Evelyn Partners Voting Policy

This document should be read in conjunction with our Responsible Investment Policy, which is our over-arching policy, together with the related engagement policy. Other relevant documents include the United Nations supported Principles for Responsible Investment (UN PRI) submissions and our UK Stewardship Code 2020 reports, plus our regular reports on voting and engagement activity and our Sustainability-Related Disclosure Statement. These are all publicly available on our website at www.evelyn.com.

Active ownership

Active ownership (stewardship) and engagement can take a variety of forms:

- direct communication (sometimes repeated) with board members – direct engagement
- direct communication with fund managers of third-party collective investments – direct engagement
- acting in collaboration with other investors in working groups – collaborative engagement
- communicating with relevant stakeholders of the investee companies
- abstaining or voting against management – use of voting

Evelyn Partners Voting Policy – Direct Equities

The group's voting process covers discretionary holdings in our direct equity monitored universe, any company on our AIM monitored list and any situation where our materiality threshold is met. The voting process relies on collaboration with external service providers Glass Lewis and Broadridge and was developed alongside the Glass Lewis voting policy.

It is our expectation that we will vote in favour of most management resolutions in our direct holdings, given that good governance and proven management is a significant element of the investment rationale. We would therefore aim to be largely supportive shareholders throughout our stewardship activities.

Where Glass Lewis recommends a vote against management, the relevant direct Sector Specialist assesses the vote and passes it to a member of the Stewardship & Responsible Investment Group (SRIG) for a second opinion, prior to a third and final approval by the Stewardship & Responsible Investment (SRI) Director. If all three reviewers agree, the vote recommendation is passed to our Corporate Actions team for execution. In case of disagreement, a meeting takes place to come to an agreed voting position.

Our view differs from time to time from that of Glass Lewis. Our in-house Sector Specialists conduct in-depth research by holding meetings with companies and at times this specialist knowledge can put us in a good position in which to make voting decisions.

Factors affecting voting intention

Voting is affected by our analysis of corporate and specific director performance and is also dependent on the wording of the individual resolution, whether it is a company or shareholder proposal.

Areas where Evelyn Partners receives detailed independent advice on governance matters by company from Glass Lewis, include:-

Leadership

Companies should have a talented board with a proven record of protecting and delivering value. Board members should have diverse backgrounds, positive performance records, and a breadth and depth of experience. The board should also reflect diversity in gender, nationality, and ethnic origin.

For effective oversight and protection of shareholders' interests, the board should be significantly independent. Ideally, only independent directors should serve on a company's audit and remuneration committees, while a majority of the nomination committee members should be independent. Additionally, at least one member of the audit committee should have relevant financial experience.

Effectiveness

There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the company's business operations. The board and its committees should have the appropriate balance of skills, experience, independence, and knowledge of the company to effectively discharge their duties and responsibilities.

The Committee Chair is responsible for the actions of the respective committee. The audit committee should act independently from the executive to ensure shareholders' interests are protected in relation to financial reporting and internal control. Audit committees are assessed based on their monitoring decisions and the level of disclosure provided to shareholders. Committees should have at least three members, or two for smaller companies.

Remuneration committees play an important role in overseeing executive remuneration and should be able to match appropriate pay with performance.

Nomination committees are responsible for ensuring the board has the right balance of skills, experience, independence, and knowledge, as well as adequate diversity, to effectively oversee the company on behalf of shareholders. This includes managing board appointments, both initially and on an ongoing basis, with an emphasis on progressive refreshment. The committee should set out the board's diversity policy, specifically referencing gender, and include details of any internal objectives and progress against them.

Accountability

Each company should be led by an effective board, collectively responsible for the company's long-term success. Good governance requires continuous and high-quality effort. The board should promote shareholders' interests and consist mostly of independent directors, who should be held accountable for their actions and results.

The board should establish a formal and transparent process to review the company's corporate reporting, risk management, and internal control principles. A director's history can often indicate future conduct, so it is likely that voting against directors will occur for directors who have served on boards or as executives of companies with poor performance records, over-remuneration, audit or accounting issues.

Remuneration

Executive remuneration should be directly linked to the performance of the business that the executive manages. Incentive programs should generally include specific and appropriate performance goals.

Executive pay is examined on a case-by-case basis. Good disclosure of the company's remuneration structure and practices is important for shareholders to make an informed assessment.

In the event of significant opposition to remuneration proposals, the committee's responsiveness to shareholder concerns is assessed. Incentives tied to long-term performance and holding restrictions provide the strongest alignment with the interests of long-term shareholders.

Remuneration committees should retain a reasonable level of discretion to ensure that pay outcomes are justified and linked to performance, and that the implementation of the remuneration policy remains appropriate.

Performance of directors

Performance measures should be carefully selected by the company to align with the specific business and industry in which the company operates, particularly focusing on the key value drivers of the company's business. Individual performance of directors is evaluated in their roles as board members and executives of the company, as well as their performance in other positions at different firms. We would consider voting against an individual if they fail to attend at least 75% of board meetings.

Climate Accountability

Beginning in 2023, Glass Lewis introduced a new focus on director accountability for climate-related issues. Companies whose greenhouse gas (GHG) emissions pose a financially material risk should provide clear and comprehensive disclosures regarding climate risks, including how these risks are being mitigated and overseen.

For companies with significant exposure to climate risk from their operations, we expect thorough climate-related disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

While this policy initially applied to the largest emitters in 2023, in 2024, Glass Lewis extended this policy to FTSE 100 companies in industries where the Sustainability Accounting Standards Board (SASB) identified GHG emissions as financially material.

Priority specific abstentions

Evelyn Partners has identified a series of bottom-up RI priorities of Environmental Resilience, Workplace Standards and Excellence in Governance:

- Environmental Resilience includes the examination of a company's business model in terms of its environmental footprint, including carbon, and its plans to adapt to our future, both in terms of risk mitigation as well as finding ways to generate revenues in climate-related solutions.
- Our social orientated theme is Workplace Standards, which looks at the commitment of investee companies to maintain acceptable working conditions in their own operations and in their supply chain. We believe that fair and equitable policies form a solid foundation for ongoing productivity and success.
- The final theme of Excellence in Governance comes with the expectation of a competent, independent, inclusive and committed board that aligns strategies with goals and with reasonable, long term remuneration terms. We expect them to have appointed credible management teams and make changes where necessary.

We use the ESG module of Glass Lewis to identify companies which fare poorly against these priorities to indicate relevant areas for our voting activity. For example, this has involved abstaining on resolutions where a company has no form of net zero or climate-related target, where a company has no board remuneration link to health & safety, and/or when there is no overall link that the company has strong overall ESG related credentials.

Policy updates

This policy is based on best practice and is updated at least annually after approval by the SRIG.

Reporting

We report on our Proxy Voting activities on a quarterly basis as well as annually in keeping with our commitments to SRD II, the UN PRI and the UK Stewardship Code. These reports can be found on our website. Individual client voting records can be provided upon request.

The Group's Investment Management business is a signatory of the UN PRI and UK Stewardship Code 2020 via its subsidiary company Evelyn Partners Services Ltd. This policy applies to the following legal entities which provide the Group's discretionary portfolio management services: Evelyn Partners Investment Management Services Limited (FCA) I Evelyn Partners Investment Management LLP (FCA) I Evelyn Partners Discretionary Investment Management Limited (FCA) Tilney Discretionary Portfolio Management Limited (FCA) Evelyn Partners Securities (FCA) I Evelyn Partners Investment Services Limited (FCA) I Evelyn Partners International Limited (Jersey) I Evelyn Partners Investment Management (Europe) Limited (Ireland).

Evelyn Partners UK legal entities are authorised and regulated by the Financial Conduct Authority

Evelyn Partners Investment Management (Europe) Limited is regulated by the Central Bank of Ireland

Evelyn Partners International Limited (Jersey) is regulated by the Jersey Financial Services Commission