



**PUBLIC TRANSPARENCY REPORT**

**2023**

**COUTTS & COMPANY**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

# Table of Contents

Module	Page
SENIOR LEADERSHIP STATEMENT (SLS)	4
ORGANISATIONAL OVERVIEW (OO)	8
POLICY, GOVERNANCE AND STRATEGY (PGS)	23
MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)	66
SUSTAINABILITY OUTCOMES (SO)	85
CONFIDENCE-BUILDING MEASURES (CBM)	102

# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

At Coutts our aim is to be a long-term, indispensable partner for our clients and help individuals, families and businesses thrive. Coutts Asset Management, which operates as the investment Centre of Excellence for the NatWest Group, has as its purpose to secure our clients' future by protecting and growing their assets, to remove or simplify the barriers for investing and to reduce the climate impact of how we invest. We believe that our purpose is inherently connected to our commitment to be a responsible investor.

We believe that embedding ESG factors into every stage of our investment process can lead to better informed investment decisions. We therefore consider our approach to responsible investing to be an important component of our ability to deliver long-term, sustainable returns for our clients. We also believe that strong corporate governance practices and management of environmental and social risks can be important drivers to the creation of long-term shareholder value. In addition to this, our purpose is embedded in our voting and engagement activity and contributes to the way we drive change within the funds and companies we invest in.

Rather than launching a standalone responsible or impact product we have made the decision to integrate ESG into every step of our investment process across all funds and portfolios that we manage on behalf of our clients. Considering ESG factors as investment risks and opportunities allows us to enhance our investment process and can strengthen our ability to deliver long-term, sustainable returns for our clients. ESG integration is embedded into our investment process for all asset classes. Through our strategic relationship with Blackrock we are able to implement our own ESG policy into our Coutts funds and to align our stewardship activity with our approach to responsible investing.

Where we invest in third-party fund managers, our proprietary due diligence and review process examines how funds identify ESG risks and opportunities, urging them to incorporate backward and forward-looking insights into their asset selection and monitoring. Additionally, we believe that we can play an important role in driving positive change within the asset manager industry through our ESG focus within our manager selection and monitoring, our forward-looking responsible investing due diligence process and through our participation in industry events where we share best practice with others to drive the industry forward. Coutts is unrivalled in our ability to connect with the most influential members of British society, and as the investment Centre of Excellence for the NatWest Group, managing over £28 billion of assets, we are uniquely positioned to harness this strength to build a more positive, purposeful society. We aim to educate, learn from and truly collaborate with our clients, who we believe are able to pull the necessary levers to accelerate positive change.

We believe climate change is one of the biggest challenges we face and it represents a material risk for our clients, society and planet. We recognise the important role the asset management industry plays in addressing climate change and are proud to be a member of the Net Zero Asset Managers initiative to accelerate industry action on climate. We have already incorporated climate into our purpose alongside embedding our net zero ambitions into our asset allocation decisions and stewardship activity. By joining the initiative, we have committed to:

- Achieving Net Zero emissions within all of our investment funds and portfolios by 2050, aligned with the Paris Agreement and with the goal of limiting global warming to well below 2 degrees Celsius;
- Collaborate with all our partners and fund managers on significantly reducing emissions by 2030 and reach Net Zero by 2050 or sooner;
- Set interim targets, such as our 50% reduction in the weighted average carbon intensity (tCO<sub>2</sub>e/\$M revenue) of in-scope AUM by 2030 and our portfolio alignment targets to align 50% of our in-scope AUM to a net zero trajectory, increased to 70% by 2030.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

Both Coutts and NatWest have identified climate change as one of the pillars underpinning our purpose, and we have made significant progress developing our climate-related investment framework.

We believe climate change poses never before seen challenges to our society and planet and is likely to drive significant change to the global financial system. We believe it is vital to understand the potential risks and opportunities that arise from climate change, and how we can use them to provide long-term value for our clients.

We recognise the urgency of climate change and recognise the need for combined short-term and long-term action to accelerate the transition to a low-carbon economy. This is why in 2019 we set two targets to reduce the carbon intensity of our managed funds and core discretionary portfolios: A 25% reduction in equity holdings by the end of 2021, which we achieved ahead of our original target date. We also aim to reduce the carbon intensity of our equity and corporate fixed income holdings by 50% by 2030. Our carbon reduction targets have been an instrumental tool in helping us focus minds around climate change and incorporating environmental considerations into our investment process and we will continue to reduce this further.

In 2020 we were extremely proud to have launched our own Coutts funds, which form the core building blocks of our multi-asset funds and portfolios. These funds offer us more flexibility and autonomy to implement our own ESG policy than ever before. The five funds do not invest in high-impact fossil fuels, such as thermal coal, tar sands and Arctic oil & gas exploration, and benefit from the unique three-way relationship between Coutts, Blackrock and EOS at Federated Hermes, a world-leading stewardship service provider. We will continue to work closely with EOS, as we have done since 2016, to strengthen our voting and engagement activity within these funds. We believe that stewardship is one of the most powerful tools we can wield with the funds and companies that we invest in, and it's a responsibility that we do not take lightly.

In 2022 we also developed a proprietary Net Zero Assessment Framework to assess the extent to which the third-party funds we invest in are aligned to a net zero trajectory. This framework takes the principles of the IIGCC's Net Zero Investment Framework (NZIF) and applies it to a fund context. The NZIF enables companies to be assessed to be one of the following 5 categories: Not Aligned; Committed to Aligning; Aligning to a Net Zero Pathway; Aligned to a Net Zero Pathway; Achieving Net Zero. The Coutts Framework assesses funds to be in one of these 5 categories, based on criteria such as short- and medium-term targets, emissions disclosures and a decarbonisation strategy. We are using this assessment to assess funds held in portfolios for net zero alignment. We then aggregate the assets we have in funds in each of the buckets to gain a picture of where our Coutts AUM sit against the 5 categories. This helps us to measure how we are doing against our Coutts Net Zero targets and target our engagement activity at fund managers who are not contributing to our targets by being sufficiently net zero aligned. This assessment also forms part of our ongoing monitoring, so that we can track the progress of both the funds we are invested in and also our own progress against our targets.

We understand both the devastating impact of modern slavery and the importance of actively working to eliminate it in all its forms. This is why we have worked as part of the NatWest Group outlining the progress we have made as well as the additional activity we will put in place in 2023 to do more.

We understand that businesses have an important role to play in promoting respect for human rights. We continue to implement policies and practices which cover our colleagues, customers and suppliers to promote and respect human rights. This approach reflects our desire to maximise any positive impacts and reduce, where possible, any potential negative impacts that our activity and the activity in our value chain may have on society.

We have worked with EOS at Federated Hermes since 2016 to strengthen our voting and engagement activity. EOS engages with companies on their engagement priorities. These include human and labour rights and ensuring that a company's wider corporate culture, business ethics and enterprise risk management embed a respect for human and labour rights. All companies have a responsibility to respect human rights which can include decent work such as no forced labour, no child labour and payment of living wage; the safeguarding of indigenous communities and those living in high-risk environments (such as conflict zones); and the protection of basic human rights and digital rights, which are human rights specific to cyberspace. We report engagement activity on a quarterly basis on Coutts.com.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

In 2022 we developed the initial iteration of our Climate transition plan which outlines the steps we aim to take to achieve our carbon intensity reduction and portfolio alignment targets by 2030 and achieve our net zero climate ambition by 2050. This plan focuses on the delivery of our 2030 decarbonisation ambitions and will inform further work on our journey to net zero by 2050 and is something we will continue to enhance over the next two years.

We have exclusionary policies related to investments in high-impact fossil fuels and we're continuing to use our voting rights to engage and drive change to further reduce the carbon emissions from the companies in which we invest. We continue to maintain a comprehensive engagement plan covering a broad range of other themes, including seeking to avoid the emergence of 'superbugs' through anti-microbial resistance, increasing resource efficiency through the circular economy, reducing all forms of harmful pollution, which generally leads to positive wider societal outcomes. Over the next year, we will continue our focus on the most material drivers of long-term value, with a focus on climate change, human and labour rights, human capital and board effectiveness. Whilst these are our immediate priorities for engagement, we do have others focus areas, such as biodiversity, digital rights and tax.

We continue to be part of industry initiatives to further the development of net zero frameworks and standards around third party funds. Over the next two years we will continue development and involvement to address key areas. An example of this is the work we are doing within the UN-PRI's Circular Economy Reference Group. The purpose of this group is to support investor capacity to address circular economy across relevant value chains (with a continued focus on the plastics value chain, whilst expanding this focus to other relevant value chains- subject to group preferences). We will do this by sharing relevant developments on circular economy, learning from experts and sharing tools and experiences. We will look to participate in reference group meetings, share information on updates and developments in our jurisdiction and area of expertise.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Mohammad Syed

Position

CEO

Organisation's Name

COUTTS & COMPANY

● A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

○ B

# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No



# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

### USD

---

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 34,237,340,000.00

---

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

---

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 6,169,980,000.00

### Additional information on the exchange rate used: (Voluntary)

<https://www.exchangerates.org.uk/GBP-USD-spot-exchange-rates-history-2022.html>

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>0-10%	>50-75%
(B) Fixed income	>0-10%	>10-50%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	>10-50%	0%	>10-50%	0%	0%
(B) Passive	>50-75%	>50-75%	>0-10%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	>50-75%	>10-50%
(B) Listed equity - passive	>50-75%	>10-50%
(C) Fixed income - active	>10-50%	>50-75%
(D) Fixed income - passive	>75%	>0-10%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental >75%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >50-75%

(D) Active – corporate >10-50%

(E) Securitised 0%

(F) Private debt 0%

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

>75%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(3) >10 to 20%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(4) Fixed income - passive
(A) Yes, through internal staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

**(1) Listed equity - active****(2) Listed equity - passive**

(A) Yes, through internal staff	<input type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?**

**Percentage of your listed equity holdings over which you have the discretion to vote**

(A) Listed equity – active	(7) >50 to 60%
(B) Listed equity - passive	(9) >70 to 80%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>

### EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>



(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

#### Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>75%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	0%
(C) A combination of screening approaches	>75%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Screening alone	0%	0%
(B) Thematic alone	0%	0%
(C) Integration alone	0%	0%
(D) Screening and integration	>75%	>75%

(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%
(G) All three approaches combined	0%	0%
(H) None	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	>75%	>75%
(C) A combination of screening approaches	0%	0%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

- (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	●	○	○
Confidence Building Measures	●	○	○
(C) Listed equity – active – fundamental	○	○	●
(E) Fixed income – SSA	○	○	●

(F) Fixed income – corporate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(U) External manager selection, appointment and monitoring (SAM) – listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(W) External manager selection, appointment and monitoring (SAM) – fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
  - (B) Specific guidelines on human rights (may be part of guidelines on social factors)
  - (C) Specific guidelines on other systematic sustainability issues
- Specify:
- Our approach to tax fairness through engagement
  - (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

**(A) Overall approach to responsible investment**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>

**(B) Guidelines on environmental factors**

Add link:

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/17022023/nwg-2022-climate-related-disclosure-report.pdf>

**(C) Guidelines on social factors**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>

**(D) Guidelines on governance factors**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>

**(E) Guidelines on sustainability outcomes**

Add link:

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/17022023/nwg-2022-climate-related-disclosure-report.pdf>

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

[https://www.natwestgroup.com/content/dam/natwestgroup\\_com/natwestgroup/pdf/NWG021-Modern-Slavery-Approved-Web-Ready-230622.pdf](https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/NWG021-Modern-Slavery-Approved-Web-Ready-230622.pdf)

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.hermes-investment.com/uploads/2023/02/66aec9d2d37638930bca5c6d7d63d810/eos-engagement-plan-2023.pdf>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:



<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Third-Party%20Funds%20Policy.pdf>

**(J) Guidelines on exclusions**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/esg-related-exclusions-policy.pdf>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/wealth-management/Coutts%20Institute/responsible-investing/responsible-ownership-principles.pdf>

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Voting%20Policy.pdf>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Voting%20Policy.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

**(A) Yes**

Elaborate:

We consider the incorporation of ESG-related risks and opportunities, which includes climate risks and opportunities, as an integral part of our fiduciary duty as a wealth manager acting on behalf of our clients. Our aim is to be a long-term, indispensable partner for our clients and serve families over generations. Therefore we believe that it is our duty to make asset allocation decisions that serve their long-term investment goals, and this will increasingly underline the importance of incorporating climate-related opportunities and risks to the creation of long-term value for our clients. 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 work to identify potential opportunities and risks, which include physical and transitional risks affecting both Coutts as an asset manager and the assets that we manage. Moreover, we want to understand how best to integrate climate-related concerns into our business and investment decision-making. We believe that embedding responsible investing principles into our investment process can lead to better informed investment decisions and that material ESG factors, over time, have the potential to have a positive impact on investment portfolios. We also believe that strong corporate governance practices and management of environmental and social risks can be important drivers to the creation of long-term shareholder value. In addition to this, our emphasis on voting and engagement enables us to address ESG-related risks and opportunities within our investee funds and companies.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

(A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Voting%20Policy.pdf>

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

**AUM coverage**

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(2) for a majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(B) Fixed income**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(B) Passively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Head of Asset Management

- (C) Investment committee, or equivalent

Specify:

Investment Committee

- (D) Head of department, or equivalent

Specify department:

Head of Responsible Investing

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

(1) Board members, trustees, or equivalent

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input type="checkbox"/>	<input type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

o

o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

- (A) Yes
- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

**(A) Internal role(s)**

Specify:

Responsible Investing;  
Investment Strategy;  
Investment Risk;  
Funds Research

**(B) External investment managers, service providers, or other external partners or suppliers**

Specify:

BlackRock;  
EOS at Federated Hermes

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

(1) KPIs are linked to compensation

(2) KPIs are not linked to compensation as these roles do not have variable compensation

(3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Our Executive Committee remuneration policy is directly linked to the achievement of our purpose, which is underpinned by three pillars: climate, enterprise and education. As our responsible investment activity directly contributes to the achievement of our purpose, executive remuneration is therefore linked to our ability to achieve our climate-related goals within Asset Management.

(B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/17022023/nwg-2022-climate-related-disclosure-report.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)
- (B) Disclosures against the European Union's Taxonomy
- (C) Disclosures against the CFA's ESG Disclosures Standard

**(D) Disclosures against other international standards, frameworks or regulations**

Specify:

Net Zero Asset Managers Initiative

Link to example of public disclosures

<https://www.netzeroassetmanagers.org/media/2022/05/NZAM-Initial-Target-Disclosure-Report-May-2022-1.pdf>

**(E) Disclosures against other international standards, frameworks or regulations**

Specify:

Task Force on Climate-related Financial Disclosures

Link to example of public disclosures

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/17022023/nwg-2022-climate-related-disclosure-report.pdf>

**(F) Disclosures against other international standards, frameworks or regulations**

Specify:

United Nations Global Compact

Link to example of public disclosures

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>

- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.theia.org/about-us/members/full>

<https://www.pimfa.co.uk/about-us/pimfa-full-members/>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

	(1) Listed equity	(2) Fixed income
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

EOS analyses its clients' portfolios to identify the target companies for engagement. It selects companies based on the optimal combination of the size of its clients' aggregate holdings, the materiality of the risks and the feasibility of achieving change through engagement. The companies with more material corporate governance and sustainability-related issues, and the greatest potential for change, are engaged with more intensively.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

We work with EOS who provide us with stewardship services. This involves EOS engaging on our behalf with companies, public policy makers and representing us in industry body initiatives. To allow EOS to be abreast of investor concerns and emerging issues as they arise and promote stewardship as part of a wider force, it is an active participant in a number of collaborative initiatives and industry bodies around the world:

- Climate Action 100+: EOS lead or co-lead 24 company engagements, more than any other investor or body.
- PRI: EOS was a founding member and chair of the drafting committee that drafted the Principles in 2006. EOS often participates in collaborative engagements on the PRI platform, for example, it is leading the engagement with Vale on tailings dam failure, and actively involved in other groups, including cyber risk, water stress, deforestation in cattle supply chains, palm oil, plastics, cobalt and tax.
- Asian Corporate Governance Association
- Canadian Coalition for Good Governance
- CDP
- International Integrated Reporting Council (IIRC)

- Investors for Opioid & Pharmaceutical Accountability
- Investor Alliance for Human Rights
- Investor Initiative on Mining & Tailings Safety
- International Corporate Governance Network (ICGN)
- Institutional Investors Group on Climate Change: EOS joined the IIGCC in 2006 and is an active member of its public policy, climate risk, corporate and property working groups.
- Share Action
- Sustainability Accounting Standards Board
- The Institutional Investors Group on Climate Change
- UK Investor Forum
- UN Global Compact
- UN Guiding Principles Reporting Framework
- US Council of Institutional Investors (CII)
- 30% Club

Generally, EOS conducts company engagement privately as working constructively with boards and management in private is, in EOS' view, the most effective way to achieve positive change as it allows it to build trusted relationships with companies, which results in more open and frank discussions.

However, on occasions where EOS is unable to achieve success by using its usual methods of conversations behind closed doors, EOS may escalate its engagement, including collaborating with others to co-file shareholder resolutions when necessary, for example.

Complementary to our engagement in Climate Action 100+, we work with other asset managers to improve their ownership practices by having ongoing conversations on this topic and sharing best practice. Our responsible investing due diligence questionnaire, as mentioned in principle 7 details the expectations we set out for the asset managers that we work with, and this serves as a guide throughout our engagement. In addition to reporting to the PRI on a yearly basis, we are also active participants in their roundtables, forums and conversations. We have also joined the institutional Investors Group on Climate Change (IIGCC) and have attended workshops and joined working groups where we can share best practise and collaborate with fellow investors. We actively support the development of transparency and good reporting from companies and of the integration of ESG in investment decision-making processes by engaging with other bodies with similar goals. For example, our parent company NatWest Group is a member of the UK Sustainable Investment and Finance Association (UKSIF), and we engage regularly with industry bodies and working groups in this developing sector



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff  
Select from the list:  
 4
- (B) External investment managers, third-party operators and/or external property managers, if applicable  
Select from the list:  
 2
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers  
Select from the list:  
 1
- (D) Informal or unstructured collaborations with investors or other entities  
Select from the list:  
 5
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar  
Select from the list:  
 3
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?

- (A) Example(s) of measures taken when selecting external service providers:  
  
We were looking for providers who had sufficient coverage and depth of engagement and were interested in similar priorities and ambition from an engagement perspective. We have also struck a unique three-way relationship where we keep the ability to use EOS for our voting and engagement and BlackRock to manage our Coutts funds.
- (B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:

The shares within our Coutts funds are monitored by Blackrock, who provide information on shares and voting rights to EOS. EOS in turn provides voting recommendations for these shares based on our voting policy, allowing us to effectively exercise our voting rights.

**☑ (C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:**

Stewardship activity in our Coutts funds is led by EOS at Federated Hermes, which 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 Responsible Investing team and typically cast as voting instructions, except in the case of share blocking votes. We actively monitor and review the activities of our stewardship provider, EOS at Federated Hermes, through quarterly reporting. This also includes ad-hoc engagement progress discussions and direct participation in engagements where appropriate. EOS also provides a client-facing portal which allows us to refer to the full history of engagement of each company and track progress. EOS conducts engagements using specific milestone-driven objectives, which allows us to effectively keep track of the stewardship activity delegated to them. They also publish a 3-year engagement plan, which is updated yearly to reflect progress made. This document is publicly available on our website. Furthermore, we undertake due diligence on all our third-party research providers, which takes the form of an annual review.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?**

Stewardship activity in our Coutts funds is led by EOS at Federated Hermes, which 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 Responsible Investing team and typically cast as voting instructions, except in the case of share blocking votes. EOS also engages with our holdings on our behalf and provides us with regular updates on their voting and engagement activity. This includes: - Quarterly voting and engagement statistics - Quarterly reports, which include examples of engagement - Annual reporting that includes an overview of our voting and engagement activity, including engagement milestones achieved and SDG alignment of engagements - Regular case studies - Confidential engagement updates and company-specific updates on request - Overview of engagement activity per company All stewardship information is processed by the responsible investing team and relevant information is collated into monthly updates to the Investment Committee and the Tactical Asset Allocation Forum. As we mainly invest through funds, the degree of success of engagements with individual companies do not immediately impact our investment decision-making process. However, it will spur on a deeper engagement with the fund manager to understand their ESG assessment and engagement approach with the company. If engagement remains unsuccessful this might impact investment decision-making.

If a new company comes into the portfolio that has material risks and EOS are not already engaging with them, we would seek to engage with EOS and discuss them taking it on.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

We regard stewardship as integral to our investment process, and we believe that our focus on meaningful voting and engagement activity is inherently connected to our commitment to be a responsible investor.

- We vote globally at shareholder meetings where we can and where costs are not prohibitive
- For our Coutts funds we partner with EOS at Federated Hermes, who provide vote instructions and engage on our behalf in line with our Voting & Engagement Policy
- We also commit to engaging with our third-party fund managers to ensure they apply best practice standards of global stewardship
- Our voting and engagement activity is published on coutts.com on a quarterly basis

Coutts has been a signatory of the UK Stewardship Code since 2016 and complies with the 2020 UK Stewardship Code, which is available on coutts.com.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**
  - Select from the below list:
    - (2) in a majority of cases
    - (3) in a minority of cases
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**
  - Select from the below list:
    - (2) in a majority of cases
    - (3) in a minority of cases

(C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed

Select from the below list:

- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

(C) Other

Specify:

While we have decided to allow for the exercise of securities lending to occur within our passive Coutts funds managed by Blackrock, we have put in place a number of conditions to ensure our ability to vote on these securities is not compromised.

1. Coutts has instructed Blackrock to limit the number of shares that can be lent out at a time to a maximum of 50%. This ensures that we retain the majority of our voting-eligible shares at all times, and can therefore continue to exercise our rights as asset owners to vote.
2. Coutts also sets the condition that only those on an approved third-party borrowers list are able to have access to Coutts securities. That list is compiled and approved by us and maintained by BlackRock, and reviewed every year.

- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?**

(A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database

**(B) We pre-declared our voting intentions publicly by other means, e.g. through our website**

Add link(s) to public disclosure:

<https://www.coutts.com/insight-articles/news/2022/Investments/coutts-support-investors-call-for-real-living-wage-at-sainsburys.html>

<https://www.hermes-investment.com/uk/en/institutions/eos-insight/stewardship/public-declaration-of-voting-recommendations/>

**(C) We privately communicated our voting decision to investee companies prior to the AGM/EGM**

(D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM

(E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?**

**(A) Yes, for all (proxy) votes**

Add link(s):

<https://www.coutts.com/wealth-management/specialist-planning-services/responsible-investing/disclosure-and-policies.html>

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/wealth-management/Coutts%20Institute/responsible-investing/voting-statistics/2022-full-year-voting-summary.pdf>

(B) Yes, for the majority of (proxy) votes

(C) Yes, for a minority of (proxy) votes

(D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(3) for a minority of votes	(3) for a minority of votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	<input type="radio"/>	<input type="radio"/>

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

o

o

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://www.coutts.com/insight-articles/news/2022/Investments/coutts-support-investors-call-for-real-living-wage-at-sainsburys.html>  
<https://www.coutts.com/insights.html>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

EOS has invested considerable time and effort in improving the transparency, efficiency and integrity of the voting chain, within the reporting period that included surveying custodians and other market participants on their implementation of vote confirmation requirements provided in the EU Shareholder Rights Directive as transposed into UK law. EOS publishes annually its Compliance Statement in respect of the Best Practice Principles (BPP) for Providers of Shareholder Voting Research & Analysis, in support of its aims to establish standards for service providers in the industry.

**STEWARDSHIP: ESCALATION**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input checked="" type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>
(F) Divesting	<input type="checkbox"/>
(G) Litigation	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other



- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?**

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

Through our service provider, EOS, we use a range of methods to engage with policymakers for a more sustainable financial system. This is achieved through engagements and meetings with government officials, financial regulators, stock exchanges, industry associations, and other key parties. It also includes participating in public consultations. EOS provides technical input on ESG policy change. For example, in 2022, EOS had meetings with the Financial Services Agency (FSA), the Tokyo Stock Exchange (TSE), and the Ministry of Economy, Trade and Industry. EOS highlighted concerns about governance issues, including board effectiveness and cross-shareholdings, as well as gender diversity issues at the board level. EOS visited the FSA's head office in Tokyo and reiterated its expectations for effective board governance. EOS also worked closely with the Asian Corporate Governance Association, the International Corporate Governance Network and Asia Investor Group on Climate Change, among others, to enforce its messages. EOS co-signed the open letter drafted by ACGA to improve gender diversity in TSE Prime Market boards, which was sent to FSA and TSE.

- (D) We engaged policy makers on our own initiative

Describe:

Through our service provider, EOS, we use a range of methods to engage with policymakers for a more sustainable financial system. This is achieved through engagements and meetings with government officials, financial regulators, stock exchanges, industry associations, and other key parties. It also includes participating in public consultations. EOS engages on financial regulatory topics regarding ESG integration, stewardship, disclosure. For example, EOS submitted a letter to the Securities and Exchange Commission (SEC) in response to the proposed climate disclosure rule that sought to enhance reporting requirements for companies to include material ESG factors and consider disclosure rules on climate change, including the requirement to disclose Scopes 1 and 2 emissions, and material upstream and downstream Scope 3 emissions. EOS is supportive of the rule given that it would lead to more timely, accurate, comprehensive, comparable, and standardised information disclosed by public and private companies, and is confident that this disclosure would contribute to informed capital allocation and business decisions, resulting in improved value creation and risk mitigation for investors.

(E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

**(A) We publicly disclosed all our policy positions**

Add link(s):

<https://www.coutts.com/wealth-management/specialist-planning-services/responsible-investing/disclosure-and-policies.html>

**(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/wealth-management/Coutts%20Institute/responsible-investing/engagement-statistics/engagement-highlights-annual-review-2022.pdf>  
<https://esgclarity.com/coutts-esg-director-sdr-will-be-hard-work-but-worth-it/>

(C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

External service provider led

(1) Led by

(1) Internally led

(2) External service provider led

(3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

(2) Social factors

(3) Governance factors

(3) Asset class(es)

(1) Listed equity

(2) Fixed income

(3) Private equity

(4) Real estate

(5) Infrastructure

(6) Hedge funds

(7) Forestry

(8) Farmland

(9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

EOS has continued to focus on climate change as its number one priority. It is an active member of Climate Action 100+ (CA100+), the collaborative engagement initiative, currently leading or co-leading 24 company engagements. Rounding up some of the specific activities and outcomes, EOS has seen as part of its role in the CA100+, it has continued to advance engagements and shift focus further towards delivering tangible corporate actions.

In Q3 2022, EOS provided feedback on the draft of the new iteration of the Minderoo Foundation's Plastic Waste Makers Index. It was pleasing to see a greater focus on the connection between plastic waste and climate change, which EOS had suggested. EOS had also provided positive feedback on a section focusing on the recycling capacity of different companies. EOS posed some questions about the section on recommendations for different stakeholders.

In Q4 2021, EOS urged, as co-lead of this Climate Action 100+ European chemicals company, for it to set Scope 3 emissions reduction targets. Over the next few years and after various meetings with the CEO and chair of the board, the company wrote to EOS to confirm it was establishing a Scope 3 emissions reduction target for the first time. The target is for a 30% reduction in Scope 3 emissions by 2030 relative to a 2020 baseline, and in accordance with the Science Based Target initiative (SBTi) guidelines.

EOS also attended pre-COP15 negotiations in Geneva as part of the Finance for Biodiversity delegation. Building on its white paper on aligning financial flows, EOS continued to advocate for an ambitious Global Biodiversity Framework. EOS wants the framework to stimulate action from all stakeholders, including the financial sector. EOS believes that calling for the alignment of public and private financial flows with biodiversity goals and targets is an effective way to do this. EOS contributed to the negotiations by making suggestions for Goal D, which should be expanded to cover reducing the negative impacts of existing financial flows, and aligning all public and private financial flows, as well as increasing financing for nature. EOS was pleased to have support from a member state for its proposal, which means that it can be considered alongside proposals from all member states.

In addition, EOS engaged with this European company regarding concern over its carbon footprint. EOS pressed for more ambitious climate targets aligned with 1.5°C and challenged the company on its slow progress on reductions in its Scope 1 and 2 emissions. The company updated its targets, aligning them to a 1.5°C, including a 50% reduction in Scope 1, 2 and 3 emissions by 2030 with a 2019 baseline. The targets were validated by the Science Based Targets initiative.

In Asia, EOS engaged with this company to commit to joining with the Roundtable on Sustainable Palm Oil (RSPO) to develop its sustainable palm oil strategy. EOS intensified its engagement through a joint meeting with the company and NGOs. The company became a member of the RSPO, then in 2021 achieved RSPO certification for its entire plantation and mills, and achieved ISO45001 certification in July 2022.

(B) Example 2:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Respect for human and labour rights is a priority on the investor agenda as it underpins a company's wider corporate culture, business ethics and enterprise risk management, all of which affect the creation and preservation of long-term value. EOS engaged with a number of companies in 2022 on their responsibility to respect human rights.

EOS began engagement with this company to protect its corporate culture in the wake of a major restructuring which led to staff redundancies and consolidation of the business. EOS raised concern that these changes could dilute corporate culture if not appropriately managed. In 2022, the company published a report which provided more robust disclosure of the company's culture. EOS' engagement found the company to have effectively re-visioned its corporate culture principles since the restructuring and demonstrated a stronger commitment to the well being of its employees during the pandemic.

EOS engaged with this US utility company, asking for the disclosure of a clear just transition plan as it retires some assets, an assessment of the impact on the workforce, and a timeline to complete the transition. EOS was impressed by the company's detailed just transition section within its 2021 Climate Impact Analysis report. The company formed a special transition taskforce and partnered with a local NGO to facilitate a dialogue for the retirement of one of its power plants. It has helped 75% of the workers in the plant to move to other positions, either with or outside the company, or to retire with the plant.

In addition, EOS has engaged extensively with a software company on digital rights since a scandal that saw millions of users have their data collected for political purposes without their consent. This included meetings with the head of human rights and investor relations. In 2022, the company published its first human rights report. The report provides some helpful information on its policies and procedures - for example, those enforcing the community standards governing content on its platforms.

Furthermore, EOS was successful in engaging with this company regarding product quality and safety concerns after reports of infants dying in the company's inclined sleeper products. While the company's ownership of the issue falls below expectations, EOS welcomed a number of positive steps. These included removing all inclined sleepers from sale, plus the removal of any higher-risk infant toys from the market such as rockers, swings and bouncers by January 2023.

(C) Example 3:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Investors care deeply about how well a company board functions. Getting this aspect of governance right makes it more likely that material risks and opportunities will be well managed.

Regarding board diversity, EOS first raised this issue with a European chemicals company in 2020. Whilst the company said it was seeking to refresh the board over time, at the company's annual meeting the following year, board gender was still below EOS expectations at 25%. In 2022, EOS wrote to the company to provide its corporate governance principles and convey its expectations on board diversity. In the company's 2022 proxy, EOS were pleased to see the nomination of a female director to the board bringing gender diversity to above 30%. EOS also welcomed the company's enhanced enterprise-wide focus on diversity, equity and inclusion (DEI) and publication of gender, race and ethnicity data on a dedicated DEI webpage.

In Asia, EOS engaged at executive level on the benefits of a regular dialogue between board members and investors. EOS initially raised concern about the lack of communication at the company's office in Seoul in 2015. Fast forward to 2022, whilst some progress had been made, EOS reinforced its request for regular engagement with the chair. Following a successful engagement, the company assured EOS that a framework had been established for an annual collective engagement between the chair and members of the Asian Corporate Governance Association (ACGA).

Regarding CEO shareholding requirements, EOS' expectation is for the CEO's share ownership to be at least more than six times base salary for non-S&P 500 companies. Following multiple meetings with this US-based company over 2021 and 2022, EOS were disappointed the compensation committee did not increase the CEO's shareholding requirements. However, in the company's 2022 proxy statement, it confirmed that its CEO is required to hold a minimum of five times base salary in company stock, which brought the company's practices in line with EOS' minimum threshold for companies not listed on the S&P500.

In early 2022, EOS had a call with the Sustainability Accounting Standards Board (SASB) sector lead for technology and communications, where it learned about the planned evolution of the organisation and the trajectory of its standards. EOS offered to provide input on SASB's content governance and future projects as they emerge, and will share its digital rights principles. EOS pointed out the gap in children's disclosure. SASB acknowledged this gap and believes it could be addressed in a potential future project on user safety. It shared its materials on its current content governance project, which included a focus on the metric of financial spend and asked for EOS' feedback.

(D) Example 4:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- o (1) Internally led
- o (2) External service provider led
- o (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

**Has your organisation identified climate-related risks and opportunities affecting your investments?**

**(A) Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

Climate-related risks and opportunities within our Asset Management Business are managed by the Investment Committee and the Asset Management Risk Forum. Relevant output from these meetings is presented to the WCCSG before progressing to the Wealth Businesses Risk Committee.

The Asset Management Investment Committee monitors and assesses risks and opportunities posed to our portfolios and funds, including those relating to climate change. The Investment Committee is responsible for approving and reviewing the Asset Management Investment strategy and progress against our carbon reduction targets and net-zero ambition.

Our Responsible Investing Policy and Stewardship Policy, which are available on the Coutts website, set out our approach to integrating ESG risk into our investment decision-making process.

**(B) Yes, beyond our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

We have initially committed 89% of total AuM to be managed in line with net zero.

We have set interim targets of:

Portfolio decarbonisation target:

- 50% reduction in the weighted average carbon intensity (tCO2e/\$M revenue) of in--scope AUM by 2030, compared to a scope AUM by 2030, compared to a 2019 baseline.

Portfolio coverage targets in-scope AUM:

- 50% is considered net zero, aligned or aligning by 2025
- 70% is considered net zero, aligned or aligning by 2030
- 100% is considered net zero, aligned, aligning or under engagement to become aligned by 2030

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

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 communicate our progress and our journey transparently. To do this, we use the voluntary disclosures set out by the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD provides one of the most widely used and recognised sets of guidance for companies and asset managers to help them report the climate change-related risks they face. While we do not have complete information available, we are committed to improving our disclosure around climate risks in our portfolios to our clients and investors.

In May 2022, we announced our interim strategy to achieve net zero emissions across our AuM. This included defining the percentage of our AuM we consider in-scope for net-zero alignment, as well as a short- and a medium-term ambition to increase the percentage of in-scope AuM we consider to be on a net-zero trajectory: 50% aligned to a net-zero trajectory by 2025, increasing to 70% by 2030

All customers invested in our core managed funds and discretionary portfolios now have a minimum amount of their wealth invested in funds that are on a net-zero trajectory. For customers invested through Coutts Invest, NatWest Invest and Royal Bank Invest this is at least 50% of the assets by value in our PPF range. For customers invested in our CMAF range and discretionary portfolios this is at least 20%.

Throughout 2022, we also helped to influence change towards the creation of long-term value for our customers through our voting and engagement activity with the companies held within our in-scope AuM. As at 31 December 2022 £6.5 billion of total AuM is invested in funds that are on a net-zero trajectory and are decarbonising at an average rate of 7% per annum and in 2022 we voted on 12,013 resolutions and engaged with more than 267 companies on ESG topics. Approximately 25% of engagements focused on climate-related topics such as net-zero targets and disclosures.



- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

**Which sectors are covered by your organisation’s strategy addressing high-emitting sectors?**

**(A) Coal**

Describe your strategy:

Coutts, as part of the NatWest Group, is a member of the Powering Past Coal Alliance and our engagement is aligned with the timeframes set out by the PPCA, recognising different trajectories across the world. Where we have direct control, we do not invest in companies that derive more than 5% of revenue from thermal coal extraction, Arctic oil and gas and unconventional oil and gas (including tar sands), or that derive more than 25% of revenue from thermal coal energy generation. Where we invest in third-party fund managers we will engage with fund managers to invest in line with the timeframes set out by the PPCA.

**(B) Gas**

Describe your strategy:

We believe that oil and gas production from the Arctic (including the Arctic National Wildlife Refuge and Antarctic areas) is inherently unsustainable and is not in line with the commitments set out in the Paris Agreement. Extreme conditions and the high degree of unpredictability increase the danger of irreparable damage to the planet’s ecosystem. Damage inflicted on Arctic ice and tundra would also cause a release of carbon at a materially higher rate than on other continents. For this reason we will not invest in a company that derives more than 5% of its revenue from arctic oil or gas production within our Coutts Funds managed and direct securities.

The unconventional oil and gas method of extraction can be more harmful to the environment than “conventional” methods as they can require the use of hydraulic fracturing “fracking” which can lead to increased risks of earthquakes and tremors, water contamination and high-water usage. In Addition, research has also shown that large amounts of methane gas are released from shale gas wells. Methane is 25 times as potent as carbon dioxide at trapping heat in our atmosphere. For this reason we will not invest in a company that derives more than 5% of its revenue from unconventional oil & gas within our Coutts Funds managed and direct securities.

**(C) Oil**

Describe your strategy:

We believe that oil and gas production from the Arctic (including the Arctic National Wildlife Refuge and Antarctic areas) is inherently unsustainable and is not in line with the commitments set out in the Paris Agreement. Extreme conditions and the high degree of unpredictability increase the danger of irreparable damage to the planet's ecosystem. Damage inflicted on Arctic ice and tundra would also cause a release of carbon at a materially higher rate than on other continents. For this reason we will not invest in a company that derives more than 5% of its revenue from arctic oil or gas production within our Coutts Funds managed and direct securities.

The unconventional oil and gas method of extraction can be more harmful to the environment than "conventional" methods as they can require the use of hydraulic fracturing "fracking" which can lead to increased risks of earthquakes and tremors, water contamination and high-water usage. In Addition, research has also shown that large amounts of methane gas are released from shale gas wells. Methane is 25 times as potent as carbon dioxide at trapping heat in our atmosphere. For this reason we will not invest in a company that derives more than 5% of its revenue from unconventional oil & gas within our Coutts Funds managed and direct securities.

This method of extraction is significantly less efficient and more damaging to the environment than extracting and refining liquid oil. Crude oil from tar sands emits 14-20% more greenhouse gases than conventional oil. It also has a negative impact on biodiversity and air quality. For this reason we will not invest in a company that derives more than 5% of its revenue from tar sands within our Coutts Funds managed and direct securities.

- (D) Utilities
- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/esg-related-exclusions-policy.pdf>  
<https://www.netzeroassetmanagers.org/media/2022/05/NZAM-Initial-Target-Disclosure-Report-May-2022-1.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios

Specify:

We have access to a number of climate scenarios and pathways through our climate scenario analysis (Climate Value-At-Risk). Both IMAGE SSP1 and GCAM SSP1 use the Shared Socioeconomic Pathway 1, which is considered the most orderly pathway. SSP1 Sustainable Development – Taking the Green Road: The world shifts gradually toward a more sustainable path, emphasizing more inclusive development that respects perceived environmental boundaries. Management of the global commons slowly improves; educational and health investments accelerate the demographic transition and the emphasis on economic growth shifts towards a broader emphasis on human well-being. Driven by an increasing commitment to achieving development goals, inequality is reduced both across and within countries. Consumption is oriented toward low material growth and lower resource and energy intensity.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

**(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

As an asset manager our primary objective is to manage financial risks and returns. We consider macroeconomic factors when assessing risk, as we believe this is a key driver of returns in the long term. We also believe that it is important to incorporate a wider range of environmental, social and governance factors. In addition to more traditional risk measures 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 that we manage. Moreover, we want to understand how best to integrate climate-related concerns into our business and investment decision-making. Our risk framework is designed to enable effective identification and management of risks, whether these risks are systemic or idiosyncratic, and we are comfortable in our ability to identify the majority of risks when they arise.

(2) Describe how this process is integrated into your overall risk management

As a subsidiary of NatWest Bank plc, oversight of progress against climate ambitions in relation to Asset Management resides with Coutts' Board. The Wealth Businesses Risk Committee oversees the management of risk across Coutts, including climate-related risks. The Wealth Businesses Climate Change Steering Group (WCCSG), a sub-committee of the Wealth Businesses Risk Committee, oversees the development and delivery of the climate strategy. Quarterly purpose updates are provided to the Coutts Board as well as focused ad hoc updates to discuss developments material to Coutts strategy, such as the development of the initial iteration of NatWest Group's Climate transition plan. When appropriate, the Coutts Board also undertakes climate-related education on relevant topics such as Climate transition plan framework developments. In 2022, the Coutts Board took part in three climate-focused training sessions.

**(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

TCFD reporting requirements on external investment managers where we have externally managed assets.

(2) Describe how this process is integrated into your overall risk management

All funds held within our main discretionary portfolios and funds are TCFD signatories. We encourage all of our external investment managers to publicly support the TCFD and to publish their own TCFD statement. Where external managers do not yet do this we will provide support and share our experience.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions
- (E) Weighted average carbon intensity**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - **(3) Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/17022023/nwg-2022-climate-related-disclosure-report.pdf>

- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables**  
Specify:

Portfolio Alignment (as shown in our ESG Factsheets)

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.coutts.com/personal-portfolio-funds.html>

- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/17022023/nwg-2022-climate-related-disclosure-report.pdf>

(B) Scope 2 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/17022023/nwg-2022-climate-related-disclosure-report.pdf>

(C) Scope 3 emissions (including financed emissions)

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)

- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) **The EU Taxonomy**
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) **The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions**
- (I) The Convention on Biological Diversity
- (J) **Other international framework(s)**  
Specify:

Task Force on Climate-related Financial Disclosures (TCFD)

- (K) **Other regional framework(s)**

Specify:

IIGCC's Net Zero Investment Framework

- (L) Other sectoral/issue-specific framework(s)
  - (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) **Identify sustainability outcomes that are closely linked to our core investment activities**
- (B) **Consult with key clients and/or beneficiaries to align with their priorities**
- (C) **Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character**
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) **Understand the geographical relevance of specific sustainability outcome objectives**
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) **Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities**
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

In 2022 we took decisive action to exclude companies from our passively Coutts managed ESG Insights funds(1) that were demonstrating a disregard for human rights, labour rights and environmental issues. We enhanced our investment exclusions policy to exclude companies that have violated the following global norms and conventions: United Nations Global Compact, UNGPs and International Labour Organization

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
  - (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

- (A) Corporate disclosures
- (B) Media reports
- (C) Reports and other information from NGOs and human rights institutions
- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank
- (E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

To ensure that we comply with our chosen exclusionary criteria we use MSCI data to assess company and third-party fund exposure. MSCI are an industry leading data provider with coverage of 53,000 third-party funds and more than 600,000 equity and fixed income securities globally<sup>12</sup>. MSCI look at company disclosures within their annual reports to determine areas of business involvement and the levels of revenue derived from certain activities. Using this data, we can set specific revenue thresholds or exclude companies that have any involvement with activities that are part of our exclusionary criteria. We can also monitor existing investee companies for ongoing compliance. While the majority of ESG data sourced from MSCI is quantitative in nature, there are certain datapoints, more specifically those relating to Global Norms, that rely on a qualitative assessment. We rely on MSCI for this assessment but recognise that, due to their qualitative nature, there might be discrepancies between assessments made by different external ESG data providers.

Our Coutts funds managed by BlackRock are monitored in accordance with MSCI data; however, this is subject to BlackRock and their choice of ESG data providers. For third-party fund managers we do not require they use MSCI data as we do not impose our exclusionary policy on those managers, but instead share our exclusionary policy.

As part of our process for monitoring compliance with our exclusions policy we regularly review securities within our investable universe. There can be scenarios where securities are added or removed from our exclusions lists for a variety of reasons, such as changes in business operations, disposal or acquisition of business unit or changes in the ESG data provider methodology for assessment.

Alongside this, our sovereign bond framework incorporates social considerations such as human rights violations.

- (F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

As a member of the United Nations Global Compact<sup>6</sup> (UNGC) we are strong in our commitment to advocate for human rights, labour rights, environmental responsibility and anti-corruption. We assess companies across a variety of globally recognised norms to understand how they are aligned against fundamental rights. We recognise the severity of violating such fundamental rights and have an exclusions policy in place.

For our Coutts Passive Funds managed by BlackRock and our direct securities, we exclude companies that “Fail” the UNGC ten principles. This indicates they have been involved with a severe controversy where there have been credible allegations that the company or its management has inflicted serious large-scale harm in violation of the principles. Companies in violation have shown a disregard for fundamental rights and are not appropriate for our portfolios.



We believe that companies that are found to have serious involvement in human and labour rights abuses have shown a disregard for their responsibility to respect and protect human rights in business. As a result we have taken the decision to exclude those from our portfolio.

We also believe that individuals should be afforded basic rights within the workplace and assess companies against the core fundamentals and recognise developing labour standards above the minimum requirements is essential to developing an individual's respect and dignity within the workplace. The broader set of ILO conventions ensure that labour is treated not as a commodity but focused on improving the life of men and women.

- (G) Sell-side research
- (H) Investor networks or other investors
- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

Describe:

Our engagement focuses on ensuring that companies do not infringe upon basic human rights, and provide effective remedy in the case of any harm, while taking steps to provide fair and equitable access to finance, healthcare, and nutrition.

- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
<b>Organisation</b>				
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>				
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Investment Process</b>				

(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Stewardship</b>				
(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) Engagement with policy makers and other non-investee stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(O) Results of stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Performance and Reporting</b>				
(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(Q) Inclusion of ESG factors in contractual agreements

(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers

## SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

**Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?**

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) **Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers**

## POOLED FUNDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 3	PLUS	OO 5.2, OO 21	N/A	PUBLIC	Pooled funds	4

**If you invest in pooled funds, describe how you incorporate responsible investment aspects into the selection, appointment and/or monitoring of external investment managers.**

**Provide example(s) below**

(A) Selection

During the manager selection process, we incorporate responsible investment factors in a number of different ways. One way is via reviewing a longlist of potential managers against pre-defined data points in Morningstar, such as carbon intensity and green revenues. Once the longlist has been narrowed down to a shortlist, we will hold meetings (virtual and/or in person) to ask more probing questions on topics such as the incorporation of material ESG factors in the investment process, the identification of ESG risks, and the engagement activities of the team.

We also send the Coutts Responsible Investing Questionnaire, which is a set of questions covering the full breadth of responsible investment topics, from firm-level diversity to the consideration of the UN SDGs in the investment process. We have separate questionnaires for active and passive funds, recognising that the layers of ESG-incorporation decision-making are different between actively-managed and passively-managed funds. The responses to the Responsible Investment Questionnaire are analysed by a dedicated ESG Lead within the Coutts investment team, who follows up with the manager on any additional points.

The ESG Lead will verify information provided by the manager using Morningstar, MSCI, StyleAnalytics and Bloomberg, and check the fund's alignment against Coutts' exclusionary criteria. For fund holdings that violate Coutts' exclusionary criteria, we ask the manager to explain the holdings rationale and any engagement work they have conducted with the company. The ESG Lead is also responsible for conducting other desk research such as looking at the investment/RI team on LinkedIn and by looking at the manager's website and reading any other supporting materials, such as the manager's RI Policy, ESG Report, TCFD Report, Thermal Coal Policy, etc.

(B) Appointment

When full due diligence will be carried out on a fund, the ESG Lead will use the data collected to write a detailed responsible investment analysis report. The report is divided into 3 pillars with 3 sub-pillars beneath each pillar. The first pillar is Firm, which assesses the robustness of the firm-wide approach to responsible investing and their ability to be a good steward of capital. The Firm pillar is divided into 3 sub-pillars: Responsible Investing Policy; Governance and Resourcing; Budgeting.

The second pillar is Investment Strategy, which looks at the approach to responsible investing at the investment strategy level, looking into philosophy, integration in day-to-day activities and portfolio positioning. The Investment Strategy pillar is divided into 3 sub-pillars: Philosophy and Investment Beliefs; Integration in Investment Process; Quantitative Alignment. The third pillar is Responsible Ownership, which looks to ensure the fund's engagement, voting and reporting activities are evidenced, documented and impactful.

The Responsible Ownership pillar is divided into 3 sub-pillars: Voting; Stewardship/Engagement; Reporting. Each of the 9 sub-pillars and the 3 overarching pillars are scored "Above Average", "Average" or "Below Average" in comparison to the fund's peer group. An overall score from -1 to +1 is awarded to the fund, which feeds into the overall investment score.

In addition to a responsible investment analysis of the fund, we also conduct a net zero assessment of the fund. Questionnaire data and public data is used to categorise a fund into one of the following 5 categories, in line with the IIGCC's Net Zero Investment Framework: Not Aligned; Committed to Aligning; Aligning to a Net Zero Pathway; Aligned to a Net Zero Pathway; Achieving Net Zero. The responsible investment analysis and net zero analysis are reviewed by the Coutts Responsible Investing Team and presented at internal investment and governance forums.

(C) Monitoring

Monitoring is conducted ad hoc and as part of the regular review cycle. The ESG Lead is responsible for keeping on top of any newsflow regarding ESG topics that affect the managers we are invested in. This may trigger ad hoc reviews of funds. For example, the news in early June 2023 regarding Shell's backtracking on their net zero commitments triggered us to review our exposure to Shell across 3rd party managers, and ask the managers about their holdings rationale and thoughts on the news. Another example is when Vanguard pulled out of the Net Zero Asset Managers Initiative at the end of 2022. This triggered us to conduct engagement meetings with Vanguard and review our assets in Vanguard funds. We also regularly check for fund holdings that violate the Coutts' exclusions policy. A more in-depth, formal review process is carried out every 12-18 months. During this review, we collect the data as described in the "Selection" section. We re-send the Coutts Responsible Investing Questionnaire and review the responses. We also collect data from Morningstar, MSCI, StyleAnalytics and Bloomberg and check for alignment with our exclusions. We score the 9 sub-pillars again, paying particular attention to changes since the last review, and we reassess the fund for net zero alignment. Again, we present the analysis in internal forums, and track data and engagements in our internal RI Tracker.

## SELECTION

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

#### Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

#### People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

#### Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**Performance and Reporting**

**(I) ESG disclosure in regular client reporting**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(J) Inclusion of ESG factors in contractual agreements**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO 8, SAM 4	N/A	PUBLIC	Stewardship	4

**During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?**

**(A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(C) Their participation in collaborative engagements and stewardship initiatives**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(E) Details of their engagement activities with policy makers**



Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(F) Their escalation process and the escalation tools included in their policy on stewardship

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates
- (G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO 9, SAM 4	N/A	PUBLIC	Stewardship	4

During the reporting year, which aspects of (proxy) voting did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

(A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(B) Historical information on the number or percentage of general meetings at which they voted

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(C) Analysis of votes cast for and against

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(D) Analysis of votes cast for and against resolutions related to risks connected to systematic sustainability issues

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(E) Details of their position on any controversial and high-profile votes

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates
- (H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year
- (I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/or hedge funds that hold equity.

## APPOINTMENT

## SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13	N/A	PUBLIC	Segregated mandates	4

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

(A) Their commitment to following our responsible investment strategy in the management of our assets

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(B) Their commitment to incorporating material ESG factors into their investment activities

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(C) Their commitment to incorporating material ESG factors into their stewardship activities

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

**(E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities**

Select from dropdown list

- (1) for all of our segregated mandates**
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

**(F) Exclusion list(s) or criteria**

Select from dropdown list

- (1) for all of our segregated mandates**
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

**(G) Responsible investment communications and reporting obligations, including stewardship activities and results**

Select from dropdown list

- (1) for all of our segregated mandates**
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

**(H) Incentives and controls to ensure alignment of interests**

Select from dropdown list

- (1) for all of our segregated mandates**
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

**(I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD**

Select from dropdown list

- (1) for all of our segregated mandates**
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

**(J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights**

Select from dropdown list

- (1) for all of our segregated mandates**
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

**(K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments**

Select from dropdown list

- (1) for all of our segregated mandates**
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

**(L) Other**

- (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

# MONITORING

## RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
<b>Organisation</b>				
(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>				
(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
---	-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------

---

**Investment Process**

---

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
---	-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
--	-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
---	-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------

---

**Performance and Reporting**

---

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
---	-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------

(J) Inclusion of ESG factors in contractual agreements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
--	-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------

---

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

○ ○ ○ ○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 10	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**During the reporting year, which information did your organisation, or the service provider acting on your behalf, monitor for externally managed ESG passive products and strategies?**

	(1) Listed equity (passive)	(2) Fixed income (passive)
(A) How the external investment managers applied, reviewed and verified screening criteria	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) How the external investment managers rebalanced the products as a result of changes in ESG rankings, ratings or indexes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not monitor ESG passive products and strategies	<input type="checkbox"/>	<input type="checkbox"/>
(F) Not applicable; we do not invest in ESG passive products and strategies	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**Describe an innovative practice you adopted as part of monitoring your external investment managers' responsible investment practices in a specific asset class during the reporting year.**

During the reporting year, we have developed a proprietary Net Zero Assessment Framework to assess 3rd party funds for portfolio alignment. This framework takes the principles of the IIGCC's Net Zero Investment Framework (NZIF) and applies it to a fund context, given that the NZIF is a framework for assessing companies, not funds. The NZIF enables companies to be assessed to be one of the following 5 categories: Not Aligned; Committed to Aligning; Aligning to a Net Zero Pathway; Aligned to a Net Zero Pathway; Achieving Net Zero. The Coutts Framework assesses funds to be in one of these 5 categories, based on the same criteria such as short- and medium-term targets, emissions disclosures and a decarbonisation strategy, however the Coutts assessment framework is based on, for example, fund emissions intensity rather than company emissions intensity.

We are using this assessment to assess funds held in portfolios for net zero alignment. We then aggregate the assets we have in funds in each of the buckets to gain a picture of where our Coutts AUM sits against the 5 categories. This helps us to measure how we are doing against our Coutts Net Zero targets and target our engagement activity at fund managers who are not contributing to our targets by being sufficiently net zero aligned. This assessment also forms part of our ongoing monitoring, so that we can track the progress of both the funds we are invested in and also our own progress against our targets. We presented the Coutts Net Zero Assessment Framework in an IIGCC surgery and this has been identified by the IIGCC as leading in its application of the NZIF to a 3rd party funds context.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) At least annually	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Less than once a year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) On an ad hoc basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 8, OO 21	N/A	PUBLIC	Stewardship	1, 2

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Any changes in their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The degree of implementation of their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) How they prioritise material ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) How they prioritise risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Their investment team's level of involvement in stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Whether they participated in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Whether they had an active role in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(L) We did not monitor our external investment managers' stewardship practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 14	CORE	OO 9, OO 21	N/A	PUBLIC	Stewardship	1, 2

**For the majority of your AUM in each asset class where (proxy) voting is delegated to external investment managers, which aspects of your external investment managers' (proxy) voting practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) Any changes in their policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Whether their (proxy) voting decisions were consistent with their stewardship priorities as stated in their policy and with their voting policy, principles and/or guidelines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>
(G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year	<input type="radio"/>	<input type="radio"/>

## ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.**

Through engagement with fund managers, we encourage them to improve their responsible investment practices. Given our institutional size and often large positions within funds, we have a lot of influence in being able to encourage managers to improve their practices. Where a fund has below average responsible investing policies in place, or weak implementation within the specific fund, we will engage with them to improve their practices. Engagement topics may be identified and initiated at the fund onboarding stage, or later in our holding period with the fund. Engagements can be on specific controversial holdings within a fund, or it may be one of our systematic engagement themes, such as net zero alignment. We log engagements we have with fund managers in order to track progress, and escalate where necessary if we do not deem there to have been sufficient improvement.

As an example of our engagement with external managers, we have previously been invested in a Hong Kong-based asset manager. We engaged on the topics of net zero commitments and firm-level resourcing, given that there was only 1 person dedicated to responsible investing at the firm. We held multiple meetings with the asset manager, both virtually and in person, nudging them to improve their firm-level ESG practices. A year into our investment in the fund, the asset manager signed up to the Net Zero Asset Managers Initiative, thanking Coutts for our guidance on ESG practices, and also hired an additional RI resource.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified

                                                                

(F) Other

                                                                

(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring

                                                                

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We checked that the information reported was verified through a third-party assurance process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year

○ ○ ○ ○

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

(A) Sustainability outcome #1

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Management of AuM in line with net zero

(4) Number of targets set for this outcome

○ (1) No target

○ (2) One target

● (3) Two or more targets

(B) Sustainability outcome #2

(C) Sustainability outcome #3

(D) Sustainability outcome #4

(E) Sustainability outcome #5

(F) Sustainability outcome #6

(G) Sustainability outcome #7

- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1: Management of AuM in line with net zero

(1) Target name: 50% reduction in WACI of in-scope AuM by 2030

(2) Baseline year: 2019

(3) Target to be met by: 2030

(4) Methodology: Paris Aligned Investment Initiative's Net Zero Investment Framework

(5) Metric used (if relevant): Weighted Average Carbon Intensity

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant): 50% reduction

(9) Percentage of total AUM covered in your baseline year for target setting: 89%

(10) Do you also have a longer-term target for this? (1) Yes

### (A2) Sustainability Outcome #1: Target details

(A2) Sustainability Outcome #1:	Management of AuM in line with net zero
(1) Target name	70% considered net zero, aligned or aligning
(2) Baseline year	2019
(3) Target to be met by	2030
(4) Methodology	Paris Aligned Investment Initiative's Net Zero Investment Framework
(5) Metric used (if relevant)	Portfolio Alignment
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	70% is considered net zero, aligned or aligning
(9) Percentage of total AUM covered in your baseline year for target setting	89%
(10) Do you also have a longer-term target for this?	(2) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: Management of AuM in line with net zero	50% reduction in WACI of in-scope AuM by 2030	2050	Net zero emissions by 2050

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
  - (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
  - (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.3	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

Provide details of your net-zero targets for specific mandates or funds.

(A) Fund or mandate #1

(1) Name of mandate or fund

Personal Portfolio Fund

(2) Target details

The Fund aims to take into account certain Environmental, Social and Governance (ESG) themes and considerations as described in greater detail in the section entitled ESG Policy in the Prospectus. At least 50% of the Net Asset Value of the Fund will be investments that are on a Net Zero Trajectory (as defined and described in the ESG Policy).

(B) Fund or mandate #2

(1) Name of mandate or fund



Coutts Managed Fund

(2) Target details

The Fund aims to take into account certain Environmental, Social and Governance (ESG) themes and considerations as described in greater detail in the section entitled ESG Policy in the Prospectus. At least 20% of the Net Asset Value of the Fund will be investments that are on a Net Zero Trajectory (as defined and described in the ESG Policy).

(C) Fund or mandate #3

(1) Name of mandate or fund

Discretionary Portfolio Service

(2) Target details

The Fund aims to take into account certain Environmental, Social and Governance (ESG) themes and considerations as described in greater detail in the section entitled ESG Policy in the Prospectus. At least 20% of the Net Asset Value of the Fund will be investments that are on a Net Zero Trajectory (as defined and described in the ESG Policy).

- (D) Fund or mandate #4
- (E) Fund or mandate #5
- (F) Fund or mandate #6
- (G) Fund or mandate #7
- (H) Fund or mandate #8
- (I) Fund or mandate #9
- (J) Fund or mandate #10

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

### Does your organisation track progress against your nearest-term sustainability outcomes targets?

**(A1) Sustainability outcome #1:**

(A1) Sustainability outcome #1: Management of AuM in line with net zero

Target name: 50% reduction in WACI of in-scope AuM by 2030

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

### (A2) Sustainability outcome #1:

(A2) Sustainability outcome #1: Management of AuM in line with net zero

Target name: 70% considered net zero, aligned or aligning

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

### (A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1: Management of AuM in line with net zero

(1) Target name 50% reduction in WACI of in-scope AuM by 2030

(2) Target to be met by 2030

(3) Metric used (if relevant) Weighted Average Carbon Intensity

(4) Current level or amount (if relevant) We reduced the carbon intensity of equity holdings of our in-scope AuM by a weighted average of 30% per fund/portfolio (compared to a baseline of 2019 carbon intensity, weighted using 2022 AuMs).

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

A combination of different methodologies are used to calculate the weighted average reduction in carbon intensity, aggregating the percentage reduction on a fund/portfolio (“product”) level based on the AuM in each product as at year end 2022.

The approach follows the TCFD recommendations by allocating emissions based on portfolio weights but deviates from the TCFD WACI method as weighting is performed at a product-level rather than at an overall Coutts AuM level.

This method only considers AuM as at year end 2022 to determine the overall reduction. As a result, the movement in AuM between year end 2022 and the year end 2019 baseline has not been considered.

The “fund carbon intensity” for each underlying asset is sourced from an external data provider.

This is the weighted average of the scope 1 + 2 carbon intensity of all companies held in the fund based on their weight in the fund. The CI for each in-scope product is calculated as the weighted average of the fund carbon intensity of each in-scope asset based on the share of each in-scope asset in the product. Each product-level CI is then compared against its baseline CI to calculate the percentage reduction in CI as at year end 2022. The weighted average reduction in CI across in-scope AuM is calculated by averaging the product-level percentage reduction in CI, weighted based on the weight of each product in the overall in-scope AuM as at year end 2022.

<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/wealth-management/Coutts%20Institute/responsible-investing/2022-carbon-intensity-basis-of-reporting.pdf>.

---

**(A2) Sustainability outcome #1: Target details**

(A2) Sustainability outcome #1:	Management of AuM in line with net zero
(1) Target name	70% considered net zero, aligned or aligning
(2) Target to be met by	2030
(3) Metric used (if relevant)	Portfolio Alignment
(4) Current level or amount (if relevant)	57%

---

(5) Other qualitative or quantitative progress

---

Portfolio alignment targets measure the percentage of fund managers setting and achieving net-zero targets.

(6) Methodology for tracking progress

The assessment combines qualitative and quantitative measures of the credibility of funds' and companies' net-zero strategy and targets. We consider forward-looking targets as well as progress against targets, which forms the basis of net zero engagement with funds

By selecting funds that demonstrate progress against credible net-zero strategies and targets we are more likely to gain exposure to underlying companies that are decarbonising

We are working towards achieving our portfolio alignment targets by:

- Designing our Net Zero Investment Framework, which uses qualitative and quantitative data sourced from fund managers to assess the credibility of their net-zero strategy, related commitments and progress made against these. This complements our carbon reduction targets by identifying datapoints that we consider to be indicators for future decarbonisation.
- Embedding our net-zero ambition into our core investment products, by building a minimum allocation to assets that are already on a net-zero trajectory into the fund prospectus.
- Leveraging our strategic relationship with BlackRock to build average annual decarbonisation into our Coutts ESG Insights funds, and developing a net-zero approach for our active Coutts funds.
- Building net zero into our engagement activity with companies and funds and demonstrating our net zero ambition through our voting activity.

<https://investors.natwestgroup.com/-/media/Files/R/RBS-IR-V2/results-center/17022023/nwg-2022-climate-related-disclosure-report.pdf>

---

# INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

## LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets**  
 Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers**  
 Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders
- (C) Stewardship: engagement with policy makers**  
 Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders**
- (D) Stewardship: engagement with other key stakeholders**  
 Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders
- (E) Capital allocation
- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## STEWARDSHIP WITH INVESTEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

We believe that voting and engagement are some of the most powerful tools we hold as an asset manager and that it is our fiduciary duty to exercise our stewardship rights on behalf of our clients. Our voting and engagement activity has identified climate change, and in particular alignment with the commitments set out in the Paris Agreement, as a specific engagement focus. Our partner for these purposes, EOS at Federated Hermes, plays an active role and focuses their stewardship activity on the issues with the greatest potential for long-term positive outcomes for investors and their beneficiaries.

It does this by engaging with public policymakers and sector organisations globally to encourage policy that facilitates the transition to a low-carbon economy. We currently focus environmental engagement on aligning companies' strategies and actions with the goals of the Paris Agreement – to limit global warming to 2°C above pre-industrial levels, and ideally to 1.5°C.

Coutts, along with EOS at Federated Hermes, has joined Climate Action 100+. Since joining, we have been engaging with companies and encouraging other asset managers to support the initiative. Meanwhile, EOS at Federated Hermes has taken a particularly active role, leading engagement with companies.

Where we invest in third-party managed funds we request all fund managers to provide regular (and at least annual) updates on how they tackle climate-related risks and opportunities that arise from the transition to a low-carbon economy. We also request information about the fund managers' and fund houses' commitments to align their investments and practices with the commitments set out by the Paris Agreement, as well as any commitments to reduce the carbon emissions of their funds.

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

(2) Stewardship tools or activities used

(1) Engagement  
(2) (Proxy) voting at shareholder meetings

(3) Example

EOS at Federated Hermes' engagement with Adidas intensified in late 2018, when EOS met with the company's sustainability team to focus on the future trajectory of the company's sustainability strategy. EOS challenged the company on the environmental impact of its product range. EOS stressed that ambitious, science-based climate targets need to be central to its 2025 sustainability strategy.

EOS returned to these discussions after its 2019 results announcement. EOS welcomed a public commitment from the company to address climate change but urged it to set a science-based emissions reduction target to demonstrate that its ambitions are in line with the 1.5°C trajectory of the Paris Agreement. On resource use and circularity, EOS welcomed some positive steps: an improvement to its CDP water score and achieving 100% cotton sourced through the Better Cotton Initiative, as part of its commitment to steadily increase the use of more sustainable materials in its production, products, and stores. EOS pushed the company to go further and to set specific, timebound targets for recycled materials in its products, as well as publishing a plastics footprint.

In early 2021, the company achieved certification from the Science-Based Targets initiative, affirming that its emissions reduction targets are in-line with our engagement objective. Then in March 2021, the company announced the ambition for nine out of 10 of its articles to be more sustainable by 2025.

EOS continue to engage with the company on its circularity strategy. EOS are encouraged by the company's commitment to, firstly, intensify its communication and marketing for products made from sustainable materials and, secondly, roll out its product takeback programmes at a large scale.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:

Management of AuM in line with net zero

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

- (A) We prioritise the most strategically important companies in our portfolio.**  
Describe how you do this:  
Select from the list:
  - 2
  - 4
- (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**  
Describe how you do this:  
Select from the list:
  - 1
  - 4
- (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**  
Describe how you do this:  
Select from the list:
  - 3
  - 4
- (D) Other

## STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	OO 5, SO 5	N/A	PUBLIC	Stewardship with external investment managers	2

**During the reporting year, how did your organisation, or the external service providers acting on your behalf, engage with external investment managers to ensure that they take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**



**(A) Across all sustainability outcomes**

(1) Describe your approach

Climate change poses one of the greatest threats to society and the economy. Global emissions must reduce to net zero by 2050 to limit temperature increases to 1.5°C above preindustrial levels to avoid the worst impacts of climate change, with every avoided fraction of warming above this being critical. The delayed action by society, governments and companies has meant that instead of peaking, emissions have continued to rise and average temperatures have already increased by over 1.1°C since pre-industrial levels because of human activity.

Working with leading responsible investing group EOS at Federated Hermes, the emphasis of our engagement remains focused on companies having a strategy and greenhouse reduction targets aligned to the Paris Agreement, seeking to limit climate change to 1.5C, together with aligned financial accounts and political lobbying. Under the.

EOS will continue to lead or co-lead collaborative engagements across multiple sectors through the CA100+ and IIGCC initiatives. We have started engaging more systematically on physical climate risk at exposed companies, targeting the development of adaptation plans that will bring much needed resilience. We will strengthen focus on the need for a 'just transition' and to address the human rights impacts of climate change.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1: Management of AuM in line with net zero

(1) Describe your approach

**STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) Across all sustainability outcomes**

(1) Describe your approach

Where relevant, we respond to policy consultations, either directly or through industry working groups like the IIGCC. Through our service provider, EOS, we use a range of methods to engage with policymakers for a more sustainable financial system. This is achieved through engagements and meetings with government officials, financial regulators, stock exchanges, industry associations, and other key parties. It also includes participating in public consultations – as a client of EOS we have the opportunity to endorse and co-sign responses as there is a process where drafts are shared with us ahead of submission.

(2) Engagement tools or activities used

(2) We responded to policy consultations

(3) Example(s) of policies engaged on

We responded to the FCA's CP22/20: Sustainability Disclosure Requirements (SDR) and investment labels directly and engaged with industry working groups (such as the IIGCC) to feed into their response to the consultation. In addition to this EOS took part in 33 consultation responses or proactive equivalent in 2022, alongside 75 discussions held with relevant regulators and stakeholders.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:

Management of AuM in line with net zero

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

(1) Key stakeholders engaged

(1) Standard setters  
(2) Reporting bodies

(2) Provide further detail on your engagement

Through our service provider, EOS, we use a range of methods to engage with policymakers for a more sustainable financial system. This is achieved through engagements and meetings with government officials, financial regulators, stock exchanges, industry associations, and other key parties. It also includes participating in public consultations. EOS proactively engages regulators and policymakers on other policy topics other than ESG integration, stewardship, disclosure or similar. For example, in 2022, EOS (as a member of the CDP's Technical Working Group), responded to a public consultation survey on CDP water-related indicators for financial institutions. CDP, with input from investors and their representatives, is developing the first set of standardised, global water security reporting indicators for the financial sector.

EOS previewed the list of new water indicators and shared feedback confidentially with CDP. The water-related indicators included in the consultation represent the second phase of indicator development, which are quantitatively focused. An initial set of water security indicators have already been incorporated into a nature-related module as part of CDP's 2022 climate change questionnaire for the financial sector.

In 2022 EOS had 33 consultation responses or proactive equivalent, alongside 75 discussions held with relevant regulators and stakeholders.

EOS also responded to an Institutional Investors Group on Climate Change (IIGCC) consultation about how investors and companies should approach offsetting.

## (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: Management of AuM in line with net zero

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative: Climate Action 100+

(2) Indicate how your organisation contributed to this collaborative initiative

(C) We publicly endorsed the initiative  
(I) Other

(3) Provide further detail on your participation in this collaborative initiative

Both Coutts and EOS at Federated Hermes are signatories, vocal advocates and participants of Climate Action 100+, which is an initiative led by over 700 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 joining, we have been collaboratively engaging with companies and encouraging all asset managers that we work with to join the initiative and will seek justification when asset managers are not involved in CA100+ or similar initiatives.

Engagement objectives are defined and tracked for the company that we are engaging with. We highlight our progress and activity in articles that we publish on our website. Meanwhile our stewardship partner, The goal of the Climate Action 100+ initiative is to engage with companies on curbing their emissions, drive the clean energy transition and help achieve the goals of the Paris Agreement.

Through the initiative investors are calling on companies to improve their climate-related financial disclosures and to set ambitious and credible net-zero targets. Therefore our participation in CA100+ directly supports our commitment to reduce the carbon intensity of our funds and portfolios and align them with the commitments set out in the Paris Agreement.

**(B) Initiative #2**

(1) Name of the initiative Institutional Investors Group on Climate Change

(2) Indicate how your organisation contributed to this collaborative initiative (C) We publicly endorsed the initiative (E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support

(3) Provide further detail on your participation in this collaborative initiative As part of the IIGCC, Coutts is committed to working actively with other investors to tackle climate change. We recognise that this is the “decade of action”, and are actively taking part in working groups, events and consultations that encourage the whole asset management industry to drive real progress on climate change by 2030 – taking us further towards a net zero and sustainable future.

**(C) Initiative #3**

(1) Name of the initiative PRI's Circular Economy Reference Group

(2) Indicate how your organisation contributed to this collaborative initiative (I) Other

(3) Provide further detail on your participation in this collaborative initiative The purpose of the Circular Economy Reference Group is to support investor capacity to address circular economy across relevant value chains (with a continued focus on the plastics value chain, whilst expanding this focus to other relevant value chains-subject to group preferences). It will do this by providing a forum for investors to share relevant developments on circular economy, learn from experts and share tools and experiences.

As part of our participation, our responsibilities include, but are not limited to:  
 Participating in reference group meetings;  
 Sharing information on updates and developments in our jurisdiction and/or area of expertise;  
 Providing feedback on PRI's content and programme strategy

#### (D) Initiative #4

(1) Name of the initiative

(2) Indicate how your organisation contributed to this collaborative initiative

(3) Provide further detail on your participation in this collaborative initiative

## CONFIDENCE-BUILDING MEASURES (CBM)

### CONFIDENCE-BUILDING MEASURES

#### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report**
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report**
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI**
  - (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

**What responsible investment processes and/or data were audited through your internal audit function?**

**(A) Policy, governance and strategy**

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited

**(3) Processes and data internally audited**

**(B) Manager selection, appointment and monitoring**

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited

**(3) Processes and data internally audited**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

The audit scope covered the adequacy of the design and operating effectiveness of key controls designed to mitigate the key risks associated with:

- Approval of the 2050 net zero strategy and monitoring of the delivery of the climate ambition against the portfolio net zero and decarbonisation targets;
- Approval of Coutts & Co ESG-related disclosures, policies, marketing and communications;
- Annual review and responsible investing questionnaires for fund and fund manager assessments and determination of their net zero rating;
- Accurate implementation of model portfolio changes.
- On-going management of non-approved holdings within investment funds and client discretionary portfolios.
- Technology controls over generation of reports used for net zero exception reporting.

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent**
  - Sections of PRI report reviewed
    - (1) the entire report**
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year