



# RI TRANSPARENCY REPORT

## 2020

COUTTS & COMPANY

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Private							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Public							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	🔒	n/a	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	✓	Public		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	🔒	n/a	✓						
LEI 05	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 06	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Public		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	🔒	n/a	✓						
FI 05	Examples of ESG factors in screening process	🔒	n/a	✓						
FI 06	Screening - ensuring criteria are met	🔒	n/a	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Private		✓					
FI 15	Engagement method	✓	Private	✓	✓					
FI 16	Engagement policy disclosure	✓	Private	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							



# COUTTS & COMPANY

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- ☐ Hedge funds
- ☐ Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- ☐ 1
- ☒ 2-5
- ☐ 6-10
- ☐ >10

**OO 02.3**

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1200

**OO 03****Mandatory****Public****Descriptive****General****OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

☐ Yes☒ No**OO 04****Mandatory****Public****Gateway/Peering****General****OO 04.1**

Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2**

Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		28	473	000	000
Currency	GBP				
Assets in USD		36	781	209	822

☐ Not applicable as we are in the fund-raising process**OO 04.4**

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

	trillions	billions	millions	thousands	hundreds
Total AUM		4	721	000	000
Currency	GBP				
Assets in USD		6	098	552	719

☐ Not applicable as we do not have any assets under execution and/or advisory approach

OO 06	Mandatory	Public	Descriptive	General
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OO 06.1	Select how you would like to disclose your asset class mix.
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- ☐ as percentage breakdown  
☒ as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	10-50%
Fixed income	<10%	10-50%
Private equity	0	0
Property	0	0
Infrastructure	0	0

Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Money market instruments	0	<10%
Other (1), specify	0	0
Other (2), specify	0	0

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- ☐ Yes  
☒ No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- ☐ Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.  
☒ No, we do not use fiduciary managers.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets

87

Emerging Markets

13

	Frontier Markets
0	
	Other Markets
0	
	Total 100%
100%	

### Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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<b>OO 10.1</b>	Select the active ownership activities your organisation implemented in the reporting year.
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	Listed equity – engagement
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- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☒ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

	Listed equity – voting
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- ☒ We cast our (proxy) votes directly or via dedicated voting providers
- ☒ We require our external managers to vote on our behalf.
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

	Fixed income SSA – engagement
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- ☒ We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

	Fixed income Corporate (financial) – engagement
--	---

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☒ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

	Fixed income Corporate (non-financial) – engagement
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- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☒ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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	Listed equity
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Fixed income - SSA
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Fixed income - corporate (financial)
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Fixed income - corporate (non-financial)
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Cash
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- ☐ We address ESG incorporation.
- ☒ We do not do ESG incorporation.

OO 11.2	Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.
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Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<div>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (financial)	<div>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<div>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Money market instruments	<div>Money market instruments - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

#### OO 11.4

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Coutts defines Responsible Investment as the 'integration of environmental, social and corporate governance (ESG) considerations in to our investment processes and our ownership practices'.

Pooled (or third-party) funds make up a significant proportion of investment portfolios. Our due diligence process for the selection of third-party funds includes detailed questions relating to responsible investing, including questions relating to: whether they are signatories of PRI, UK Stewardship Code (or similar), questions relating to voting and



engagement records and whether this information is publicly available, and questions relating to TCFD and associated recommendations for asset managers. Each third party fund is scored based on their answers, which is incorporated in to our investment decision-making processes. Annual reviews are conducted with all third-party fund managers, which includes a review of any meaningful changes or improvements to their approach to responsible investing.

**OO 11.5**

For your externally managed pooled funds, describe any mechanisms in place to set expectations as part of the appointment or commitment process.

As noted in response to question Q 11.4, we remind third party fund managers of Coutts' commitment to responsible investing and ask them to complete a detailed questionnaire, followed by one or several face to face meetings. Each fund manager is given a score based on their responses, which is incorporated in to our investment decision-making processes.

**OO 12**

**Mandatory**

**Public**

**Gateway**

**General**

**OO 12.1**

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- ☒ Organisational Overview
- ☒ Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☒ Fixed income - SSA
- ☒ Fixed income - Corporate (financial)
- ☒ Fixed income - Corporate (non-financial)

RI implementation via external managers

## Indirect - Selection, Appointment and Monitoring of External Managers

- ☒ Listed Equities
- ☒ Fixed income - Corporate (financial)
- ☒ Fixed income - Corporate (non-financial)

## Closing module

- ☒ Closing module

## Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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### Percentage of internally managed listed equities

	Passive
0	
	Active - quantitative (quant)
0	
	Active - fundamental and active - other
100	
	Total
100%	

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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SSA	<div> <div>Passive</div> <div>0</div> </div> <div> <div>Active - quantitative (quant)</div> <div>100</div> </div> <div> <div>Active - fundamental and active - other</div> <div>0</div> </div> <div> <div>Total</div> <div>100%</div> </div>
Corporate (financial)	<div> <div>Passive</div> <div>0</div> </div> <div> <div>Active - quantitative (quant)</div> <div>100</div> </div> <div> <div>Active - fundamental and active - other</div> <div>0</div> </div> <div> <div>Total</div> <div>100%</div> </div>
Corporate (non-financial)	<div> <div>Passive</div> <div>0</div> </div> <div> <div>Active - quantitative (quant)</div> <div>100</div> </div> <div> <div>Active - fundamental and active - other</div> <div>0</div> </div> <div> <div>Total</div> <div>100%</div> </div>

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
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SSA	<table> <tr> <td></td><td>Developed markets</td></tr> <tr> <td>100</td><td></td></tr> <tr> <td></td><td>Emerging markets</td></tr> <tr> <td>0</td><td></td></tr> <tr> <td></td><td>Total</td></tr> <tr> <td>100%</td><td></td></tr> </table>		Developed markets	100			Emerging markets	0			Total	100%	
	Developed markets												
100													
	Emerging markets												
0													
	Total												
100%													

OO FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.
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Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>

	If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below
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☐ OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

# COUTTS & COMPANY

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☒ Your investment objectives that take ESG factors/real economy influence into account
- ☒ Time horizon of your investment
- ☒ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☒ Reporting
- ☒ Climate change
- ☒ Understanding and incorporating client / beneficiary sustainability preferences
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Coutts defines responsible investment as the integration of environmental, social and governance (ESG) factors into our investment processes and ownership practices. Embedding responsible investing principles into our investment process will lead to better informed investment decisions.

We believe that ESG factors have the potential, over time, to have a positive impact on investment portfolios across companies, sectors, regions and asset classes. Strong corporate governance practices and management of environmental and social risks are important drivers to the creation of long-term shareholder value.

The Coutts investment process is disciplined, dynamic and repeatable. We focus on three factors: managing risk, managing costs, and investing responsibly- which fits naturally with our five investment principles.

Macro-informed asset allocation - we believe this is a key driver of returns over the long term.

Value and Selectively Contrarian - we look for assets that are inexpensive and may be unpopular and out of favour.

Diversification - essential to broaden sources of return and manage risk in a robust way.

Quality - we seek well-managed and stable institutions which aligns with our approach to responsible investing.

Patience - we focus on long-term opportunities and do not overreact to short-term noise.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Coutts has implemented a responsible investment approach because:

- We believe it will lead to better informed investment decisions which, over the long term, should deliver incremental performance benefits and reduce investment risk.
- It will create long term shareholder value through the incorporation of strong corporate governance practices and active management of environmental and social risks.
- Clients will have the comfort of knowing that we are focused not only on driving investment return but also on the social and environmental impact of our ownership decisions.
- It supports ambitions to grow and future-proof our asset management business, especially in light of growing client awareness of and demand for responsible investing.
- It aligns with our commitment to being a sustainable business.

Our responsible investment approach applies to all investment funds and discretionary portfolios managed by Coutts. Our responsible investment approach was initially sponsored by the Investment Committee in 2016 and the Responsible Investing Forum provides monthly updates to the Investment Committee on activity, issues and horizon scanning. All policies associated with our approach to responsible investing are reviewed annually. The policies include a statement of compliance with the UK Stewardship code for which we have a Tier 1 ranking.

We also provide a bespoke screening service to meet clients' ESG or ethical preferences. We recognise that some private clients and charitable trusts wish to further align investment portfolios with their personal values or ethics.

Climate change and other ESG risks, issues and opportunities are incorporated into our security selection process. We have specific questions in our manager selection due diligence process which are related to climate change. For more details see [www.coutts.com/responsibleinvesting](http://www.coutts.com/responsibleinvesting).

☐ No

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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☒ Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
--	--

As an asset manager our primary objective is to manage financial risks and returns. We also believe it is important to support the transition to a low-carbon economy, which will provide opportunities to reduce systemic risks, identify material value drivers, and generate positive social impacts for the investment portfolios that we manage. We recognise that climate change is likely to have an impact on the long-term value of investments that we manage on behalf of our clients. Therefore we are working to identify potential opportunities and risks, which include physical and transitional risks affecting both Coutts as an asset manager and the assets we manage. Moreover we want to understand how best to integrate climate-related concerns into our business and investment decision-making. While climate change is a material financial risk, other, more traditional macro-economic risks may still dominate in financial terms.

#### Short Term Risks (0-2 years)

Transition Risk:

- Regulatory changes and mandatory legislation impacting us as an asset manager, as well as the companies we invest in.
- Lack of quality and comparability of climate-related data.

#### Medium Term Risks (2-5 years)

Transition Risk:

- Global implementation of climate-related policies in order to meet the commitments made under the Paris Agreement - Risk of financial markets not having priced in a likely forceful policy response to climate change (The Inevitable Policy Response: Policy Forecasts) and the impact of this on the economy, key sectors, regions and asset classes. This might include: Increased pricing of GHG emissions; Enhanced reporting obligations; Exposure to litigation.
- Stranded assets and obsolescence of products and services of the companies we invest in. This includes exposure to carbon-related assets and investments in carbon-intensive sectors.
- Risk of changing client behaviours and demands.



- Risk of negative shift in client and stakeholder sentiment towards Coutts if we fail to sufficiently and accurately tackle our climate related risks.

### Long Term Risks (5+ years)

Physical Risk:

- Extreme weather events and longer term changes in weather patterns affecting supply chains, infrastructure, agriculture and food supply, precipitation and water supply.

### Climate-related Opportunities

- Proactive leveraging of opportunities arising from increased client awareness and interest in investments that mitigate their negative impact on the climate.
- Clear communication around our efforts and processes to tackle climate-related issues.
- Development of specific investment products that promote positive action on climate-related issues.

☐ No

**SG 01.7  
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

☒ Yes

Describe the associated timescales linked to these risks and opportunities.

As indicated in SG 01.6 CC, we have identified risks over three time frames as recommended by TCFD (short-term: 0-2 years; medium-term: 2-5 years; long-term: 5+ years). We have only identified risks and opportunities that we believe have a medium to high probability of materialising.

We have outlined the potential impact of both the risks and opportunities in our TCFD statement posted on [www.coutts.com/responsibleinvesting](http://www.coutts.com/responsibleinvesting).

Direct link to our TCFD statement: <https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/other-documents/TCFD.pdf>

☐ No

**SG 01.8  
CC**

Indicate whether the organisation publicly supports the TCFD?

☒ Yes

☐ No

**SG 01.9  
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

☒ Yes

	Describe
--	----------

The Private Banking Risk Committee is responsible for ensuring a suitable risk policy framework by:

- Considering output resulting from the Private Banking Climate Change Working Group.
- Approving any climate-related policies and strategies.

The Investment Committee receives regular updates from the Responsible Investing Forum, and has the following responsibilities:

- Accountability for monitoring and assessing portfolio risks, including climate-related risks and opportunities.
- Governance of portfolio resilience to risks, including physical and transitional climate-related risks.
- Review and approve the methodology for climate-risk scenario analysis.

We also have a Climate Change Working Group whose purpose is to identify and manage climate-related risks and opportunities that have the potential to impact the legal entity as well as the products offered to our clients.

The Responsible Investing Forum collates bank-wide ideas and supports the integration of Environmental (including climate related initiatives), Social and Governance risks and opportunities into the investment process. It is also responsible for the implementation of climate-related initiatives.

The Tactical Asset Allocation Forum meets weekly and is responsible for portfolio performance and risk budgets. They incorporate ESG factors into their fund and direct holding selection process, and analyse existing holdings in line with our Responsible Investing Strategy.

We are working with industry leading experts and are leveraging open-architecture financial models to build three climate-related scenarios that will help to inform the investment committee on appropriate action to take within portfolios in order to minimise the risks associated with the transition to a lower carbon economy and to identify opportunities that will speed the transition to a net-zero carbon economy.

☐ No

<b>SG 1.10 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- ☐ Public PRI Climate Transparency Report
- ☐ Annual financial filings
- ☒ Regular client reporting
- ☒ Member communications
- ☒ Other

	specify
--	---------

We publish our TCFD statement on [coutts.com](https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/other-documents/TCFD.pdf). Direct link: <https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/other-documents/TCFD.pdf>

- ☐ We currently do not publish TCFD disclosures

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- ☒ Policy setting out your overall approach

URL/Attachment
----------------

- ☒ URL

URL
-----

<http://www.coutts.com/responsibleinvesting>

- ☐ Attachment (will be made public)

- ☒ Formalised guidelines on environmental factors

URL/Attachment
----------------

- ☒ URL

URL
-----

<http://www.coutts.com/responsibleinvesting>

- ☐ Attachment (will be made public)

- ☒ Formalised guidelines on social factors

URL/Attachment
----------------

- ☒ URL

URL
-----

<http://www.coutts.com/responsibleinvesting>

- ☐ Attachment (will be made public)

- ☒ Formalised guidelines on corporate governance factors

URL/Attachment
----------------

- ☒ URL

URL
-----

<http://www.coutts.com/responsibleinvesting>

- ☐ Attachment (will be made public)

- ☒ Asset class-specific RI guidelines

URL/Attachment
----------------

☒ URL

URL
-----

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/other-documents/TCFD.pdf>

☐ Attachment (will be made public)

☒ Screening / exclusions policy

URL/Attachment
----------------

☒ URL

URL
-----

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/other-documents/TCFD.pdf>

☐ Attachment (will be made public)

☒ Engagement policy

URL/Attachment
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☒ URL

URL
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<http://www.coutts.com/responsibleinvesting>

☐ Attachment (will be made public)

☒ (Proxy) voting policy

URL/Attachment
----------------

☒ URL

URL
-----

<http://www.coutts.com/responsibleinvesting>

☐ Attachment (will be made public)

☐ We do not publicly disclose our investment policy documents

<b>SG 02.2</b>	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
----------------

☒ URL

URL
-----

<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☒ Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment
----------------

☒ URL

URL
-----

<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☒ Time horizon of your investment

URL/Attachment
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☒ URL

URL
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<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☒ Governance structure of organisational ESG responsibilities

URL/Attachment
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☒ URL

URL
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<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☒ ESG incorporation approaches

URL/Attachment
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☒ URL

	URL
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<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☒ Active ownership approaches

	URL/Attachment
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☒ URL

	URL
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<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☒ Reporting

	URL/Attachment
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☒ URL

	URL
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<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☒ Climate change

	URL/Attachment
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☒ URL

	URL
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<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☒ Understanding and incorporating client / beneficiary sustainability preferences

	URL/Attachment
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☒ URL

	URL
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<http://www.coutts.com/responsibleinvesting>

☐ Attachment

☐ We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Please see our response to principle 2 in our Statement of Compliance with the Financial Reporting Council's UK Stewardship code in the link below.

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/Wealth%20Management/Coutts%20Institute/responsible-investing/stewardship-statement-30012018.pdf>

☐ No

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc basis
- ☐ It is not set/reviewed

SG 05.2	Additional information. [Optional]
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We undertake formal reviews on an annual basis but objectives can be updated more frequently, if required.

## Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles
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- ☒ Board members or trustees
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Internal Roles (triggers other options)

	Select from the below internal roles
--	--------------------------------------

- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify
  - Head of Responsible Investing**
    - ☒ Oversight/accountability for responsible investment
    - ☒ Implementation of responsible investment
    - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investor relations
  - ☐ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☒ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other role, specify (1)



	Other description (1)
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**Responsible Investment Forum.**

- ☐ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify (2)
- ☒ External managers or service providers
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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The Coutts Investment Committee is tasked with the governance and oversight of all client outcomes, which includes Responsible Investing.

Day to day oversight for the allocation of client capital rests with the Tactical Asset Allocation Forum, which includes input from our Head of Responsible Investing.

The development of our approach to Responsible Investing is led by the Responsible Investing Forum, which includes:

- Head of Responsible Investing
- Head of Equity Selection
- Head of Fund Selection
- Head of Charity Investing
- Head of Wealth Communications
- Portfolio Managers
- COO of Asset Management

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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	Number
--	--------

2

<b>SG 07.4</b>	Additional information. [Optional]
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The Responsible Investing Forum is a cross-functional team who dedicate a portion of their time to advance our approach to Responsible Investing.

<b>SG 07 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 07.5 CC</b>	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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#### Board members or trustees

- ☒ Oversight/accountability for climate-related issues
- ☐ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- ☒ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Other Chief-level staff or heads of departments

- ☒ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Portfolio managers

- ☐ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Investment analysts

- ☐ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Dedicated responsible investment staff

- ☐ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Investor relations

- ☐ Oversight/accountability for climate-related issues
- ☐ Assessment and management of climate-related issues
- ☒ No responsibility for climate-related issues

#### External managers or service providers

- ☒ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Other role, specify (1)

##### Responsible Investment Forum.

- ☐ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### SG 07.6 CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

- Climate-related risks and opportunities within the asset management business are managed by the Investment Committee and the Asset Management Risk Forum, both of which meet monthly to review, manage and monitor all aspects of investment risk, including climate-related risks.
- Relevant output from these meetings is presented to the Private Banking Climate Change Working Group before progressing to the Private Banking Risk Committee.
- Accountability sits with the Coutts Board of Directors on behalf of Asset Management. The Board's role includes oversight of climate-related matters.

#### SG 07.7 CC

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The Private Banking Risk Committee is responsible for ensuring a suitable risk policy framework by:

- Considering output resulting from the Private Banking Climate Change Working Group.
- Approving any climate-related policies and strategies.

The Investment Committee receives regular updates from the Responsible Investing Forum, and has the following responsibilities:

- Accountability for monitoring and assessing portfolio risks, including climate-related risks and opportunities.
- Governance of portfolio resilience to risks, including physical and transitional climate-related risks.
- Review and approve the methodology for climate-risk scenario analysis.

As mentioned above the Responsible Investing Forum collates bank-wide ideas and supports the integration of environmental (including climate related issues), social and governance risks and opportunities into the investment decision making process. It is also responsible for the implementation of climate-related initiatives.

The Tactical Asset Allocation Forum meets weekly and is responsible for portfolio performance and portfolio alignment to risk budgets. They incorporate ESG into their fund and direct holding selection process.

**SG 07.8  
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- ☒ Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- ☒ Request incorporation of TCFD into regular client reporting
- ☒ Request that external managers complete PRI climate indicator reporting
- ☐ Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- ☒ Other

Specify

We request our stewardship provider EOS and fund managers to specifically address TCFD recommendations and their implementation as part of their engagement with invested companies.

- ☐ We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

**Promoting responsible investment****SG 09****Mandatory****Public****Core Assessed****PRI 4,5****SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ AVCA: Sustainability Committee
- ☐ France Invest – La Commission ESG
- ☐ BVCA – Responsible Investment Advisory Board
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ CDP Forests
- ☐ CDP Water
- ☒ CFA Institute Centre for Financial Market Integrity

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☒ Climate Action 100+

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

- We are vocal advocates for Climate Action 100+.
- We encourage all asset managers that we work with to join the initiative.
- We highlight the progress the organisation is making in articles that we publish on [www.coutts.com](http://www.coutts.com)

- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☐ Invest Europe Responsible Investment Roundtable
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ HKVCA: ESG Committee
- ☒ Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ International Integrated Reporting Council (IIRC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☐ Principles for Financial Action in the 21st Century
- ☐ Principles for Sustainable Insurance
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
UKSIF membership

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☒ United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☒ Other collaborative organisation/initiative, specify  
Financial Reporting Council UK Stewardship Code

Your organisation's role in the initiative during the reporting year (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We have received Tier 1 ranking from the FRC for our statement of compliance with the UK Stewardship Code.

- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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☒ Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

	Description
--	-------------

Presentations and panel discussions on responsible investing at industry events.  
Sharing best practice with other asset managers and asset owners.  
Educational events for clients on responsible investing, climate change and social enterprises.

	Frequency of contribution
--	---------------------------

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ Provided financial support for academic or industry research on responsible investment
- ☐ Provided input and/or collaborated with academia on RI related work
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

	Description
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Coutts is very vocal on the importance of responsible investing practices and we encourage other industry players to continue to invest, develop and help grow this important initiative. We do this through round-table industry discussions and through our engagement activities with asset managers, service providers and data providers.

Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Spoke publicly at events and conferences to promote responsible investment

Description
-------------

Presentations at third party conferences such as the Private Wealth UK Forum.

Frequency of contribution
---------------------------

- ☐ Quarterly or more frequently
- ☒ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Wrote and published in-house research papers on responsible investment

Description
-------------

Insights on [coutts.com](https://www.coutts.com) and content in bi-annual Investment Outlook

Frequency of contribution
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- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Encouraged the adoption of the PRI

Description
-------------

We encourage all fund managers in our portfolios to be signatories of PRI.



Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently
  - ☐ Biannually
  - ☐ Annually
  - ☐ Less frequently than annually
  - ☐ Ad hoc
  - ☐ Other
- ☐ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- ☒ Wrote and published articles on responsible investment in the media

Description
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Insights on coutts.com are often picked up by the media or are posted to social media.

Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently
  - ☐ Biannually
  - ☐ Annually
  - ☐ Less frequently than annually
  - ☐ Ad hoc
  - ☐ Other
- ☒ A member of PRI advisory committees/ working groups, specify

Description
-------------

Joined the PRI Academic Network.

Frequency of contribution
---------------------------

- ☐ Quarterly or more frequently
  - ☐ Biannually
  - ☒ Annually
  - ☐ Less frequently than annually
  - ☐ Ad hoc
  - ☐ Other
- ☒ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description
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In a personal or professional capacity, staff support organisations that are enhancing the RI industry (including non-profit organisations).

	Frequency of contribution
--	---------------------------

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ Other, specify
- ☐ No

<b>SG 10.3</b>	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
----------------	---

We held a client event on climate change with the purpose of educating our clients on climate change risks. Guest speakers included Sir David Attenborough, Mark Carney, Chris Stark and Sue Garrard.

## Outsourcing to fiduciary managers and investment consultants

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate whether your organisation uses investment consultants.
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- ☐ Yes, we use investment consultants
- ☒ No, we do not use investment consultants.

## ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- ☐ Yes, in order to assess future ESG factors
- ☒ Yes, in order to assess future climate-related risks and opportunities

	Describe
--	----------

Our primary focus is to measure both physical risks and the risks associated with the transition to a low-carbon economy within portfolios and to identify strategies to mitigate this risk over time. Our investment team is also responsible for identifying opportunities to allocate to 'green' investments.

- ☐ No, our organisation does not currently carry out scenario analysis and/or modelling

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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	<b>We do the following</b>
--	----------------------------

- ☒ Allocation between asset classes
- ☐ Determining fixed income duration
- ☒ Allocation of assets between geographic markets
- ☒ Sector weightings
- ☐ Other, specify
- ☐ We do not consider ESG issues in strategic asset allocation

<b>SG 13.3</b>	Additional information. [OPTIONAL]
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We are responsible for asset allocation in our investment portfolios. Through our holistic asset allocation processes we incorporate a wide range of factors, including risk appetite, return expectations, and market and economic conditions. We recognise the urgency and severity of climate change and the impact that this can have on our investment propositions. Our view is that climate-related risks should be considered as a key element within the risk framework used for our asset selection and allocation decisions, rather than a standalone factor. We anticipate that regulations and standards will fall short of what would be required to achieve the commitments set out in the Paris Agreement. We envision that the damage this causes to the planet, and subsequently to financial markets, will provoke a delayed but increased reaction from governments, supranational organisation and companies. This sequence of actions likely to impact our investable universe.

<b>SG 13 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 13.4 CC</b>	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.
-------------------	--

- ☒ Initial assessment

	<b>Describe</b>
--	-----------------

We are working with industry leading experts and are leveraging open-architecture financial models to build three climate-related scenarios that will help to inform the investment committee on appropriate action to take within portfolios in order to minimise the risks associated with the transition to a lower-carbon economy and to identify opportunities that will speed the transition to a net-zero carbon economy.

As global multi-asset investors, we are incorporating the work undertaken in the Inevitable Policy Response Forecast Policy Scenario in order to develop a risk mitigation strategy and determine a timeline for implementation. Our current focus is on undertaking scenario analysis for the equity asset class. We anticipate constructing a similar analysis for other key asset classes (corporate and sovereign bonds) later in 2020. We will consider the consequences of more stringent regulations and standards and assess the impact that will have on us as a business and the investment propositions we offer to clients.

- ☐ Incorporation into investment analysis
- ☐ Inform active ownership
- ☐ Other

**SG 13.5  
CC**

Indicate who uses this analysis.

- ☐ Board members, trustees, C-level roles, Investment Committee
- ☒ Portfolio managers
- ☒ Dedicated responsible investment staff
- ☐ External managers
- ☐ Investment consultants/actuaries
- ☐ Other

**SG 13.6  
CC**

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

☒ Yes

Describe

While our investment time horizons vary from 3 to 8+ years, we invest for our clients over the long term and therefore aim to incorporate significant transition and physical risks spanning beyond our investment time horizons in our investment decisions.

Risks and opportunities identified over the short, medium and long term are detailed SG 01.6 CC.

☐ No**SG 13.7  
CC**

Indicate whether a range of climate scenarios is used.

- ☒ Analysis based on a 2°C or lower scenario
- ☒ Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- ☒ Analysis based on a 4°C or higher scenario
- ☐ No, a range is not used

**SG 13.8  
CC**

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div>Other (1) please specify:</div> <div>Currently being discussed with VividEconomics</div>
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**SG 14.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- ☒ Changing demographics
- ☒ Climate change
- ☒ Resource scarcity
- ☒ Technological developments
- ☐ Other, specify(1)
- ☐ Other, specify(2)
- ☐ None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- ☒ Established a climate change sensitive or climate change integrated asset allocation strategy
- ☒ Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			111	000	000
Currency	GBP				
Assets in USD			143	388	975

Specify the framework or taxonomy used.

The above AuM illustrate our allocations to low-carbon tracker funds. In addition to our described investment decision process we have also incorporated the Carbon Intensity metric when determining fund allocations, and look at these in the context of our current allocations.

- ☒ Phase out your investments in your fossil fuel holdings
- ☒ Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- ☒ Used emissions data or analysis to inform investment decision making
- ☒ Sought climate change integration by companies
- ☒ Sought climate supportive policy from governments
- ☒ Other, specify

other description

Sought climate change integration by managers. EOS engages companies specifically with a view to enhance disclosure, integrate actions and policies around climate-related risks/opportunities.

- ☐ None of the above

<b>SG 14.3</b>	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
----------------	--

- ☐ Scenario analysis
- ☒ Disclosures on emissions risks to clients/trustees/management/beneficiaries
- ☒ Climate-related targets
- ☒ Encouraging internal and/or external portfolio managers to monitor emissions risks
- ☐ Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- ☒ Weighted average carbon intensity
- ☐ Carbon footprint (scope 1 and 2)
- ☒ Portfolio carbon footprint
- ☐ Total carbon emissions
- ☐ Carbon intensity
- ☒ Exposure to carbon-related assets
- ☐ Other emissions metrics
- ☒ Other, specify

	other description
--	-------------------

Climate change, natural resource stewardship, pollution, waste and circular economy are all key engagement themes to influence corporate behaviour.

- ☐ None of the above

<b>SG 14.4</b>	If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.
----------------	--

We understand that tackling climate change is a long and uncertain process, which is why we believe that the most important thing to do is to communicate our progress as transparently as we can. To do this, we use the voluntary disclosures set out by the Task Force on Climate-Related Financial Disclosures (TCFD), which are some of the most widely used and recognised sets of guidance for companies to report the risks they face related to climate change. While we do not have perfect information available, we are committed to improving our disclosure around climate risks in our investment portfolios to our clients and investors.

In addition to publishing our TCFD disclosure on [coutts.com](https://www.coutts.com) we also publish a range of articles and communications tailored to various target client audiences. We also publish a yearly Sustainability report where we disclose emissions risk to clients.

<b>SG 14.5</b>	Additional information [Optional]
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The main work that we undertake with regard to climate risk is our due diligence process that occurs before we appoint a manager. We have a detailed questionnaire that covers standard financial/business related information and a detailed responsible investing questionnaire which covers ESG issues and opportunities. There is a dedicated section on climate risk which allows us to better understand the approach of fund managers and how they manage the risks and opportunities.

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
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<b>SG 14.6 CC</b>	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Climate-related targets</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	While our funds don't directly emit carbon, the companies we invest in do. Therefore we believe it is our responsibility to consider the risks these emissions might pose for the planet, and how we could reduce our clients' carbon footprint through managing their investments.	tCO2 (metric tonnes/\$M sales)	A portfolio's Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Sales) for each portfolio company and calculating the weighted average by portfolio weight.
<b>Weighted average carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To compare the portfolio's carbon footprint with its benchmark and measure progress against internal targets.	tCO2 (metric tonnes/\$M sales)	A portfolio's Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Sales) for each portfolio company and calculating the weighted average by portfolio weight.
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To identify the portfolio's normalised carbon footprint per million pounds invested	tCO2 (metric tonnes/£M investment)	Carbon Emissions measures the normalised tons of CO2 for which an investor is responsible. Carbon Emissions is achieved by calculating the total Carbon Emissions (Scope 1 + 2 Emissions) multiplied by the ownership position (Portfolio Position / Total Market Cap) divided by the Portfolio Market Value.
<b>Exposure to carbon-related assets</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	To identify exposure of portfolios to activities and assets that are at risk of becoming stranded. (E.g. oil and gas reserves that remain unused in a lower-carbon economy)	Percentage weight in portfolio for assets where data is available. This data point will always include the percentage of the AUM covered.	Fossil Fuel Involvement is the portfolio's percentage exposure to fossil fuels, for the most recent time period and averaged over the trailing 12 months. Companies with fossil-fuel involvement are defined as those deriving at least 5% of their revenue from the following activities: thermal coal extraction, thermal coal power generation, oil and gas production, and oil and gas power generation. Companies deriving at least 50% of their revenue from oil and gas products & services are also included.

SG 14.7  
CC

Describe in further detail the key targets.



Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2019	Year end 2021	25% reduction in portfolio carbon intensity for the equity holdings across all discretionary mandates	<a href="#">File 1:20DMAR231_02_Document2.pdf</a>
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2019	Year end 2030	50% reduction in portfolio carbon intensity for all holdings across all discretionary mandates	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

**SG 14.8  
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- ☉ Processes for climate-related risks are integrated into overall risk management

Please describe

Our robust research and selection process considers ESG factors, including climate-related risks, at every stage. An example of this is that we require all third party funds to complete a Responsible Investing Questionnaire in the Due Diligence stage. While funds with below average scores are not automatically dismissed, access to this data and insight allows us to engage with the manager to improve their practices.

For our security selection we draw on data from Sustainalytics, an external data provider, to obtain inputs on climate-related risks. In addition to this we also use Morningstar's data for external investment funds that are used in our multi-asset portfolios, with the goal of helping us assess climate risk exposure within these assets. Meanwhile Morningstar uses Sustainalytics data to aggregate climate risks for funds.

At the portfolio level we monitor carbon intensity, as well as exposure to unsustainable (fossil fuels, thermal coal, and oil sands extraction involvement) and sustainable (green transportation, renewable energy production and supporting products/services) positions, and we aim to identify ways to adjust these exposures in line with our assessment of the investment risks.

Through our stewardship activity, which is led by EOS, we have identified climate as a specific engagement focus. We encourage responsible behaviour in the companies in which we hold direct public equity holdings through voting and engagement, with support from EOS. This activity acts as a positive feedback loop as it allows them to raise risks and controversies with the boards and encourage action to address these risks.

Coutts, as well as EOS, have joined Climate Action 100+, which is an initiative led by over 300 asset managers and asset owners to engage with the world's largest corporate greenhouse gas emitters to improve their climate performance and ensure transparent disclosure of emissions. Since Coutts joined the Climate Action 100+, we have been collaboratively engaging with companies and encouraging other asset managers to support Climate Action 100+. Meanwhile our stewardship partner, Hermes EOS, has taken a particularly active role within the initiative, leading engagement initiatives on 29 companies.

We also actively encourage the asset managers that we invest in to have robust stewardship activity. We request engagement data and also review case studies to understand the impact that their engagement activity is having in driving positive change.

Identified risks are considered at every level of the organisation. Where these risks have a potential impact on our asset management business and the assets we manage on behalf of our clients, these are escalated to the Asset Management Risk Forum. Climate-related risks are also reported quarterly to the Investment Committee and to the Private Banking Climate Change Working Group.

☐ Processes for climate-related risks are not integrated into overall risk management

<b>SG 14.9 CC</b>	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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☒ Yes

	Please describe
--	-----------------

We request our stewardship provider EOS at Federated Hermes to specifically address TCFD recommendations and their implementation as part of their engagement with companies invested in.

From EOS's website: "By engaging frequently with companies on climate change risks and environmental reporting, as well as wider issues around policy and sustainable business practices, the insights from Hermes EOS create a powerful force for positive change. Examples of constructive engagement include: encouraging the adoption of the TCFD recommendations for disclosing clear, comparable and consistent information about threats and opportunities related to climate risk, speaking with companies ahead of their AGMs to flag climate risk-related issues that could be remedied, acting as active owners on behalf of shareholders, tracking companies' progress on climate change issues and sharing company best practice where possible. Moreover, our voting policies and membership of industry initiatives, as previously discussed, encourage companies to align their business models with the 2015 Paris Agreement."

Source: <https://www.hermes-investment.com/ukw/insight/equities/equitorial-a-climate-for-change/>

We encourage fund managers we currently invest in, and consider investing in the future, to adopt the TCFD recommendations, as we believe that this is an important step in increasing transparency and driving progress on climate-related matters.

☐ No, we do not undertake active ownership activities.

☐ No, we do not undertake active ownership activities to encourage TCFD adoption.

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 15.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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☒ Yes

<b>SG 15.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

	%
--	---

1

<b>SG 15.3</b>	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
----------------	--

Area
------

☒ Energy efficiency / Clean technology

Asset class invested
----------------------

☒ Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area
--

1

- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☐ Cash

Brief description and measures of investment
--

We track our exposure to carbon solutions and green transportation, drawing on data from Sustainalytics and use Morningstar's data from external investment funds that are included in our multi-asset funds and portfolios.

Sustainalytics defines carbon solutions involvement as: "the sum of the portfolio's asset-weighted percentage exposure to carbon solutions, including renewal energy production, renewal energy supporting products & services, and green transportation. A higher percentage is optimal. Holdings are considered involved with carbon solutions if they have at least 0.1% exposure."

Sustainalytics defines green transportation involvement as "the portfolio's asset-weighted percentage revenue exposure to green transportation vehicles, green transportation services, green transportation infrastructure, or technologies/services used to manufacture green transportation vehicles that are based on waste-recovery energy, rather than fossil fuel sources. A higher percentage is optimal. Holdings are considered involved with green transportation if they have at least 0.1% exposure."

☒ Renewable energy

Asset class invested
----------------------

☒ Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area
--

1

- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☐ Cash

## Brief description and measures of investment

We track our exposure to renewable energy, drawing on data from Sustainalytics and use Morningstar's data from external investment funds that are included in our multi-asset funds and portfolios. We track:

Renewable energy production involvement, defined by Sustainalytics as "the portfolio's asset-weighted percentage revenue exposure to renewable energy supporting products & services. Renewable energy is energy derives from sources that are continuously replaced such as solar power, wind, hydropower, biomass, geothermal, or wave energy. Renewable energy does not include fossil fuels or waste-related products from fossil fuel sources. A higher percentage is optimal. Holdings are considered involved with renewal energy production if they have at least 0.1% exposure.

Renewable energy supporting products & services involvement, defined by Sustainalytics as "the portfolio's asset-weighted percentage revenue exposure to tailor-made products and services that support power generation from renewable energy sources. A higher percentage is optimal. Holdings are considered involved with renewal energy supporting products & services if they have at least 0.1% exposure."

- ☐ Green buildings
- ☐ Sustainable forestry
- ☐ Sustainable agriculture
- ☐ Microfinance
- ☐ SME financing
- ☐ Social enterprise / community investing
- ☐ Affordable housing
- ☐ Education
- ☐ Global health
- ☐ Water
- ☐ Other area, specify

☐ No

## Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
<b>SG 19.1</b>	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.			

## Selection, Appointment and Monitoring

### Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

☒ Yes

☐ No

#### Disclosure to public and URL

##### Disclosure to public and URL

- ☒ How responsible investment considerations are included in manager selection, appointment and monitoring processes
- ☐ Details of the responsible investment activities carried out by managers on your behalf
- ☒ E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership
- ☐ Other

##### Frequency

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested

##### URL

<http://www.coutts.com/responsibleinvesting>

#### Listed equity - Incorporation

##### Do you disclose?

- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose it publicly

The information disclosed to clients/beneficiaries is the same

☒ Yes

☐ No

<b>Disclosure to public and URL</b>	
	<div>Disclosure to public and URL</div> <div> <input checked="" type="radio"/> Broad approach to ESG incorporation  <input type="radio"/> Detailed explanation of ESG incorporation strategy used         </div>
	<div>Frequency</div> <div> <input checked="" type="checkbox"/> Quarterly or more frequently  <input type="checkbox"/> Biannually  <input type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input type="checkbox"/> Ad-hoc/when requested         </div>
	<div>URL</div> <div> <a href="http://www.coutts.com/responsibleinvesting">http://www.coutts.com/responsibleinvesting</a> </div>

Listed equity - Engagement

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.  
☐ We disclose to clients/beneficiaries only.  
☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes  
☐ No

<b>Disclosure to public and URL</b>	
	<div>Disclosure to public and URL</div> <div> <input checked="" type="checkbox"/> Details on the overall engagement strategy  <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals  <input checked="" type="checkbox"/> Number of engagements undertaken  <input checked="" type="checkbox"/> Breakdown of engagements by type/topic  <input checked="" type="checkbox"/> Breakdown of engagements by region  <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives  <input checked="" type="checkbox"/> Examples of engagement cases  <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)  <input type="checkbox"/> Details on whether the provided information has been externally assured  <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement  <input type="checkbox"/> Other information </div>
	<div>Frequency</div> <div> <input checked="" type="checkbox"/> Quarterly or more frequently  <input type="checkbox"/> Biannually  <input type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input type="checkbox"/> Ad-hoc/when requested </div>
	<div>URL</div> <div> <a href="http://www.coutts.com/responsibleinvesting">http://www.coutts.com/responsibleinvesting</a> </div>

<b>Listed equity – (Proxy) Voting</b>	
	<div>Do you disclose?</div> <div> <input type="radio"/> We do not disclose to either clients/beneficiaries or the public.  <input type="radio"/> We disclose to clients/beneficiaries only.  <input checked="" type="radio"/> We disclose to the public </div>
	<div>The information disclosed to clients/beneficiaries is the same</div> <div> <input checked="" type="radio"/> Yes  <input type="radio"/> No </div>

<b>Disclosure to public and URL</b>	
	<b>Disclosure to public and URL</b> <input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management
	<b>Frequency</b> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested
	<b>URL</b> <a href="http://www.coutts.com/responsibleinvesting">http://www.coutts.com/responsibleinvesting</a>

	<b>Fixed income</b>
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	<b>Do you disclose?</b>
--	-------------------------

- ☐ We do not disclose to either clients/beneficiaries or the public.  
☐ We disclose to clients/beneficiaries only.  
☒ We disclose to the public

	<b>The information disclosed to clients/beneficiaries is the same</b>
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- ☒ Yes  
☐ No



<b>Disclosure to public and URL</b>	
	<div>Disclosure to public and URL</div> <div> <input checked="" type="radio"/> Broad approach to RI incorporation  <input type="radio"/> Detailed explanation of RI incorporation strategy used         </div>
	<div>Frequency</div> <div> <input type="checkbox"/> Quarterly  <input type="checkbox"/> Biannually  <input checked="" type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input type="checkbox"/> Ad hoc/when requested         </div>
	<div>URL</div> <div> <a href="http://www.coutts.com/responsibleinvesting">http://www.coutts.com/responsibleinvesting</a> </div>

<b>SG 19.2</b>	<b>Additional information [Optional]</b>
----------------	--

We keep the information on our website high level, covering the key elements of our responsible investing approach. We also include topical articles that we believe will be of interest to our client base. An example of the type of articles that we publish on our website can be found at the following link. <https://www.coutts.com/insight-articles/news/2019/investors-have-power.html>

More detailed information on our approach, including asset class methodologies, is available for those clients who are interested. Furthermore, a subject matter expert on responsible investing will attend client meetings, when requested, to discuss and answer any specific questions the client may have on this topic.

# COUTTS & COMPANY

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

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## Listed Equity and Fixed Income Strategies

**SAM 01**

**Mandatory**

**Public**

**Gateway**

**PRI 1**

**SAM 01.1**

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

### Active investment strategies

Active investment strategies	Listed Equity	FI - Corporate (financial)	FI - Corporate (non-financial)	
Screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

### Passive investment strategies

Passive investment strategies	Listed Equity	FI -Corporate (financial)	FI -Corporate (non-financial)	
Screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**SAM 01.2**

Additional information. [Optional]

Our 'responsible investing due diligence questionnaire' on third party funds references Coutts' approach to responsible investing and our responsible ownership principles. We request all fund managers to articulate how their approach to responsible investing aligns with that of Coutts.

The responses from the third party Fund Managers to our 'responsible investing due diligence questionnaire' are scored and incorporated in to our investment decision-making processes.

## Selection

**SAM 02**

**Mandatory**

**Public**

**Core Assessed**

**PRI 1**

**SAM 02.1**

Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)				
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
No RI information covered in the selection documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**SAM 02.2**

Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)				
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

#### ESG people/oversight

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)				
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review the manager's RI-promotion efforts and engagement with the industry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

#### Process/portfolio construction/investment valuation

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)				
Review the process for ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review and agree the use of ESG data in the investment decision making process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree the impact of ESG analysis on investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If you select any 'Other' option(s), specify

We request data on employee diversity from the investment manager.

**SAM 02.3**

Indicate the selection process and its ESG/RI components

- ☒ Review ESG/RI responses to RfP, RfI, DDQ etc.
- ☐ Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ☒ Review publicly available information on ESG/RI
- ☐ Review assurance process on ESG/RI data and processes
- ☒ Review PRI Transparency Reports
- ☒ Request and discuss PRI Assessment Reports
- ☒ Meetings with the potential shortlisted managers covering ESG/RI themes
- ☒ Site visits to potential managers offices
- ☐ Other, specify

**SAM 02.4**

When selecting external managers does your organisation set any of the following:

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)					
ESG performance development targets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

You selected an `Other` option in table SAM 02.4 above, please specify

**ESG performance development targets****Carbon Intensity**

Given the new Carbon Intensity targets that Coutts has now set, within our active third party due diligence and annual review documents, the Fund Analyst is now required to report the Carbon Intensity, as provided by Morningstar (Sustainalytics Carbon Intensity Rating), for the fund and also relative to its MSCI specific benchmark.

The Carbon Intensity is the asset-weighted average of holdings with actual emissions data from the Carbon Disclosure Project or estimated values from Sustainalytics in a portfolio. A lower score is better. Carbon Intensity is computed for each holding as follows: Total Emissions (metric tons of Co2) / Revenue (Mil USD), and aggregated at the fund level.

We have just started reporting on this metric and we have set a requirement to report on an absolute basis and versus the benchmark. Future reporting may include setting a maximum Carbon Intensity on a fund-by-fund basis, in addition to reporting how the investment funds are helping Coutts meet its commitment to reduce carbon intensity of equity holdings in their funds and discretionary portfolios by 25% by year end 2021.

**SAM 02.5**

Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

Within Coutts' Fund Research Process, we consider a multitude of important factors for selecting active managers across fixed income, property, alternatives and equity strategies. We have a rigorous and comprehensive fund scoring process for new funds during the due diligence and onboarding stage and also on an ongoing basis within our annual review process.

We have a weighted fund rating system which is judged on both qualitative and quantitative inputs, these are collated through fundamental research, face-to-face manager meetings and quantitative inputs (Morningstar, eVestment and StyleAnalytics). The ratings are across several factors: Firm, Investment Team, Investment Process, Trading and Compliance, Risk Management and Responsible Investing. We also consider liquidity constraints and associated ownership limits.

Pooled (or third-party) funds make up a significant proportion of our investment portfolios. Following our submission to the UNPRI in 2019, we have improved our 'responsible investing questionnaire' in terms of thoroughness of questions asked to our active third party managers. All new and ongoing active funds are assessed on an annual basis, including a requirement to complete the 'responsible investing questionnaire'.

The questionnaire has three key pillars with multiple sub-questions in each category, this is across:

- (1) Strategy
- (2) Staffing, stakeholder engagement and industry benchmarks
- (3) Voting and engagement

The questionnaire is trying to assess and monitor a fund and its fund house's credentials in terms of responsible investing, this also includes any changes within the last 12-18 months that we should be made aware of. This is a good soundboard to assess the level of responsible investing incorporation currently, and also what may be improved in the future through our engagement with the company.

Examples of questions are as follows:

(1) Strategy

Example 1: Do you have any policies/statements setting out your approach to responsible investing (Yes/No)?

- a. How does it fit with your investment philosophy? Please send copies of any relevant policies/statements, including your definition of responsible/ESG investing.
- b. How does your approach align with Coutts' approach to responsible investing?

Example 2: At a fund level, please describe your approach to responsible investing and how is this incorporated into the investment decision-making processes (please give concrete examples).

- a. Please explain how ESG factors are identified, how they manifest as investment risks or opportunities, how they are material to investment analysis and how they impact investment decisions.
- b. Please provide evidence on how ESG incorporation impacts investment decisions and performance.
- c. What internal or external resources do you use to identify ESG risks and opportunities?
- d. Are there any specific ESG risks/opportunities that are a priority focus for the funds? Yes/No. If yes, please describe, with rationale.
- e. Are there any specific sectors and/or companies the fund will not invest in due to ESG or ethical concerns? Yes/No If yes, please provide details and rationale for exclusion - and how you monitor compliance with investment restrictions.
- f. How do you identify, manage and communicate regarding ESG incidents that may arise within the companies in which you invest?

(2) Staffing, communication, stakeholder engagement and industry benchmarks

Example 3: Are you a signatory of voluntary benchmarks, such as:

- a. Principles for Responsible Investing. Yes/No. If yes, please provide details of your assessment report.
- b. UK Stewardship Code. Yes/No. If yes, please detail your tier.
- c. UK Task force for Climate-related Financial Disclosures (TCFD). Yes/No. If yes, what steps has the company made to integrate TCFD recommendations for asset managers?
- d. Other? Please specify

Example 4: Does the company promote responsible investing across the industry? Yes/No

- a. Please provide information about activity to promote responsible investing, including any membership of RI-related entities.
- b. Do you undertake and publish any research on responsible investment?

(3) Voting and Engagement



Example 5: Do you have a voting and/or engagement policy? Yes/No. If yes, please provide a copy.

a. Is your voting and engagement policy available in the public domain? Yes/No. If yes, please provide the link.

b. Please detail how your approach to voting and engagement aligns with Coutts' Responsible Ownership Principles.

Example 6: Please provide a copy of your most recent voting statistics in the following format for your most recent 12 months reporting period for the fund or strategy level. If not applicable, please provide your own statistics:

a. During the past year (please define period to which you are referring), what was the number of votes cast as a percentage of ballots/AGMs or holdings and what is the rationale for this figure?

i. Total meetings voted "for"

ii. Total meetings voted "against" %

iii. Total meetings where you have "abstained" %

Once the questionnaire has been completed, the Analyst makes a qualitative assessment on the fund based on responses and supplementary information. We assign a score of between -1 and +1 for each strategy. The RI score will impact the overall score of the fund and it is highlighted on the front page of all due diligence documents. We currently assign a 10% weight of the overall score to responsible investing related considerations.

We have guidelines and parameters in our Fund Research Philosophy document concerning what each rating for RI rating may look like and these have expanded over the last year given the improvement in what we assess "good" or "best in class" to look like. Multiple sources of information, both qualitative and quantitative are integrated in the final score. It should be noted that all our research reports are taken through a peer review process, whereby, all members of the Fund Research team will read the report and make comments to probe debate and challenge.

#### Other RI Considerations

##### 1. Investment Team Gender Diversity

We track and monitor gender and other diversity metrics for the investment team or existing and new strategies. The level of diversity informs the "Investment Team" section score for the strategy.

<b>SAM 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>SAM 03.1</b>	Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.
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	<b>Engagement</b>
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	<b>LE</b>	<b>FI - Corporate (financial)</b>	<b>FI - Corporate (non-financial)</b>	
Review the manager's engagement policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Ensure whether engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other engagement issues in your selection process specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

	If you select `Other` option, specify
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We also inquire from our managers if they are involved in collaborative engagement initiatives such as PRI's Collaboration Platform or Climate Action 100+.

(Proxy) voting

	LE
Review the manager's voting policy	<input checked="" type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input checked="" type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input checked="" type="checkbox"/>
Ensure whether voting outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input checked="" type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input checked="" type="checkbox"/>

If you select any 'Other' option(s), specify

We ask whether the fund can give Coutts the ability to vote in AGMs on any implied underlying share ownership, although largely inapplicable for funds.

**SAM 03.2**

Describe how you assess if the manager's engagement approach is effective.

- ☒ Impact on investment decisions
- ☐ Financial impact on target company or asset class
- ☒ Impact on ESG profile of company or the portfolio
- ☒ Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- ☒ Other, specify

We request case studies on engagement activity undertaken by the manager. We are interested in case studies that highlight progress or alternatively where engagement progress has stalled. This also includes asking about how the voting and engagement outcomes feed back into the investment decision making process.

- ☐ None of the above

**SAM 03.3**

Describe how you assess if the manager's voting approach is effective/appropriate

- ☒ Impact on investment decisions
- ☐ Impact on ESG profile of company or the portfolio
- ☒ Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- ☒ Other, specify

We request case studies on engagement activity undertaken by the manager. We are interested in case studies that highlight progress or alternatively where engagement progress has stalled. This also includes asking about how the voting and engagement outcomes feed back into the investment decision making process.

- ☐ None of the above

Due to the fact that we often cannot proxy vote on behalf of implied share ownership, we take great care assessing the manager's active stewardship and voting practices, through regular conversations, face-to-face meetings and during formal annual review responses. We are keen to hear updates on engagement the funds have recently participated in.

Where a manager does not vote or engage with companies they invest in, serious questions will be raised during the initial due diligence process concerning whether we would like to invest client capital in this. In cases where we see room for improvement, we will voice our opinions and monitor the data quality produced by the manager.

In other cases, it can often be difficult to obtain fund-specific voting and engagement records, an example would be a large asset manager that aggregates their holdings across all strategies and uses their institutional level ownership to vote and engage. In said cases, they tend to use a separate proxy voting team or stewardship strategy orchestrating the responses and voting for the greatest impact and effect.

Therefore, we consider all approaches to voting and engagement to acknowledge the different approaches and reporting techniques.

We ask a series of questions to gauge both the level and effectiveness of voting and engagement done at the fund and strategy level. Above asking for voting and engagement policies and asking the firms to align these with Coutts' Responsible Ownership Principles, we ask a series of more in-depth questions.

Such questions include:

Example 1. Do you vote at company AGMs? Yes/No

- a. Are your voting records available in the public domain? Yes/No. If yes, please provide the link?
- b. During the past year (please define period to which you are referring), what was the number of votes cast as a percentage of ballots/AGMs or holdings and what is the rationale for this figure?
- c. Do you use a third party provider to support voting? Yes/No. If yes, please provide details.
- d. How do you inform clients of voting decisions?
- e. Please describe how voting outcomes feed back into the investment decision-making process (with examples).

Example 2. Do you engage with companies to improve ESG performance? Yes/No

Are your engagement records available in the public domain? Yes/No

- b. Do you use a third party provider to support engagement? Yes/No. Please provide details of your approach.
- c. Please describe your engagement process (with examples and outcomes).
- d. Please describe how engagement outcomes feed back into the investment decision-making process (with examples).

Example 3. Can you give Coutts the ability to vote in AGMs on any implied underlying share ownership?

In addition to this, we ask for voting statistics focused on number of votes, votes against and votes abstained across board structure, remuneration, shareholder resolution, audits and accounts and other/miscellaneous.

On the engagement side, we ask for official company produced statistics, in addition to ~% assets engaged with and number of engagements on environmental, social and ethical, governance and strategy, risk and communication.

As with all elements of our Responsible Investing Questionnaire, the answers the firms provide - or fail to provide - will contribute towards whether a manager will be selected or not. We track all of the received responses and collate results for the funds on our buy list. Akin to many other asset management firms, we face the issue that many firms report their voting and engagement data in an unconventional way which means often it is difficult to directly compare. Given that the industry is moving toward more uniform reporting of voting and engagement activities, this should aid our reporting in the future.

## Monitoring

SAM 05	Mandatory	Public	Core Assessed	PRI 1
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**SAM 05.1**

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)				
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG portfolio characteristics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Information on any ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
PRI Assessment Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Changes to the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**SAM 05.2**

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)					
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG performance minimum threshold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

If you select any 'Other' option(s), specify

As per previous response, the Carbon Intensity scores are monitored and reported for all funds in the annual review document relative to their benchmark. Coutts has committed to reducing the carbon intensity of the equity holdings in their funds and discretionary portfolios by 25% by the end of 2021, and to reducing the carbon intensity of all holdings in their funds and discretionary portfolios by the end of 2030. This consideration feeds into fund selection decisions.

#### SAM 05.3

Provide additional information relevant to your organisation's monitoring processes of external managers. [OPTIONAL]

We review each fund holding annually, where we request information through an annual review document and a separate 'responsible investing questionnaire'. The questionnaire is designed to track improvement of the fund over the lifecycle of investment. This allows us to compare changes with previous responses including highlighting areas where we can engage with managers to improve particular practices.

Through this ongoing monitoring, we have collated information for each investment fund in a database. Here we track the core quantifiable responsible investing and ESG responses: UNPRI Signatory, Commitments to UK Stewardship Code and TCFD (Task Force for Climate-related Financial Disclosures), gender diversity and voting and engagement where provided.

We have readily available, although often conflicting sources of data on the "ESG Score" or funds. For such reason we utilise a variety of different sources to help conclude the internal Coutts Responsible Investing Rating. For example, in a recent exercise, we started monitoring our fund buy list for MorningStar Sustainability Ratings, StyleAnalytics (Trucost Carbon, Trucost Impact, MSCI ESG and Oekom). We do not screen based on these metrics, but they are useful to monitor fund holdings and compare this evidence with our internal assessment of the strategy's responsible investing policies. We expect the scores of the strategies we monitor to improve over time and would engage in a conversation with the fund managers if we see this not being the case.

#### SAM 06

##### Mandatory

##### Public

##### Additional Assessed

##### PRI 1

#### SAM 06.1

When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

## Engagement

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)	
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Information on any escalation strategy taken after initial unsuccessful dialogue	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Alignment with any eventual engagement programme done internally	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Information on the engagement activities' impact on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## (Proxy) voting

	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/>
Report on voting decisions taken	<input checked="" type="checkbox"/>
Adherence with the agreed upon voting policy	<input checked="" type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 07

Mandatory

Public

Core Assessed

PRI 2

<b>SAM 07.1</b>	For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.
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- ☐ Votes cast (to the nearest 5%)
- ☒ We do not collect this information.

<b>SAM 07.3</b>	Additional information [OPTIONAL]
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We request information from our third party fund managers regarding their voting and engagement policies, approach and associated reports. We also request information regarding the degree to which their approach aligns with Coutts' Responsible Ownership Principles.

Following our previous UNPRI submission, we now ask for (where relevant for listed equities) the voting and engagement statistics that are completed on our behalf. As many of the investments we make are in unit trusts, OEICs and other investment vehicles, we do not have the ability to vote on behalf of the assets because we do not have direct ownership.

Instead, we encourage managers to share their voting and engagement policies with case studies and detailed examples for where they have engaged. We may at times discuss specific cases with managers to ascertain discipline and robustness of their voting and engagement policies.

## Outputs and outcomes

<b>SAM 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,6</b>
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<b>SAM 09.1</b>	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.
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- ☒ Add Example 1

Topic or issue	More stringent criteria for Responsible Investing scores and engagement
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	Our approach to responsible investing is an evolving process. Following our previous submission to the UNPRI for 2018; we reviewed and improved our 'responsible investing assessment questionnaire' and clarified our expectations around what we deem warrants a strong score.
Outcomes	<p>We continue to include responsible investing within our core assessment through qualitative analysis and engagement with PMs. This in the past has led to direct engagement between Coutts and asset managers about best practices for responsible investing.</p> <p>For example, we engaged with a boutique equity manager to increase their awareness of responsible investing issues. The outcome of this was positive, as they became a signatory of UNPRI on 3 December 2019.</p> <p>A second example, included engagement with a small equity manager surrounding their governance practices, in particular concerning the board composition of the Luxembourg fund range. This, and the lack of formal responsible investing policies in place has led to a change in the overall fund rating. We continue to engage with the manager, with the expectation of improvement in such areas which are flagged in our due diligence documents. Should we not see improvement, this will lead to reassessment of our holding in the fund.</p>

☒ Add Example 2



Topic or issue	Improved ESG reporting
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	We have expanded our reporting and monitoring of ESG scores and worked with existing data providers to enhance our understanding of ESG risks.
Outcomes	We track ESG data for the 80+ equity fund holdings in our Buy List and have an awareness of when these scores (MSCI, Trucost and Sustainalytics through Morningstar) deteriorate. This is important as it helps us inform the conversation with fund managers on individual holdings that may flag in our systems. We now have more informed conversations with the portfolio managers that we can prepare in advance. The reporting system creates an additional level of challenge and debate with external and internal stakeholders.

☒ Add Example 3

Topic or issue	Training and education of team members
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	Improving awareness of ESG issues and topics to further integrate them into the investment process.
Outcomes	Everyone in the Fund Selection team has committed to achieving the CFA UK ESG Qualification. One out of five analysts has so far taken the exam and passed first time in 2019.

☒ Add Example 4

Topic or issue	Communication and dissemination of ESG related topics to wider bank
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	Improve client and front line staff awareness of ESG and Responsible Investing related topics and how they apply to the internal investment process at Coutts.
Outcomes	The fund selection team has launched and delivered GPL Responsible Investing module for all of Natwest Group (50 minutes of recommended reading); we conduct regular responsible investing masterclasses for the Coutts staff. During 2019 we hosted 3 sessions and had 200+ people attend. The training is available online for people that cannot attend in person and has received positive feedback from multiple internal stakeholders. This has led to improved knowledge and confidence of our advisors when talking about ESG incorporation with clients.

- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ We are not able to provide examples

# COUTTS & COMPANY

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

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## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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#### LEI 01.1

Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e., not combined with any other strategies)
- ☐ Thematic alone (i.e., not combined with any other strategies)
- ☒ Integration alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	<div> <div></div> <div>%</div> </div>
	100

- ☐ Screening and integration strategies
- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☐ All three strategies combined
- ☐ We do not apply incorporation strategies

#### Total actively managed listed equities

100%

#### LEI 01.2

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

Our approach to responsible investing in direct equity selection is the positive inclusion of ESG factors into our scoring approach. This is not just excluding a list of companies with negative ESG characteristics.

We believe that ESG factors have the potential, over time, to impact investment portfolios across companies, sectors, regions and asset classes. Strong corporate governance practices and management of environmental and social risks are important drivers to the creation of long-term shareholder value. At Coutts, quality is one of our key investment principles. We seek well-managed and stable institutions and consider environmental, social, and governance issues to be a key factor in this.

Coutts approach is to produce an ESG score for every stock in our investible universe of UK, US and European direct equities. This score is combined with our Coutts Equity Score. The Coutts Equity Score is not a binary buy/sell indicator. It is a combination of ratios and metrics which provides an initial probabilistic assessment on the performance potential of a stock. The use of the Coutts Equity Score as a foundation of our equity selection process helps to tilt our direct equity portfolios towards companies with positive ESG characteristics.

Sustainalytics is our principal provider of ESG data that we use for informing our equity selection process. It is a dedicated ESG research provider with a 25 year history and 170 analysts covering 7,500 companies.

To generate the ESG component of the Coutts Equity Score, Coutts combines: Sustainalytics ESG Risk Score; the highest level of recent Controversies (as judged by Sustainalytics); and whether a company is a signatory to and compliant with all 10 of the principles of the UN Global Compact.

Firstly, Sustainalytics' ESG Risk score is calculated by assessing how much risk the company is exposed to in terms of ESG factors. Some of these risks are impossible to completely eliminate but the rest a company should be able to control. This is what Sustainalytics attempt to measure in the ESG Risk score.

Sustainalytics' second score relates to Controversies. They scan 60,000 data sources for news relating to ESG. They then identify specific events that have occurred at the company that present significant environmental, reputational, legal and regulatory damage. Controversies are important to monitor as they typically demonstrate how successful a company is at managing its ESG risks.

The 3rd score Sustainalytics give us is an assessment of whether or not the company is a signatory with the 10 UN Global Compact Principles and is compliant with these principles. These cover areas such as human rights, labour rights, environment and ethics.

Our experience is that a poor ESG score doesn't prevent a stock from reaching our portfolios but it makes it very hard for it to do so. Also, vice versa, it is easier for a good ESG-rated company to make it into our portfolios than a company with a high level of ESG risks or significant controversies. In the Coutts Global Best Ideas 30 portfolio, we have introduced 8 new names in 2019 - 6 had maximum ESG scores and 2 had a small negative score. ESG scores are updated once a quarter and form around 20% of the overall Coutts Equity Score.

Before an equity is added, we complete a Due Diligence report. This covers what the company's activities are, the investment risks and the purchase rationale. Our risk checklist includes ESG issues prominently and here we utilise Sustainalytics in-depth ESG and Controversies research in addition to other sources. This analysis provides us with important insights that data cannot.

### (C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
LEI 08.1	Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.			

ESG issues	Proportion impacted by analysis
Environmental	<div> <div></div> <div>Environmental</div> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90%         </p>
Social	<div> <div></div> <div>Social</div> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90%         </p>
Corporate Governance	<div> <div></div> <div>Corporate Governance</div> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90%         </p>

#### LEI 08.2 Additional information. [Optional]

Coutts' approach is to produce an ESG score for every stock in our investible universe of UK, US and European direct equities. This score is combined with our Coutts Equity Score. The Coutts Equity Score is not a binary buy/sell indicator. It is a combination of ratios and metrics which provides an initial probabilistic assessment on the performance potential of an equity. The use of the Coutts Equity Score as a foundation of our equity selection process helps to tilt our direct equity portfolios towards companies with positive ESG characteristics.

Sustainalytics is our principal provider of ESG data that we use for informing our equity selection process. To generate the ESG component of the Coutts Equity Score, Coutts combines: Sustainalytics ESG Risk Score; the highest level of recent Controversies (as judged by Sustainalytics); and whether a company is a signatory to and compliant with all 10 of the principles of the UN Global Compact.

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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**LEI 09.1**

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Third-party ESG ratings are updated regularly
- ☒ A periodic review of the internal research is carried out
- ☒ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ☒ ESG risk profile of a portfolio against benchmark
- ☒ Analysis of the impact of ESG factors on investment risk and return performance
- ☐ Other; specify
- ☐ None of the above

**LEI 09.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- ☐ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☒ >90%

**LEI 09.3**

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- ☒ Quarterly or more frequently
- ☐ Bi-Annually
- ☐ Annually
- ☐ Less frequently than annually

**LEI 09.4**

Indicate how frequently you review internal research that builds your ESG integration strategy.

- ☒ Quarterly or more frequently
- ☐ Bi-Annually
- ☐ Annually
- ☐ Less frequently than annually

**LEI 09.5**

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- ☐ Other; specify
- ☐ None of the above

We undertake due diligence on all of our third party research providers, including Sustainalytics and EOS, which includes an annual review. Coutts is also a member of the EOS client council.

In terms of performance analysis, we calculate the positive or negative impact of the Coutts ESG score on a rolling basis. We maintain a data archive of all of our quantitative inputs, including the ESG component of the Coutts Equity Score.

We maintain a library of all due diligence undertaken on new equity investment ideas, including Sustainalytics research notes produced at the time.



# COUTTS & COMPANY

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

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## Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

### LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

☒ Yes

### LEA 01.2

Attach or provide a URL to your active ownership policy.

☐ Attachment provided:

☒ URL provided:

URL

<http://www.coutts.com/responsibleinvesting>

### LEA 01.3

Indicate what your active engagement policy covers:

#### General approach to Active Ownership

- ☒ Conflicts of interest
- ☒ Alignment with national stewardship code requirements
- ☒ Assets/funds covered by active ownership policy
- ☒ Expectations and objectives
- ☒ Engagement approach

#### Engagement

- ☒ ESG issues
- ☒ Prioritisation of engagement
- ☒ Methods of engagement
- ☒ Transparency of engagement activities
- ☒ Due diligence and monitoring process
- ☒ Insider information
- ☒ Escalation strategies
- ☒ Service Provider specific criteria
- ☐ Other; (specify)
- ☒ (Proxy) voting approach

Voting
--------

- ☒ ESG issues
- ☒ Prioritisation and scope of voting activities
- ☒ Methods of voting
- ☒ Transparency of voting activities
- ☒ Regional voting practice approaches
- ☒ Filing or co-filing resolutions
- ☒ Company dialogue pre/post-vote
- ☒ Decision-making processes
- ☐ Securities lending processes
- ☐ Other; (specify)

- ☐ Other
- ☐ None of the above

☐ No

LEA 01.4	Do you outsource any of your active ownership activities to service providers?
----------	--

☒ Yes

LEA 01.5	Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following:
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- ☒ Outline of service provider's role in implementing your organisation's active ownership policy
- ☒ Description of considerations included in service provider selection and agreements
- ☒ Identification of key ESG frameworks which service providers must follow
- ☒ Outline of information sharing requirements of service providers
- ☒ Description of service provider monitoring processes
- ☐ Other; (specify)
- ☐ None of the above

☐ No

Engagement
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LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via service providers

#### LEA 02.2

Indicate whether your organisation plays a role in the engagement process that your service provider conducts.

☒ Yes

#### LEA 02.3

Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- ☒ We discuss the topic of the engagement (or ESG issue(s)) of engagement
- ☒ We discuss the rationale for the engagement
- ☒ We discuss the objectives of the engagement
- ☐ We select the companies to be engaged with
- ☐ We discuss the frequency/intensity of interactions with companies
- ☐ We discuss the next steps for engagement activity
- ☒ We participate directly in certain engagements with our service provider
- ☐ Other; specify
- ☐ We play no role in engagements that our service provider conducts.

☐ No

#### LEA 02.4

Additional information. [Optional]

Our service provider EOS at Federated Hermes offers quarterly service review meetings and opportunities to feed into the engagement selection process as well as ad-hoc engagement progress discussions and direct participation in engagements where appropriate at client request.

As a signatory to Climate Action 100+ we engage directly with another asset owner to influence corporate practice on climate change strategy and disclosure.

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagements.
----------	---

☒ Yes

LEA 03.2	Indicate the criteria used to identify and prioritise engagements for each type of engagement.
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Type of engagement	Criteria used to identify/prioritise engagements
Collaborative engagements	<div>Collaborative engagements</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors</li> <li><input checked="" type="checkbox"/> Ability to have greater impact on ESG issues</li> <li><input checked="" type="checkbox"/> Ability to add value to the collaboration</li> <li><input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration</li> <li><input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration</li> <li><input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Alleviate the resource burden of engagement</li> <li><input type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input type="checkbox"/> Other; (specify)</li> <li><input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers</li> </ul>
Service-provider engagements	<div>Service-provider engagements</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Geography/market of the companies</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings)</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input checked="" type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input checked="" type="checkbox"/> Follow-up from a voting decision</li> <li><input checked="" type="checkbox"/> Client request</li> <li><input checked="" type="checkbox"/> Breaches of international norms</li> <li><input checked="" type="checkbox"/> Other; (specify)</li> </ul> <div>specify</div> <p>Our service provider EOS at Federated Hermes further considers the additionality of its engagement, the feasibility of engagement and its potential impact (voting rights).</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> We do not outline engagement criteria for our service providers</li> </ul>

☐ No

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
----------	--

Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration
Service-provider engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by our service providers

LEA 04.2	Additional information. [Optional]
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Our service provider EOS at Federated Hermes conducts engagements using specific milestone-driven objectives for most companies in its engagement programme.

We engage collaboratively through Climate Action 100+. Engagement objectives are defined and tracked for the company that we are engaging.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
----------	---

Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.
Service-provider engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our service providers.

LEA 05.2	Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.
----------	--

Collaborative engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Service-provider engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

**LEA 05.3** Additional information. [Optional]

We actively monitor and review the activities of our service provider, EOS at Federated Hermes, through quarterly calls and regular reports. EOS at Federated Hermes provides a client facing portal which allows us to refer to the full history of engagement of each company and track progress.

Our service provider, EOS at Federated Hermes, conducts engagements using specific milestone-driven objectives for most companies in its engagement programme.

<b>LEA 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2,4</b>
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**LEA 06.1** Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

☒ Yes

**LEA 06.2** Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- ☐ Collaborating with other investors
- ☐ Issuing a public statement
- ☐ Filing/submitting a shareholder resolution
- ☒ Voting against the re-election of the relevant directors
- ☒ Voting against the board of directors or the annual financial report
- ☐ Submitting nominations for election to the board
- ☐ Seeking legal remedy / litigation
- ☒ Reducing exposure (size of holdings)
- ☒ Divestment
- ☐ Other; specify

☐ No



<b>LEA 06.3</b>	Additional information. [Optional]
-----------------	------------------------------------

We will utilise our vote at AGMs when progress towards milestones is not satisfactory. In the event that engagement with a company fails we then look holistically at the merits of holding the investments. This may result in a reduction in exposure or full divestment.

<b>LEA 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 2</b>
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<b>LEA 08.1</b>	Indicate whether you track the number of your engagement activities.
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Type of engagement	Tracking engagements
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track
<b>Service-provider engagements</b>	<input checked="" type="radio"/> Yes, we track the number of service-provider engagements in full <input type="radio"/> Yes, we partially track the number of our service-provider engagements <input type="radio"/> We do not track

<b>LEA 08.2</b>	Additional information. [Optional]
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EOS at Federated Hermes' regular reporting provides full disclosure on the number of engagements conducted on our behalf.

## Outputs and outcomes

<b>LEA 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 11.1</b>	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
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☒ Add Example 1

ESG Topic	<p>Climate Change</p> <p><input type="checkbox"/> Executive Remuneration</p> <p><input checked="" type="checkbox"/> Climate Change</p> <p><input type="checkbox"/> Human rights</p> <p><input type="checkbox"/> Company leadership issues</p> <p><input type="checkbox"/> Pollution</p> <p><input type="checkbox"/> General ESG</p> <p><input type="checkbox"/> Diversity</p> <p><input type="checkbox"/> Shareholder rights</p> <p><input type="checkbox"/> Health and Safety</p> <p><input type="checkbox"/> Sustainability reporting</p> <p><input type="checkbox"/> Water risks</p> <p><input type="checkbox"/> Labour practices and supply chain management</p> <p><input type="checkbox"/> Anti-bribery and corruption</p> <p><input type="checkbox"/> Deforestation</p> <p><input type="checkbox"/> Aggressive tax planning</p> <p><input type="checkbox"/> Cyber security</p> <p><input type="checkbox"/> Other governance</p> <p><input type="checkbox"/> Plastics</p> <p><input type="checkbox"/> Other</p>
Conducted by	<p><input type="checkbox"/> Collaborative</p> <p><input checked="" type="checkbox"/> Service provider</p>
Objectives	<p>EOS has pressed companies to set science-based targets, conduct climate-risk stress tests, and make enhanced disclosures. It has also asked companies to link executive pay to the achievement of climate change outcomes, and to ensure they do not lobby policymakers or regulators to hinder the achievement of the Paris Agreement goals. In 2019, EOS continued to participate in collaborative investor initiative Climate Action 100+, which targets over 100 of the world's largest corporate greenhouse gas emitters. The aim is to curb emissions, strengthen climate-related financial disclosures, and improve governance on climate change risk and opportunities. The ultimate goal is to help limit global warming to less than 2°C, consistent with the Paris Agreement.</p>
Scope and Process	<p>EOS took an active role as lead or co-lead engager for 27 companies in this initiative, attracting over 370 investors with over \$35 trillion under management (figure as of September 2019). In 2019, EOS attended six annual shareholder meetings to promote action on the climate crisis -a mining company, an oil major, a utility, and three car manufacturers.</p> <p>EOS also helped to co-ordinate the work of the Institutional Investors Group on Climate Change's shareholder resolutions sub-group, identifying companies that could be potential targets for climate change-related resolutions, and the utilities sector sub-group, formulating and co-ordinating engagement strategies for the sector.</p> <p>An oil major supported a shareholder resolution that EOS had developed in its role as CA100+ lead co-ordinating investor, which called on the company to set out a strategy consistent with the goals of the Paris Agreement. This had co-filing support from investors owning almost 10% of the company -the largest ever secured for a climate change shareholder resolution -and it passed with the support of over 99% of shareholders at the 2019 AGM.</p> <p>A UK utility announced an ambition to help its customers reduce emissions by 25% by 2030, and to develop a path to net zero by 2050.</p>

Outcomes	<input checked="" type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

☒ Add Example 2

ESG Topic	<p>Human rights</p> <p><input type="checkbox"/> Executive Remuneration</p> <p><input type="checkbox"/> Climate Change</p> <p><input checked="" type="checkbox"/> Human rights</p> <p><input type="checkbox"/> Company leadership issues</p> <p><input type="checkbox"/> Pollution</p> <p><input type="checkbox"/> General ESG</p> <p><input type="checkbox"/> Diversity</p> <p><input type="checkbox"/> Shareholder rights</p> <p><input type="checkbox"/> Health and Safety</p> <p><input type="checkbox"/> Sustainability reporting</p> <p><input type="checkbox"/> Water risks</p> <p><input type="checkbox"/> Labour practices and supply chain management</p> <p><input type="checkbox"/> Anti-bribery and corruption</p> <p><input type="checkbox"/> Deforestation</p> <p><input type="checkbox"/> Aggressive tax planning</p> <p><input type="checkbox"/> Cyber security</p> <p><input type="checkbox"/> Other governance</p> <p><input type="checkbox"/> Plastics</p> <p><input type="checkbox"/> Other</p>
Conducted by	<p><input type="checkbox"/> Collaborative</p> <p><input checked="" type="checkbox"/> Service provider</p>
Objectives	<p>EOS engages on critical human rights issues including eradicating forced labour and child labour in supply chains. Many companies rely on global supply chains to access labour in low-cost regions, but the fragmented and opaque nature of these chains heightens the risk of human rights abuses. Traditional, announced audits may not uncover issues and therefore more robust due diligence is needed. EOS engages with companies across five key areas: forced labour and modern slavery, child labour, living wages and purchasing practices, worker voice and gender-specific issues.</p>
Scope and Process	<p>EOS engaged with a Malaysian palm oil company over several years following NGO and media reports in 2012 of poor labour conditions at the company's plantations in Liberia and its suppliers in Indonesia. 2013 saw further allegations of poor labour conditions in its supply chain and EOS urged it to provide clarity on how it was investigating and assessing the steps taken to avoid similar issues in the future. EOS continued to raise these concerns in subsequent calls and correspondence over several years, during which the company appeared to be responding positively to consider improved disclosure and stakeholder outreach. During a call in 2017 the company committed to disclosing its migrant worker management process in its sustainability report - a significant improvement on transparency. In 2018 EOS asked the company to align its labour standards programme and move to industry best practices by reporting in line with the UN Guiding Principles on Business and Human Rights. EOS reiterated this request during calls in 2019 with the head of sustainability.</p> <p>Since EOS's initial engagement, the company has strengthened its labour standards and disclosure and demonstrated a proactive approach to addressing supply chain labour issues.</p>

Outcomes	<input checked="" type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
----------	--

☒ Add Example 3

ESG Topic	<p><b>Diversity</b></p> <p><input type="checkbox"/> Executive Remuneration</p> <p><input type="checkbox"/> Climate Change</p> <p><input type="checkbox"/> Human rights</p> <p><input type="checkbox"/> Company leadership issues</p> <p><input type="checkbox"/> Pollution</p> <p><input type="checkbox"/> General ESG</p> <p><input checked="" type="checkbox"/> Diversity</p> <p><input type="checkbox"/> Shareholder rights</p> <p><input type="checkbox"/> Health and Safety</p> <p><input type="checkbox"/> Sustainability reporting</p> <p><input type="checkbox"/> Water risks</p> <p><input type="checkbox"/> Labour practices and supply chain management</p> <p><input type="checkbox"/> Anti-bribery and corruption</p> <p><input type="checkbox"/> Deforestation</p> <p><input type="checkbox"/> Aggressive tax planning</p> <p><input type="checkbox"/> Cyber security</p> <p><input type="checkbox"/> Other governance</p> <p><input type="checkbox"/> Plastics</p> <p><input type="checkbox"/> Other</p>
Conducted by	<p><input type="checkbox"/> Collaborative</p> <p><input checked="" type="checkbox"/> Service provider</p>
Objectives	<p>Despite plenty of evidence that diversity improves company performance, progress has been slower than hoped for in many parts of the world. EOS seeks balanced boards at companies - composed of directors with technical skills aligned with the strategic needs and direction of the company and a diversity of perspectives. This may include across gender, age, ethnicity, nationality, background, skills and experience, to improve decision-making and avoid groupthink. Getting the board right is often the first step towards addressing social or environmental issues to which the company may be exposed, which is why it is a significant feature in EOS's engagement.</p>
Scope and Process	<p>EOS engaged with a Chinese technology company that offers a range of services via communications and social media platforms, including games, online advertising, mobile payments, fintech and cloud services</p> <p>In the first quarter of 2019, EOS met the company's senior legal counsel and wrote to the chair to call attention to the amended Hong Kong Corporate Governance Code of July 2018, which set higher expectations for the board nomination process and diversity</p> <p>EOS put its principles into action and recommended voting against a member of the nomination committee at the 2019 annual shareholder meeting.</p> <p>In EOS's meeting with the company in early May 2019, it received confirmation that the company's board acknowledged that gender diversity throughout the organisation should be improved. The company confirmed its commitment to taking initial steps to grow the talent pool for independent directors, including expanding the search to candidates beyond traditional technology and business backgrounds. In August 2019, the company appointed a female director with a health science background, one of the key areas where the company offers solutions through cloud and innovative technologies.</p>

Outcomes	<input checked="" type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

## (Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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### LEA 12.1

Indicate how you typically make your (proxy) voting decisions.

#### Approach

- ☐ We use our own research or voting team and make voting decisions without the use of service providers.
- ☒ We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

#### Based on

- ☐ The service-provider voting policy we sign off on
  - ☒ Our own voting policy
  - ☐ Our clients' requests or policies
  - ☐ Other (explain)
- ☐ We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- ☐ We hire service providers who make voting decisions on our behalf.

<b>LEA 12.2</b>	Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.
-----------------	--

EOS at Federated Hermes provides Coutts with voting recommendations based on our voting policy which are input on the voting platform prior to the vote deadline. The voting recommendations are reviewed by the equity team and typically cast as voting instructions, except in the case of shareblocking votes.

<b>LEA 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	---------------	--------------------	--------------

<b>LEA 15.1</b>	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
-----------------	--

- ☐ 100%
- ☐ 99-75%
- ☐ 74-50%
- ☐ 49-25%
- ☒ 24-1%
- ☐ Neither we nor our service provider(s) raise concerns with companies ahead of voting

<b>LEA 15.2</b>	Indicate the reasons for raising your concerns with these companies ahead of voting.
-----------------	--

- ☐ Vote(s) concerned selected markets
- ☐ Vote(s) concerned selected sectors
- ☒ Vote(s) concerned certain ESG issues
- ☒ Vote(s) concerned companies exposed to controversy on specific ESG issues
- ☒ Vote(s) concerned significant shareholdings
- ☒ Client request
- ☒ Other

	Explain
--	---------

In order to help progress engagement (driving change), as well as to help clarify matters at hand to inform better voting decisions

<b>LEA 15.3</b>	Additional information. [Optional]
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Our voting recommendation and engagement provider, EOS at Federated Hermes, interacted with companies at around 1000 meetings in 2019. This would usually be ahead of meetings and as a result of concerns around the vote or an anticipated vote against management.

<b>LEA 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	---------------	----------------------	--------------



<b>LEA 16.1</b>	Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.
-----------------	---

- ☐ 100%
- ☐ 99-75%
- ☐ 74-50%
- ☐ 49-25%
- ☒ 24-1%
- ☐ We do not communicate the rationale to companies
- ☐ Not applicable because we and/or our service providers did not abstain or vote against management recommendations

<b>LEA 16.2</b>	Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.
-----------------	---

- ☐ Vote(s) concern selected markets
- ☐ Vote(s) concern selected sectors
- ☒ Vote(s) concern certain ESG issues
- ☒ Vote(s) concern companies exposed to controversy on specific ESG issues
- ☒ Vote(s) concern significant shareholdings
- ☒ Client request
- ☒ Other

	Explain
--	---------

In order to help progress engagement (driving change), as well as to help clarify matters at hand to inform better voting decisions.

<b>LEA 16.3</b>	In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.
-----------------	--

- ☒ Yes
- ☐ No

<b>LEA 16.4</b>	Additional information. [Optional]
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We provide detailed voting information and rationale to clients upon request.

Our voting recommendation and engagement provider, EOS at Federated Hermes interacted with companies at around 1000 meetings in 2019. This would usually be ahead of meetings and as a result of concerns around the vote or an anticipated vote against management.

<b>LEA 17</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 17.1</b>	For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

100

	Specify the basis on which this percentage is calculated
--	--

- ☐ Of the total number of ballot items on which you could have issued instructions
- ☒ Of the total number of company meetings at which you could have voted
- ☐ Of the total value of your listed equity holdings on which you could have voted
- ☐ We do not track or collect this information

<b>LEA 17.3</b>	Additional information. [Optional]
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Our service provider EOS at Federated Hermes submits vote recommendations on all listed equity covered by its proxy voting service.

<b>LEA 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 19.1</b>	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
-----------------	--

- ☒ Yes
- ☐ No

<b>LEA 19.2</b>	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
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- ☒ Contacting the company's board
- ☒ Contacting the company's senior management
- ☐ Issuing a public statement explaining the rationale
- ☐ Initiating individual/collaborative engagement
- ☒ Directing service providers to engage
- ☐ Reducing exposure (holdings) / divestment
- ☒ Other

	Specify
--	---------

Voting recommendation are engagement-led and involve communication with the company's management and Board around the vote to ensure that it is understood

<b>LEA 19.3</b>	Additional information. [Optional]
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EOS when recommending votes at companies which bear higher reputational risk and if they anticipate opposing a resolution, they endeavour to write to the company in advance to explain their concern. If the company is willing, they then discuss the issues of concern and explore the potential for any changes that the company might make which would enable their clients to support the resolution. In this way, EOS ensures that recommending votes is part of their engagement work and that they bring any engagement insights into that decision.

<b>LEA 21</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 21.1</b>	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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☒ Add Example 1

ESG Topic	<p><b>Climate Change</b></p> <p><input type="checkbox"/> Executive Remuneration</p> <p><input checked="" type="checkbox"/> Climate Change</p> <p><input type="checkbox"/> Human rights</p> <p><input type="checkbox"/> Company leadership issues</p> <p><input type="checkbox"/> Pollution</p> <p><input type="checkbox"/> General ESG</p> <p><input type="checkbox"/> Diversity</p> <p><input type="checkbox"/> Shareholder rights</p> <p><input type="checkbox"/> Health and Safety</p> <p><input type="checkbox"/> Sustainability reporting</p> <p><input type="checkbox"/> Water risks</p> <p><input type="checkbox"/> Labour practices and supply chain management</p> <p><input type="checkbox"/> Anti-bribery and corruption</p> <p><input type="checkbox"/> Deforestation</p> <p><input type="checkbox"/> Aggressive tax planning</p> <p><input type="checkbox"/> Cyber security</p> <p><input type="checkbox"/> Political spending / lobbying</p> <p><input type="checkbox"/> Other governance</p> <p><input type="checkbox"/> Plastics</p> <p><input type="checkbox"/> Other</p>
Conducted by	<p><input type="checkbox"/> Individual/Internal</p> <p><input checked="" type="checkbox"/> Service provider</p>
Objectives	<p>EOS supports the Transition Pathway Initiative, (TPI), a global, asset-owner led initiative that assesses companies' preparedness for the transition to a low carbon economy. In 2019 it introduced the guideline that it would consider recommending a vote against the chair of the board of a company with a management ranking of 0 or 1 by the TPI, unless the company had provided a credible plan to address the climate risks and opportunities of the low carbon transition.</p>
Scope and Process	<p>EOS wrote to 63 companies to advise them of this guideline and to request further engagement ahead of each company's annual shareholder meeting. It also met over 10 companies, with one Japanese motor vehicle manufacturer agreeing to make improvements to its reporting in response to this engagement. EOS then voted against the chairs of the nominations and governance committees at some companies, citing climate governance as a key reason.</p> <p>A South Korean car manufacturer was initially ranked level 1 by the TPI. After EOS communicated its voting recommendations and engaged with the company by phone, it disclosed more information about its climate change strategy and emissions in its sustainability report. Its TPI ranking then improved to level 3 in December 2019.</p>
Outcomes	<p><input checked="" type="checkbox"/> Company changed practice</p> <p><input type="checkbox"/> Company committed to change</p> <p><input type="checkbox"/> Disclosure / report published</p>

	<input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
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☒ Add Example 2

ESG Topic	<p><b>Executive Remuneration</b></p> <p><input checked="" type="checkbox"/> Executive Remuneration</p> <p><input type="checkbox"/> Climate Change</p> <p><input type="checkbox"/> Human rights</p> <p><input type="checkbox"/> Company leadership issues</p> <p><input type="checkbox"/> Pollution</p> <p><input type="checkbox"/> General ESG</p> <p><input type="checkbox"/> Diversity</p> <p><input type="checkbox"/> Shareholder rights</p> <p><input type="checkbox"/> Health and Safety</p> <p><input type="checkbox"/> Sustainability reporting</p> <p><input type="checkbox"/> Water risks</p> <p><input type="checkbox"/> Labour practices and supply chain management</p> <p><input type="checkbox"/> Anti-bribery and corruption</p> <p><input type="checkbox"/> Deforestation</p> <p><input type="checkbox"/> Aggressive tax planning</p> <p><input type="checkbox"/> Cyber security</p> <p><input type="checkbox"/> Political spending / lobbying</p> <p><input type="checkbox"/> Other governance</p> <p><input type="checkbox"/> Plastics</p> <p><input type="checkbox"/> Other</p>
Conducted by	<p><input type="checkbox"/> Individual/Internal</p> <p><input checked="" type="checkbox"/> Service provider</p>
Objectives	<p>EOS believes that companies should design and implement remuneration policies that align the interests of management with the interests of shareholders and incentivise executives to optimise long-term value. Its core objectives concern the implementation by companies of remuneration approaches aligned with the Hermes Remuneration Principles, including the simplification of remuneration schemes, the reduction of variable-to-fixed pay ratios, a focus on strategic goals and increased executive shareholdings.</p>
Scope and Process	<p>EOS's voting recommendations on pay reflect these concerns, with an overall 33.3% recommended vote against rate in 2019, versus 33.15% in 2018. In the UK EOS opposed 28% of remuneration reports based on concerns such as excessive quantum and pay outcomes not aligned with performance. For example, it opposed the report at a European oil major, where the policy paid out at near maximum. In the US, EOS recommended voting against over 82% of say-on-pay proposals in 2019 due to concerns about quantum and insufficient long-term alignment. Reviewing CEO pay in the top quartile of peers is one of the ways it seeks to address quantum, a critical issue in the US following many years of pay ratcheting up. It opposed pay proposals at three US retailers where CEO pay was in the top quartile of peers.</p> <p>At one of the US retailers, which also had an insufficiently strong anti-pledging policy, EOS was able to secure assurances from the company that this would be reviewed and improved before the next annual meeting. After EOS's engagement with a global bank, it reduced the executive pension contribution rate from 30% to 10%, setting an important precedent for the industry.</p>

<b>Outcomes</b>	<input checked="" type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
-----------------	--

☒ Add Example 3

ESG Topic	<p><b>Diversity</b></p> <p><input type="checkbox"/> Executive Remuneration</p> <p><input type="checkbox"/> Climate Change</p> <p><input type="checkbox"/> Human rights</p> <p><input type="checkbox"/> Company leadership issues</p> <p><input type="checkbox"/> Pollution</p> <p><input type="checkbox"/> General ESG</p> <p><input checked="" type="checkbox"/> Diversity</p> <p><input type="checkbox"/> Shareholder rights</p> <p><input type="checkbox"/> Health and Safety</p> <p><input type="checkbox"/> Sustainability reporting</p> <p><input type="checkbox"/> Water risks</p> <p><input type="checkbox"/> Labour practices and supply chain management</p> <p><input type="checkbox"/> Anti-bribery and corruption</p> <p><input type="checkbox"/> Deforestation</p> <p><input type="checkbox"/> Aggressive tax planning</p> <p><input type="checkbox"/> Cyber security</p> <p><input type="checkbox"/> Political spending / lobbying</p> <p><input type="checkbox"/> Other governance</p> <p><input type="checkbox"/> Plastics</p> <p><input type="checkbox"/> Other</p>
Conducted by	<p><input type="checkbox"/> Individual/Internal</p> <p><input checked="" type="checkbox"/> Service provider</p>
Objectives	<p>Board composition is critical to the good management of companies and one of the most important shareholder powers is the ability to elect board directors. A diverse board is vital to good decision-making, so EOS stepped up its expectations on gender diversity in 2019.</p>
Scope and Process	<p>In the UK, EOS tightened its policy for board-level gender diversity with a guideline of 30% women for FTSE 100 boards and 25% for FTSE 250. It also introduced a policy on below-board diversity, with the guideline that it would consider recommending a vote against the chair of FTSE 100 companies with no women on their executive committee. In the US, EOS continued to push its expectations on board diversity across a number of dimensions, recommending opposition to 916 proposals in 2019.</p> <p>In Germany, EOS released its new German Corporate Governance principles, which set out its expectations for 2020 and beyond, including that companies should achieve 30% female representation on executive boards. Currently, only 8% of German companies have more than one woman on the executive board. EOS raised the issue of diversity at one German car manufacturer's annual shareholder meeting, along with concerns about audit tenure that led it to oppose the ratification of the auditors.</p> <p>Board diversity remains a challenge in many markets, particularly South Korea and Japan. Following engagement by EOS, one Japanese electrical goods company appointed two new women directors this year, bringing the total to four, or 30% of the board.</p>
Outcomes	<p><input type="checkbox"/> Company changed practice</p>



	<input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input checked="" type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
--	---

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

# COUTTS & COMPANY

## Reported Information

### Public version

#### Direct - Fixed Income









## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	 Screening alone
	0
	 Thematic alone
	0
	 Integration alone
	100
	 Screening + integration strategies
	0
Corporate (financial)	 Thematic + integration strategies
	0
	 Screening + thematic strategies
	0
	 All three strategies combined
	0
	 No incorporation strategies applied
	0
	100%

	<div> <div></div> <div>Thematic + integration strategies</div> </div> <div>0</div>
	<div> <div></div> <div>Screening + thematic strategies</div> </div> <div>0</div>
	<div> <div></div> <div>All three strategies combined</div> </div> <div>0</div>
	<div> <div></div> <div>No incorporation strategies applied</div> </div> <div>0</div>
	100%

Corporate (non-financial)		Screening alone	0
		Thematic alone	0
		Integration alone	100
		Screening + integration strategies	0
		Thematic + integration strategies	0
		Screening + thematic strategies	0
		All three strategies combined	0
		No incorporation strategies applied	0
			100%

#### FI 01.2

Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

The integration of ESG analysis was chosen to ensure we could better understand the risks and be more selective in the factors we apply to portfolios.

Within sovereign fixed income we have a framework to score countries based on the three ESG pillars and provide an aggregate score. Our benchmarks are comprised of the local government bond for that currency. The selection of an integration approach was more suitable given the select universe of government bonds. We have given consideration to thematic strategies but none currently exist.

Within corporate credit we also integrated ESG scores into our buy list and portfolio construction. This was chosen so as to allow us to control the sector risk when building portfolios. We reviewed a screening approach but felt this led to increased tracking risk without consideration of other factors.

FI 03

Mandatory

Public

Additional Assessed

PRI 1

**FI 03.1**

Indicate how you ensure that your ESG research process is robust:

- ☐ Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- ☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☒ Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- ☐ A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- ☐ Other, specify
- ☐ None of the above

**FI 03.2**

Describe how your ESG information or analysis is shared among your investment team.

- ☒ ESG information is held within a centralised database and is accessible to all investment staff
- ☒ ESG information is displayed on front office research platforms
- ☐ ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- ☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☒ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

**(C) Implementation: Integration****FI 10****Mandatory****Public****Descriptive****PRI 1****FI 10.1**

Describe your approach to integrating ESG into traditional financial analysis.

Each issuer is assigned an ESG score (which varies depending on the type - see more below). The aggregate issuer score feeds into the investment decision making process and portfolio construction.

Within credit, we have a bias within each sector to names with a better ESG score than the sector. This approach was taken to avoid building in large sector bets if you were to screen or limit based on the absolute level of the score. Our preferred approach is to tilt towards best in sector names and engage to improve.

Within sovereign bonds, we assess the ESG scores of each country and give consideration within the investment decision process. There is less scope to tilt towards countries that score better given the lower number and differing macro drivers behind each. Our portfolios are predominately exposed to UK Gilts which score highly within our framework based on the ESG pillars.

**FI 10.2**

Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

## SSA

Using the World Bank ESG data base we select a number of metrics across each pillar to determine an aggregate score for each country.

- Environment; emissions data (e.g. CO2 metric tons per capita) and energy use (e.g. renewable energy consumption % of total).
- Social; Education & Skills, Employment, Poverty, Health & Nutrition, Inequality and Access to Services
- Governance; Government effectiveness, Stability and Rule of Law, Gender and Human Rights

Each of these factors is scored 1-4 based on how positive or negative they are. The scores are then aggregated across each pillar and then as a whole. The total score for each country is then used to determine how it compares to other sovereign bonds. The top quartile nations are France, Germany and the UK.

These scores are considered as part of the investment decision making process, however there is no specific level or criteria that permits investing in worse issuers.

## Corporate (financial)

ESG risk factors are considered in two ways: at the fundamental credit level and at the separate ESG risk factor level.

We use two third party providers to input into each element. Firstly, CreditSights contributes to our fundamental credit analysis of each issuer we cover. Within their framework, consideration is given to the credit outlook, valuations and associated risks of which ESG factors are also a part. This feeds into our fundamental credit view.

Separately, we integrated Sustainalytics ESG scoring criteria into our issuer buy list from which portfolio managers can construct portfolios. The ESG score is an aggregation of the risk factor scores across each ESG pillar. Each issuer is then ranked against their respective sector. This element helps drive portfolio construction.

Portfolio managers will look to construct portfolios, tilting towards sectors and issuers that are favoured, while also to issuers with a better ESG score than the sector average. At a portfolio level, the credit exposure should compare favourably to the underlying benchmark.

## Corporate (non-financial)

ESG risk factors are considered in two ways: at the fundamental credit level and at the separate ESG risk factor level.

We use two third party providers to input into each element. Firstly, CreditSights contributes to our fundamental credit analysis of each issuer we cover. Within their framework, consideration is given to the credit outlook, valuations and associated risks of which ESG factors are also a part. This feeds into our fundamental credit view.

Separately, we integrated Sustainalytics ESG scoring criteria into our issuer buy list from which portfolio managers can construct portfolios. The ESG score is an aggregation of the risk factor scores across each ESG pillar. Each issuer is then ranked against their respective sector. This element helps drive portfolio construction.

Portfolio managers will look to construct portfolios, tilting towards sectors and issuers that are favoured, while also to issuers with a better ESG score than the sector average. At a portfolio level, the credit exposure should compare favourably to the underlying benchmark.

FI 11

Mandatory

Public

Core Assessed

PRI 1

FI 11.1

Indicate how ESG information is typically used as part of your investment process.



Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is used to adjust the internal credit assessments of issuers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 12	Mandatory	Public	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

#### FI 12.2

Please provide more detail on how you review E, S and/or G factors in your integration process.

#### SSA

As covered previously, the data is sourced from World Bank and our scoring of each factor carried out annually by the investment team. The scoring is done systematically at this point and key documents updated for use by the investment team.

#### Corporate (financial)

Due to the use of third party ESG research provider, there is an on-going assessment of ESG risk factors which is updated in a timely manner. Our issuer buy list integrates this data every two weeks to ensure any changes in risks are captured.

Our other fundamental research provider (Credit Sights), also gives consideration to ESG risk factors within their fundamental credit analysis which we capture in our research and buy list composition.

#### Corporate (non-financial)

Due to the use of a third party ESG research provider, there is an on-going assessment of ESG risk factors which is updated in a timely manner. Our issuer buy list integrates this data every two weeks to ensure any changes in risks are captured.

Our other fundamental research provider (CreditSights), also gives consideration to ESG risk factors within their fundamental credit analysis which we capture in our research and buy list composition.

# COUTTS & COMPANY

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
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- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- ☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - ☒ Whole PRI Transparency Report has been internally verified
  - ☐ Selected data has been internally verified
- ☒ Other, specify  
Our carbon emissions targets, progress and approach have been assured by internal audit.
- ☐ None of the above

CM1 01.2	Additional information [OPTIONAL]
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As a member of Hermes Fund Managers Limited, our service provider EOS at Federated Hermes was subject to an AAF audit during the year which scrutinised the controls in place around its activities on behalf of clients. EOS is also subject to quarterly risk/control reviews by Hermes Fund Managers Limited internal

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report
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- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report
- ☐ None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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<b>CM1 03.1</b>	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:
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- ☐ We adhere to an RI certification or labelling scheme
- ☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ☐ ESG audit of holdings
- ☐ Other, specify
- ☒ None of the above

<b>CM1 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>CM1 04.1</b>	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- ☐ Whole PRI Transparency Report will be assured
- ☐ Selected data will be assured
- ☒ We do not plan to assure this year's PRI Transparency report

<b>CM1 04.3</b>	Additional information [OPTIONAL]
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We will look at assuring the whole PRI Transparency Report in the future. At present, we have our climate change data and targets internally assured.

<b>CM1 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>CM1 07.1</b>	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed
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#### Who has conducted the verification

- ☐ CEO or other Chief-Level staff
- ☐ The Board
- ☒ Investment Committee

	Sign-off or review of responses
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- ☒ Sign-off
- ☒ Review of responses
- ☒ Compliance Function
- ☒ RI/ESG Team
- ☒ Investment Teams
- ☒ Legal Department
- ☒ Other (specify)

	specify
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Deputy Chair of Investment Committee with members of Responsible Investing Forum have reviewed and signed-off report. The Report has been submitted to the Investment Committee for review and approval prior to

submission. Our legal and compliance teams have reviewed all climate related commitments in our TCFD statement.