Responsible Investing Policy

Coutts

Contents

WHERE TO FIND MORE INFORMATION

All disclosures can be found on https://www.coutts.com/important-information/important-investment-documents.html

Entity-level sustainability and climate disclosures are published in NatWest Group the 2025 Climate Transition Plan Report

For information on how we manage stewardship and adhere to the UK Stewardship Code, please refer to our Stewardship Policy Document.

More information on how we apply our approach to our Funds can be found in the Fund Prospectus and on Coutts.com

Please contact your private banker or wealth manager with any further queries.

Section 1

Introduction

Introduction

This Policy outlines our approach to responsible investing, including its scope and how it is integrated into our investment offering and processes.

Investment Products and Solutions (IP&S)

IP&S sits within Coutts & Co (Coutts) and provides investment products and services to NatWest Group customers.

Our investment philosophy

We are guided in our decision-making by our investment philosophy, which is centred around the following three pillars:

1. Diversification across asset classes, sectors and countries to support our ability to manage risks and opportunities
2. Taking risk where we believe it's best rewarded. We have a framework to help take risks that we consider are the most likely to be successful
3. We take advantage of changes in the market, seeking opportunities to invest in underpriced assets that can deliver long-term value to our customers

Environmental, Social and Governance (ESG) factors

Whilst ESG has been defined in many ways, it can be thought of as:

Environmental
The impact of business activities on the environment (climate change, nature degradation, biodiversity loss and just transition)

Social
The impact of business activities on society (human rights, human trafficking, modern slavery, diversity & inclusion and supply chain services)

Governance
The impact on the business environment (ethics, code of conduct, anti-greenwashing, diverse board and renumeration)

ESG factors can influence the performance of investments over time, creating a range of risks and opportunities for investors.

Our approach to responsible investing

We recognise that ESG-related risks and opportunities are financially material to many investments. By working to understand them, we aim to manage clients' investments more effectively.

In addition to traditional risk measures, we consider ESG factors that could affect the investments we manage on our customers' behalf. We call this approach 'responsible investing'.

We implement our responsible investing approach through three activities:

Investment selection	Voting & engagement	Exclusions

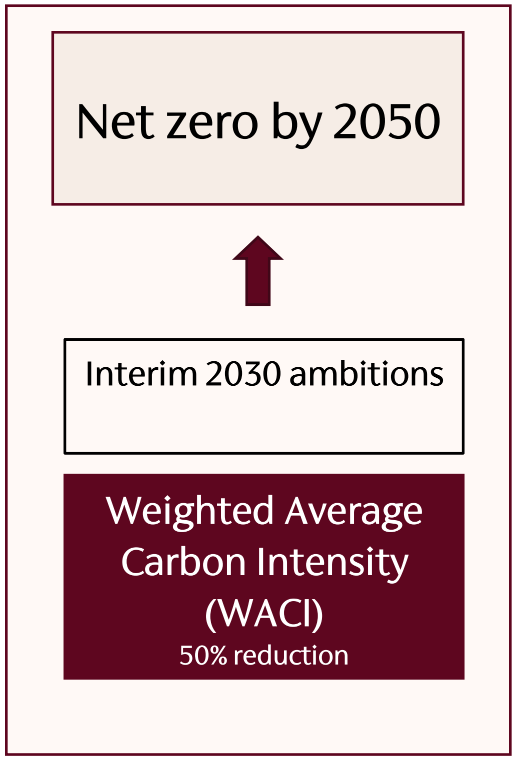
More information on how our approach is applied can be found in Section 3.

Section 2

Ambitions & metrics

Climate-related ambitions

- **Net Zero 2050**: We have an ambition to reach net zero across all assets under management by 2050.
- **Carbon Intensity 2030**: We aim to reduce the Weighted Average Carbon Intensity (WACI) of listed equity and corporate fixed income of Managed Assets by 50% by 2030 against a 2019 baseline. Details on how WACI is calculated can be found in Section 7.



Scope of coverage

Managed Assets refers to those Funds and Portfolios that we have discretion to manage on our clients' behalf which includes the Coutts Managed Funds (CMaF), Personal Portfolio Funds (PPF) and Discretionary Portfolios (DPS).

Bespoke and Advisory Portfolios are excluded from our ambitions as they are led by individual client-specific requirements, and we do not have sufficient influence over the net-zero pathway of these investments.

Reporting

We report progress against our net zero ambitions in our annual entity-level disclosures.

Our transition plan and external dependencies in transitioning to net zero

A climate transition plan sets out how an organisation will reduce emissions and adapt its business to the impacts of climate change.

Our climate transition plan comprises the same three activities as our responsible investing approach and is dependent on a range of factors, including:

- International commitments, collaboration and coordinated national policies to help align underlying investments with the goals set out by the 2015 Paris Agreement.
- The type of funds invested in and whether we have control of the investment parameters and ESG policies of the underlying funds.
- Availability of a broad range of net-zero aligned third-party funds capable of meeting our allocation and diversification needs.
- Government and investee companies taking action to reduce their carbon emissions in alignment with their stated ambitions and climate transition plans.

Metrics and statistics

As part of our product level reporting, we provide metrics and statistics where applicable. This includes;

Metrics
- WACI
- Total carbon emissions
- Carbon footprint
- Implied temperature rise
- Climate value at risk

Statistics
- Engagement objectives
- Exclusion coverage

This reporting is available at a product-level for our Funds and can be provided on request for our Portfolio Services.

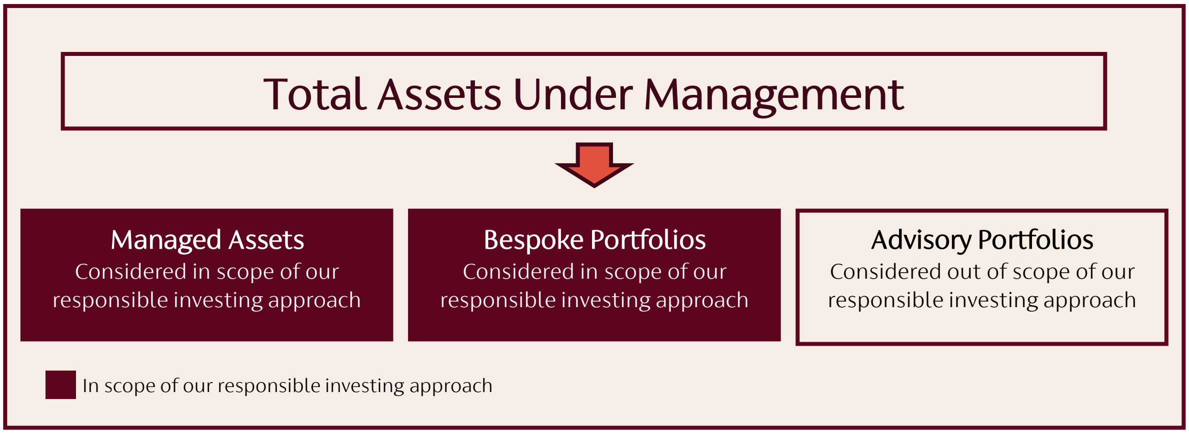
Section 3

Policy scope

In scope

We apply our responsible investing approach to Funds and Portfolios that we have discretion to manage on our customers' behalf, which includes Managed Assets and Bespoke Portfolios.

Managed Assets include the Coutts Managed Funds (CMaF), Personal Portfolio Funds (PPF) and Discretionary Portfolios (DPS).



Out of scope

Our Advisory Portfolio Service offers tailored asset allocation and investment parameters to meet individual client-specific requirements. As these portfolios are client led, they are not required to follow our Responsible Investing Policy.

The UK Equity Fund and Global Bond Fund are closed to new investment and do not explicitly incorporate the responsible investing approach. We review the scope of our Responsible Investing Policy at least annually.

Managed Assets and Bespoke Portfolios

How our responsible investing approach is applied depends on the investment. Managed Assets and Bespoke Portfolios are invested in custom-built and third-party funds, with potential direct exposure to equities and bonds. The custom-built funds are managed through our strategic relationships, where IP&S defines the investment parameters and ESG policies. We do not define the investment parameters or ESG policies of third-party funds.

The table below illustrates the application of our Responsible Investing Policy to investments in Managed Assets and Bespoke Portfolios:

Investment classification	Investment selection	Voting & engagement	Exclusions
Custom-built fund – active equity	✓	✓	✓
Custom-built fund – active corporate bonds	✓	✓	✓
Custom-built fund – passive equity	✓	✓	
Custom-built fund – passive corporate bonds	✓	✓	
Custom-built fund – government bonds	✓		
Custom-built fund – alternative	✓		✓
Third-party fund	✓		
Direct investment – equity	✓		✓
Direct investment – corporate bonds			✓
Direct investment – non-company security			

Investment selection

We consider ESG factors as part of our investment selection process. This covers all custom-built funds, third-party funds, and direct equity holdings. We do not systematically apply ESG analysis to non-company securities, reflecting the limited relevance for the instrument types, particularly for assets such as cash.

Voting & engagement

EOS at Federated Hermes provide voting recommendations and engagement directly with companies held by certain custom-built funds. We are unable to exercise voting and engagement on behalf of investments in third-party funds, direct holdings, non-company securities or alternatives. Third-party funds may apply their own voting and engagement policies.

Exclusions

Our exclusions policy is applied to actively managed equity and corporate bonds custom-built funds and direct company securities of in scope Funds and Portfolios. We do not apply exclusions to non-company securities such as government bonds or cash. Third-party funds do not implement our exclusions policy as we do not define the ESG parameters of these funds. However, third-party funds may apply their own exclusions policies.

Advisory Portfolios

As these portfolios are client led, they are not required to follow our Responsible Investing Policy. As a result, any alignment with our responsible investing approach is dependent on client choice.

The table below illustrates the application of the Responsible Investing Policy if clients choose to invest in these investments.

Investment Classification	Investment selection	Voting & engagement	Exclusions
Custom-built fund – active equity	✓	✓	✓
Custom-built fund – active corporate bonds	✓	✓	✓
Custom-built fund – passive equity	✓	✓	
Custom-built fund – passive corporate bonds	✓	✓	
Custom-built fund – government bonds	✓		
Custom-built fund – alternative	✓		✓
Third-party fund	✓		
Direct investment – equity	✓		
Direct investment – corporate bonds			
Direct investment – non-company security			

Please see the previous page for a summary description of investing selection, voting and engagement and exclusions.

Section 4

Investment selection

Fund selection

Our investment team follows a consistent process for investment selection and due diligence across all funds.

Investment identification and assessment

Once a potential investment is identified, responsible investing due diligence is undertaken.

The purpose is to gain an understanding of fund managers' consideration of ESG factors in their investment process and ownership practices. It covers topics such as:

- Responsible investing policies and commitments, including approaches to voting and engagement and exclusions.
- Approach to climate change including net zero commitments and industry initiatives.
- Integration of ESG factors into investment decision-making and oversight.

Investment selection

The responsible investing due diligence is included as one of several factors in the recommendation for investment.

Investment decisions look to balance holistic investment objectives, considering the overarching strategy and goals of our managed Funds and Portfolios.

Investment proposals and final decisions are reviewed and approved through our Fund Selection Forum.

Monitoring and reporting

Funds are reviewed if a material change in their approach is identified.

Regular reporting is provided to a range of boards and committees as part of our investment governance and oversight approach.

Direct equity selection

Our investment team follows a consistent process for investment selection and due diligence across all direct equities.

Investment identification and assessment

We assess an investment universe of over 1,000 stocks, evaluating them against criteria covering quality, market sentiment and ESG factors.

Investment selection

ESG considerations are integrated into our equity scoring framework and are included as one of several factors in the recommendation for investment. Investment decisions take a holistic view, seeking to balance financial strength, market dynamics and ESG characteristics.

Monitoring and reporting

The buy list is reviewed on an ongoing basis to ensure the investment case remains compelling.

Section 5

Voting & engagement

Voting & engagement overview

Voting and engagement are two methods investors can use to communicate with and influence companies. The scope of application of voting and engagement is defined in Section 3.

Custom-built funds

EOS at Federated Hermes (EOS) provide voting recommendations and engage directly with companies held by certain custom-built funds (see Section 2).

EOS is a global engagement and stewardship service provider. Their primary aim is to influence companies to adopt sustainable business practices by voting and engaging with companies on environmental, social, and governance (ESG) issues.

Voting

For a vote to take place, a proposal is put forward at a company's shareholder meeting. These may be management proposals (e.g. approving financial statements, electing directors) or shareholder proposals (e.g. requesting enhanced climate disclosures or changes to executive remuneration structures).

EOS voting decisions are informed by:

- EOS global voting principles
- EOS's thematic stewardship priorities
- Company-specific context, performance and governance practices
- Alignment with industry ESG standards and expectations
- Dialogue with the company, where relevant

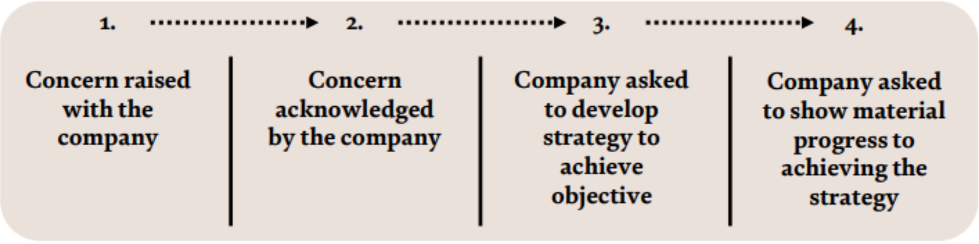
EOS communicates directly with company management and boards around key votes, helping to ensure rationale is clearly understood. This approach supports well-informed decision-making and encourages meaningful change where appropriate.

Engagement

EOS identify material issues and objectives for potential engagement through desktop research, sector and geographical analysis and benchmarking against companies within the same industry. Examples include employee working conditions or focusing on companies' alignment to carbon emissions targets.

An issue represents a concern or topic raised for discussion with a company and is often used for less material matters or early-stage discussions. An objective is a specific, measurable outcome the engagement is seeking to achieve and is tracked over a four-stage milestone system (see next page). An issue may progress into an objective if a precise goal is identified.

EOS employs a structured approach, tracking each objective through a four-stage milestone system shown below.



Each engagement is unique and the time between milestones is not an indication of engagement effectiveness. This is due to varying levels of complexity underlying each engagement and the requirements for companies to set out and demonstrate progress.

If engagements are unsuccessful, EOS may take further action. This can include recommending votes against management, tabling resolutions, collaborating with other shareholders on proposals or finally, choosing to disengage on that specific objective if it becomes immaterial or unlikely to deliver beneficial outcomes.

If an engagement issue is discontinued, EOS may engage the company on other relevant issues or objectives. If EOS chooses to discontinue an engagement, this does not mean we are divested from the company. Underlying investment holdings are at the discretion of the custom-built fund managers who align investment decisions with the overall investment objectives and guidelines of the custom-built funds.

Monitoring and reporting

Oversight of EOS activities is maintained through regular reporting. Outputs are published through quarterly and annual product-level reports, available at:
https://www.coutts.com/important-information/important-investment-documents.html

Twice a year, Coutts participates in EOS' Client Advisory Council meetings to collaborate with their other clients and offer direct feedback to EOS on their services.

Third-party funds

for voting and engaging on the underlying holdings rests with third-party fund managers. While this means that EOS voting and engagement approach is not directly applicable, understanding of the fund managers'
The responsibility stewardship policy forms part of our investment process.

Direct holdings

We do not undertake voting and engagement on direct holdings.

Securities lending in custom-built funds

Securities lending allows assets to be lent to approved borrowers in exchange for a fee. This can support enhanced client returns but can also limit voting rights.

For our custom-built funds, we permit securities lending subject to strict controls to protect our ability to vote:

- Limits on the proportion of shares that can be lent
- Use of an approved borrower list
- Requirement for collateral, which is subject to ESG screening

For third-party funds, securities lending is managed by the external fund managers.

Share-blocking voting limitations in custom-built funds

Share-blocking occurs when equity holdings that are registered to vote are blocked from trading during a company's annual meeting. The share-blocking period typically lasts from a few days to two weeks.

To maintain liquidity, we may, at times, refrain from voting within our custom-built funds if we believe that this could potentially restrict our ability to sell a particular equity holding within a certain period.

Section 6

Exclusions

Exclusion overview

Exclusions are typically applied to limit exposure to underlying investments that generate revenue through controversial activities. The scope of application of exclusions is defined in Section 3.

Our approach to exclusions

We apply exclusions to minimise reputational risks associated with clients' investments. Our policy is aligned to the NatWest Group Environmental and Social Sector Risk Acceptance Criteria (NWG E&S RAC) where applicable to support consistent risk-based decision making.

Our exclusions criteria are defined using MSCI ESG data. Exclusion criteria are proposed for inclusion in our policy if there is an applicable MSCI data point that aligns with the stated NWG E&S RAC activity and/or standard. If there are not any suitable MSCI data points, exclusions are not applied to avoid unduly constraining the investment universe.

Exclusions are implemented through revenue thresholds or defined criteria. Revenue thresholds work by setting limits on the amount of money a company can generate from specific activities. We have a consistent revenue threshold of 10%. Secondly, companies are assessed on a pass or fail basis against defined criteria.

Implementation

Potential investments in custom-built funds or direct company securities (equities and corporate bonds) are assessed against our exclusions policy. Companies that do not meet the criteria are excluded from the investable universe for in scope Funds and Portfolios.

The impact of exclusions varies over time based on how we hold the investments and will generally reduce, rather than remove the exposure. For example, third-party funds may still have exposure to companies who breach our exclusions criteria.

Exclusion policy themes

Exclusion theme	Related exclusions	Exclusion approach
Fossil fuel-related	Generation thermal coal, thermal coal mining, metallurgical coal, unconventional oil and gas, arctic oil, arctic gas	Revenue threshold
Weapons	Controversial weapons	Criteria
Global Norms Violations	United Nations global compact, United Nations Guiding Principles (UNGP) alignment, international labour standards	Criteria
Other societal-based	Adult entertainment, gambling, tobacco	Revenue threshold

Monitoring and reporting

Companies are added or removed from our exclusions lists for a variety of reasons, such as changes in business operations, disposal or acquisition of a business unit or changes in the ESG data provider methodology.

Where we become aware that a company fails any exclusions criteria, we will aim to act within 90 days to remove the company from in scope Funds and Portfolios. Exceptions to this timeframe may arise where immediate action is not feasible or would materially disadvantage clients.

Where ongoing monitoring indicates a company no longer fails any exclusions criteria, the company will be removed from the exclusions list and become eligible for investment.

It is the responsibility of the fund manager to monitor compliance in our custom-built funds.

We regularly monitor our available direct investments.

Error in holdings

From time to time, errors may occur where a company is incorrectly included or excluded from investment.

Where such an error is identified:
- The position will be reviewed promptly to confirm the error and its materiality.
- Appropriate remedial action will be taken as soon as reasonably practicable, which may include divestment or reinstatement in line with the policy requirements.
- Consideration will be given to market conditions, liquidity, and the best interests of clients when determining the timing of any corrective action.
- All identified errors will be recorded and reported in accordance with internal governance procedures.

Fossil fuel-related exclusions

Exclusion	Definition	Revenue threshold
Generation thermal coal - maximum percentage of revenue	This factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from the thermal coal-based power generation.	10%
Thermal coal mining - maximum percentage of revenue	This factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.	10%
Metallurgical coal - maximum percentage of revenue	This factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from the mining of metallurgical coal (including coking coal) and its sale to external parties. It excludes revenue from thermal coal, intra-company sales of mined metallurgical coal, and revenue from coal trading.	10%
Unconventional O&G - maximum percentage of revenue	The maximum percentage of revenue (either reported or estimated) that a company derives from unconventional oil and gas. It includes revenues from extraction and production of oil sands, oil shale (kerogen-rich deposits), shale gas, tight gas, shale oil, tight oil, coal seam gas, and coal bed methane. It excludes all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore. Only companies that own reserves or have production sharing contracts are attributed revenues for extraction and production. This factor does not capture revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of reserves with no associated extraction revenues; revenue from intra-company sales.	10%
Arctic oil - maximum percentage of revenue	This factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from Arctic Oil extraction and production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This factor includes offshore or onshore oil production. Only companies that own reserves or have production sharing contracts are attributed revenues for extraction and production. This factor does not capture revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of reserves with no associated extraction revenues; revenue from intra-company sales.	10%
Arctic gas - maximum percentage of revenue	This factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from Arctic Gas extraction and production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This factor includes offshore or onshore gas production. Only companies that own reserves or have production sharing contracts are attributed revenues for extraction and production. This factor does not capture revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of reserves with no associated extraction revenues; revenue from intra-company sales.	10%

Weapons

Exclusion	Definition	Revenue threshold
Controversial Weapons - Any Tie	Indicates whether the company is involved in the production of whole weapon systems, delivery platforms or components of cluster munitions; production of whole weapon systems or components of landmines and biological or chemical weapons; production of depleted uranium weapons, blinding laser weapons, incendiary weapons*, or weapons with non-detectable fragments; or is involved indirectly through ownership ties to companies involved in such products. Nuclear weapons are not considered for this screen. Not including producers of elemental white phosphorus or white phosphorus smokescreen/smoke bombs	Pass/Fail

Global norms violations

Exclusion	Definition	Revenue threshold
UN Global Compact Alignment	Assesses whether the company is aligned with the United Nations Global Compact principles based on MSCI ESG Research methodology.	Pass/Fail
UNGP Alignment	Assesses whether the company is aligned with the United Nations Guiding Principles (UNGP) for Business and Human Rights based on MSCI ESG Research methodology.	Pass/Fail
ILO Alignment - Fundamental Principles and Rights at Work	This factor indicates an assessment on whether the company is aligned with the International Labour Organization's (ILO) Fundamental Conventions and Declaration on Fundamental Principles and Rights at Work based on MSCI ESG Research methodology.	Pass/Fail

Other societal-based

Exclusion	Definition	Revenue threshold
Adult Entertainment - Maximum Percentage of Revenue	The company's reported revenue (or, where not disclosed, maximum estimated revenue) from the production, distribution or retail of adult entertainment products or services as a percentage of total revenue in its most recently completed fiscal year.	10%
Gambling - Maximum Percentage of Revenue	The company's reported revenue (or, where not disclosed, maximum estimated revenue) from gambling operations, including online or mobile gambling, and supporting activities in its most recently completed fiscal year.	10%
Tobacco - Maximum Percentage of Revenue	The company's reported revenue (or, where not disclosed, maximum estimated revenue) from the production, distribution or retail of tobacco products, as a licensor of brand names for tobacco products, or as a supplier for tobacco products as a percentage of total revenue in its most recently completed fiscal year. Tobacco products include nicotine-containing products, including traditional and alternative tobacco smoking products.	10%

The above definitions are taken directly from MSCI and do not represent a Coutts definition of exclusions categories.

Third-party funds

The responsibility for applying exclusions to underlying holdings within third-party funds rests with their managers. While this means that Coutts' exclusion policies are not directly applied to these investments, an assessment of the fund manager's exclusion approach and policies forms part of our investment selection and due diligence process.

Please refer to the relevant asset manager and/or index methodology, as well as the relevant fund documentation for full details on their responsible investment approach.

Section 7

Reporting & global initiatives

Reporting

We report annually against regulatory requirements and key industry standards.

As an FCA-regulated firm, we provide climate and sustainability-related disclosures aligned with the Financial Conduct Authority's (FCA) ESG Sourcebook requirements. This includes reporting covering the identification and assessment, management and mitigation and monitoring of climate and sustainability-related risks and opportunities at both a corporate (entity) and Fund or Portfolio (product) level.

As a signatory to the UN Principles for Responsible Investment (UN PRI), we disclose how we apply the six UN PRI principles in our investment approach. This forms part of the UN PRI's annual assessment of our responsible investment practices.

As a signatory to the UK Stewardship Code, we publish an annual report aligned with the Code's disclosure requirements. This covers how we integrate ESG factors into our investment decisions and broader stewardship responsibilities.

All disclosures can be found on https://www.coutts.com/important-information/important-investment-documents.html

Weighted average carbon intensity (WACI)

We use WACI to estimate the greenhouse gas emissions and long-term decarbonisation trends of investments.

WACI is used to assess decarbonisation over an extended time horizon, rather than an input into our investment decision-making process.

We calculate WACI using the following formula:

$$\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{current portfolio value}} \times \frac{\textit{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\textit{issuer's \$M revenue}_i}\right)$$

Global initiatives

We support collaborative initiatives that encourage the management and mitigation of sustainability-related risks and opportunities that could impact performance.

We have been a signatory to the UN-backed PRI since 2018 and joined the Net Zero Asset Managers Initiative in April 2021, reporting annually on our activity.

PRI Principles for Responsible Investment | Climate Action 100+ Global Investors Driving Business Transition | UK Stewardship Code | Net Zero Asset Managers Initiative | IIGCC Institutional Investors Group on Climate Change

Section 8

Governance & oversight

Governance structure

As the assessment and management of responsible investment considerations within investment products is nuanced, we have additional governance and oversight processes tailored to IP&S, which sits within Coutts. The Investment Propositions and Oversight Committee is responsible for overseeing the end-to-end investment process. This includes monitoring client outcomes, compliance with investment objectives and policies and investment performance. The Committee is responsible for approving material changes to the Responsible Investing Policy and maintaining ongoing oversight of its implementation.

The IP&S Risk Forum is responsible for discussion, management and ongoing monitoring of risks. This includes oversight of material climate and nature risks, together with the development and monitoring of any required management plans.

The Fund Selection Forum is responsible for determining the most appropriate route to market to implement investment decisions. The responsible investing due diligence is considered as part of fund selection.

The Implementation Forum is responsible for the execution of investment decisions. This includes ensuring that portfolio construction reflects agreed investment views, risk parameters and responsible investment considerations.

Responsible Investing team

The Responsible Investment team, in collaboration with the wider bank, is accountable for the design and review of our Responsible Investing Policy.

Process for changing the Responsible Investing Policy

We review our responsible investing approach at least annually to ensure ongoing alignment with our overall investment strategy. Where an activity is identified as no longer aligned, appropriate amendments will be made to the Responsible Investing Policy.

Changes may be made to the policy without prior notice to investors, unless such a change to the policy requires a notice to investors under applicable laws and regulation.

This policy was last updated on 07/07/2026.

Conflicts of interest

We maintain a Conflicts of Interest Policy on our website, which identifies applicable conflicts and sets out the controls and processes in place to mitigate risk.

Financial services compensation scheme

Coutts is a member of the Financial Services Compensation Scheme (FSCS) (the "scheme"). Investment business undertaken with Coutts in the UK may be covered by the FSCS. In respect of investment business, the scheme covers a claim up to a maximum of £85,000 per person, per financial institution. More details on the types of person and other entities who are or are not covered, and how eligible claims are calculated, can be found on the FSCS website at fscs.org.uk.

Coutts

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Calls may be recorded.

This document is not considered a financial promotion.