



Response to ESG Questionnaire Premier Miton

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March 2024

Introduction

The issue of defining ESG and how individual companies express their specific values is now at the forefront of many of our clients' minds. We have researched SRI funds for many years now and have a separate rating category, but we acknowledge that this is now a mainstream strategy for an increasing number of investors and ESG issues are impacting all funds, not just those designated responsible or SRI.

In order to understand each company's stance on ESG factors at the corporate level, and how this is built into the investment managers' research and process we ask all our rated fund managers four questions:

- Please provide an overview of any Responsible Ownership/Stewardship strategy that your business follows.
- Please provide an overview of how ESG is integrated into your business.
- Does your business have a policy of excluding any companies or sectors from all strategies managed? If yes, please provide further details.
- What improvements (if any) have been made over the past 12 months within your business to the points highlighted in the previous questions?

The responses given by Premier Miton are shown here.

1. Please provide an overview of any Responsible Ownership/Stewardship strategy that your business follows.

Our purpose is to actively and responsibly manage our clients' investments for a better financial future. Our success is defined by our clients' success, and this work is founded on serving those clients by helping them meet their investment objectives and preferences through well managed investment products backed by strong client service.

Having the right investment beliefs is key to fulfilling our purpose and we believe that active investment management can deliver attractive risk-adjusted returns over the long term.

We are genuinely active investors without a house view. This means that clients' investments are managed by talented investment management teams who are given appropriate freedom to think independently and exchange ideas, within a disciplined product governance framework that includes robust portfolio and compliance monitoring.

We define responsible investing as an approach to investing that includes the consideration of Environmental, Social and Governance (ESG) factors alongside financial factors, supported by stewardship activities. ESG factors are considered in a proportionate and applicable manner across our different investment strategies. When considering ESG factors alongside financial factors, we believe that we can enhance our

decision making by considering all available information on whether an investment is suitable for inclusion in a fund.

We regularly engage with the management of companies in which we invest, or are considering investing in, and we take a thoughtful approach to voting on company resolutions at Annual General Meetings and other shareholder meetings.

Our fund managers are ultimately accountable for stewardship and responsible investing activities in their funds and are supported by the Responsible Investing team where required, with oversight from the Chief Investment Officer. We believe this assignment of responsibilities ensures that stewardship is directly integrated into our various investment processes where appropriate, rather than being undertaken by a separate stewardship team.

Responsible investing activities are directed by the Chief Investment Officer with implementation led by the Head of Responsible Investing and supported by a Responsible Investment Analyst. Together they form an integrated responsible investing team that works in collaboration with the equity, fixed income, absolute return and multi asset investment teams. Oversight of activities, as well as reviewing the related policies, is provided by Premier Miton's Responsible Investing Oversight Committee (RIOC).

We have been a signatory of the United Nations supported Principles for Responsible Investment (PRI) since 2020.

For more information, please read our [Responsible Investing Policy](#) and [Stewardship and Responsible Investing Report](#).

2. Please provide an overview of how ESG is integrated into your business.

We believe that assessing the approach to ESG related risks and opportunities provides additional information on the investment opportunity, and when combined with financial analysis can lead to improved decision making and better outcomes for investors.

Our fund managers consider ESG factors in a proportionate and applicable manner in the investment approaches across our different investment strategies. When applied, this is undertaken across the investment process including in research and analysis, portfolio monitoring and buying and selling decisions.

We believe that the fund managers and investment analysts, who undertake the research on a specific investment, are best placed to consider ESG factors and how they will impact the profitability and sustainability of the investment and the potential financial returns for shareholders. Each investment team takes its own approach to analysing ESG factors when engaging with management, voting at company meetings and making investment decisions to best serve clients, with support from the Responsible Investing team where required.

When engaging with companies, our fund managers do so through a number of channels, with the aim of developing their understanding of the business strategy, financial position and prospects, amongst many other factors. For many of our investment strategies, our fund managers aim to be in contact with, and preferably meet with, the management of companies they invest in at least annually. They also find value in site visits as well as meeting competitors, suppliers and end users of their products or services when researching companies to support their investment analysis.

We subscribe to a number of independent providers of ESG data and research including Ethical Screening, ISS ESG, ISS Climate Solutions, ISS Governance Research & Voting and Morningstar Sustainalytics. We also use data providers such as Bloomberg, Morningstar, CDP and Transition Pathway Initiative to further understand the nature of our investments, and to assess external scoring and analysis of our funds. As active investors, detailed company research focussed on evaluation of the ESG risks and opportunities can provide insight, rather than a single, combined ESG score.

Our fund managers are encouraged to share investment ideas across investment teams where appropriate and meet on a formal basis monthly to share market news, views and analysis. Furthermore, there are regular

intra-team and inter-team meetings, as well as daily ad-hoc discussions. A Responsible Investing Forum, led by our Head of Responsible Investing, is held on a quarterly basis to share updates across ESG data offerings, collaborative engagement and specific stewardship activities.

For the funds within our responsible and sustainable range that have non-financial considerations in their investment approach, the fund managers, along with the Responsible Investing team, undertake additional research in the investment process and adopt a more proactive approach to stewardship. We also report on how these funds have delivered against their non-financial objectives utilising alignment to responsible and sustainable investment themes as well as revenue alignment to independent frameworks such as the United Nations Sustainable Development Goals (SDGs).

These approaches are regularly discussed and reviewed with the Head of Responsible Investing and Chief Investment Officer, and they are monitored by the Responsible Investing Oversight Committee (RIOC). The RIOC meets four times a year and is made up of the Chief Investment Officer and Head of Responsible Investing alongside other senior members of the Investment, Risk, Compliance, Distribution and Marketing departments. The aim is to provide appropriate oversight of the responsible investing process at Premier Miton and comply with our responsibilities to various stakeholders, including, but not limited to, regulators and clients.

This includes monitoring the characteristics, eligibility and appropriateness of holdings in the responsible and sustainable funds or any other holdings across the group where specific ESG criteria are required. Stewardship and responsible investing related matters are highlighted to the relevant fund managers and the RIOC can determine escalation activities such as undertaking further analysis, engaging with company management, voting or in extreme circumstances sale of the position if deemed appropriate.

3. Does your business have a policy of excluding any companies or sectors from all strategies managed? If yes, please provide further details.

Yes. Premier Miton has a firm wide exclusion policy, which excludes banned weapons from our directly invested funds.

Our equity, fixed income and directly invested multi asset funds and investment trusts are excluded from investing in companies which are involved in the following banned weapons: biological, chemical, non-detectable fragments, blinding laser, anti-personnel mines and cluster munitions. These companies are screened out using the services of specialist third party provider Institutional Shareholder Services (ISS). Whilst we don't enforce additional firm level exclusions, our active investment approach and ESG analysis results in many of our funds and investment trusts having a low exposure to so called 'controversial companies'. These companies are those that have been involved in ESG related incidents that may result in negative impacts for stakeholders and the environment and include areas such as corruption, human rights violations and environmental pollution.

More recently, because of the conflict between Russia and Ukraine, Premier Miton's directly invested funds have a policy to exclude Russian sovereign debt, corporate debt instruments and equities listed on a Russian exchange or issued by a company incorporated in Russia or Belarus. Outside of our directly invested funds, including in our range of multi-manager funds which invest in Collective Investment Schemes, we have a policy to exclude Russian domiciled funds and to ensure that managers of external schemes intend to fully comply with sanctions issued against Russia and other relevant countries. We have a policy in place to ensure that we do not inadvertently breach any asset freeze or investment ban (collectively described as 'sanctions') which have legislative or regulatory force in the United Kingdom.

Further to the firm level approach to exclusions, a number of our responsible and sustainable funds and investment trust have policies that include avoiding investing in companies we believe have negative societal or environmental impacts, such as those with major business activities in tobacco or gambling or which contravene human rights.

4. What improvements (if any) have been made over the past 12 months within your business to the points highlighted in the previous questions?

- Our net zero strategy received approval from the Board of Premier Miton Group plc and our targets were published by the Net Zero Asset Managers (NZAM) initiative. We joined the Institutional Investors Group on Climate Change (IIGCC) and the Net Zero Engagement Initiative (NZEI) to support its implementation.
- Further enhanced the risk register and dashboard of the Responsible Investing Oversight Committee (RIOCC) following the development of our net zero strategy and publication of the FCA Sustainability Disclosure Requirements. We also improved the oversight of corporate access and responsible and sustainable theme alignment.
- Developed a Responsible Investing Oversight Framework which sets out the high-level arrangements for monitoring using the three lines of defence model. This includes enhancements to the process by which the suitability of holdings in the responsible and sustainable funds is assessed by the RIOCC.
- Enhanced the Responsible Investing Forum to facilitate relevant discussions and share best practice across the investment team on stewardship and responsible investing activities. This has proven to be an increasingly popular group and continues to play a key role in the management, development and ongoing improvement of our activities especially with the addition of two fund managers who specialise in sustainable investment in emerging markets.
- Our Responsible Investing Policy was updated to amend language, clarify scope as well as reference our participation in the NZAM and the addition of Morningstar Sustainalytics as one of our third-party data providers.
- Our Proxy Voting Policy was updated to increase disclosure around how we identify significant voting opportunities, manage conflicts of interest when voting as well as our approach to “Say on Climate” votes where a company files a vote which asks shareholders to support transition plans.

Important Notice

This document is aimed at Investment Professionals only and should not be relied upon by Private Investors. Our comments and opinion are intended as general information only and do not constitute advice or recommendation. Information is sourced directly from fund managers and websites. Therefore, this information is as current as is available at the time of production.

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