDP. Additionally, 5 of these companies fail to meet the SBTi requirement as well.

These 6 companies amount to 1.97% of the Evelyn Partners Scope 1+2 Emissions from Direct Investments.

SBTi & CDP Engagement Emissions Breakdown



Each of the 22 companies that we identified as being in scope of the engagement was sent a list of questions, depending on their level of climate-related disclosures. This is a sample of the questions:

- Is it your intention to make commitments with the Science Based Targets Initiative (SBTi) or another externally verified target setter over time? If so, when?
- Are you intending to join an externally recognised system for emissions disclosures such as the Carbon Disclosure Project or similar in the future? If so, when?
- Has management (with board oversight) identified key risks and opportunities to the business arising from climate change and considered mitigation plans? If so, please provide details or if not, when this is expected to take place?

We received a series of early responses in late 2023 and will continue with this engagement initiative in 2024, with additional reporting on this initiative in next year's report.

Shareholder activity brought about fundamental changes at company level

G: Excellence in governance

Illumina

The 2023 proxy season saw a high-profile proxy contest between activist investor Carl Icahn and Illumina Inc. The contest's origins tied back to the decision to close Illumina's $8 billion acquisition of GRAIL Inc. amidst ongoing antitrust and competition review by the US Federal Trade Commission (FTC) and the European Commission (EC). Illumina was required to absorb GRAIL's large operating losses, accrued provision of $458 million for a potential EC fine for potential breach of standstill obligations (and over 50% higher than the potential $300 million provision Illumina would have owed if divesting of GRAIL when the order came through), and also took a $4 billion impairment charge.

In reviewing Glass Lewis recommendations, we decided to vote in favour of dissident nominees Vincent Intrieri and Andrew Teno as well as withholding from voting for the election of CEO Francis deSouza and Chair John Thompson. We were concerned with Illumina's operating performance, value creation and overall corporate governance, but our decision to vote this way was primarily underpinned by substantial concerns to close the GRAIL transaction against the instruction of antitrust regulators. The additional Directors and Officers (D&O) insurance coverage and timing of the purchase lacked transparency and efficacy, even if the coverage was reasonable within the context of the company's expanded scope. We believed the incumbent board, including the CEO and Chair should be held accountable for the multitude of risks, costs and uncertainties which continued to be associated with Illumina's determination to close the GRAIL transaction.

It was decided that voting for two out of the three Icahn nominees would enhance advocacy for shareholders whilst still retaining other directors and a wealth of life sciences industry experience and would retain a balance a control between incumbent directors and new appointments. Our analyst recognised that the board was limited in the practical courses of action regarding the GRAIL transactions in the current regulatory divestiture/appeals process, both then and after the AGM. However, two new directors were considered to offer new perspective and experience.

Outcome: *We opted to vote in favour of the proxy gold card (the activist investors) for two of the suggested directors in order not to fully hand the reins over to Icahn (who wanted three). Even though Icahn lost the proxy battle, Illumina's CEO resigned shortly afterwards, having seen the lack of shareholder confidence in his leadership at the AGM. Following the AGM, our analyst followed the news flow to see how the turnaround went with new leadership but decided to drop coverage and removal from our monitored universe (MU) was the final point of escalation.*

Engagements on collectives

The majority of the firm's AUM is invested in collective investments (circa 60%). All third-party collective investments that are formally monitored by Evelyn Partners sector specialists are subject to ESG due diligence as part of the overall coverage of the fund. Below are some examples of engagements based on ESG factors across various asset classes.

Investment trust's governance and consistency with investment approach

G: Excellence in governance

As part of our update meeting with this fund in August 2023, we had a discussion around board succession and composition. Two members of the board had exceeded 9 years of service and shareholders had been challenging the Chair on board composition given the length of tenure of the two members. The Chair explained that several directors were highly experienced and that the board comprised of 40% women, highlighting that diversity had been considered.

A further engagement was initiated in October regarding the trust's continued investment in Deere & Co. which was important to understand in view of the specialist investment approach being taken by this fund. The company had long been a figurehead in opposition to the 'right to repair' movement since it moved away from production of hardware to software. The fund managers explained their justification for inclusion stemmed from the long history the company had from its software, to reducing both water and fertiliser use, combined with the concessions management recently made to make their manuals available to engineers to repair.

Outcome: *We were comfortable with the fund manager's responses to our questions with regards to governance and the stock example.*

Stewardship due diligence on social factors

S: Workplace standards

Our analyst met with the fund's Head of Responsible Investment and fund manager in March 2023 to discuss their holdings in Adidas, among other issues. This company had been found by the Australian Strategic Policy Institute to be sourcing cotton from forced labour camps in Xinjiang province of China. The fund management team recognised that the problem was pervasive in the industry but justified the purchase on the grounds that Adidas had prohibited its suppliers from sourcing from Xinjiang and believed the company had best-in-class controls. In addition, Adidas had reduced its exposure to production in Xinjiang. The fund had subsequently sold this holding.

Outcome: *Our engagement with the fund team illustrated commitment of the fund to pursue a stewardship approach that included engagement on social-related issues.*

Ongoing due diligence on ESG integration and active stewardship in top 10 holding

E: Environmental resilience
G: Excellence in governance

Our analyst had a positive annual update meeting with the head of this global equity fund in May 2023, which is a core holding for responsible portfolios and was upgraded the prior year partly due to ESG process improvements. The fund's wider team continued to strengthen in 2023, which had helped drive engagement agendas on holdings already in the portfolio. Our analyst had a discussion with the fund manager about these engagement activities. Examples provided were that the fund team had been engaging with:

- Albemarle, the largest lithium producer in the world, to understand how the company was effectively managing energy and water use associated with extraction in their Chilean operations.
- ANTA Sports, a provider of sports apparel in China, to verify whether 100% of its cotton sourced was compliant with UN Global Compact (UNGC) standards and that the business did not rely on modern slavery and in addition that material progress had been made on auditing the supply chain.

Outcome: *Our meeting with the fund management team reinforced the recommendation of the fund as a top pick on our collectives MU, as one that follows constructive engagement practices.*

Investor Forum (direct and collaborative)

G: Excellence in governance

Hipgnosis Song Fund

Evelyn Partners had started engaging with Hipgnosis Song Fund in 2022. It was then raised by an investor at The Investor Forum in September 2023, following the announcement of terms for a significant transaction and a period of unsatisfactory investor engagement. The company was under scrutiny from the media and there were several active shareholders on the register who were proactively seeking change. The Investor Forum wrote to the, then, Senior Independent Director (SID) in October, prior to the AGM, on behalf of six smaller shareholders, including Evelyn Partners. Whilst the SID responded promptly, no further dialogue was deemed necessary by engagement participants pending the outcome of the AGM. Subsequent to this exchange and following further actions taken, the SID stepped down before the AGM, the board membership was refreshed and a new Chair was appointed.

In addition to the engagement through The Investor Forum, our analyst also met with the board in autumn 2023 following direct engagement in 2022. Evelyn Partners subsequently voted against the board, following the lead of the AIC (Association of Investment Companies).

Outcome: *In October 2023, the company lost its continuation vote. Ultimately, our direct engagement activity as shareholders and collaborative engagement with The Investor Forum helped to influence changes to the memberships of the board and Chair, providing greater independence, stronger oversight and controls, and a fresh perspective.*

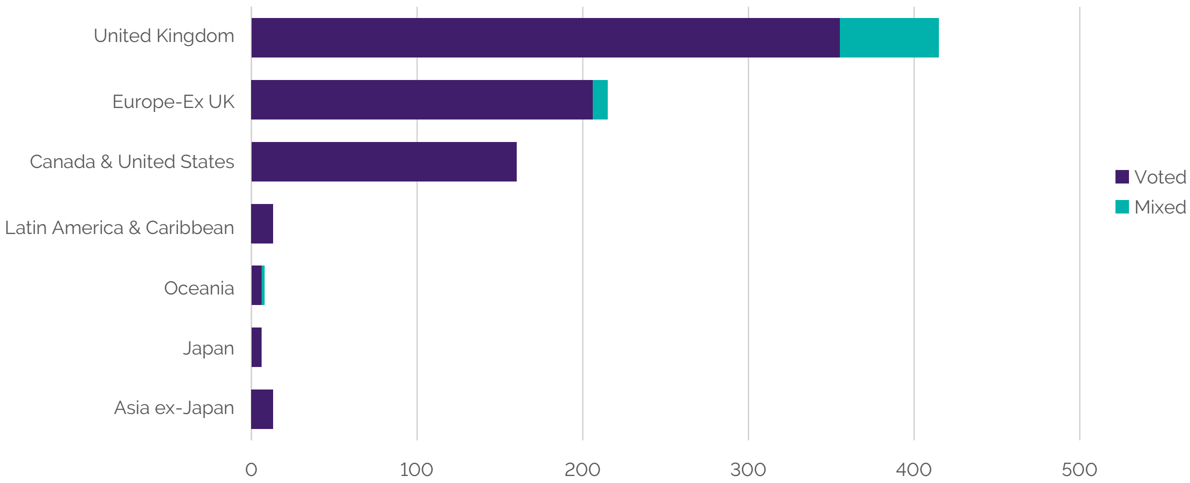
Voting

We use our influence as shareholders to improve investee companies' own ESG practices and performance. One of the ways we do this is by voting at shareholder meetings.

Voting is an important tool in stewardship and gives us the opportunity to express our views. Over the 12 months to the end of December 2023, we voted at 830 company meetings and actively engaged with companies on multiple subjects in relation to our voting decisions. Most of our voting took place in the UK, followed by Europe, the USA and Canada, with 85.5% of our votes with management. Our votes against management amounted to 2.2% of the total.

A full copy of our proxy voting report can be found here.

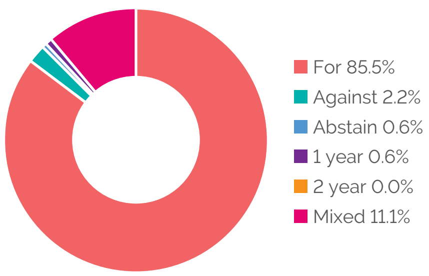
Meetings by region and vote status



Source: Glass Lewis

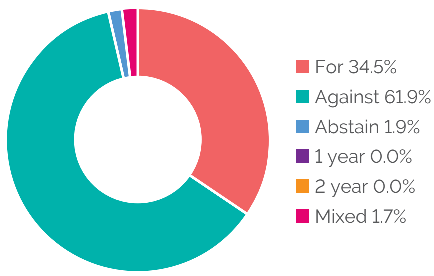
How Evelyn Partners voted

Management Proposals – Votes cast



Source: Glass Lewis

Shareholder Proposals – Votes cast



Source: Glass Lewis

Our voting process focuses on discretionary holdings which are on our direct equity MU, any company on our Alternative Investment Market (AIM) monitored list and any situation where our materiality threshold is met (where we own more than 1% of the total issued share capital). This currently amounts to over 800 UK and international companies.

We use Glass Lewis as our proxy voting service provider, but adapt their proposals to our own policies based on our direct engagement with companies in which we invest. Our focus is on the following areas: transparency and communication; corporate culture; strategy; financial disciplines, structure and risk management; stakeholders, environmental and social issues; and governance.

In cases where we deem it necessary, and where SRIG members agree, we will abstain or vote against management resolutions. Where we abstain or vote against management resolutions, we always write to the Chair of the Board to explain our reasons. If a satisfactory response is not possible, we may look to escalate further.

Voting in practice – 2023 case studies: for/against management

L'Oréal: Re-election of director – AMEND VOTE DECISION TO FOR MANAGEMENT

While our advisers suggested voting against a specific director at L'Oreal, we ultimately decided to support her. Glass Lewis's advice was to vote against the re-election of Fabienne Dulac at the 2023 AGM due to the fact she attended less than 75% of board meetings during the recent fiscal year and served on too many boards. We wrote a letter to the company noting we would vote against the director and that the board had not provided an explanation for her attendance. The company responded to the letter, noting that the director had attended 71% of meetings but was also a member of two board committees: the Audit Committee and Human Resources and Remuneration Committee, where she respectively had 80% and 100% attendance rate. Additionally, Ms. Dulac had an average attendance of 88% of board meetings during her 4-year tenure. As a result, Evelyn Partners decided to amend the vote decision and vote in favour of her re-election.

Outcome: *87.4% also voted in support of Director Dulac and the proposal was carried.*

Intertek Group plc: Election of chairman – VOTE AGAINST MANAGEMENT

We were recommended by Glass Lewis to vote against the election of the Chair, Andrew Martin, at Intertek Group plc's 2023 AGM. The company operated petroleum and chemical laboratories and inspection facilities in Russia but did not issue any statements regarding a possible discontinuation of its operations in Russia following the Russian invasion of Ukraine. It was our view that the absence of disclosure on this matter constituted a substantial failure to properly inform shareholders of material risks. We believed that the Chair of the board should be held accountable for this failure.

At the 2022 AGM, we also voted against the Chair on the same grounds and were disappointed to see no progress in the company's disclosure around its operations in Russia. We hope the company takes these concerns into account.

Outcome: *Only 13.8% voted against the election of Mr. Martin, and the proposal was carried.*

Voting in practice – 2023 case studies: shareholder resolutions

Glencore Plc

We viewed the shareholder proposal favourably regarding the "Climate Action Transition Plan at 2024" at the 2023 AGM. We believed the requested disclosures would be useful for shareholders when evaluating the company's 2024 climate plan.

Outcome: *This resolution received support from 28.8% of all votes. After the AGM, Glencore consulted with its shareholders and undertook a review of its Climate Action Transition Pan.*

American Water Works Co. Inc.

A shareholder proposed a motion regarding a racial equity audit at the AGM. The proposal requested that the company publish a third-party audit assessing the racial impact of its policies, practices, products, and services. We welcomed further commitment to employee diversity and inclusion, particularly given the demographics of where the company operated and voted in favour.

Outcome: *The resolution received support from 39.1% of all votes and was not carried.*

PepsiCo Inc

We reviewed a shareholder proposal regarding the adoption of a policy which required two separate people to hold Chair and CEO positions. We recognised that the company had appointed an independent presiding director and listed the duties and responsibilities of the position. However, we did not believe this was sufficient. Appointing both executive and board leadership concentrated too much responsibility in an individual and inhibits independent board oversight of executives on behalf of shareholders.

Outcome: *We decided to vote in favour of the shareholder proposal. This resolution received support from 24.6% of votes and was not carried.*

Chevron Corp

We were minded to vote in favour of shareholder proposals regarding a recalculated baseline emissions report under a Just Transition framework. We believed that disclosing recalculated baseline emissions in their climate-related disclosures could provide shareholders insight concerning the company's progress on its climate reduction targets. We also believed that reporting on Just Transition would allow the company, its shareholders, and its stakeholders to better understand how plans to decarbonise its operations would impact its workforce from potential closure due to the anticipated energy transition to a low carbon economy.

Outcome: *We decided to vote in favour of the shareholder proposals. The resolution on recalculated baseline GHG emissions received support from 18.0% of votes and the resolution on Just Transition reporting received support from 17.2% of votes. Both shareholder proposals were not carried.*

evelyn PARTNERS

T: 020 3131 5203
E: contact@evelyn.com
www.evelyn.com

45 Gresham Street, London EC2V 7BG.