



PUBLIC RI REPORT

2021 PILOT

COUTTS & COMPANY

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About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 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.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation’s overall approach to responsible investment?**
- o **What are the main differences between your organisation’s approach to responsible investment in its ESG practice and in other practices, across asset classes?**

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 centre of expertise 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 will lead to better informed investment decisions. Our approach to responsible investing is therefore 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 are 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 our investee funds and companies.

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 partnership with Blackrock we have full autonomy to implement our own ESG policy into our Coutts funds and the ability to set the highest standards for our stewardship activity. 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 play an important and strong 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 Centre of Expertise for the NatWest Group, managing over £32 billion of assets and serving over 900,000 investment clients, 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.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- 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. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policy makers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

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

Climate change poses never before seen challenges to our society and planet and will drive huge change to the global financial system. As an asset manager looking after our clients’ assets, 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 also believe we have a duty to raise awareness around climate change, as well as other topics related to our purpose, such as financial inclusion, and this is a core pillar of our approach both internally and externally.

We recognise the urgency of climate change and are convinced that if we want to achieve the commitments set out in the Paris Agreement there is a need for combined short-term and long-term action to accelerate the transition to a low-carbon economy. This is why, at the start of 2020, we committed to two carbon reduction targets for all funds and portfolios managed by Coutts: a 25% reduction on all equity holdings by the end of 2021, and a 50% reduction on all holdings by the end of 2030, aligned with the Paris Agreement. Our short-term target recognises the urgency of climate change, while the long-term target aligns with science. We believe that this approach not only shows our real commitment to tackling climate change, but acknowledges that there is no one-step solution to solve our climate crisis. One year after launch we reduced the carbon intensity of the equity in our funds and portfolios by 26% on average, and we will continue to reduce this further. 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.

This year we are also extremely proud to have launched our own Coutts funds, in partnership with Blackrock. 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 partnership between Coutts, Blackrock and EOS at Federated Hermes, our longstanding engagement partner. 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 yield with the funds and companies that we invest in, and it's a responsibility that we do not take lightly.

We also understand that tackling climate change is a long and uncertain process, which is why we believe that one of the most important things to do is to communicate our progress transparently. In 2020 Coutts Asset Management published its first TCFD statement, setting out our approach to managing climate-related risks and opportunities. This process has been instrumental in driving enhancements within investment process and providing clarity to our investment team on how to incorporate these risks and opportunities into the way we make investment decisions.

While our achievements this year were centred around climate, we recognise that social factors equally have an ability to influence the long-term value of our investments. This is why we are also laying the groundwork for our social framework, which will be launched in 2021.

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

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

As multi-asset investors we believe that how we manage and monitor ESG within our equity holdings will be a blueprint to strengthen our RI approach in other asset classes. In line with our focus on tackling climate change we committed to halving the carbon intensity of our investments by 2030, and are formalising our commitment to achieve Net-Zero within our investments by 2050, which will include carbon footprinting all asset classes, incorporating scope 3 emissions, and publicly reporting on our progress. Recognising the importance of the Just Transition, we are also enhancing our framework around social factors. Lastly, as a wealth manager we believe we have an important role to play in educating our clients on the value of responsible investing and its real-life impact.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

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

Head of Asset Management

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by COUTTS & COMPANY in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of COUTTS & COMPANY's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and 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.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management	(2) This is an additional (secondary) type
(P) Fund of funds, manager of managers or sub-advised products	(2) This is an additional (secondary) type
(Q) Execution and advisory	(2) This is an additional (secondary) type
(R) Wealth management	(1) This is our only (or primary) type
(S) Fiduciary management or other outsourced discretionary fund allocation	(2) This is an additional (secondary) type

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 that are also PRI signatories in their own right?

- (A) Yes
- (B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries	US\$ 41,000,000,000.00
(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission	US\$ 0.00
(C) AUM subject to execution, advisory, custody, or research advisory only	US\$ 4,200,000,000.00

Asset breakdown

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

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM	
(A) Listed equity – internal	0-10%
(B) Listed equity – external	50-75%
(C) Fixed income – internal	0-10%

(D) Fixed income – external	10-50%
(E) Private equity – internal	0.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%
(P) Farmland – external	0.0%
(Q) Other – internal, please specify:	0.0%
(R) Other – external, please specify:	0.0%
(S) Off-balance sheet – internal	0.0%
(T) Off-balance sheet – external	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

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

	(1) Listed equity	(2) Fixed income
(A) Segregated mandate(s)	10-50%	0.0%
(B) Pooled fund(s) or pooled investment(s)	50-75%	>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 LE	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your listed equity assets.

	(A) Internal allocation	(B) External allocation – segregated	(C) External allocation – pooled
(1) Passive equity	0.0%	50-75%	50-75%
(2) Active – quantitative	0.0%	0.0%	0-10%
(3) Active – fundamental	>75%	10-50%	10-50%
(4) Investment trusts (REITs and similar publicly quoted vehicles)	0.0%	0.0%	0.0%
(5) Other, please specify:	0.0%	0.0%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your fixed income assets.

	(A) Internal allocation	(C) External allocation – pooled
(1) Passive – SSA	0.0%	10-50%
(2) Passive – corporate	0.0%	0-10%
(3) Passive – securitised	0.0%	0.0%
(4) Active – SSA	10-50%	0.0%
(5) Active – corporate	50-75%	>75%
(6) Active – securitised	0.0%	0.0%
(7) Private debt	0.0%	0.0%

ESG strategies

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PUBLIC	Listed equity	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity:

(A) Screening alone	0.0%
(B) Thematic alone	0.0%
(C) Integration alone	0.0%
(D) Screening and integration	>75%
(E) Thematic and integration	0.0%
(F) Screening and thematic	0.0%
(G) All three strategies combined	0.0%
(H) None	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 LE	CORE	OO 6 LE	LE 8	PUBLIC	Listed equity	1

What type of screening is applied to your internally managed active listed equity assets?

Percentage coverage out of your total listed equities where screening strategy is applied

(A) Positive/best-in-class screening only	0.0%
(B) Negative screening only	0.0%
(C) A combination of positive/best-in-class and negative screening	>75%

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate
(A) Screening alone	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%
(C) Integration alone	0.0%	0.0%
(D) Screening and integration	>75%	>75%
(E) Thematic and integration	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%
(G) All three strategies combined	0.0%	0.0%
(H) None	0.0%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate
(A) Positive/best-in-class screening only	0.0%	0.0%
(B) Negative screening only	0.0%	0.0%
(C) A combination of positive/best-in-class and negative screening	>75%	>75%

Externally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 SAM	CORE	OO 5.2 LE, OO 5.2 FI	OO 6.1 SAM	PUBLIC	Externally managed assets	1

Which ESG incorporation strategy and/or combination of strategies apply to your externally managed active listed equity and fixed income?

	(1) Listed equity - external	(3) Fixed income – corporate - external
(A) Screening alone	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%
(C) Integration alone	0-25%	0.0%
(D) Screening and integration	>75%	>75%
(E) Thematic and integration	0.0%	0.0%

(F) Screening and thematic	0.0%	0.0%
(G) All three strategies combined	0-25%	0.0%
(H) None	0.0%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 SAM	CORE	OO 6 SAM	N/A	PUBLIC	Externally managed assets	1

What type of screening is applied to your externally managed active listed equity and fixed income?

	(1) Listed equity - external	(3) Fixed income – corporate - external
(A) Positive/best-in-class screening only	0.0%	0.0%
(B) Negative screening only	>75%	>75%
(C) A combination of positive/best-in-class and negative screening	0-25%	0.0%

Externally managed assets

Captive relationships

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	OO 5	Multiple, see guidance	PUBLIC	Captive relationships	GENERAL

Does your organisation have a captive relationship with some or all of its external investment managers?

- (A) Yes
- (B) No

Investment consultants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	OO 5	SAM 1	PUBLIC	Investment consultants	GENERAL

Does your organisation engage investment consultants in the selection, appointment or monitoring of your external investment managers?

- (A) Yes
- (B) No

Stewardship

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(2) Engagement on listed equity – passive	(3) (Proxy) voting on listed equity – active	(4) (Proxy) voting on listed equity – passive
(A) Through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Through internal staff	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(1) Passive – SSA	(2) Passive – corporate	(4) Active – SSA	(5) Active – corporate
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Through internal staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not conduct this stewardship activity for this strategy/asset type	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) 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 11	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager selection	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager selection. Your response should refer to the selection of the external managers who managed the relevant asset classes during the reporting year, regardless of when such selection took place.

	(1) ESG incorporated into external manager selection	(2) ESG not incorporated into external manager selection
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity – active	<input checked="" type="radio"/>	<input type="radio"/>

(C) Fixed income – passive

(D) Fixed income – active

External manager appointment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager appointment	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager appointment. Your response should refer to the appointment of the external managers who managed the relevant asset classes during the reporting year, regardless of when their appointment took place.

(1) ESG incorporated into external manager appointment

(2) ESG not incorporated into external manager appointment

(A) Listed equity – passive

(B) Listed equity – active

The following externally managed asset classes are reported in OO 5.1 as 100% pooled funds or pooled investments and, therefore, ESG incorporation into external manager appointment is not applicable.

(3) ESG incorporation into external manager appointment is not applicable as we only invest in pooled funds

(C) Fixed income – passive

(D) Fixed income – active

External manager monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager monitoring	1

For each externally managed asset class, select whether or not you incorporated ESG into external manager monitoring during the reporting year.

	(1) ESG incorporated into external manager monitoring	(2) ESG not incorporated into external manager monitoring
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity – active	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income – passive	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income – active	<input checked="" type="radio"/>	<input type="radio"/>

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are voluntary to report on in the separate PRI asset class modules as they account for less than 10% of your total AUM and are under USD 10 billion. Please select if you wish to voluntarily report on the module.

	(1) Yes, report on the module	(2) No, opt out of reporting on the module
(A) Listed equity	<input checked="" type="radio"/>	<input type="radio"/>

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy	<input checked="" type="radio"/>
(B) Fixed income – SSA	<input checked="" type="radio"/>
(C) Fixed income – corporate	<input checked="" type="radio"/>
(J) External manager selection, appointment and monitoring (SAM) – listed equity	<input checked="" type="radio"/>
(K) External manager selection, appointment and monitoring (SAM) – fixed income	<input checked="" type="radio"/>

Pooled funds governance: Appointment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 5.1	SAM 12	PUBLIC	Pooled funds governance: Appointment	GENERAL

Would you like to voluntarily report on ESG incorporation in the appointment of your external managers for pooled funds?

- (A) Yes
- (B) No

ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

	Percentage
(A) Listed equity – passive	>75%
(B) Listed equity – active	>75%
(C) Fixed income – passive	>75%
(D) Fixed income – active	>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

	Coverage of ESG/RI certification or label:
(A) Listed equity	0.0%
(B) Fixed income	0.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

25-50%

Other asset breakdowns

Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(1) Listed equity	(2) Fixed income – SSA	(3) Fixed income – corporate
(A) Developed	>75%	>75%	>75%
(B) Emerging	0-25%	0.0%	0-25%
(C) Frontier	0.0%	0.0%	0.0%
(D) Other	0.0%	0.0%	0.0%

Management by PRI signatories

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

What approximate percentage (+/-5%) of your externally managed assets are managed by PRI signatories?

>75%

Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PUBLIC	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

Internal and external fixed income assets subject to constraints

(A) Fixed income – SSA	>75%
(B) Fixed income – corporate	>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20.1	CORE	OO 20	N/A	PUBLIC	Fixed income constraints	GENERAL

Describe the constraints to your fixed income assets.

Fixed income constraints

(A) Fixed income – SSA

We have constraints that are driven by regulations and those that are driven internally as part of our risk framework. For regulatory constraints, this applies to the UCITS rules given the structures we invest in, limiting the size of fixed income fund in relation to our overall fund holdings. We also have a number of constraints imposed by our internal risk framework, such as tracking error constraints and duration constraints at the portfolio level. The goal of our risk framework is to ensure diversification, proper monitoring and active risk management at all times.

(B) Fixed income – corporate

We have constraints that are driven by regulations and those that are driven internally as part of our risk framework. For regulatory constraints, this applies to the UCITS rules given the structures we invest in, limiting the size of fixed income fund in relation to our overall fund holdings. We also have a number of constraints imposed by our internal risk framework, such as tracking error constraints and duration constraints at the portfolio level. The goal of our risk framework is to ensure diversification, proper monitoring and active risk management at all times.

Context and explanation

Appointment: Pooled funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 33	CORE	OO 5.1	N/A	PUBLIC	Appointment: Pooled funds	GENERAL

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

We invest in third-party pooled funds in two ways: (1) Where we are identified as co-manufacturers of the funds we are able to set clear expectations for the asset managers that are documented in the Investment Manager Agreement (IMA). We also request regular reporting and conduct regular reviews that allow us to assess the ability of these fund managers to comply with our expectations.

For funds that are managed by third-party fund managers we do not have the same ability to influence through an IMA. However, we set clear expectations around what we expect from third-party fund managers. This means that we communicate what we consider to be minimum requirements in terms of responsible investing activity, active stewardship and ESG incorporation. We also discuss best practice and provide guidance to fund managers. We have a detailed approach to responsible investing and have made a number of climate-related commitments. While we cannot require third-party fund managers to comply with the same commitments (e.g. excluding high-impact fossil fuels), we will communicate our commitments and encourage fund managers to consider how they can help us achieve our ambitions.

We also use our proprietary Responsible Investing due diligence questionnaire that requires fund managers to detail how they consider ESG factors within their investment process. We require all fund managers to complete this questionnaire, which focuses on both backward and forward-looking metrics, and this will help us in providing an internal ESG score to every fund that we consider investing in. This ESG score then feeds back into our wider fund score and informs our investment decisions.

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure

- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

Coutts has a number of mechanisms in place to ensure our policies are implemented consistently. Firstly, we have a governance framework that supports the regular monitoring and reviewing of all policies related to responsible investing. - The Asset Management Risk Committee is responsible for ensuring a risk framework is in place by approving any policies and strategies relating to responsible investing, as well as ensuring these policies are updated and reviewed regularly. It also considers recommendations from the Private Banking Climate Change Working Group, which is our Coutts-wide information-sharing body for climate-related matters. - The Investment Committee receives regular updates from the Responsible Investing Forum, and is responsible for the monitoring and assessing the risks posed to our portfolios and funds and the potential opportunities created, as well as our portfolios' resilience. The Investment Committee reviews our responsible investing activity on a monthly basis and has visibility of all policies related to responsible investing. - The Tactical Asset Allocation Forum is responsible for portfolio performance and risk budgets. It incorporates ESG factors into the fund and direct holdings selection process and must consider our responsible investing policies for all investment decisions. The responsible investing team is represented at the Tactical Asset Allocation Forum where relevant and feeds into submissions to the Forum. - The Responsible Investing Forum collates bank-wide ideas and supports the integration of ESG risks and opportunities into our investment process. It is also responsible for the dissemination of responsible investing activity throughout Coutts. In addition to this, we ensure that all Asset Management staff is aware of our approach to responsible investing and any policies that we have in place. We do this through organising a number of training sessions, including an online training module on responsible investing that is mandatory for all Coutts staff and regular training on more granular elements of our responsible investing approach. We also communicate with all Coutts staff on a regular basis through presentations, ad hoc training sessions and educational briefings. Lastly, furthering our responsible investing approach is part of the formal objectives of all Coutts Asset Management staff.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- (A) Overall approach to responsible investment. Add link(s):
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>
- (B) Guidelines on environmental factors. Add link(s):
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/other-documents/TCFD.pdf>
- (C) Guidelines on social factors. Add link(s):

- <https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>
- (D) **Guidelines on governance factors. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Policy.pdf>
- (E) **Approach to stewardship. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/Wealth%20Management/Coutts%20Institute/responsible-investing/Coutts%202020%20UK%20Stewardship%20Code%20Statement.pdf>
- (F) **Approach to sustainability outcomes. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/other-documents/TCFD.pdf>
- (G) **Approach to exclusions. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/ESG-Related%20Exclusions%20Policy.pdf>
- (H) **Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/responsible-investing/Responsible%20Investing%20Third-Party%20Funds%20Policy.pdf>
- (I) **Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/Wealth%20Management/Coutts%20Institute/responsible-investing/Coutts%202020%20UK%20Stewardship%20Code%20Statement.pdf>
- (J) **Definition of responsible investment and how it relates to our investment objectives. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/Wealth%20Management/Coutts%20Institute/responsible-investing/Coutts%202020%20UK%20Stewardship%20Code%20Statement.pdf>
- (K) **Responsible investment governance structure. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/other-documents/TCFD.pdf>
- (L) **Internal reporting and verification related to responsible investment. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/Wealth%20Management/Coutts%20Institute/responsible-investing/Coutts%202020%20UK%20Stewardship%20Code%20Statement.pdf>
- (M) **External reporting related to responsible investment. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/Wealth%20Management/Coutts%20Institute/responsible-investing/Coutts%202020%20UK%20Stewardship%20Code%20Statement.pdf>
- (N) **Managing conflicts of interest related to responsible investment. Add link(s):**
<https://www.coutts.com/content/dam/rbs-coutts/coutts-com/Files/Wealth%20Management/Coutts%20Institute/responsible-investing/Coutts%202020%20UK%20Stewardship%20Code%20Statement.pdf>
- (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

AUM Coverage:

(A) Listed Equity	>75%
(B) Fixed Income	>75%

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff, please specify:
- (E) Head of department, please specify department:
 - Head of Responsible Investing
- (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff [as specified]
- (E) **Head of department [as specified]**
- (F) **Portfolio managers**
- (G) **Investment analysts**
- (H) **Dedicated responsible investment staff**
- (I) Investor relations
- (J) **External managers or service providers**
- (K) **Other role, please specify:**
 - Investment Risk & Analytics Team
- (L) **Other role, please specify:**
 - Tactical Asset Allocation Forum
- (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief-level staff	(3) Investment committee	(5) Head of department [as specified]	(6) Portfolio managers
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(7) Investment analysts	(8) Dedicated responsible investment staff	(10) External managers or service providers	(11) Other role	(12) Other role
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(E) Other objective related to responsible investment".

Achievement of our carbon reduction targets (by 2021 and 2030)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.

Every member of our Asset Management team has the objective of achieving our carbon reduction targets, namely a 25% reduction of the carbon intensity of the equity within our funds and discretionary portfolios by the end of 2021 and a 50% reduction of the carbon intensity of all holdings within our funds and discretionary portfolios by the end of 2030. Carbon intensity is measured as tCO2e/\$USD millions of revenue.

Every member of the Asset Management team also has the objective to educate themselves on responsible investing and they are required to evidence this learning.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(1) Board and/or trustees

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(3) Investment committee

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(5) Head of department

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(7) Investment analysts

(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input checked="" type="checkbox"/>

(8) Dedicated responsible investment staff

(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input checked="" type="checkbox"/>

(10) External managers or service providers

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(11) Other role

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(12) Other role

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(G) We have not linked any RI objectives to variable compensation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

- (A) Quarterly or more frequently
- (B) Bi-annually
- (C) Annually
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?

(A) We incorporate ESG factors into calculations for expected risks and returns of asset classes (1) for all of our assets

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(A) Listed equity >75%

(B) Fixed income >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities

- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

Coutts Stewardship Policy is available on coutts.com/responsibleinvesting and constitutes our Statement of Compliance with the 2020 UK Stewardship Code. Our Stewardship Policy sets out our approach to stewardship for all applicable asset classes, geographies and routes-to-market.

Coutts regards stewardship, as defined by the 2020 UK Stewardship Code, as integral to our investment process, and our purpose is inherently connected to our commitment to be a responsible investor. We define responsible investment as the integration of environmental, social and governance (ESG) factors into our investment processes and ownership practices. We believe that embedding responsible investing principles into our investment process will lead to better informed investment decisions and that 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 are important drivers to the creation of long-term shareholder value. In addition to this, our emphasis on voting and engagement with our direct and fund holdings enables us to embed our purpose and values in the way we drive change within our investee funds and companies.

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 14	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship policy implementation	2

How does your organisation ensure that its stewardship policy is implemented by external service providers? Please provide examples of the measures your organisation takes when selecting external providers, when designing engagement mandates and when monitoring the activities of external service providers.

Provide examples below:

(A) Measures taken when selecting external providers:

All our service providers are subject to our selection process, which includes a number of questions on their approach to ESG and sets out minimum criteria that we expect to be fulfilled for them to be considered. All (potential) service providers are made aware of our commitment to responsible investing. For service providers that enable us to effectively carry out our stewardship activity, we will disclose our ESG-related policies and commitments, such as our exclusions policy, our carbon reduction targets and our ESG integration process.

(B) Measures taken when designing engagement mandates for external providers:

Coutts is a member of the EOS Client Advisory Council, in which we discuss potential focus areas and key issues, review policy changes and contribute to areas of engagement. We also provide feedback to EOS on their voting and engagement policies and communicate our voting and engagement priorities.

(C) Measures taken to monitor external providers' alignment with our organisation's stewardship policy:

Stewardship activity in our direct equity and 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 equity 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 calls and regular reports. 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. **(response continued in row below)**

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.

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

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

	(1) Listed equity	(2) Fixed income
(A) Maximise the risk–return profile of individual investments	<input type="radio"/>	<input type="radio"/>
(B) Maximise overall returns across the portfolio	<input type="radio"/>	<input type="radio"/>
(C) Maximise overall value to beneficiaries/clients	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	<input type="radio"/>	<input type="radio"/>

Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

(1) Listed equity**(2) Fixed income**

(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The materiality of ESG factors on financial and/or operational performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific ESG factors with systemic influence (e.g. climate or human rights)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The ESG rating of the entity	<input type="checkbox"/>	<input type="checkbox"/>
(E) The adequacy of public disclosure on ESG factors/performance	<input type="checkbox"/>	<input type="checkbox"/>
(F) Specific ESG factors based on input from clients	<input type="checkbox"/>	<input type="checkbox"/>
(G) Specific ESG factors based on input from beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other criteria to prioritise engagement targets, please specify:	<input type="checkbox"/>	<input type="checkbox"/>
(I) We do not prioritise our engagement targets	<input type="checkbox"/>	<input type="checkbox"/>

Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	3
(B) External investment managers, third-party operators and/or external property managers (if applicable)	2
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	1
(D) Informal or unstructured collaborations with peers	5
(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (iCI) or similar)	4

Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation

- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

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

- Climate Action 100+: lead or co-lead 31 engagements, and support another 35
- Principles for Responsible Investment: founding member and chair of the drafting committee that created the PRI in 2006. Lead engagement with Vale on tailings dam failure, and actively involved in other groups, including cyber risk, water stress, cattle deforestation, palm oil, plastics, cobalt and tax.
- CDP
- Investor Alliance for Human Rights
- Investor Initiative on Mining & Tailings Safety
- International Corporate Governance Network
- The Institutional Investors Group on Climate Change
- UN Guiding Principles Reporting Framework
- US Council of Institutional Investors (CII)
- 30% Club

Generally, we conduct company engagement privately, as in our experience, working constructively with boards and management in private is the most effective way to achieve positive change as it allows us to build trusted relationships with companies, which results in more open and frank discussions. However, on occasion where we are unable to achieve success by using our usual methods of conversations behind closed doors, we may escalate our engagement, including collaborating with others to co-file shareholder resolutions when necessary, for example.

Where we invest in third-party funds we collaborate with the funds we invest in to drive strong, consistent stewardship. Our process is detailed in our SAM reporting.

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>	<input type="checkbox"/>
(H) We did not use any escalation measures during the reporting year. Please explain why below	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input type="checkbox"/>	<input type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input type="checkbox"/>	<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>	<input type="checkbox"/>
(H) We do not have any restrictions on the escalation measures we can use	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.

Stewardship activity in our direct equity and 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 equity 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. Where we invest directly into equities we have a stronger ability to feed stewardship activity into our investment decision-making, and where any issues, concerns or controversies arise we will engage with EOS to get a deeper understanding of the issue, as well as previous engagements with the company. All relevant information gathered during this process will feed into our assessment of the company going forward.

Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes

(B) Example 2	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(C) Example 3	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(3) The ESG factors you focused on in the stewardship activity		(4) Description of stewardship activity and the desired change(s) you achieved
(A) Example 1	<p>Through focusing on the environmental theme of climate change, long-term outcomes EOS seeks include: all companies to have a business model consistent with net-zero emissions and an effective transition plan to achieve this by 2050.</p>	<p>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 31 engagements and supporting another 35. Rounding up some of the specific activities and outcomes EOS has seen as part of our role in the CA100+, we have continued to advance engagements and shift focus further towards delivering tangible corporate actions.</p> <p>In February 2020, following the appointment of a UK energy company's new CEO, the company announced that it would set a net-zero target for 2050 for all of its energy production, as well as for its entire operations, setting the bar for other European energy companies. Later in the year, the company published its methodology for determining whether new capital expenditure was consistent with the goals of the Paris Agreement, including the underlying assumptions around commodity prices. (response continued in row below)</p>

This came in direct response to the 2019 shareholder resolution where EOS led the filing. It also built on engagement over the previous 12 months to seek alignment of the company's accounting assumptions with the goals of the Paris Agreement.

In addition, prior to a French energy company's annual shareholder meeting, EOS worked closely with it to produce a joint statement in collaboration with CA100+. In this it set the ambition to achieve net-zero emissions and committed to aligning its investments with the Paris goals. In the US, a food retailer had set a symbolic target of reducing emissions by one gigaton – approximately double the emissions of the UK – throughout its operations and supply chain. However, EOS questioned whether even this was sufficiently aligned to the achievement of the Paris goals. **(response continued in row below)**

In 2020 it committed to reaching net-zero emissions for Scopes 1, 2 and 3 emissions by 2040 as part of its ambition to become a regenerative business.

In Asia, a technology company set a target to decarbonise its supply chain by 2030. This helped EOS engage with the company on setting long-term greenhouse gas targets. We were pleased when it set a net-zero target for 2050, and we will continue to engage with the company on the execution of this target, including the level of ambition in its intermediary targets.

(B) Example 2

Through focusing on the social theme of human and labour rights, long-term outcomes EOS seeks include: no company causing or contributing to human or labour rights abuses whether in their own operations or supply chain and effective remedy is provided in case of harm; access for all people to basic human needs such as affordable nutritious food, healthcare and internet; and full respect for the human rights of all indigenous people including those in high risk zones such as occupied territories.

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 2020 on their responsibility to respect human rights. EOS challenged one global catering company on the effectiveness of its actions to uncover modern slavery across its business or supply chain. Only one incident was found, via the press, which reported that one of the company's UK meat suppliers did not comply with working hours and practices. The supplier was reinstated after investigations and rectification. The company was able to demonstrate that policies, controls, reporting and training frameworks were in place. **(response continued in row below)**

However, it acknowledged our concerns and said it was striving for continuous improvement.

EOS analysed 10 companies potentially engaging in activities of concern in the Occupied Palestinian Territories (OPT), which may impact upon the basic freedoms of Palestinians. The companies provided us with information about how their due diligence and investigations had been strengthened to reflect the high-risk region and an overview of the grievance mechanisms in place. One company confirmed a cessation of activities linked to the construction of illegal or contested settlements. EOS wrote to some of the companies mentioned in an Australian Strategic Policy Institute report issued in March 2020 that alleged human rights abuses of the Uyghurs and other ethnic minority citizens from the far west region of Xinjiang in China. The report listed 83 global brands as customers of factories where Uyghurs were allegedly being forced to work. We requested more information from the companies about the due diligence that had been carried out to determine if there were any indications of forced labour in their value chains. **(response continued in row below)**

We asked if the companies had found any evidence of this, and what action had been taken, given the relative lack of opportunity for leverage or provision of remedy in the region. We also recommended that companies use the UN Guiding Principles reporting framework and consider responsible disassociation or using alternative providers where necessary.

One of the most progressive responses came from a fashion retailer, which confirmed that it had no Tier 1 or 2 production in Xinjiang and had stopped sourcing cotton from Xinjiang after the Better Cotton Initiative suspended its licensing of cotton from the region in April 2020. The company also contacted all its suppliers in China highlighting that labour programmes where ethnic minority workers were taken to work in factories in China were regarded as forced labour. Subsequently, the company concluded that there was a heightened risk, and as a consequence it ended its business relationship with a mill in another province, which was owned by a yarn producer mentioned in the report.

(C) Example 3

Through focusing on the governance theme of board composition and effectiveness, long-term outcomes EOS seeks include: diverse board composition aligned to the strategic needs of the company, reflective of the diversity of the stakeholders it serves, including employees and customers; effective boards with meaningful participation of all members and appropriate allocation of time, verified by independent evaluation; and structured succession planning in place and accounting for strategic changes

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.

To help address this, at the end of April 2020 EOS published a white paper: Guiding Principles for an Effective Board – Insights from Engagement, focusing on the human, relational and behavioural aspects of boards.

In 2020 EOS saw companies appoint independent chairs after listening to our perspective and acknowledging the benefits of separating the chair and CEO roles. We have seen improvements at a Taiwanese bank, where we have engaged extensively over several years to help strengthen board effectiveness, and at a Japanese technology firm, where we engaged on board structure and risk management. We encourage boards to conduct evaluations even when it isn't recommended by the local corporate governance code. **(response continued in row below)**

We know that boards have benefited from external evaluations when there has been genuine engagement with the process, rather than treating them as a box-ticking exercise. There were other successful outcomes in 2020 such as at a European pharmaceutical company. In October 2019, EOS had reiterated the concerns that we had raised in previous years about the insufficient number of women on the board. In 2020, we spoke at the company's shareholder meeting, asking the board to start planning for a rotation of the audit firm. During the speech, we welcomed the January 2020 commitment to increase board gender diversity and the additional information provided in the annual report about the board self-evaluation. The reporting now features a description of the self-evaluation process and some identified areas for improvement. **(response continued in row below)**

In Asia, EOS recommended a vote against the president of a Japanese software and services company at the 2019 shareholder meeting, following engagement on gender diversity on its board since 2016 and on board independence since 2017. After further engagement to accelerate change in board composition, the company announced that it is establishing a nomination advisory committee in January 2020 – three out of the five directors are outside directors. In May 2020, the company also announced that it will appoint a woman to the board for the first time. We are pleased with the appointment and encouraged the company to improve disclosure of the nomination process and to publish the Terms of Reference of the nomination advisory committee so that investors can better understand the company’s working objectives and accountability towards selecting board members, given that it has traditionally relied on the president to nominate candidates. We continue to engage as our expectations for diversity of a board go beyond these changes.

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

(A) We participate in "sign-on" letters on ESG policy topics. 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 participates in sign-on letters on ESG policy topics which it supports, typically as part of a number of collaborative industry bodies and initiatives around the world that it is an active participant in. For example, in 2020, EOS continued to work with FAIRR, the collaborative investor network that raises awareness of the material ESG risks and opportunities linked to intensive livestock farming, and supported a letter to 25 companies in the restaurant and food sector calling on them to demonstrate a comprehensive approach to protein diversification.

(B) We respond to policy consultations on ESG policy topics. 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 – 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. In 2020 EOS made 52 public policy consultation responses or proactive equivalent such as a letter.

In addition to this, we work with industry bodies, such as the Investment Association, PIMFA, TISA and Green Finance Institute to respond to policy consultations.

(C) We provide technical input on ESG policy change. 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 2020, EOS had a number of meetings with the Financial Services Agency, Japan Exchange, the Ministry of Economy, Trade and Industry and the Ministry of Environment. EOS highlighted concerns about governance issues, including board effectiveness and cross-shareholdings, as well as climate change and Japan's energy policy. 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 our messages.

(D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. 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, in 2020, EOS provided significant input to the Financial Reporting Council's development and consultation process for the new UK Stewardship Code, believing it to be a timely and necessary intervention to raise awareness and performance on stewardship.

(E) We proactively engage regulators and policymakers on other policy topics. 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 proactively engages regulators and policymakers on other policy topics other than ESG integration, stewardship, disclosure or similar. For example, in 2020, EOS submitted its views to the Australian Treasury on draft legislation that would allow virtual-only annual shareholder meetings under any circumstances while removing any requirement for a physical shareholder meeting. While the relief measures allowing virtual-only meetings were a necessity during the pandemic, this was only appropriate for a temporary period and in extreme circumstances. In the response, EOS explained support for a hybrid format of physical meetings, where shareholders have the option to join the meeting in person or via an online platform, as long as all shareholder rights are protected or enhanced.

(F) Other methods used to engage with policymakers. Describe:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

Our governance process is detailed in our TCFD statement, which is publicly available on coutts.com/responsibleinvesting. Coutts has a number of mechanisms in place to ensure our policies are implemented consistently and has a governance framework that supports the regular monitoring and reviewing of all policies related to responsible investing.

ESG-related risks and opportunities arising within the Coutts Asset Management business are managed by the Investment Committee and the Asset Management Risk Forum. Both meet monthly to review, manage and monitor all aspects of investment risk, including ESG-related risks. The Responsible Investing team also provides regular updates to both committees. Final accountability sits with the Coutts Board on behalf of Asset Management. The Board’s role includes oversight of climate-related matters.

The Asset Management Risk Committee is responsible for ensuring a risk framework is in place by approving any policies and strategies relating to responsible investing, as well as ensuring these policies are updated and reviewed regularly (at least annually). It also considers recommendations from the Private Banking Climate Change Working Group, which is our Coutts-wide information-sharing body for climate-related matters.

The Investment Committee receives regular updates from the Responsible Investing Forum and is responsible for the monitoring and assessing the risks posed to our portfolios and funds and the potential opportunities created, as well as our portfolios' resilience. The Investment Committee reviews our responsible investing activity on a monthly basis and has visibility of all policies related to responsible investing.

The Tactical Asset Allocation Forum is responsible for portfolio performance and risk budgets. It incorporates ESG factors into the fund and direct holdings selection process and must consider our responsible investing policies for all investment decisions. The responsible investing team is represented at the Tactical Asset Allocation Forum where relevant and feeds into submissions to the Forum.

The Responsible Investing Forum collates bank-wide ideas and supports the integration of ESG risks and opportunities into our investment process. It is also responsible for the dissemination of responsible investing activity throughout Coutts.

(B) No, we do not have these governance processes in place. Please explain why not:

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have a policy(ies) in place. Describe your policy(ies):

The NatWest Group Human Rights Statement covers our responsible investing approach, our responsibilities as a financial services provider and how this ties in with our commitment to sustainable finance. It also covers our anti-bribery and corruption policy (ABC), which details how we act with integrity, fairness and due diligence when exerting influence of any kind. Our policies also detail our governance processes, as any partnerships and organisations we join require approval through our (responsible investing) governance process.

In addition to this policy, our Responsible Investing Policy details our approach to engagement and how we partner with EOS at Federated Hermes. Most political/policy engagement is carried out by EOS on our behalf.

(B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?

(A) Yes. Add link(s):

<https://www.natwestgroup.com/our-purpose/our-approach/business-human-rights-modern-slavery.html>

(B) No, we do not publicly disclose this policy(ies)

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

(A) We publicly disclosed details of our policy engagement activities. Add link(s):

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

(B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

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

(C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

(D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

(A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

We publicly express support for the Paris Agreement across our website and policies, but this is detailed within our TCFD statement which can be found on this page: <https://www.coutts.com/wealth-management/specialist-planning-services/responsible-investing/disclosure-and-policies.html>

(B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

(A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

Please see the link to the current version of our TCFD statement on this page: <https://www.coutts.com/wealth-management/specialist-planning-services/responsible-investing/disclosure-and-policies.html>

(B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

The Coutts Asset Management governance framework enables the Coutts Board to maintain effective oversight of climate-related risks and opportunities while allowing changes to be implemented swiftly and effectively. Coutts Asset Management has published its TCFD statement, which has been reviewed and approved by the Coutts Board.

The Coutts Board delegates the development and implementation of climate-related investment strategies to the relevant teams within Asset Management. All decisions on climate-related strategy are approved by the Investment Committee and the Asset Management Risk Forum, and all responsible investing policies are approved by the Risk Forum and presented to the Investment Committee. The Head of Asset Management attends both committees and receives all relevant updates through the committees and through regular discussions with the Responsible Investing team, which are fed back to the Coutts Board on a monthly basis.

The Coutts Board also receives updates from the Private Banking Climate Change Working Group, which is the bank-wide information-sharing forum for climate-related activities. Our two designated ESG groups (the RI forum and the PB Climate Change Working Group) allow us to get stakeholder buy-in before seeking official approval, which increases the effectiveness of our governance process. Material updates will also be fed through to the NatWest Group Climate Executive Steering Group, ensuring a consistent groupwide approach on climate.

(B) By articulating internal/external roles and responsibilities related to climate. Specify:

Coutts has assigned responsibilities related to climate to a number of internal and external roles. Internally Coutts has two teams focusing on climate, namely the Responsible Investing team and the Sustainability team. The Responsible Investing team is tasked with the development, implementation and communication of our responsible investing strategy, the identification of strategic climate-related risks and opportunities and deals with all climate-related investment matters. The Coutts Sustainability team oversees the sustainability and climate strategy of the wider bank, and works closely with the Responsible Investing team to ensure our climate strategy is implemented consistently across Coutts. Both teams have a designated Climate Lead and work closely with the NatWest Group Sustainable Finance teams.

Externally our stewardship provider, EOS at Federated Hermes, ensures that our voting and engagement activity is consistent with the commitments set out in the Paris Agreement. They provide regular updates to the Responsible Investing team, which is then fed into the relevant committees and communicated to the Board where relevant.

☑ **(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:**

We actively seek feedback from our clients on a wide range of topics using our Coutts Client Council, which consists of 714 members (as of 25 March 2021), and the NatWest Group Human Centred Design team, which conducts client testing for the Group. Through these platforms, we organise interactive roundtable discussions, workshops, and questionnaires to generate client-driven ideas, test potential products and services, and get an insight on where the priorities and needs of our clients lie. Both platforms consist of a diverse sample of our clients and represents different backgrounds, genders, and ages. The output from our Council sessions makes a real difference in shaping our propositions of the future. At Coutts we work with The Wisdom Council, a specialist agency in this field, to ensure we gather our clients' views in the most efficient and tailored way possible and to get access to industry-wide research on relevant topics, which we are then able to leverage.

☑ **(D) By incorporating climate change into investment beliefs and policies. Specify:**

We have identified climate change as a key focus within our responsible investing strategy. We recognise the urgency and severity of climate change and are taking steps to ensure the resilience of our funds and portfolios for the long term. Climate change and Paris Alignment is explicitly covered in our Responsible Investing Policy, Voting & Engagement Policy and our TCFD statement. To demonstrate our commitment to tackling climate change we have set two carbon reduction targets that apply to all of our funds and discretionary portfolios: - Achieve a 25% reduction in the level of Carbon Intensity for the equity component relative to the baseline (measure as at 31 December 2019) of every Coutts fund and discretionary portfolio by the end of 2021 - Achieve a 50% reduction in the level of Carbon Intensity for all asset classes relative to the baseline (measure as at 31 December 2019) of every Coutts fund and discretionary portfolio by 2030, in line with the Special Report (2018) by the UN Intergovernmental Panel on Climate Change (IPCC). As the achievement of these targets is reflected in the formal objectives of all Asset Management staff, tackling climate change is inherently embedded into every investment decision we make.

☑ **(E) By monitoring progress on climate-related metrics and targets. Specify:**

Our robust research and selection process considers ESG factors, including climate-related risks, at every stage. For example, we require all third-party funds to complete a Responsible Investing Questionnaire as part of the due diligence process. While we do not automatically dismiss funds with below-average scores, the insight provided allows us to engage with the manager to improve their practices.

The Investment Committee and Tactical Asset Allocation Forum review the carbon emissions of our investments on a quarterly basis and seeks to identify ways to reduce this exposure over time. Current targets applicable to our discretionary mandates where we manage assets on behalf of our clients are:

- Achieve a 25% reduction in the level of Carbon Intensity for the equity component relative to the baseline (measure as at 31 December 2019) of every Coutts fund and discretionary portfolio by the end of 2021

- Achieve a 50% reduction in the level of Carbon Intensity for all asset classes relative to the baseline (measure as at 31 December 2019) of every Coutts fund and discretionary portfolio by 2030, in line with the Special Report (2018) by the UN Intergovernmental Panel on Climate Change (IPCC).

Through our voting and engagement activity, led by EOS at Federated Hermes, we have identified climate as a specific focus for engagement. We encourage responsible behaviour in the companies in which we hold direct public equity through voting and engagement, with support from EOS at Federated Hermes. This acts as a positive feedback loop as it allows us to raise risks and controversies with the relevant boards and encourage them to take appropriate action.

Additionally, we monitor our exposure to unsustainable (fossil fuels, thermal coal, oil sands extraction) holdings, which are captured by our exclusions policy, at an asset, fund and portfolio level, and we aim to identify ways to adjust these exposures in line with our assessment of the investment risks. Regular updates are provided to the Investment Committee and case studies will be presented to the Board where material.

Coutts, along with EOS at Federated Hermes, has joined Climate Action 100+, an initiative led by over 300 asset managers and 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 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 29 companies.

We also actively encourage the asset managers that we invest in to have robust stewardship activity. We request engagement data and also review case studies to understand how effectively their engagement activity is driving positive change and encourage them to support the transition to a low-carbon economy.

(F) **By defining the link between fiduciary duty and climate risks and opportunities. Specify:**

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 will lead to better informed investment decisions and that 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 are important drivers to the creation of long-term shareholder value. In addition to this, our emphasis on voting and engagement with our direct and fund holdings enables us to embed our purpose and values in the way we drive change within our investee funds and companies.

(G) Other measures to exercise oversight, please specify:

(H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

(A) **Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:**

The Responsible Investing Team, which includes the Head of Responsible Investing, is responsible for the overall identification of climate-related risks and opportunities. The team also focuses on obtaining and interpreting relevant climate data that enables management and all teams within Asset Management to use climate data on a portfolio, sector, country and individual asset-level to inform every stage of our investment decision-making process.

Developments around climate-related risks and opportunities are fed into the Investment Committee on a monthly basis and are reported back to the Board via the Head of Asset Management.

(B) **Management implements the agreed-upon risk management measures. Specify:**

The Asset Management Risk Forum is tasked with the approval, monitoring and regular review of any policies and risks relating to responsible investing, including climate change.

All Asset Management staff is responsible for the implementation of our carbon reduction targets and this is embedded formally into their objectives. This ensures that climate-related risks and opportunities are considered at every stage of our investment process, including risk management, investment strategy and asset allocation.

(C) Management monitors and reports on climate-related risks and opportunities. Specify:

The Responsible Investing team calculates the carbon intensity of all funds and discretionary portfolios on a quarterly basis and provides this information to the Tactical Asset Allocation Forum and the Investment Committee. It also monitors the impact of trades on our carbon reduction targets and works with the Risk Management, Investment Strategy, Fund and Directs Research teams to monitor climate-related risks prior and post trade implementation.

(D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:

In line with our purpose and our commitment to be a responsible investor, we are investing in training and education for our staff, both within Coutts Asset Management and the wider bank.

- Every member of our fund selection team has committed to achieving the CFA UK ESG Qualification.
- All Coutts staff is required to undertake yearly training on Responsible Investing, which takes the form of online training modules.
- We conduct regular responsible investing masterclasses for the Coutts staff. E.g. 3 sessions in 2019 with 200+ attendees, and 5 sessions in 2020 with 400+ attendees.
- The responsible investing team produces a quarterly reading list that allows Asset Management staff to keep abreast of developments in ESG. Additionally, the Group also distributes weekly email updates on ESG-related regulations and ESG market activity.

In 2020, NatWest Group rolled out bank-wide training on climate change, with more than 1,500 leaders from across the bank participating in climate change training. More than 500 senior leaders have undertaken a sustainability leadership programme with the University of Cambridge Institute for Sustainability Leadership (CISL). The programme, running over nine weeks, is led by the CISL faculty and draws in academic and industry experts. The aim of the programme is to boost the climate and broader sustainability knowledge and skills of some of the bank's most influential senior leaders. Concurrently the University of Edinburgh's Centre for Business, Climate Change and Sustainability (B-CCaS) has provided training to a further 1,000 NatWest Group colleagues to help the bank support its customers to reduce their carbon impact and transition to the low carbon economy.

(E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:

(F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

(A) Specific financial risks in different asset classes. Specify:

We recognise that asset classes will not be affected uniformly by physical and transition risks arising from climate change, and this will influence the importance and sense of urgency that shareholders and bondholders will factor in to their investment decision-making processes. As bondholders might only be concerned about the company's ability to repay its debt obligations over the bond issue's time horizon, they might only be concerned about transition risks that could materialise during the bond's lifetime. Meanwhile shareholders (and especially long-term shareholders) will be more concerned with the company's ability to generate sustainable profits over a longer time horizon, and might therefore attach more importance to the company's management of physical risks and its long-term commitment to achieve Net-Zero by 2050.

- (B) Specific sectors and/or assets that are at risk of being stranded. Specify:**
We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to identify stranded asset risk across our funds and portfolios. This includes assessing sector exposure to stranded assets and identifying the assets we invest in with the biggest exposure to stranded asset risk.
- (C) Assets with exposure to direct physical climate risk. Specify:**
We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to identify assets with the highest exposure to direct and indirect physical climate risk. This also helps us identify which sectors are most exposed to physical climate risk and how this impacts our asset allocation.
- (D) Assets with exposure to indirect physical climate risk. Specify:**
We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to identify assets with the highest exposure to direct and indirect physical climate risk. This also helps us identify which sectors are most exposed to physical climate risk and how this impacts our asset allocation.
- (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**
We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to look at how our portfolios perform under a number of different climate scenarios, including 1.5°C, 2°C and 3°C scenarios. This allows us to identify the opportunities that our assets are exposure to.
- (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**
We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to identify assets with the highest level of technological opportunities arising from climate change, as well as assets with proactive carbon risk mitigation initiatives. We also assess which assets within our funds and portfolios have set ambitious climate-related targets and examine the green-to-brown revenue ratio, use of cleaner energy resources and operational efficiency to identify which assets are most instrumental in helping us achieve our climate goals.
- (G) Other climate-related risks and opportunities identified. Specify:
- (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Assets with exposure to direct physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	(5) 11–20 years	(6) 21–30 years	(7) >30 years	
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

(A) Specific financial risks in different asset classes. Specify:

We recognise that asset classes will not be affected uniformly by physical and transition risks arising from climate change, and this will influence the importance and sense of urgency that shareholders and bondholders will factor into their investment decision-making processes. As bondholders might only be concerned about the company's ability to repay its debt obligations over the bond issue's time horizon, they might only be concerned about transition risks that could materialise during the bond's lifetime. Meanwhile shareholders (and especially long-term shareholders) will be more concerned with the company's ability to generate sustainable profits over a longer time horizon, and might therefore attach more importance to the company's management of physical risks and its long-term commitment to achieve Net-Zero by 2050.

(B) Specific sectors and/or assets that are at risk of being stranded. Specify:

We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to identify stranded asset risk across our funds and portfolios. This includes assessing sector exposure to stranded assets and identifying the assets we invest in with the biggest exposure to stranded asset risk.

(C) Assets with exposure to direct physical climate risk. Specify:

We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to identify assets with the highest exposure to direct physical climate risk. This also helps us identify which sectors are most exposed to physical climate risk and how this impacts our asset allocation.

(D) Assets with exposure to indirect physical climate risk. Specify:

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to look at how our portfolios perform under a number of different climate scenarios, including 1.5°C, 2°C and 3°C scenarios. This allows us to identify the opportunities that our assets are exposure to.

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:

We have carried out climate scenario analysis and use the Climate Value-at-Risk framework to identify assets with the highest level of technological opportunities arising from climate change, as well as assets with proactive carbon risk mitigation initiatives. We also assess which assets within our funds and portfolios have set ambitious climate-related targets and examine the green-to-brown revenue ratio, use of cleaner energy resources and operational efficiency to identify which assets are most instrumental in helping us achieve our climate goals.

(G) Other climate-related risks and opportunities identified, please specify:

(H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.

We have been building our capabilities around climate and carbon risk management within our investment process. Our support of the transition to a low-carbon economy provides opportunities to reduce systemic risks, identify material value drivers, and help ensure our investment portfolios have a positive impact on society. Our climate and carbon risk management procedures cover public equities and credit held directly in our portfolios, as well as the investment managers we work with. Our primary focus is to measure the risks associated with the transition to a low-carbon economy (carbon risks) within portfolios and to identify strategies to mitigate them over time. Our investment team is also responsible for identifying opportunities to buy 'green' investments or sell securities where carbon risks could have a material impact on value. Engaging with the companies we invest in and the funds we hold: Where we hold assets with significant exposure to climate or carbon risk, we will engage with the relevant companies to mitigate this risk. Where we hold assets indirectly through external investment managers, we expect the managers to have an active engagement programme around climate risk and to provide us with information on the outcome of their engagement activity on a quarterly basis. Our voting and engagement activity has identified climate 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. We intend to continue improving how we incorporate climate-related risks and opportunities into our investment process and risk management strategy. Key milestones include: - Developing a process that integrates climate-related risk management into every stage of the investment process, considering both transition and physical risks - Expanding our climate reporting to cover government bonds, cash and derivatives - Developing and integrating scenario analysis into our existing processes - Increasing the quality of our disclosures to investors in line with TCFD recommendations

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- (A) An orderly transition to a 2°C or lower scenario
- (B) An abrupt transition consistent with the Inevitable Policy Response
- (C) A failure to transition, based on a 4°C or higher scenario
- (D) Other climate scenario, specify:
- (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33.1	PLUS	ISP 33	N/A	PUBLIC	Strategy: Scenario analysis	General

Describe how climate scenario analysis is used to test the resilience of your organisation's investment strategy and inform investments in specific asset classes.

(A) An orderly transition to a 2°C or lower scenario

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.

(B) An abrupt transition consistent with the Inevitable Policy Response

We have access to a number of climate scenarios and pathways through our climate scenario analysis (Climate Value-At-Risk). The AIM-GCE 'Late Action' scenario models a world where policy and other action starts to happen in 2030, as opposed to earlier in more gradual, early action scenarios such as the ones mentioned in (A). For this model the 2 degree scenario is largely aligned with a 3 degree world until 2030, at which point they begin to diverge.

(C) A failure to transition, based on a 4°C or higher scenario

We have access to a number of climate scenarios and pathways through our climate scenario analysis (Climate Value-At-Risk). As our chosen model combinations aim to reflect the most commonly used reference temperature trajectories, we do not explicitly monitor a 4 degree or higher scenario, we do utilise a high risk 3 degree scenario model which relies on the Shared Socioeconomic Pathway 4, which we consider to model a failure to transition properly.

SSP 4: Inequality (or Unequal World, or Divided World):

A world characterized by low challenges to GHG mitigation and high challenges to climate change adaptation. This pathway envisions a highly unequal world both within and across countries. A relatively small, rich global elite is responsible for much of the emissions, while a larger, poorer group contributes little to emissions and is vulnerable to impacts of climate change, in industrialized as well as in developing countries.

Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

Which risk management processes do you have in place to identify and assess climate-related risks?

- (A) Internal carbon pricing. Describe:
- (B) Hot spot analysis. Describe:
- (C) Sensitivity analysis. Describe:
- (D) **TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:**
 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.
- (E) TCFD reporting requirements on companies. Describe:
- (F) Other risk management processes in place, please describe:
- (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

In which investment processes do you track and manage climate-related risks?

- (A) **In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:**
 Engagement with companies through our service provider, EOS, focuses on climate change as a number one priority, seeking companies to have a business model consistent with net-zero emissions and an effective transition plan to achieve this by 2050. In the near term, EOS engages with companies on corporate objectives including: development of a strategy consistent with the goals of the Paris Agreement, including that each new material capex investment is consistent with the Paris goals; science-based emissions reduction targets for Scope 1 and 2 emissions and Scope 3 emissions (where a methodology exists, or the equivalent ambition); a public policy position supportive of the Paris goals and alignment of both direct and indirect lobbying activity by member industry associations; board oversight and understanding of climate risks and opportunities; and adoption and implementation of the Taskforce on Climate-related Financial Disclosures recommendations. As with all our corporate objectives with companies, EOS tracks and manages its progress of climate-related objectives using a milestone system:
 Milestone one - our concern is raised with the company at the appropriate level.
 Milestone two - the company acknowledges the issue as a serious investor concern, worthy of a response.
 Milestone three - the company develops a credible strategy to achieve the objective, or stretching targets are set to address the concern.
 Milestone four - the company implements a strategy or measures to address the concern.
- (B) **In (proxy) voting conducted by us, and/or on our behalf by service providers and/or external managers. Describe:**

EOS' global proxy voting guidelines (Guidelines) inform its recommendations to us as a proxy voting client. Its Guidelines are informed by a hierarchy of external and internally-developed global and regional best practice guidelines; principally, the EOS-developed regional corporate governance principles (Principles).

The Guidelines do not seek to repeat all of the expectations articulated in the Principles, but rather outline how these expectations translate into specific voting policies on issues put to shareholder votes at annual meetings. Given the significant variation across markets, the Guidelines do not seek to provide an exhaustive list of EOS' policies on all voting matters but rather sets out our broad position on a number of key topics with global applicability.

With regard to tracking and managing climate-related risks in particular, EOS will consider recommending voting against the chair, and other relevant directors or resolutions, at companies where we consider a company's response to the risks and opportunities presented by climate change to be insufficient, using a range of indicators, including the Transition Pathway Initiative assessment.

(C) In our external investment manager selection process. Describe:

Coutts has identified climate change as a key priority and have incorporated this at every stage of our investment decision-making process, including the selection and monitoring of third-party managed funds.

Every third-party fund that is considered for inclusion within our portfolio is assessed via a robust, in-depth investment due diligence process, carried out by our Coutts' Investment Strategy team. Our extensive process covers eight key areas, including Investment Process & Philosophy, Risk Management, Investment Team, Quantitative Analysis and Responsible Investing. All factors are assessed individually and contribute to an overall internal score that allows us to opine if a fund meets our requirements for investment.

Responsible investing is one of the key factors assessed by the team in the due diligence phase and it has been since 2016. As part of our continued commitment to responsible investing, we have developed our own proprietary Responsible Investing questionnaire, separate from our Investment Due Diligence Questionnaire, to reflect the importance of ESG considerations. All fund managers are required to complete our Responsible Investing questionnaire, which forms the basis of our engagement with them throughout our investment in their fund.

Our framework encompasses climate change-related considerations such as:

- Firm level Responsible Investing Policy and ESG commitments
- Integration of ESG factors into the Investment Process
- Alignment to our ESG Exclusions Policy, which covers high-impact fossil fuels severely harming the planet
- Responsible Ownership Practices and Processes, which explicitly cover climate change
- Degree of alignment with international treaties on environment and climate change such as the Paris Agreement
- Degree of alignment with UN 2030 Agenda for Sustainable Development and UN Sustainable Development Goals (SDGs)
- Portfolio Carbon Intensity and Carbon Reduction Targets
- Alignment of executive remuneration to climate targets
- Membership of industry bodies promoting collaborative action on climate change, such as Climate Action 100+

Our responsible investing framework is evidence-driven and forward looking. Our aim is to ensure that the third-party fund managers we invest with are truly aligned with Coutts' commitments to our clients. We also work to understand how these organisations are set up to respond to future responsible investing challenges. If we believe a manager falls short of our expectations, this would result in an engagement effort by the Coutts' analysts to highlight the important of climate related issues and drive positive change.

(D) In our external investment manager monitoring process. Describe:

Coutts has identified climate change as a key priority and have incorporated this at every stage of our investment decision-making process, including the selection and monitoring of third-party managed funds. This means that all of our third-party managed funds are required to complete our Responsible Investing due diligence questionnaire upon initial approval for our platform, and then updated on a regular on-going basis. This helps us not only stay up to date on the fund manager's and fund house's current position on responsible investing and tackling climate change, it also allows us to track progress in a more standardised way while reflecting all of our priorities.

Additionally, we have ongoing conversations with fund managers around their responsible investing approach and we particularly focus on climate change to assess how our selected funds can help us achieve our ambitions around climate, such as reducing climate-related risks, identifying climate-related opportunities and lowering the carbon intensity of our funds and portfolios. Reviewing the carbon intensity of funds, where data is available, is placed on the front page of fund research reports to reflect its importance. The Responsible Investment team at Coutts adds an extra level of oversight via quarterly reporting to various investment forums.

As part of our ongoing monitoring process we require fund managers to provide us with regular reports on their stewardship activity and we assess how this aligns both with their own policies and ours.

(E) In the asset class benchmark selection process. Describe:

We currently use market cap-weighted benchmarks for all of our funds and portfolios. However, we are in the process of exploring the use of ESG benchmarks, such as the Paris-Aligned benchmarks, to better capture our commitment to tackling climate change and achieve Net Zero emissions within our funds and discretionary portfolios. Therefore we are currently monitoring the differences between a number of ESG benchmarks and their parent benchmark.

- (F) In our financial analysis process. Describe:
- (G) Other investment process(es). Describe:
- (H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?

(A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

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.

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

(B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk). Describe:

The objective of our risk framework is to provide an environment to deliver steady, risk-controlled investment returns. The framework guards clients' long-term strategic investment objective while carefully monitoring the short-term tactical asset allocations. It ensures that we steer our portfolios confidently under all type of market environments, especially during market turmoil. The robustness of our risk framework is constantly tested and reviewed and incorporates different aspects of climate-related risks.

Our in-house risk budget model outlines controlled boundaries based on clients' risk profiles, and highlights any issues relating to outperformance or underperformance, which may indicate that we're taking too much or too little risk. It uses limits such as asset class bands, volatility bands and tracking error bands. As detailed below we employ a number of qualitative and quantitative models, such as stress testing models and factor analysis models, to diagnose risk exposures of our portfolios.

We use historic and forward-looking stress testing as a tool to explore specific situations and events:

- We use a variety of measures that in the past have been reliable guides to the future, known as leading indicators.

- We assess the probability of various scenarios and use the estimated portfolios' outcomes to guide asset allocation. This includes a number of climate warming scenarios, using climate scenario analysis.

- We also stress test portfolios to see how they would react to events that are less likely to happen.

In addition to this, factor exposure analysis forms an important part of our investment process. We use both macroeconomic factors and style factors (such as measures of value, momentum, and volatility). We believe this combination provides an additional way to assess investment return opportunities, which complement our traditional asset class views. It also helps us identify any excessive risk factor exposures, and indicates the estimated performance during historical and simulated environments, which gives us an extra layer of comfort for any known risk, such as economic risk, credit risk, liquidity risk, FX risk and political risk among others. We consider the following macroeconomic factors to assess the extent to which portfolios are exposed to factors such as economic growth, real rates and inflation, credit, emerging markets, commodities, liquidity, foreign exchange rates, etc. The macroeconomic factors that we consider incorporate our view on countries' and sectors' exposure to transition and physical risk.

We make asset allocation views following our assessment of macroeconomic and style factors, as well as our ESG analysis. For example, if our analysis indicates a healthy economic outlook then we would increase our exposure to equities.

Another important part of our risk framework is the performance trigger mechanism: it acts as a "circuit breaker", which protects our portfolios from any shock. The mechanism operates at three layers, which are at portfolio level, asset class level and individual stocks/fund level. It provides further security on any type of new risk emerging in the market, which are unforeseen or unprecedented, whether it is a Macro economic impact, such as COVID-19 or a micro impact, such as a sharp drop in a single fund/stocks.

(C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis.

Describe:

During 2021 Coutts will assess and report on climate risk as a principal risk and also as part of our Top Threats assessment. The risk will have a dedicated policy, appetite statement and risk appetite measures implemented in accordance with the EWRMF. This approach supplements continued enhancements to risk management toolkits which will ensure comprehensive identification and assessment of climate risk impacts upon other principal risks. Key work underway in 2021 is to embed the assessment of climate risk within decision making and utilise the enterprise wide risk management framework to identify and assess climate causes and risks through risk & control assessments, through assessing our operational risk to physical climate change through scenario analysis and conducting stress testing on the balance sheet as part of the exploratory biennial stress test and; In addition, we are building our climate change data capability within the business to ensure it is available at the point of decision-making and we are producing a full carbon footprint of Coutts to identify and assess our high risk sectors to produce decarbonisation pathways.

(D) Executive remuneration is linked to climate-related KPIs. Describe:

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.

(E) Management remuneration is linked to climate-related KPIs. Describe:

The incorporation of responsible investment forms part of the performance objectives of all Coutts asset management staff. All Asset Management staff have the objective to contribute towards enhancing responsible investment outcomes within our end to end investment process, including the achievement of our carbon intensity reduction targets. As we have identified climate change as a key component of our responsible investing approach and all Asset Management staff have formally documented performance objectives relating to our carbon reduction targets, management remuneration is linked to the achievement of our climate-related goals.

(F) Climate risks are included in the enterprise risk management system. Describe:

The risks associated with climate change are complex and pervasive. Climate risk is the risk of financial loss or adverse non-financial impacts associated with climate change and the political, economic and environmental responses to it. Coutts classifies climate-related risks as either physical risks – those that arise from the physical effects associated with changes to the climate such as rising temperature, changing weather patterns and extreme weather events – or transition risks, which are those that may arise from the shift to a low carbon economy. Climate risk is classified as a principal risk and also considered in relation to a number of other closely correlated financial and non-financial risks. In particular, its assessment and management requires a strategic approach that considers how actions taken today may affect Coutts current and future risk profile.

We recognise the cross-cutting causal nature of climate risk and during 2020, continued to integrate climate risk into the risk management framework. In addition, to provide immediate focus, we have adopted a dual approach and climate risk has also been recognised as a principal risk. This supplements a long term approach to comprehensively identify and assess the impacts of climate change on other principal risks, whilst providing immediate and dedicated profile on climate risk management.

- Risk identification and assessment: See ISP 36 (C) above.

- Management & Mitigation: Understanding the correlation and potential impact of climate change and its associated risks across the economy and thus Coutts' different risk types is an important priority for the Coutts risk management function as work continues to integrate climate risk into the framework. Key activity underway in 2021 is a review of our wholesale and retail credit risk frameworks and a business wide review of decision-making processes to review incorporation of climate change. Key controls will be recognised as part of the ongoing management and mitigation work.

- Monitoring: Climate risk will be monitored through risk appetite measures and continued review and refresh of risk & control assessments. These assessments will recognise material climate causes and risks with the controls in place for relevant decision-making processes. Furthermore, the longer-term impacts of climate will continue to be regularly monitored through Top Threats assessment.

- Reporting: Coutts Asset Management produced its own TCFD statement in 2020. The broader organisation will produce its own TCFD for the financial year 2021. In addition to this we currently report as part of the NatWest Group TCFD.

- (G) Other methods for incorporating climate risks into overall risk management, please describe:
- (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

Have you set any organisation-wide targets on climate change?

- (A) Reducing carbon intensity of portfolios
- (B) Reducing exposure to assets with significant climate transition risks
- (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes
- (D) Aligning entire group-wide portfolio with net zero
- (E) Other target, please specify:

Within the Coutts funds managed by Blackrock and within our direct holdings we do not invest in companies that derive more than 5% of their revenue from thermal coal extraction, tar sands and Arctic oil & gas exploration, and more than 25% of revenue from thermal coal energy generation.

- (F) No, we have not set any climate-related targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37.1	PLUS	ISP 37	N/A	PUBLIC	Metrics and targets	General

Provide more details about your climate change target(s).

	(1) Absolute- or intensity-based	(3) Baseline year [between 1900–2020]	(4) Baseline amount
(A) Reducing carbon intensity of portfolios	(2) Intensity-based	2019	0%
(B) Reducing exposure to assets with significant climate transition risks	(2) Intensity-based	2019	0%
(D) Aligning entire group-wide portfolio with net zero	(1) Absolute-Based	2019	0%
(E) Other target [as specified]	(1) Absolute-Based	2020	2%
	(5) Target date dd/mm/yyyy	(6) Target value/amount	
(A) Reducing carbon intensity of portfolios	31/12/2021	↓-25%	
(B) Reducing exposure to assets with significant climate transition risks	31/12/2030	↓-50%	
(D) Aligning entire group-wide portfolio with net zero	31/12/2050	↓-100%	
(E) Other target [as specified]	31/08/2020	0%	
	(7) Interim targets or KPIs used to assess progress against the target	(8) Other details	

(A) Reducing carbon intensity of portfolios	Bi-annual carbon intensity	Carbon intensity of all funds and portfolios is measured on a bi-annual basis and when significant trades take place
(B) Reducing exposure to assets with significant climate transition risks	Bi-annual carbon intensity	Carbon intensity of all funds and portfolios is measured on a bi-annual basis and when significant trades take place
(D) Aligning entire group-wide portfolio with net zero		Coutts has committed to the goal of Net Zero greenhouse gas emissions in its funds and portfolios by 2050.
(E) Other target [as specified]		This is an ongoing commitment that we have made

Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- (A) Total carbon emissions
- (B) Carbon footprint
- (C) Carbon intensity
- (D) **Weighted average carbon intensity**
- (E) **Implied temperature warming**
- (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- (G) Avoided emissions metrics (real assets)
- (H) **Other metrics, please specify:**
 - Climate Value-At-Risk
- (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(D) Weighted average carbon intensity	(2) for the majority of our assets	Determine carbon intensity of the equity within our funds and discretionary portfolios
(E) Implied temperature warming	(2) for the majority of our assets	Determine how our investments align with the 1.5 degrees commitment of the Paris Agreement.
(H) Other metrics [as specified]	(2) for the majority of our assets	Assess the potential value at risk on a portfolio, asset, sector and geographic level under different climate scenarios.
	(3) Metric unit	(4) Methodology
(D) Weighted average carbon intensity	tCO2e/\$M revenue	TCFD methodology
(E) Implied temperature warming	Degrees celsius	Carbon Delta/MSCI methodology
(H) Other metrics [as specified]	%	Carbon Delta/MSCI methodology
	(5) Disclosed value	
(D) Weighted average carbon intensity	Dependent on mandate	
(E) Implied temperature warming		
(H) Other metrics [as specified]		

Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- (A) Weather-related operational losses for real assets or the insurance business unit
- (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- (C) Other metrics, please specify:
 Physical Climate Value-At-Risk
- (D) Other metrics, please specify:
- (E) We have not identified any metrics for physical risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39.1	PLUS	ISP 39	N/A	PUBLIC	Metrics and targets: Physical risk	General

Provide details about the metric(s) you have identified for physical risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(C) Other metrics [as specified]	(2) for the majority of our assets	Assess the potential value at risk on a portfolio, asset, sector and geographic level under different climate scenarios.
	(3) Metric unit	(4) Methodology
(C) Other metrics [as specified]	%	Carbon Delta/MSCI methodology

Sustainability outcomes

Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- (B) Our approach to sustainability outcomes is set out in our exclusion policy
- (C) Our approach to sustainability outcomes is set out in our stewardship policy
- (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- (A) The SDG goals and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) Other frameworks, please specify:
 - Task Force on Climate-related Financial Disclosures (TCFD)
- (F) Other frameworks, please specify:
 - IIGCC's Net Zero Investment Framework

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:
 - Task Force on Climate-related Financial Disclosures (TCFD)
- (H) Other framework/tool, please specify:
 - IIGCC's Net Zero Investment Framework
- (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:
- (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance

- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – Passive ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 47	CORE	Multiple, see guidance	N/A	PUBLIC	Information disclosed – Passive ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets that are passive listed equity and/or passive fixed income, how do you communicate changes in their ESG benchmark selection and construction?

- (A) We disclose details that would allow external parties to replicate or test the ESG index or benchmark
- (B) We disclose the main sources of ESG data, broad ESG assumptions and how this is used to develop ESG passive portfolios
- (C) We disclose a full list of all changes to methodologies
- (D) We disclose any changes that we deem significant to the methodology
- (E) We do not communicate changes to methodologies for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets that use ESG indices/benchmarks

Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- (A) Qualitative analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents, where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- (A) Qualitative ESG analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents where applicable
- (F) Analysis of ESG contribution to portfolio financial performance

(G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6
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For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(A) Listed equity (1) Quarterly

(B) Fixed income (1) Quarterly

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6
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What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 56	CORE	OO 14, ISP 52	N/A	PUBLIC	Confidence-building measures	6

What responsible investment processes and/or data were audited by internal auditors/outsourced internal auditors?

(A) Investment and stewardship policy	(3) Processes and related data assured
(B) Manager selection, appointment and monitoring	(4) Neither process nor data assured
(C) Listed equity	(3) Processes and related data assured
(D) Fixed income	(4) Neither process nor data assured

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 57	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Provide details about the internal audit process regarding the information provided in your PRI Transparency Report.

Our carbon reduction targets are part of the wider NatWest Group commitments and are therefore included in the Annual Report, TCFD statement and the accompanying ESG supplement. As part of this reporting the carbon intensity methodology, data and calculations for our funds and portfolios have been independently assessed by the NatWest Group internal audit team.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

	(A) Board and/or trustees	(3) parts of the report
	(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))	(3) parts of the report
	(C) Investment committee	(3) parts of the report
	(D) Other chief-level staff, please specify: Head of Asset Management	(1) the entire report
	(E) Head of department, please specify: Head of Responsible Investing	(1) the entire report
	(F) Compliance/risk management team	(3) parts of the report
	(G) Legal team	(3) parts of the report
	(H) RI/ ESG team	(1) the entire report
	(I) Investment teams	(2) most of the report

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 62	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Describe your organisation's approach to ensuring that your responsible investment processes are implemented as per your policies and guidelines. In your description please include the frequency of ensuring that your processes follow stated policies and include the choice of ESG fund audit, internal audit function and/or third-party external assurance.

Coutts has a number of mechanisms in place to ensure our policies are implemented as per our policies and guidelines. Firstly, we have a governance framework that supports the regular monitoring and reviewing of all policies related to responsible investing. Our governance process has been described in detail in ISP 1.2 and in our TCFD statement, which is available on coutts.com/responsibleinvesting.

In addition to this, we ensure that all Asset Management staff is aware of our approach to responsible investing and any policies that we have in place. We do this through organising a number of training sessions, including an online training module on responsible investing that is mandatory for all Coutts staff and regular training on more granular elements of our responsible investing approach. We also communicate with all Coutts staff on a regular basis through presentations, ad hoc training sessions and educational briefings. Furthering our responsible investing approach is part of the formal objectives of all Coutts Asset Management staff.

Internal/external monitoring: Our carbon reduction targets are part of the wider NatWest Group commitments and are therefore included in the Annual Report, TCFD statement and the accompanying ESG supplement. As part of this reporting the carbon intensity methodology, data and calculations for our funds and portfolios have been independently assessed by the NatWest Group internal audit team.

As our responsible investing activity is included in NatWest Group's public statements, our high-level progress against our carbon reduction targets has also been reviewed by an independently appointed external auditor.

Manager Selection, Appointment and Monitoring (SAM)

Selection

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 11	SAM 2.1	PUBLIC	Responsible investment policy	1, 4

During the reporting year, did your organisation include compliance with your responsible investment policy as a pre-requisite when selecting external managers? (If you did not select any external managers during the reporting year, refer to the last reporting year in which you did select external managers.)

	(1) Yes, only when selecting external managers of ESG/sustainability funds	(2) Yes, when selecting external managers of ESG/sustainability funds and mainstream funds (This option also applies to signatories who may not hold ESG/sustainability funds)	(3) We did not include compliance with our responsible investment policy as a pre-requisite when selecting external managers
(A) Listed equity (active)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity (passive)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income (active)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income (passive)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2.1	CORE	SAM 2	N/A	PUBLIC	Responsible investment policy	1,4

In what proportion of cases did your organisation include compliance with your responsible investment policy as a pre-requisite when selecting external managers?

(1) Listed equity (active)

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (2) in the majority of cases

(2) Listed equity (passive)

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (2) in the majority of cases

(3) Fixed income (active)

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (2) in the majority of cases

(4) Fixed income (passive)

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (2) in the majority of cases

Research and screening

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 3	CORE	OO 11	N/A	PUBLIC	Research and screening	1

When selecting external managers, which aspects of their organisation do you, or the investment consultant acting on your behalf, assess against responsible investment criteria? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) Firm culture	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(B) Investment approach, objectives and philosophy	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) Investment policy or guidelines	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) Governance structure and management oversight, including diversity	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) Investment strategy and fund structure	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(F) Investment team competencies	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(G) Other, please specify:	<p>NA</p> <p>(4) for none of our externally managed AUM</p>	<p>NA</p> <p>(4) for none of our externally managed AUM</p>

	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Firm culture	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(B) Investment approach, objectives and philosophy	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) Investment policy or guidelines	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) Governance structure and management oversight, including diversity	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) Investment strategy and fund structure	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(F) Investment team competencies	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(G) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM

Investment practices

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 11	N/A	PUBLIC	Investment practices	1

Which responsible investment practices does your organisation, or the investment consultants acting on your behalf, require as part of your external manager selection criteria? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.) As part of the selection criteria, we require that external managers:

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) Incorporate material ESG factors in all of their investment analyses and decisions	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(B) Incorporate their own responsible investment policy into their asset allocation decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(C) Have adequate resources and processes to analyse ESG factors	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) Incorporate material ESG factors throughout their portfolio construction	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) Engage with underlying portfolio assets to address ESG risks and opportunities	(2) for the majority of our externally managed AUM	(1) for all of our externally managed AUM
(F) Comply with their own exclusions policy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(G) Embed ESG considerations in contractual documentation	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(H) Implement adequate disclosure and accountability mechanisms	(2) for the majority of our externally managed AUM	(1) for all of our externally managed AUM

(I) Are willing to work in partnership with our organisation to develop their responsible investment approach	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(J) Track the positive and negative sustainability outcomes of their activities	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(K) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM
	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Incorporate material ESG factors in all of their investment analyses and decisions	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(B) Incorporate their own responsible investment policy into their asset allocation decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(C) Have adequate resources and processes to analyse ESG factors	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) Incorporate material ESG factors throughout their portfolio construction	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) Engage with underlying portfolio assets to address ESG-related	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM

(F) Comply with their own exclusions policy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(G) Embed ESG considerations in contractual documentation	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(H) Implement adequate disclosure and accountability mechanisms	(2) for the majority of our externally managed AUM	(1) for all of our externally managed AUM
(I) Are willing to work in partnership with our organisation to develop their responsible investment approach	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(J) Track the positive and negative sustainability outcomes of their activities	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(K) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO	N/A	PUBLIC	Stewardship	2

How does your organisation, or the investment consultants acting on your behalf, assess the stewardship policies of investment managers during the selection process? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) We assess the degree to which their stewardship policy aligns with ours	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) We require that their stewardship policy prioritises systemic issues	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) We require that their stewardship policy prioritises ESG factors beyond corporate governance	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) We require that their stewardship policy allows for and encourages the use of a variety of stewardship tools	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) We require that their stewardship policy allows for and encourages participation in collaborative initiatives	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM

(F) We require that their stewardship policy includes adequate escalation strategies for instances where initial efforts are unsuccessful	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(G) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM
	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We assess the degree to which their stewardship policy aligns with ours	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) We require that their stewardship policy prioritises systemic issues	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) We require that their stewardship policy prioritises ESG factors beyond corporate governance	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) We require that their stewardship policy allows for and encourages the use of a variety of stewardship tools	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) We require that their stewardship policy allows for and encourages participation in collaborative initiatives	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM

(F) We require that their stewardship policy includes adequate escalation strategies for instances where initial efforts are unsuccessful	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
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(G) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO	N/A	PUBLIC	Stewardship	2

How does your organisation, or the investment consultants acting on your behalf, assess the stewardship practices of external managers as part of the selection process? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(1) Listed equity (active)

(2) Listed equity (passive)

(A) We assess whether they allocate sufficient resources to stewardship overall	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
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(B) We assess whether they allocate sufficient resources for systemic stewardship	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
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(C) We assess the degree of implementation of their stewardship policy	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
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(D) We assess whether their investment team is involved in stewardship activities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) We assess whether stewardship actions and results are fed back into the investment process and decisions	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(F) We assess whether they make full use of a variety of tools to advance their stewardship priorities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(G) We assess whether they deploy their escalation process to advance their stewardship priorities where initial efforts are unsuccessful	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(H) We assess whether they participate in collaborative stewardship initiatives	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(I) We assess whether they take an active role in their participation in collaborative stewardship initiatives	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(J) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM

(3) Fixed income (active)**(4) Fixed income (passive)**

(A) We assess whether they allocate sufficient resources to stewardship overall	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(B) We assess whether they allocate sufficient resources for systemic stewardship	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) We assess the degree of implementation of their stewardship policy	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) We assess whether their investment team is involved in stewardship activities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) We assess whether stewardship actions and results are fed back into the investment process and decisions	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(F) We assess whether they make full use of a variety of tools to advance their stewardship priorities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(G) We assess whether they deploy their escalation process to advance their stewardship priorities where initial efforts are unsuccessful	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM

(H) We assess whether they participate in collaborative stewardship initiatives	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(I) We assess whether they take an active role in their participation in collaborative stewardship initiatives	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(J) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship	2

Which voting policies and practices does your organisation, or the investment consultants acting on your behalf, assess when selecting external managers? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) We assess whether voting rights would sit with us or with the external managers	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) We assess the degree to which their (proxy) voting policy aligns with ours	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM

<p>(C) We assess whether their (proxy) voting track record demonstrates that they prioritise their stewardship priorities over other factors (e.g. maintaining access to the company)</p>	<p>(1) for all of our externally managed AUM</p>	<p>(2) for the majority of our externally managed AUM</p>
<p>(D) We assess whether their (proxy) voting track record is aligned with our stewardship approach and expectations, including whether it demonstrates the prioritisation of systemic issues</p>	<p>(1) for all of our externally managed AUM</p>	<p>(1) for all of our externally managed AUM</p>
<p>(E) We assess whether they have a security lending and borrowing policy and, if so, whether it aligns with our expectations and policies regarding security lending</p>	<p>(1) for all of our externally managed AUM</p>	<p>(2) for the majority of our externally managed AUM</p>
<p>(F) Other, please specify:</p>	<p>NA (4) for none of our externally managed AUM</p>	<p>NA (4) for none of our externally managed AUM</p>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 11 and OO 9 FI	N/A	PUBLIC	Stewardship	2

Which stewardship practices does your organisation, or the investment consultants acting on your behalf, assess when selecting external managers that invest in fixed income? (Per strategy, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

	(1) Fixed income (active)	(2) Fixed income (passive)
(A) We assess whether they engage with issuers in the context of refinancing operations to advance ESG factors beyond governance	(1) for all of our externally managed AUM	(4) for none of our externally managed AUM
(B) We assess whether they engage with issuers in the context of refinancing operations to advance systemic issues	(1) for all of our externally managed AUM	(4) for none of our externally managed AUM
(C) We assess whether they prioritise ESG factors beyond governance in case of credit events	(1) for all of our externally managed AUM	(3) for a minority of our externally managed AUM
(D) We assess whether they prioritise systemic issues in case of credit events	(1) for all of our externally managed AUM	(4) for none of our externally managed AUM

Sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 10	PLUS	OO 11	N/A	PUBLIC	Sustainability outcomes	1

How does your organisation, or the investment consultant acting on your behalf, assess external managers' approaches to their sustainability outcomes as part of your selection process? (Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(A) We assess their track records on advancing sustainability outcomes across their assets	(1) for all of our externally managed AUM
(B) We assess whether they have set targets for the sustainability outcomes of their activities or are willing to incorporate our own targets	(1) for all of our externally managed AUM
(C) We assess how they use key levers including asset allocation, engagement and stewardship activities to advance sustainability outcomes	(1) for all of our externally managed AUM
(D) We assess how well they report on their progress on sustainability outcomes across their assets	(1) for all of our externally managed AUM
(E) Other, please specify: We assess whether they map their investments to the Sustainable Development Goals (SDGs)	(1) for all of our externally managed AUM

Documentation and track record

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	CORE	OO 11	N/A	PUBLIC	Documentation and track record	1

As part of your selection process, which documents does your organisation, or the investment consultants acting on your behalf, review to gain confidence in external managers' responsible investment practices? (Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(A) Standard client reporting, responsible investment reports or impact reports	(1) for all of our externally managed AUM
(B) Responsible investment methodology and its influence on past investment decisions	(1) for all of our externally managed AUM
(C) Historical voting and engagement activities with investees	(1) for all of our externally managed AUM
(D) Historical engagement activities with policymakers	(1) for all of our externally managed AUM
(E) Compliance manuals and portfolios to ensure universal construction rules are applied (e.g. exclusions, thematic, best-in-class definitions and thresholds)	(1) for all of our externally managed AUM
(F) Controversies and incidence reports	(1) for all of our externally managed AUM
(G) Code of conduct or codes of ethics	(2) for the majority of our externally managed AUM
(H) Other, please specify: NA	(4) for none of our externally managed AUM

Appointment

Pooled funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 12, OO 5.1, OO 15	N/A	PUBLIC	Pooled funds	4

How did your organisation, or the investment consultants acting on your behalf, include responsible investment requirements for pooled funds in your current contracts with external managers? (Indicate the proportion of your AUM invested in pooled funds to which each of these requirements applies, regardless of when you appointed your different external managers.)

(A) We amended or instituted side letters or equivalent legal documentation to include responsible investment requirements (1) for all of our AUM invested in pooled funds

(B) We encouraged the external manager to include responsible investment requirements into the investment mandate, the investment management agreement or equivalent legal documentation (1) for all of our AUM invested in pooled funds

Segregated mandates

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 12, OO 5.1	N/A	PUBLIC	Segregated mandates	4

When setting up segregated mandates with external managers, which responsible investment clauses did your organisation, or the investment consultants acting on your behalf, include in your current contractual agreements? (Indicate the proportion of your AUM invested in segregated funds to which each of these requirements applies, regardless of when you appointed your different external managers.)

(A) The manager's commitment to follow our responsible investment strategy in the management of our assets (1) for all of our AUM invested in segregated mandates

(B) The manager's commitment to incorporate material ESG factors into its investment and stewardship activities (1) for all of our AUM invested in segregated mandates

(C) Exclusion list(s) (1) for all of our AUM invested in segregated mandates

(D) Responsible investment communication and reporting obligations, including on stewardship activities and results	(1) for all of our AUM invested in segregated mandates
(E) Stewardship commitments in line with the PRI's guidance and focused on seeking sustainability outcomes and prioritising common goals and collaborative action	(1) for all of our AUM invested in segregated mandates
(F) Where applicable, commitment to fulfil a clear policy on security lending aligned with our own security lending policy or with the ICGN Securities Lending Code of Best Practice	(1) for all of our AUM invested in segregated mandates
(G) Incentives and controls to ensure alignment of interests	(1) for all of our AUM invested in segregated mandates
(H) Commitments on climate-related disclosure in line with internationally recognised frameworks such as the TCFD	(1) for all of our AUM invested in segregated mandates
(I) If applicable, commitment to disclose against the EU Taxonomy	(1) for all of our AUM invested in 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	(4) for none of our AUM invested in segregated mandates
(K) The manager's acknowledgement that their appointment was conditional on their fulfilment of their responsible investment obligations	(1) for all of our AUM invested in segregated mandates
(L) Other, please specify: NA	(4) for none of our AUM invested in segregated mandates

Monitoring

Investment practices

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 14	CORE	OO 13	N/A	PUBLIC	Investment practices	1

During the reporting year, which aspects of your external manager's responsible investment practices did you, or your investment consultant acting on your behalf, monitor?

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) We monitored their alignment with our organisation's responsible investment strategy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) We monitored any changes in their responsible investment-related policies, resourcing, oversight and responsibilities or investment processes	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) We monitored their use of ESG data, benchmarks, tools and certifications	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) We monitored how ESG incorporation affected investment decisions	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) We monitored how ESG incorporation affected the fund's financial and ESG	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM

(F) We monitored any changes in ESG risk management processes	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(G) We monitored their response to material ESG incidents	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(H) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM
	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We monitored their alignment with our organisation's responsible investment strategy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) We monitored any changes in their responsible investment-related policies, resourcing, oversight and responsibilities or investment processes	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) We monitored their use of ESG data, benchmarks, tools and certifications	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) We monitored how ESG incorporation affected investment decisions	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) We monitored how ESG incorporation affected the fund's financial and ESG	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM

(F) We monitored any changes in ESG risk management processes	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(G) We monitored their response to material ESG incidents	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(H) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 13	N/A	PUBLIC	Investment practices	1

During the reporting year, which information did your organisation, or the investment consultants acting on your behalf, monitor for externally managed passive products?

	(1) Listed equity (passive)	(2) Fixed income (passive)
(A) For all ESG passive products, we monitored how the manager applied, reviewed and verified screening criteria	●	●
(B) For all ESG passive products, we monitored how the manager rebalanced the product as a result of changes in ESG rankings, ratings or indexes	●	●
(C) For all ESG passive products, we monitored whether they met the responsible investment claims made by their managers	●	●
(D) For all passive products, we monitored the managers' participation in industry initiatives to enhance responsible investment	●	●

(E) Other, please specify:

(F) We did not monitor passive products

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship	1, 2

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' stewardship activities?

(1) Listed equity (active)

(2) Listed equity (passive)

(A) We monitored any changes in stewardship policies and processes	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(B) We monitored the degree of implementation of their stewardship policy	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) We monitored their prioritisation of systemic issues	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) We monitored their prioritisation of ESG factors beyond corporate governance	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) We monitored their investment team's level of involvement in stewardship activities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM

(F) We monitored whether stewardship actions and results were fed back into the investment process and investment decisions	(1) for all of our externally managed AUM	(3) for a minority of our externally managed AUM
(G) We monitored whether they had made full use of a variety of stewardship tools to advance their stewardship priorities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(H) We monitored the deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(I) We monitored whether they had participated in collaborative stewardship initiatives	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(J) We monitored the degree to which they had taken an active role in their participation in collaborative stewardship initiatives	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(K) Other, please specify:	<p style="text-align: center;">NA</p> (4) for none of our externally managed AUM	<p style="text-align: center;">NA</p> (4) for none of our externally managed AUM
	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We monitored any changes in stewardship policies	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM

(B) We monitored the degree of implementation of their stewardship policy	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(C) We monitored their prioritisation of systemic issues	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) We monitored their prioritisation of ESG factors beyond corporate governance	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(E) We monitored their investment team's level of involvement in stewardship activities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(F) We monitored whether stewardship actions and results were fed back into the investment process and investment decisions	(1) for all of our externally managed AUM	(3) for a minority of our externally managed AUM
(G) We monitored whether they had made full use of a variety of stewardship tools to advance their stewardship priorities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(H) We monitored the deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(I) We monitored whether they had participated in	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM

(J) We monitored the degree to which they had taken an active role in their participation in collaborative stewardship initiatives	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
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(K) Other, please specify:	NA (4) for none of our externally managed AUM	NA (4) for none of our externally managed AUM
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 18	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship	1, 2

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' (proxy) voting activities?

(1) Listed equity (active)

(2) Listed equity (passive)

(A) We monitored any changes in (proxy) voting policies and processes	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
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(B) We monitored whether (proxy) voting decisions were consistent with the managers' stewardship priorities as stated in their policy	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
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<p>(C) We monitored whether their (proxy) voting decisions prioritised advancement of stewardship priorities over other factors (e.g. maintaining access to the company)</p>	<p>(1) for all of our externally managed AUM</p>	<p>(2) for the majority of our externally managed AUM</p>
<p>(D) We monitored whether their (proxy) voting track record was aligned with our stewardship approach and expectations, including whether it demonstrated the prioritisation of progress on systemic issues</p>	<p>(1) for all of our externally managed AUM</p>	<p>(2) for the majority of our externally managed AUM</p>
<p>(E) We monitored the application of their security lending policy (if applicable) and whether security lending affected voting</p>	<p>(1) for all of our externally managed AUM</p>	<p>(2) for the majority of our externally managed AUM</p>
<p>(F) Other, please specify:</p>	<p>NA (4) for none of our externally managed AUM</p>	<p>NA (4) for none of our externally managed AUM</p>

Sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 19	PLUS	OO 13	N/A	PUBLIC	Sustainability outcomes	1

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' progress on sustainability outcomes?

- (A) We reviewed progress on the sustainability outcomes of their activities
- (B) We reviewed how they used asset allocation individually or in partnership with others to make progress on sustainability outcomes
- (C) We reviewed how they used individual or collaborative investee engagement, including voting, to make progress on sustainability outcomes
- (D) We reviewed how they used individual or collaborative systemic stewardship, including policy engagement, to make progress on sustainability outcomes
- (E) We reviewed how they contributed to public goods (such as research) or public discourse (such as media) or collaborated with other actors to track and communicate progress against global sustainability goals
- (F) Other, please specify:
 We reviewed how they mapped their investments to the Sustainable Development Goals (SDGs) and how they documented positive outcomes.
- (G) We did not review their progress on sustainability outcomes

Review

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 20	CORE	OO 13	N/A	PUBLIC	Review	1

During the reporting year, how often did your organisation, or the investment consultants acting on your behalf, require your external managers to report to you on their responsible investment practices?

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) Quarterly or more often	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(B) Every six months	(3) for a minority of our externally managed AUM	(3) for a minority of our externally managed AUM
(C) Annually	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM

(D) Less than once a year	(4) for none of our externally managed AUM	(3) for a minority of our externally managed AUM
(E) On an ad hoc basis (e.g. whenever significant changes, incidents or ESG-linked events occur)	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Quarterly or more often	(2) for the majority of our externally managed AUM	(3) for a minority of our externally managed AUM
(B) Every six months	(3) for a minority of our externally managed AUM	(3) for a minority of our externally managed AUM
(C) Annually	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) Less than once a year	(4) for none of our externally managed AUM	(3) for a minority of our externally managed AUM
(E) On an ad hoc basis (e.g. whenever significant changes, incidents or ESG-linked events occur)	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM

Verification

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 21	PLUS	OO 13	N/A	PUBLIC	Verification	1

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, verify the information reported by external managers on their responsible investment practices?

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) We required evidence of internal monitoring or compliance	(3) for a minority of our externally managed AUM	(2) for the majority of our externally managed AUM
(B) We required evidence of external monitoring or compliance	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
(C) We required that they had an independent ESG advisory board or committee	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
(D) We required verification by an external, independent auditor	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
(E) Other, please specify:	<p>Evidence-based process using external providers (e.g. PRI reporting, Sustainalytics data...)</p> <p>(1) for all of our externally managed AUM</p>	<p>Evidence-based process using external providers (e.g. PRI reporting, Sustainalytics data...)</p> <p>(1) for all of our externally managed AUM</p>
	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We required evidence of internal monitoring or compliance	(3) for a minority of our externally managed AUM	(3) for a minority of our externally managed AUM

(B) We required evidence of external monitoring or compliance	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
(C) We required that they had an independent ESG advisory board or committee	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
(D) We required verification by an external, independent auditor	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
(E) Other, please specify:	Evidence-based process using external providers (e.g. PRI reporting, Sustainalytics data...) (1) for all of our externally managed AUM	Evidence-based process using external providers (e.g. PRI reporting, Sustainalytics data...) (1) for all of our externally managed AUM

Engagement and escalation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 22	CORE	OO 13	N/A	PUBLIC	Engagement and escalation	1

Which actions does your organisation, or the investment consultants acting on your behalf, include in its formal escalation process to address concerns raised during monitoring?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We notify the external manager about their placement on a watch list	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) We engage the external manager's board or investment committee	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) We reduce exposure with the external manager until any non-conformances have been rectified	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We terminate the contract with the external manager if failings persist over a (notified) period of time and explain the reasons for the termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other, please specify	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(F) Our organisation does not have a formal escalation process to address concerns raised by monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(E) Other" above.

We present a pathway for remedial action and we monitor progress on the action points set out. We work with our external managers to improve their performance. When a controversy occurs, we will freeze exposures until the controversy is sufficiently resolved.

Listed Equity (LE)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across listed equities?

(3) Active – fundamental

(A) Yes, we have a formal process to identify material ESG factors for all of our assets



(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets

(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion

(E) No, we do not have a formal process to identify material ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

(3) Active - Fundamental

(A) The investment process incorporates material governance factors

(B) The investment process incorporates material environmental and social factors

(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon

(D) The investment process incorporates the effect of material ESG factors on revenues and business operations

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your listed equity assets?

(3) Active – fundamental

(A) We monitor long-term ESG trends for all assets	<input checked="" type="radio"/>
(B) We monitor long-term ESG trends for the majority of assets	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of assets	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>

ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 10	LE 3.1	PUBLIC	ESG incorporation	1

How does your financial modelling and equity valuation process incorporate material ESG risks?

(3) Active – fundamental

(A) We incorporate governance-related risks into financial modelling and equity valuations	<input checked="" type="checkbox"/>
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(B) We incorporate environmental and social risks into financial modelling and equity valuations

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations

(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process

(E) We do not incorporate ESG risks into our financial modelling and equity valuations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3.1	CORE	LE 3	N/A	PUBLIC	ESG incorporation	1

In what proportion of cases do you incorporate the following material ESG risks into your financial modelling and equity valuation process?

(3) Active - Fundamental

(A) We incorporate governance-related risks into financial modelling and equity valuations (1) in all cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations (1) in all cases

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations (1) in all cases

Assessing ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1

What information do you incorporate when you assess the ESG performance of companies in your financial modelling and equity valuation process?

(3) Active – fundamental

(A) We incorporate information on current performance across a range of ESG metrics	<input checked="" type="checkbox"/>
(B) We incorporate information on historical performance across a range of ESG metrics	<input checked="" type="checkbox"/>
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics	<input checked="" type="checkbox"/>
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability	<input checked="" type="checkbox"/>
(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1

In what proportion of cases do you incorporate the following information when assessing the ESG performance of companies in your financial modelling and equity valuation process?

(3) Active – fundamental

(A) We incorporate information on current performance across a range of ESG metrics	(1) in all cases
(B) We incorporate information on historical performance across a range of ESG metrics	(1) in all cases
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics	(1) in all cases
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability	(1) in all cases

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Outline one best practice or innovative example where ESG factors have been incorporated into your equity selection and research process.

Coutts approach is to produce an ESG score for every stock in our investable universe of UK, US and European direct equities. This score is combined with our Coutts Equity Score which provides an initial probabilistic assessment on the performance potential of an equity. Before an equity is added, we complete a Due Diligence report. This covers what the company's activities are, the investment risks and the purchase rationale. Our risk checklist includes ESG issues prominently and here we utilise Sustainalytics in-depth ESG and Controversies research in addition to other sources.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

(3) Active – fundamental

(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>
(E) Other expressions of conviction (please specify below)	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6.1	CORE	LE 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases did ESG factors influence your portfolio construction?

(3) Active – fundamental

- | | |
|---|------------------|
| (A) The selection of individual assets within our portfolio is influenced by ESG factors | (1) in all cases |
| (B) The holding period of individual assets within our portfolio is influenced by ESG factors | (1) in all cases |
| (C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors | (1) in all cases |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active listed equity.

Provide examples below:

(A) Example 1:

In June 2020, we removed ConocoPhillips due to Coutts commitment to removing support from companies active in the most carbon-intensive activities. ConocoPhillips generates more than 5% of its revenues from tar sands development in North America. Crude oil from tar sands emits 14-20% more greenhouse gases than conventional.

(B) Example 2:

In March 2020, ESG factors influenced our selection of Rentokil. Rentokil has a low ESG risk as judged by Sustainalytics ranking 12th percentile in its universe with no significant ESG controversies. Rentokil had the maximum ESG score possible in our Coutts Equity Score framework. As a result, it was selected over other possible industrial equities with worse ESG characteristics.

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	CORE	OO 6.1 LE	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening
- (B) We have an independent committee that oversees the screening implementation process for all of our listed equity assets that are subject to negative exclusionary screening
- (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance
- (D) Other, please specify:
 - █ Negative exclusionary screens are agreed by Responsible Investment team and monitored by Equity Specialists.
- (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

(3) Active – fundamental

(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>
(E) We do not conduct reviews	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your listed equity assets?

(3) Active – fundamental

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>
(E) Other	<input type="radio"/>
(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your equity valuation or fund construction and describe how that affected the returns of those assets.

Provide examples below:

(A) Example from your active listed equity:

Our data shows that equities in our investable universe with a positive Coutts ESG score generated an average return of 6.8% greater than those with a negative Coutts ESG score in the 2 years to February 2021.

Reporting/Disclosure

Sharing ESG information with stakeholders

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 13	CORE	OO 6 LE	N/A	PUBLIC	Sharing ESG information with stakeholders	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(1) for all of our listed equity assets subject to ESG screens

(2) for the majority of our listed equity assets subject to ESG screens

(3) for a minority of our listed equity assets subject to ESG screens

(4) for none of our assets subject to ESG screens

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation



(B) We publish any changes in ESG screens and share them on a publicly accessible platform such as a website or through fund documentation

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6

What ESG information is covered in your regular reporting to stakeholders such as clients or beneficiaries?

(3) Active – fundamental

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation	1) In all of our regular stakeholder reporting
(B) Our regular stakeholder reporting includes quantitative ESG engagement data	1) In all of our regular stakeholder reporting
(C) Our regular stakeholder reporting includes quantitative ESG incorporation data	2) In the majority of our regular stakeholder reporting

Stewardship

Voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2

Does your organisation have a publicly available (proxy) voting policy? (The policy may be a standalone policy, part of a stewardship policy or incorporated into a wider RI policy.)

(A) Yes, we have a publicly available (proxy) voting policy Add link(s):

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

(B) Yes, we have a (proxy) voting policy, but it is not publicly available

(C) No, we do not have a (proxy) voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2

What percentage of your listed equity assets does your (proxy) voting policy cover?

(A) Actively managed listed equity covered by our voting policy (12) 100%

(B) Passively managed listed equity covered by our voting policy (12) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2

Does your organisation's policy on (proxy) voting cover specific ESG factors?

(A) Our policy includes voting guidelines on specific governance factors Describe:

For example, board committees: Where separate committees are established to oversee remuneration, audit, nomination and other topics – which our service provider EOS expects at most large companies – EOS may recommend voting against chairs or members where they have concerns about independence, skills, attendance or over-commitment, or the matters overseen by the committee.

(B) Our policy includes voting guidelines on specific environmental factors Describe:

For example, climate change: Our service provider EOS will consider recommending voting against the chair, and other relevant directors or resolutions, at companies where we consider a company's response to the risks and opportunities presented by climate change to be insufficient, using a range of indicators, including the Transition Pathway Initiative assessment.

(C) **Our policy includes voting guidelines on specific social factors Describe:**

For example, diversity: In recognition of the value that diversity of thought, skills and attributes brings to board oversight and in line with our aspiration that board members, together with all levels of management, should broadly reflect the diversity of society, EOS will consider recommending voting against relevant directors, including the chair, where EOS considers board diversity – in terms of gender, ethnicity, age, functional and geographic experience, tenure, and other characteristics – to be below minimum thresholds. Some thresholds, such as gender or ethnic diversity, are defined at a market level; others, such as skills and experience, are more globally consistent. EOS' expectations may exceed the minimum standards set by regulation or best practice codes in some markets.

(D) Our policy is high-level and does not cover specific ESG factors Describe:

Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 17	CORE	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

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

(A) We review service providers' controversial and high-profile voting recommendations before voting is executed (1) in all cases

(B) Before voting is executed, we review service providers' voting recommendations where the application of our voting policy is unclear (1) in all cases

Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2

Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)

- (A) We have a public policy to address voting in our securities lending programme. Add link(s):
- (B) We have a policy to address voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our service provider(s)
- (D) We do not have a policy to address voting in our securities lending programme

- (E) Not applicable, we do not have a securities lending programme

Shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 19	CORE	OO 9 LE	N/A	PUBLIC	Shareholder resolutions	2

Which of the following best describes your decision-making approach regarding shareholder resolutions, or that of your service provider(s) if decision-making is delegated to them?

- (A) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors or on our stewardship priorities
- (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
- (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
- (D) In the majority of cases, we support the recommendations of investee company management by default
- (E) In the majority of cases, we do not vote on shareholder resolutions

Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 20	CORE	OO 9 LE	N/A	PUBLIC	Pre-declaration of votes	2

How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
- (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
- (F) We did not privately or publicly communicate our voting intentions
- (G) We did not cast any (proxy) votes during the reporting year

Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21	CORE	OO 9 LE	LE 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?

(A) Yes, for >95% of (proxy) votes Link:

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

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

(C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:

(D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

In the majority of cases, how soon after an investee's AGM/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
LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?

- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
- (D) We did not vote against management or abstain

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22.1	CORE	LE 22	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

(A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company (2) 11-50%

(B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly (5) >95%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?

- (A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly
- (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
- (C) We did not vote against any shareholder resolution proposed/filed by a PRI signatory

Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 24	PLUS	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

How are you contributing to the integrity of the end-to-end voting chain and confirmation process?

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 Shareholder Rights Directive II. EOS published its first 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.

Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 25	PLUS	OO 9 LE	N/A	PUBLIC	Example	2

Provide examples of the most significant (proxy) voting activities that your organisation and/or the service provider acting on your behalf carried out during the reporting year.

Provide examples below:

(A) Example 1:

Climate change continues to be the biggest single issue of concern for long-term investors so this was a significant theme that EOS tackled with its voting recommendation activities in 2020. In particular, investors intensified their calls for banks to align their financing activities with the Paris Agreement goals which resulted in some significant climate-related resolutions at shareholder meetings.

A US bank responded to pressure from shareholders and their representatives, including EOS, by announcing that its lead independent director would step down from his role and be replaced in 2020. We had engaged with the bank on his succession, having raised concerns over multiple years about his oversight of climate-related matters. **(response continued in row below)**

EOS also supported another shareholder proposal that called on the bank to disclose its fossil fuel lending activities further, and any targets to reduce its financed emissions, which attracted almost 50% support, despite opposition from the board. By October 2020, this resulted in the bank adopting a financing commitment aligned with the goals of the Paris Agreement, including a pledge to establish intermediate emissions targets for 2030 for its financing portfolio.

At a UK bank, EOS recommended voting in favour of two climate-related resolutions, one backed by the company and the other filed by a charity that advocates for responsible investment. **(response continued in row below)**

The development of the company-backed resolution followed intensive engagement by investors and their representatives, including EOS. The company-backed resolution passed with almost unanimous support and committed the bank to aligning all of its financing activities with the Paris Agreement, to become a net-zero emissions bank by 2050. The charity's resolution went further, calling for a phase out of financing for fossil fuels and utility companies that are not aligned with the Paris climate goals, and was supported by 24% of the investor base.

In line with our ongoing engagement with an Asian bank, which dates back to 2009, EOS recommended supporting a climate-related shareholder resolution which called on the company to disclose a strategy, metrics and targets aligned with the Paris Agreement, given its continued financing of high carbon-related sectors.

(B) Example 2:

Against the backdrop of the coronavirus, decisions on how to reward executives were thrown into sharp relief so executive compensation was a significant theme EOS tackled with its voting recommendation activities in 2020. EOS looked for appropriate reductions to salaries and incentive pay and for boards to use their judgement to ensure executives were not being unduly insulated from the impacts of the crisis where others were not. EOS opposed pay proposals where we did not believe appropriate adjustments had already been made, such as at a bank, a media company and a transportation company in the US.

Overall, EOS recommended a vote against 35% of pay proposals, compared with 37% in 2019. In the US, we opposed 81% of say-on-pay proposals versus 82% in 2019, including at global consumer services company due to concerns about the excessive severance package awarded to the former CEO and the lack of a robust 'clawback' policy.
(response continued in row below)

In the UK, where approximately 75% of FTSE 350 companies proposed new remuneration policies, EOS opposed 50% of policy proposals versus 36% in 2019. This was for concerns including an excessive variable pay opportunity (including at two pharmaceutical companies and an energy company), insufficient share ownership guidelines at a consumer services company or insufficient action to align executive pension contributions with those available to the workforce at a food retailer.

In Asia and emerging markets, the quantum of pay tends to be lower and the opportunities to vote on pay at annual meetings are fewer. We supported a bonus proposal at an Asian pharmaceutical company, although the amount was significant compared with its peers, as we welcomed a detailed remuneration policy that the company disclosed following our engagement, and the introduction of a clawback policy. **(response continued in row below)**

This followed a shareholder proposal on the topic in 2019, which did not pass but gained significant support.

We are seeing more Chinese state and non-state companies introducing or proposing amendments to share incentive schemes, giving us the opportunity to share our expectations and push for better practices. For example, at Chinese technology company, we opposed changes to performance hurdles due to concerns about the risk of manipulation. We are pleased to see that more A-share companies listed in mainland China are issuing time-restricted stock, instead of share options, aligned with the improvements we have been advocating.

(C) Example 3:

Given the importance of a stable board for effective crisis management during the pandemic, board composition and diversity was a significant theme EOS tackled with its voting recommendation activities in 2020. EOS considered voting in favour of chairs or committee chairs where we had concerns about poor gender diversity or board or committee independence, unless these were serious or urgent concerns. Overall in the UK, where the Hampton-Alexander Review established 2020 targets for 33% female representation on boards and in leadership roles, EOS opposed 35 proposals for concerns about insufficient diversity at board level and below, versus 45 in 2019, reflecting our moderated approach. **(response continued in row below)**

EOS continued to target laggard FTSE 100 companies with all male executive committees, including a UK capital goods company. However, in line with our engagement-led approach to voting recommendations, we recognised the upheaval the company was experiencing due to the pandemic and so rather than applying our usual policy to recommend against the re-election of the chair in such circumstances we voted in favour, by exception to our policy, but warning of the need to make change rapidly to avoid a recommended vote against in future years. We also received assurances in engagement that diversity was a strategic priority for the business, so we remained supportive, while continuing to push for more ambitious targets and rapid change.

In total, EOS recommended voting against 1,556 proposals due to concerns relating to board or committee independence, versus 1,738 in 2019; against 1,805 due to diversity concerns, versus 1,622 in 2019; and against 364 due to over-commitment concerns versus 419 in 2019.

In the US, EOS opposed 945 proposals for insufficient gender and ethnic diversity, including at a retailer, a two software and services companies. **(response continued in row below)**

In Asia, a Japanese software and services company appointed its first female director and a telecommunications services company and automobile company also followed, in line with our engagement. We achieved this through consistent engagement over multiple years and we expect more companies to step up to our diversity expectations in the coming years.

We have set our gender diversity standards in China and Hong Kong on a par with the US, while in Japan we introduced a higher threshold for Topix 100 companies in 2020 and continued to oppose companies with no women on the board.

EOS opposed the combined chair and CEO of Japanese technology company, as well as nomination committee chairs at a Hong Kong insurance company and a consumer services company, a Japanese bank, a south Korean automobile company and a Chinese telecommunications services company after engagement revealed no concrete plans for improvements to their male-dominated boards.

Fixed Income (FI)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

	(1) SSA	(2) Corporate
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other method of incorporating ESG factors into risk management process, please specify below:	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?

(1) SSA

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	(1) for all of our assets
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	(3) for a minority of our assets

(2) Corporate

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets
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(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (3) for a minority of our assets

ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(2) Corporate

(A) We incorporate it into the forecast of cash flow, revenues and profitability

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(A) We incorporate it into the forecast of cash flow, revenues and profitability	(3) in a minority of cases
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	(1) in all cases

(2) Corporate

(A) We incorporate it into the forecast of cash flow, revenues and profitability	(1) in all cases
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	(1) in all cases

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

Example:

(A) Example from your active management strategies:

A large proportion of our active fixed income exposure is gained through third party strategies. The underlying managers seek to integrate ESG factors at multiple levels, be it valuation/fundamental analysis or portfolio construction. One of our third party managers made the decision to switch from WBA to CVS given their reactive approach to managing cigarette sales. WBA failed to react to changing social landscapes, reducing ease of access to younger customers in a timely manner whereas CVS stopped selling them. This ultimately led to an adjustment of their risk assessment for WBA to changing trends and their reactive approach. This led to a more favourable long term risk adjustment return for CVS relative to WBA and thus exited their position.

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(1) SSA	(2) Corporate
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Other expressions of conviction, please specify below:

(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases do ESG factors influence your portfolio construction?

(1) SSA

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

(2) Corporate

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process

(1) in all cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.

Please provide examples below:

(A) Example 1:

Active direct credit portfolio construction seeks to reduce the overall ESG impact through biasing credits with favourable factor scores. We moved overweight communication sector through 2020 given robust fundamentals and positive credit trends. This was coupled with a bias towards lower carbon impact and more favourable practices across the sector. Names such as Vodaphone and AT&T were selected as they scored highly across both fundamental outlook and ESG. While we do not separate the performance impact of ESG factors from credit fundamentals, we felt the lower ESG risk associated with our portfolio tilts has a net impact of reducing downside risk. This is particularly important as bond investors.

(B) Example 2:

¹ Due to the carbon impact of tar sands operations, arctic oil & gas exploration, we removed Anglo American and BHP from our portfolios. We were mindful of the high environmental costs associated with these activities and the increasing environmental regulation. The two businesses had moderate exposure to such operations which we felt increased the risk to longer term revenues and costs.

ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

	(1) SSA	(2) Corporate
(A) In the majority of cases, we incorporate material governance-related risks	<input type="radio"/>	<input type="radio"/>
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	<input type="radio"/>	<input type="radio"/>

ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?

	(1) SSA	(2) Corporate
(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have an internal ESG performance assessment methodology	<input type="checkbox"/>	<input type="checkbox"/>

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- (B) Yes, it differentiates ESG risks by sector
- (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(B) We differentiate ESG risks by sector	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(1) SSA	(2) Corporate
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

(E) We do not conduct reviews that incorporate ESG risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?

(1) SSA

(2) Corporate

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions

(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions

(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions

(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents

(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	(1) SSA	(2) Corporate
(A) We take into account current risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We take into account medium-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We take into account long-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate
(A) We monitor long-term ESG trends for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>

(B) We monitor long-term ESG trends for the majority of our assets	○	○
(C) We monitor long-term ESG trends for a minority of our assets	○	○
(D) We do not continuously monitor long-term ESG trends in our investment process	○	○

Examples of leading practice

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	PLUS	OO 10	N/A	PUBLIC	Examples of leading practice	1 to 6

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

Description per fixed income asset type:

(A) SSA

We have identified climate change as one of our priorities and engage with all managers of fixed income funds on their identification and management of climate-related risks. While we recognise engagement with underlying holdings functions slightly different for sovereign fixed income, we believe it remains important for all fund managers to have a robust approach to managing climate-related risks, and to apply this to the extent possible within their investment mandates. We have built a proprietary engagement tracker, which we use to track progress for all engagements we undertake. This helps us inform investment decision-making and helps provide transparency on our investment process to our clients.

(B) Corporate

Engaged with asset managers regarding their initiatives to reduce environmental impact of portfolios, specifically as it relates to Coutts' carbon reduction targets and exclusions within direct equities on thermal coal products & extraction. One of these engagement resulted in a positive outcome in the context of one of the Emerging Markets Debt funds we invest in. Whilst Coutts would never take sole credit in driving this change, our voice as a sizeable owner in one of their funds added to other stakeholders that would have engaged with the asset manager in this regard. In early 2020, the asset manager implemented firm-wide policies to phase out investments (across equities and FI) in thermal coal. The new thermal coal policy also assesses power generation utilities' installed thermal coal capacity. The manager engages with these companies to monitor their three-year expansionary investment budgets, for which they have set minimum thresholds for non-coal expansionary capex over time, and to assess their corporate commitment to the Paris Agreement.

Reporting/Disclosure

ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens:

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

(1) for all of our fixed income assets subject to ESG screens

(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:

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

(1) for all of our fixed income assets subject to ESG screens

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

(1) for all of our fixed income assets subject to ESG screens

Engagement

Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

(2) Corporate

(A) At the pre-issuance/pre-deal stage	<input type="checkbox"/>
(B) At the pre-investment stage	<input type="checkbox"/>
(C) During the holding period	<input checked="" type="checkbox"/>
(D) At the refinancing stage	<input type="checkbox"/>
(E) When issuers/borrowers default	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

(A) Description of engagement approach for all of our fixed income

Our engagement with fixed income fund providers follows the same process as our equity engagements. We have ongoing conversations with fund managers around their responsible investing approach, regardless of the asset class they are invested in, and focus particularly on climate change to assess how our selected funds can help us achieve our ambitions around climate. Examples of this include reducing climate-related risks, identifying climate-related opportunities and lowering the carbon intensity of our funds and portfolios. Our engagement with funds regarding ESG is centred around our proprietary Responsible Investing framework which has three pillars focussing on Firm, Investment Strategy and Responsible Ownership. **(response continued in row below)**

We engage with funds on process and tools they use to integrate ESG, as well as on individual portfolio holdings, where our proprietary analysis uncovers potentially controversial areas. We also focus on governance, oversight and ESG reporting. We monitor and track these engagements using a dedicated fund engagement tracker, and have historically tended to allocate more capital to managers where we can establish a two-way dialogue and see tangible improvement.

(D) Description of engagement approach for our corporate fixed income

We aim to strategically engage on the most financially material ESG risks. Selection of the companies from our clients' aggregate holdings takes into consideration: holding size; materiality of risks/issues we identify through our screening tool; and feasibility of engagement. More active ownership by investors is essential to build a global financial system that delivers improved long-term returns on investment as well as better, more sustainable outcomes for society, in the interests of ultimate beneficiaries. Therefore, EOS applies the same engagement approach across asset classes because our interests are always aligned to the sustainable growth and long-term health of businesses.

While there can be tensions on certain issues and occasional conflicts between different stakeholders, we believe that potential conflicts dissolve over time as interests converge, seeking the same outcomes for companies: stable, sustainable growth and value creation for the long term.

Sustainability Outcomes (SO)

Set targets on sustainability outcomes

Outcome objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	ISP 45	SO 1.1, SO 2	PUBLIC	Outcome objectives	1

Has your organisation chosen to shape any specific sustainability outcomes?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 3	PUBLIC	Outcome objectives	1

Please list up to 10 of the specific sustainability outcomes that your organisation has chosen to shape.

Sustainability outcomes

(A) Sustainability Outcome #1

Align funds and portfolios with Paris Agreement

Target-setting process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 2	SO 3.1	PUBLIC	Target-setting process	1

Have you set any targets for your sustainability outcomes? Indicate how many targets you have set for each sustainability outcome.

(A) Sustainability Outcome #1:

(3) Two or more targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	Multiple, see guidance	PUBLIC	Target-setting process	1

For each sustainability outcome, name and provide a brief description of up to two of your targets and list the metrics or key performance indicators (KPIs) associated with them, the targets' deadlines and the percentage of your assets under management to which the targets apply.

Target name	Target description
(A1) Sustainability Outcome #1: (Target 1) 2021 Carbon Reduction Target	25% reduction of the carbon intensity of equity holdings within our funds and discretionary portfolios by the end of 2021.

(A2) Sustainability Outcome #1: (Target 2)	2030 Carbon Reduction Target	50% reduction of the carbon intensity of all holdings within our funds and discretionary portfolios by the end of 2030, in line with the IPCC's Special Report (2018)
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	KPIs/metrics	Target deadline: Year
(A1) Sustainability Outcome #1: (Target 1)	Weighted average carbon intensity per fund/portfolio	2021
(A2) Sustainability Outcome #1: (Target 2)	Weighted average carbon intensity per fund/portfolio	2030
Coverage: % of assets under management		
(A1) Sustainability Outcome #1: (Target 1)		60
(A2) Sustainability Outcome #1: (Target 2)		100

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 3.1	N/A	PUBLIC	Target-setting process	1

Which global goals (or other references) did your organisation use to determine your sustainability outcomes targets? Explain whether you have derived your target from global goals, e.g. by translating a global goal into a target at the national, regional, sub-national, sectoral or sub-sectoral level. Alternatively, explain why you have set your target independently from global goals.

Global goals/references

(A1) Sustainability Outcome #1: (Target 1)	<p>The aim of the 25% reduction target is to encourage immediate action on climate change, and to show our commitment to be industry leaders when it comes to assessing and tackling climate-related risks. Our goal when setting the target was to be ambitious in what we can achieve, but recognising the limited availability of carbon data across asset classes. This is why our 2021 carbon reduction target focuses on our equity holdings, while our 2030 target aims to tackle carbon emissions across asset classes.</p>
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(A2) Sustainability Outcome #1: (Target 2)

The longer term ambition of a 50% reduction in carbon intensity by 2030 is in line with the UN IPCC Special Report on Global Warming of 1.5°C approved by governments (2018), which states that in order to limit global warming to 1.5°C, global net human-caused emissions of carbon dioxide (CO2) would need to decrease by 45% from 2010 levels. The aim is to achieve an overall reduction (equity and bond components) of 50% within our funds and discretionary portfolios.

Tracking progress

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 3.1	SO 5.1, SO 5.2	PUBLIC	Tracking progress	1

Does your organisation track intermediate performance and progress against your sustainability outcomes targets?

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

(1) Yes

(A2) Sustainability Outcome #1: (Target 2)

(2) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.1	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

How does your organisation track intermediate performance and progress against your sustainability outcomes targets?

Please describe below:

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

We produce bi-annual reporting on our progress against our carbon reduction targets. A general overview is published on coutts.com and more detailed reporting is made available to clients upon request.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.2	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

Describe any qualitative or quantitative progress achieved during the reporting year against your sustainability outcomes targets.

	(1) Qualitative progress	(2) Quantitative progress
(A1) Sustainability Outcome #1: (Target 1)	We have made significant progress when it comes to our understanding and data expertise related to carbon intensity. We have developed our own framework and methodology to calculate the weighted average carbon intensity for all of our funds and portfolios, which includes decisions on how to effectively address data gaps. We have also incorporated our carbon targets into our decision-making process.	We achieved a 26% average reduction in the carbon intensity of the equity holdings within our funds and portfolios. The majority of our funds and portfolios have achieved the 2021 target and we have made positive progress on the remaining mandates, and are in line to achieve our target for all mandates by the end of 2021.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 3.1	SO 6.1	PUBLIC	Tracking progress	2

Despite your organisation's efforts to make progress on your sustainability outcomes, there may be stakeholders who have been negatively affected by your organisation's activities. For each of your sustainability outcomes, indicate whether your organisation ensures that stakeholders who have been negatively affected are able to seek an effective remedy.

(A) Sustainability Outcome #1:	(1) Yes
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6.1	PLUS	SO 6	N/A	PUBLIC	Tracking progress	2

How does your organisation ensure that stakeholders negatively affected by your activities are able to seek an effective remedy?

Please describe below:

(A) Sustainability Outcome #1:

We recognise that there might be stakeholders who could perceive themselves as being negatively affected by our commitment to reduce the carbon intensity of our funds and portfolios. For example, this could be clients who believe their investment returns or risk profile of their investments have been impacted. However, we consider the potential impacts of climate change in our investment process and decision-making as we believe that climate-related risks are investment risks, and could potentially materially impact the value of our funds and portfolios if not properly addressed. We believe that by incorporating climate-related risks into our traditional risk framework we can, at times, increase the resilience of the investment products we offer to clients. **(response continued in row below)**

While we integrate ESG at every stage of our investment process, we have not altered the risk and return expectations of our funds and portfolios as we do not expect ESG to negatively impact risk and return profiles.

Another example might be third-party managed funds where we decide we no longer feel that their approach to ESG integration and their stance on the need to address climate change is sufficient, and engagement has not been productive. However, engagement is always a central element of our (responsible investing) investment approach, and we will aim to address our concerns with fund managers before making any potential divestment decisions.

Investors' individual and collective actions shape outcomes

Asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 7	N/A	PUBLIC	Asset allocation	1

Describe how your organisation used asset allocation specifically to make progress on your sustainability outcomes during the reporting year, excluding participation in structures involving other stakeholders, such as blended finance. Provide details on how you expect these measures to make a significant change to the cost and/or availability of capital to finance progress on your sustainability outcomes.

Please describe below:

(A) Sustainability Outcome #1:

Within our Personal Portfolio Funds, which invest in passive funds, we have made positive progress against our targets by making deliberate allocations to tracker funds that select companies with low fossil fuel reserves, low carbon emissions and high ESG scores.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	Multiple, see guidance	N/A	PUBLIC	Asset allocation	1, 5

In which asset classes did your organisation, or your external investment managers acting on your behalf, use asset allocation to make progress on your sustainability outcomes during the reporting year? For each asset class, indicate the proportion of assets under management that you dedicated to making progress on your sustainability outcomes.

(1) Listed equity

(A) Sustainability Outcome #1:

(2) We used the majority of our AUM to advance our sustainability outcomes

(2) Fixed income

(A) Sustainability Outcome #1:

(2) We used the majority of our AUM to advance our sustainability outcomes

Investee engagement including voting

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

During the reporting year, how did your organisation or service providers/external investment managers acting on your behalf engage with investees specifically to make progress on your sustainability outcomes? This indicator refers to the engagement activities dedicated exclusively to shaping sustainability outcomes.

(1) Sustainability Outcome #1:

(A) At shareholder meetings, we voted in favour of all resolutions or proposals that advanced our sustainability outcomes and voted against all those that undermined them

(B) We filed or co-filed shareholder resolutions or proposals that advanced our sustainability outcomes

(C) We used our positions on investee boards and board committees to advance our sustainability outcomes

(D) We negotiated with and monitored the stewardship actions of suppliers in the investment chain

(E) Where necessary, we resorted to litigation

(F) Other, please specify:



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

What is your organisation's approach to engaging with investees as a means to make progress on your sustainability outcomes? Please discuss the reasons why you have chosen any specific engagement tools to make progress on each of your sustainability outcomes. Please also explain how you combine different engagement tools to advance each sustainability outcome.

Please describe below:

(A) Sustainability Outcome #1:

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. **(response continued in row below)**

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 29 companies. **(response continued in row below)**

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.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

Please provide at least one example of how your organisation's individual engagement with investees, either directly or via service providers/external investment managers acting on your behalf, helped make progress on each of your sustainability outcomes during the reporting year, excluding collaborative initiatives.

Example 1

Example 2

(A) Sustainability Outcome #1:

Engaged with asset managers regarding their initiatives to reduce environmental impact of portfolios, specifically as it relates to Coutts' carbon reduction targets and exclusions within direct equities on thermal coal products & extraction. One of these engagements resulted in a positive outcome in the context of one of the Emerging Markets Debt funds we invest in. Whilst Coutts would never take sole credit in driving this change, our voice as a sizeable owner in one of their funds added to other stakeholders that would have engaged with the asset manager in this regard. **(response continued in row below)**

In early 2020, the asset manager implemented firm-wide policies to phase out investments (across equities and fixed income) in thermal coal. The new thermal coal policy assesses power generation utilities' installed thermal coal capacity. The manager engages with these companies to monitor their three-year expansionary investment budgets, for which they have set minimum thresholds for non-coal expansionary capex over time, and to assess their corporate commitment to the Paris Agreement. **(response continued in row below)**

Engaged with the fund manager to discuss holdings that exceeded our 5% revenue threshold for thermal coal. While our exclusions are only binding for our Coutts funds and direct holdings, we monitor product/activity exposure for all of our funds and engage to understand the fund manager's rationale and how they are encouraging the company to transition to a low-carbon economy. **(response continued in row below)**

The fund manager responded that they invested in the company as they are best-in-class, and that while they do not have a blanket sector exclusion policy, they take material ESG considerations into account in their assessment of the quality and sustainability of a company. In this case, they explained that the company in question is the best managed resources company in the region, with sound environmental policies and safety controls in place. The fund manager also showed that they are aware of the company's transition plans, as they confirmed the company has been on a path of reducing its thermal coal exposure and is looking to exit such business in the future.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 14	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2, 5

During the reporting year, in which collaborative initiatives focused on engaging with investees did your organisation or service providers/external investment managers acting on your behalf participate to make progress on your sustainability outcomes?

Please describe below:

(A) Sustainability Outcome #1:

Both Coutts and EOS at Federated Hermes are signatories, vocal advocates and participants of Climate Action 100+, which is an initiative led by over 575 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. **(response continued in row below)**

Meanwhile our stewardship partner, EOS, has taken a particularly active role within the initiative, leading engagement initiatives on 30 companies and supporting a further 14 (as of 31 December 2020). 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

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 15	PLUS	SO 7	N/A	PUBLIC	Investee engagement including voting	2

Which of the following best describes your organisation's default position regarding collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes?

- (A) We recognise that progress on sustainability outcomes suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 16	PLUS	SO 7	SO 16.1	PUBLIC	Investee engagement including voting	2

During the reporting year, how did your organisation or the service providers/external investment managers acting on your behalf contribute to collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes?

(A) By leading coordination efforts	(2) in the majority of cases
(B) By providing financial support	(4) in no cases
(C) By providing pro bono advice	(4) in no cases
(D) By providing pro bono research	(3) in a minority of cases
(E) By providing pro bono training	(4) in no cases
(F) By providing administrative support	(4) in no cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 16.1	PLUS	SO 16	N/A	PUBLIC	Investee engagement including voting	2

Please provide details of how you contributed to collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes.

Provide describe below:

(A) By leading coordination efforts

Our stewardship provider, EOS at Federated Hermes, is an active member of Climate Action 100+ (CA100+) and is currently leading or co-leading over 30 engagements. As a lead engager EOS coordinates collaborative activity and leads engagement conversations with the world's biggest emitters.

Example of EOS lead engagement activity: In response to the 2019 Climate Action 100+ shareholder resolution at oil and gas company BP, with engagement co-led by EOS, in February 2020 the company announced a new business purpose focused on "reimagining energy for people and our planet". Importantly, this was accompanied by a new strategy, consistent with the goals of the Paris Agreement, plus 10 ambitions linked to achieving net-zero emissions by 2050 or earlier. Later in the year it followed up with more details including short and medium-term targets

(D) By providing pro bono research

Example of EOS providing insight and research on collaborative publications: Building on EOS' banking sector work in 2020, EOS worked in conjunction with IIGCC as one of the lead coordinators drafting a paper setting out investor expectations. The paper is split into three sections: alignment with the goals of the Paris Agreement, governance of climate risk, and disclosure. A collaborative engagement working group similar to Climate Action 100+ is being formed, and this will begin engaging with a number of banks in 2021, using the investor expectations as a basis.

Systemic stewardship including policy engagement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 18	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Provide at least one example of how your organisation participated, either directly or via service providers or external investment managers acting on your behalf, in collaborative initiatives to engage policymakers in order to make progress on your sustainability outcomes.

Example:

(A) Sustainability Outcome #1:

EOS collaborative engagement with CA100+ with the Department for Business, Energy and Industrial Strategy (BEIS) on UK heat decarbonisation: EOS met with the heat decarbonisation team of the UK government's BEIS, along with other UK utility Climate Action 100+ (CA100+) participants. The UK's heat decarbonisation roadmap will be published this summer. It will set out the key questions that need to be answered and how this will be done, with the aim of getting the necessary policy in place by the mid-2020s. EOS agreed to hold a set of meetings to create greater dialogue between CA100+ and the BEIS team over this important year for heat decarbonisation. It's important for Coutts to understand the UK's ambitions to decrease carbon emissions by 68% by 2030, and to achieve Net Zero by 2050, as this directly impacts our commitment to align our funds and portfolios with the commitments set out in the Paris Agreement.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 19	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2

Does your organisation have governance processes in place to ensure that your engagement with policymakers is aligned with your sustainability outcomes?

(1) Yes. Please describe:

(A) Sustainability Outcome #1:

Our engagement with policymakers is carried out at two levels. Firstly, our own engagement with policymakers is mostly carried out on the Group level, and NatWest Group has governance processes in place to ensure that all engagement carried out aligns with our Purpose (of which climate is one of the three core pillars). This includes communicating with the Climate Executive Steering Group, which covers all climate-related matters. Secondly, as part of our service provider governance and yearly review process, we will assess whether our stewardship provider, EOS at Federated Hermes, continues to engage with policymakers on issues that (in)directly impact our carbon reduction targets. For example, we would expect EOS to encourage the adoption of climate-related disclosures and to drive ambitious efforts to achieve the commitments set out by the Paris Agreement.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 21	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Which of the following best describes your organisation's default position regarding collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes?

- (A) We recognise that progress on sustainability outcomes suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 22	PLUS	SO 7	SO 22.1	PUBLIC	Systemic stewardship including policy engagement	2, 5

During the reporting year, how did your organisation or the service providers/external investment managers acting on your behalf contribute to collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases	(4) in no cases
(A) By leading coordination efforts	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) By providing financial support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) By providing pro bono advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) By providing pro bono research	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) By providing pro bono training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) By providing administrative support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(G) Other, please specify:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 22.1	PLUS	SO 22	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Please provide details of how you contributed to collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes.

Please describe below:

(A) By leading coordination efforts	<p>Our stewardship provider, EOS at Federated Hermes, is an active member of Climate Action 100+ (CA100+) and is currently leading or co-leading over 30 engagements. As a lead engager EOS coordinates collaborative activity and leads engagement conversations with the world's biggest emitters.</p>
(D) By providing pro bono research	<p>Where EOS does not act as the lead engager for collaborative initiatives such as Climate Action 100+, they will contribute their insights and research expertise to enable engagement efforts to take place in an efficient and meaningful way.</p>

Global stakeholders collaborate to achieve outcomes

Tracking progress against global goals

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 23	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

Does your organisation engage with standard setters, reporting bodies or similar organisations to help track and communicate progress against global sustainability goals?

(A) Yes. Please describe:

Coutts uses the Task Force on Climate-related Financial Disclosures (TCFD) framework to report on how we identify, monitor and manage climate-related risks and opportunities. When possible we take part in consultations to shape the future direction of the TCFD disclosures, for example, the recent consultation on incorporating forward-looking metrics into TCFD reporting.

Through our stewardship provider, EOS at Federated Hermes, we also engage with reporting bodies and standard setters to encourage more ambitious adoption of climate-related reporting.

(B) No. Please describe why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 24	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

Does your organisation contribute to public goods (such as research) or public discourse (such as media coverage) to make progress on global sustainability goals?

(A) Yes. Please describe:

In addition to publishing regular insight articles on our Coutts, NatWest and RBS websites and our yearly Sustainability Report, we regularly contribute to media articles on responsible investing, ESG integration, ESG fund selection and our commitment to reduce the carbon intensity of our funds and portfolios.

(B) No. Please describe why not: