



## **PUBLIC TRANSPARENCY REPORT**

**2025**

**7iM**

Generated 24-11-2025

# About this report

PRI reporting is the largest global reporting project on responsible investment.

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

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

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

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

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

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

### Data accuracy

This document presents information reported directly by signatories in the 2025 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

### SENIOR LEADERSHIP STATEMENT

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

#### Section 1. Our commitment

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

Why do we engage in responsible investment?

7IM is a UK-based investment manager founded in 2002. Our vision is to deliver an unrivalled client experience for individuals, families, financial advisers, corporates, charities and trustees. Our priority is delivering for our clients—helping them navigate uncertainty, protect their investments, and achieve long-term financial goals. Responsible Investing and Stewardship is central to that responsibility, ensuring we make well-informed decisions that align with our clients' best interests while maintaining the highest levels of accountability. We focus our resources on financially material risks and opportunities that we think impact the value of our clients' investments. It is evident that environmental, social and governance (ESG) issues are among such risks and opportunities. As 7IM grows and we collaborate with colleagues across the country, we're being more mindful than ever of the impact of our developing business. Whether that's in the way that we travel, how we power our offices or in the sustainable outputs of the funds that we offer, we're making continuous improvements to keep ourselves efficient and environmentally friendly. Sustainability is truly woven into the fabric of how we conduct our business, and we're committed to carrying this on into the future.

Our approach to responsible investment

We believe that behaving responsibly is good for our people and culture, for our investors, and for the future of the society we all live in. ESG factors can materially affect a company's performance and market value. We view ESG as an important element in evaluating the expected risk and return from investments. Non-financial factors can influence the long-term financial performance and risk profile of investments. Taking ESG risks into account also help investors to understand the long-term risk and potential downside of portfolios. We believe ESG issues are best handled within investment teams, and should be incorporated into our regular tasks, plans and responsibilities as investment managers. Our investment process can be viewed as having four stages: Strategic Asset Allocation, Tactical Asset Allocation, Portfolio Management (including security selection) and Risk Management, underpinned by being a responsible active owner. One person in each of these areas is designated the ESG champion and works with the ESG Investment Analyst to ensure that ESG issues are addressed comprehensively in the investment process, and when particular decisions have to be made. They report back to the 7IM ESG Investment Committee, where progress and performance are discussed and monitored. Since our responsible journey began, back in 2007, through the launch of our first responsible fund, we have continuously enhanced our ESG integration and responsible investing processes.

Our Responsible Investment Commitments

Our goal is to ensure our clients' portfolios endure for generations to come. We safeguard our clients' assets in the short term through diversification, while simultaneously aiming for long-term growth via well-researched investments across various asset classes. Our portfolios strike a balance between structure and flexibility, allowing us to capitalise on market opportunities while maintaining confidence in their longevity and consistency. In 2023, we introduced our newly adopted Sustainability Framework. The framework ensures a consistent and focused approach across People, Corporate and Investment-related sustainability initiatives. Within investment management, we have committed to invest responsibility through a variety of ways:

- In 2020, 7IM's Executive Committee agreed to reduce the carbon emissions of the Strategic Asset Allocations of all portfolios by 30% at the SAA level by 2026. This has been achieved in early 2025, ahead of schedule, and we are currently creating the next phase of the project.
- In 2021, we enhanced our in-house Analytics Platform, Jasmin, to incorporate third party ESG data into our position analysis.
- In 2022, we implemented a firm-wide Controversial Weapons Policy.
- In 2023, we committed to making nature a stewardship priority by joining the Investor Policy Dialogue on Deforestation (IPDD) Initiative as a working group member.

- In 2024, we enhanced ESG data in the investment process through the integration of forward looking metrics, Implied Temperature Rise and Climate VaR, into the investment risk process.
- In 2024, we committed to continue to make climate change a stewardship opportunity joining forces with partners across the wealth management industry through the 'UK Wealth Managers on Climate' group to encourage asset managers to embrace net zero.
- In 2024, we also took the step to more systemically integrate ESG considerations in our manager selection framework by upgrading due diligence process via the creation of Manager ESG Conviction Framework and upgrading the due diligence questionnaires on Door.

## Section 2. Annual overview

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

### Our Progress

Recent developments — from President Trump's second withdrawal from the Paris Agreement to billions leaving sustainable funds — are a clear reminder of how fragile global progress can be when priorities shift. In that context, our actions throughout 2024 speak for themselves. There's more to do, but we're proud of the strides we've made and remain committed to a consistent, long-term approach that supports our clients and stands up to uncertainty.

We have progressed well in our commitment to decarbonise our SAA by 30% by 2026. We began by lowering the carbon-intensity of our US equity and corporate bond exposures in 2021–22. This was then followed in 2023 by allocating to a low carbon ETF that follows the EU's Climate Transition Benchmark (CTB) regulation in Japanese equity exposures. These changes, along with our annual SAA changes, which were driven by the factor optimisation process, had the added effect of reducing the carbon intensity of the SAA. In early 2025, further changes were made which meant the target was achieved across all our SAA risk profiles.

### Refinement of ESG

ESG issues are considered at each stage of the 7IM investment process. In addition to our SAA decarbonisation, we look to continuously improve our third-party fund selection and ESG risk management framework.

As a manager-of-managers, we aim to understand how managers integrate ESG risks and opportunities and to what extent they implement their ESG policy. We aim to understand whether their corporate sustainability commitments and policies are consistent with what they do. We aim to engage with our fund managers to improve on any ESG risks identified in this process. When it comes to manager selection, we view ESG assessment as a risk management tool. Our Manager ESG Convictions Rating Framework allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. We also further refined our questionnaires on Door with three fund due diligence questionnaires that are sent to different types of funds we invest in.

Our Investment Risk Team is a cornerstone of our investment process and ESG metrics are monitored quarterly in the risk oversight of funds, via the Investment Risk Committee. Climate-related risks are captured in the investment risk management process through several ESG metrics or scores. In 2024, we enhanced the process by integrating forward looking metrics, Climate Value at Risk (CVaR) and Implied Temperature Rise (ITR) into the risk monitoring process. These types of metrics incorporate forward looking assessment of a company and/or portfolio's financial sensitivity to climate-related risks and opportunities, as well as alignment to global temperature goals, respectively.

### Stewardship Activities

The 7IM stewardship philosophy has an ownership mindset. A crucial element of this mindset is active engagement with the third-party fund managers that manage the products in which we invest. We enhanced our engagement framework to capture both top-down systemic sustainability issues as well as bottom-up Manager specific ESG factors. Our engagement themes promote consistency in how we interact with our investment managers and the companies we invest in. Our efforts are directed toward areas where we can truly make a difference. 2024 was a year where we initiated multiple meaningful conversations with our fund managers, on a range of topics, from the financial material risks imposed by a changing climate to engaging with UK government on deforestation. An example of our recent engagement is our Passive Managers Net Zero and Stewardship Engagement Project where we launched a deep-dive review of passive providers' stewardship approaches and resources, as well as the honesty and feasibility of their climate commitments.

In terms of collaboration, we may collectively engage with other industry participants in regard to a number of issues, such as climate reporting or regulatory change. In 2023, we signed up to the Investors Policy Dialogue on Deforestation (IPDD). The IPDD is a collaborative investor initiative set up in July 2020 to engage with public agencies and industry associations in selected countries on the issue of deforestation. In 2024, 7IM partnered with others in the wealth management industry to establish the UK Wealth Managers for Climate Group to encourage asset managers to embrace net zero.

Attainment of responsible investment certifications

Every year since 2020, we have been proud to be signatories of the Financial Reporting Council's Stewardship Code. We have submitted our report for the 2024 reporting year.

### Section 3. Next steps

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

We plan to advance our commitment to responsible investing in two main respects over the next two years: developing the next phase of our SAA decarbonisation commitment and targeting social engagements.

We are keenly aware of the need to support the transition to a low-carbon economy, and as part of our responsible investing commitment we support the UK government's drive to achieve carbon neutrality by 2050. We are committed to reducing the carbon-intensity of our SAAs by 30%, which has been achieved in early 2025, a year ahead of plan. In 2024, we researched how the SAA decarbonisation project may evolve in the future. We have not formalised the next steps, but our inclination is to lean more on engaging with our investments and encouraging them to adopt more robust climate targets, building on the work we have already been doing over the last few years. As with the original goal, the next phase aims to strike the right balance between climate considerations, portfolio performance, and risk. We are currently gathering data from our underlying fund managers to better understand how the new framework can be practically and effectively implemented. This new policy will be finalised in 2025.

Alongside our climate-related work, we are also placing greater emphasis on identifying and pursuing meaningful social engagement opportunities. We recognise that social issues, such as labour rights and diversity and inclusion, are integral to long-term, sustainable value creation. Over the next two years, we plan to deepen our understanding of the most pressing social risks and opportunities across our portfolios. Our aim is to establish a more structured approach to social engagements, aligned with our broader responsible investment priorities and the evolving expectations of our stakeholders.

### Section 4. Endorsement

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

Name

Dean Proctor

Position

CEO

Organisation's Name

7iM

☒ A

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

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# OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

## OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

### OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- ☐ (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- ☐ (B) Directive on AIFM (2011/61/EU) [European Union]
- ☒ (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- ☐ (D) EU Taxonomy Regulation [European Union]
- ☐ (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- ☐ (F) IORP II (Directive 2016/2341) [European Union]
- ☐ (G) Law on Energy and Climate (Article 29) [France]
- ☐ (H) MiFID II (2017/565) [European Union]
- ☒ (I) Modern Slavery Act [United Kingdom]
- ☐ (J) PEPP Regulation (2019/1238) [European Union]
- ☐ (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- ☐ (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- ☐ (M) SFDR Regulation (2019/2088) [European Union]
- ☐ (N) SRD II (Directive 2017/828) [European Union]
- ☐ (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- ☐ (P) Climate Risk Management (Guideline B-15) [Canada]
- ☐ (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- ☐ (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- ☐ (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- ☐ (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- ☐ (U) SEC Expansion of the Names Rule [United States of America]
- ☐ (V) SEC Pay Ratio Disclosure Rule [United States of America]
- ☐ (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- ☐ (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- ☐ (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- ☐ (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- ☐ (AA) Financial Markets Conduct Act [New Zealand]
- ☐ (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- ☐ (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- ☐ (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- ☐ (AE) Modern Slavery Act (2018) [Australia]

- ☐ (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- ☐ (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- ☐ (AH) JSE Limited Listings Requirements [South Africa]
- ☐ (AI) Other
- ☐ (AJ) Other
- ☐ (AK) Other
- ☐ (AL) Other
- ☐ (AM) Other
- (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

**During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?**

- ☐ (A) Asset Owners Stewardship Code [Australia]
- ☐ (B) Código Brasileiro de Stewardship [Brazil]
- ☐ (C) New Zealand Stewardship Code
- ☐ (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- ☒ (E) **Stewardship Code [United Kingdom]**
- ☐ (F) Stewardship Framework for Institutional Investors [United States of America]
- ☐ (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- ☐ (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- ☐ (I) Luxflag ESG Label [Luxembourg]
- ☐ (J) RIAA Responsible Investment Certification Program [Australia]
- ☐ (K) SRI Label [France]
- ☐ (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- ☐ (M) Code for Institutional Investors 2022 [Malaysia]
- ☐ (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- ☐ (O) Corporate Governance Guidelines [Canada]
- ☐ (P) Defined Contribution Code of Practice [United Kingdom]
- ☐ (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- ☐ (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- ☐ (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- ☐ (T) OECD Guidelines for MNEs - Responsible Business Conduct for Institutional Investors [Global]
- ☐ (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- ☐ (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- ☐ (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- ☒ (X) **Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]**
- ☐ (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- ☐ (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- ☐ (AA) Global Reporting Initiative (GRI) Standards [Global]
- ☐ (AB) IFC Performance Standard [Global]
- ☐ (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- ☐ (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- ☐ (AE) Other
- ☐ (AF) Other
- ☐ (AG) Other
- ☐ (AH) Other
- ☐ (AI) Other
- (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.



# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

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

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

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2024

## SUBSIDIARY INFORMATION

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

Does your organisation have subsidiaries?

- ☐ (A) Yes
- ☒ (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

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

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

**USD**

(A) AUM of your organisation, including subsidiaries not part of row (B), and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 8,045,215,007.00

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

US\$ 0.00

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

US\$ 18,190,975,000.00

**Additional context to your response(s): (Voluntary)**

Exchange rate used: 1.25455 [https://www.imf.org/external/np/fin/data/rms\\_mth.aspx?SelectDate=2024-12-31&reportType=REP](https://www.imf.org/external/np/fin/data/rms_mth.aspx?SelectDate=2024-12-31&reportType=REP)

## ASSET BREAKDOWN

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

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

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

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Futures Collateral and currency overlay

**(I) Other - (2) Percentage of Externally managed AUM - Specify:**

Futures, cash & cash equivalents, physical markets, money market assets

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

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

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

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

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

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

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

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

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

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

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental 0%

(D) Other strategies >75%

**(D) Other strategies - Specify:**

Investment Trusts (REITs and similar publicly quoted vehicles)

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

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

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

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >75%

(D) Active – corporate 0%

(E) Securitised 0%

(F) Private debt 0%

## MANAGEMENT BY PRI SIGNATORIES

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

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

>75%

## GEOGRAPHICAL BREAKDOWN

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

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

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(2) >0 to 10%
(D) Fixed income – securitised	(1) 0%
(G) Real estate	(1) 0%
(I) Hedge funds	(1) 0%

# STEWARDSHIP

## STEWARDSHIP

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

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

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

  

	(6) Real estate	(8) Hedge funds	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**Does your organisation have direct investments in listed equity across your hedge fund strategies?**

- ☐ (A) Yes  
☒ (B) No

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

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

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

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

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

	Percentage of your listed equity holdings over which you have the discretion to vote
(A) Listed equity – active	(5) >30 to 40%
(B) Listed equity - passive	(7) >50 to 60%



## STEWARDSHIP NOT CONDUCTED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship not conducted	2

**Describe why your organisation does not currently conduct stewardship and/or (proxy) voting.**

Stewardship, excluding (proxy) voting  
(K) Other

As we hold futures, futures collateral, currency overlay, cash and cash equivalents and physical market assets, there is limited scope to conduct stewardship activities. In 2024, we voted on a Exchange Traded Commodities which consist 1.56% of our AUM within Other.

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

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

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

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(D) Listed equity - other strategies	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Futures Collateral and currency overlay	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER SELECTION

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

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

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Futures, cash & cash equivalents, physical markets, money market assets	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER APPOINTMENT

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

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

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Futures, cash & cash equivalents, physical markets, money market assets	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

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

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

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Futures, cash & cash equivalents, physical markets, money market assets	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

**Describe how your organisation incorporates ESG factors into the following asset classes.**

Internally managed  
(C) Other

The assets within internally managed 'Other' are futures collateral and currency overlay. These assets have limited scope for incorporating ESG. However, 7IM perform annual country-level ESG-related risk analysis through our annual government ESG ratings. Country sustainability scores allow us to monitor ESG within currency overlay. The in-house country-level ESG rating is composed of three publicly available indices covering Governance, Social and Environmental factors: Yale Environmental Performance Index, Social Performance Index, and World Bank Worldwide Governance Indicators. We normalised the scores from each index and aggregated them into overall ESG scores.

#### Externally managed (F) Other

Our majority external holdings within 'Other' consist of cash and cash equivalents, followed by futures and physical markets. Incorporating ESG factors into selecting and appointing external managers within 'Other' is demonstrated through decarbonising our Strategic Asset Allocation (SAA). The SAA is the long-term, strategic mix of assets that is the cornerstone of our investment portfolios. One of our four key business sustainability pillars are commitments to Cleaner Investments. We have committed to a 30% reduction in the carbon intensity of our Strategic Asset Allocations (SAAs) by 2026. In July 2021, phase 1 of decarbonisation, we focused on decarbonising the US equity portion of our SAA. At that stage, the lowest cost, and most liquid low-carbon products available were those that tracked lower-carbon US indices. After reviewing the options available we decided to use the MSCI USA ESG screened index. This index is tracked by an index future and a low-cost ETF, hence the cost impact of making the switch was minimal. The index future is classified within 'Other'. We switched over £300 million of assets into lower-carbon investments, which resulted in a 40% reduction in US equity carbon emission. Similarly, in 2023, phase 3 of decarbonisation focused on Japanese equity exposures. Following extensive research on carbon reductions and index methodology, as well as considering tracking error and cost, the new products implemented were over 40% less carbon-intensive. In December 2023, we switched over £200m of assets from the previously held Japan index future and ETF.

Within Risk Management, we incorporate financially material ESG factors into our investment decision making as ESG metrics are monitored quarterly in the risk oversight of the funds. We monitor all our holdings' carbon intensity, measured by MSCI's Weighted Average Carbon Emissions Intensity, and ESG issues, measured by MSCI's Weighted Average Key Indicator. This includes the futures we hold within 'Other'.

However, we are aware that there is limited scope to integrate ESG within 'Other' due to the nature of our investment within this asset class. There are limited options currently available in the market for low-carbon liquid futures, as it is still a developing area.

## ESG STRATEGIES

### LISTED EQUITY

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

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

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

(A) Screening alone	>0-10%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>75%
(E) Thematic and integration	0%

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

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

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

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

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	>0-10%
(C) A combination of screening approaches	>75%

## FIXED INCOME

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

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

**(1) Fixed income - SSA**

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	>75%

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

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

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

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

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

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

>0-10%

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

#### Additional context to your response(s): (Voluntary)

Our ESG-marketed products are the long-running Responsible Balanced Fund, and our Responsible Choice and Responsible Wealth Model Portfolios.

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

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

☒ (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of total AUM that your labelled and/or certified products and/or funds represent:

>75%

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

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

#### Which ESG/RI certifications or labels do you hold?

- ☐ (A) Commodity type label (e.g. BCI)
- ☐ (B) GRESB
- ☐ (C) Austrian Ecolabel (UZ49)
- ☐ (D) B Corporation
- ☐ (E) BREEAM
- ☐ (F) CBI Climate Bonds Standard
- ☐ (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- ☐ (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- ☐ (I) EU Ecolabel
- ☐ (J) EU Green Bond Standard
- ☐ (K) Febelfin label (Belgium)
- ☐ (L) Finansol
- ☐ (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- ☐ (N) Greenfin label (France)
- ☐ (O) Grüner Pfandbrief
- ☐ (P) ICMA Green Bond Principles
- ☐ (Q) ICMA Social Bonds Principles
- ☐ (R) ICMA Sustainability Bonds Principles
- ☐ (S) ICMA Sustainability-linked Bonds Principles
- ☐ (T) Kein Verstoß gegen Atomwaffensperrvertrag
- ☐ (U) Le label ISR (French government SRI label)
- ☐ (V) Luxflag Climate Finance
- ☐ (W) Luxflag Environment
- ☐ (X) Luxflag ESG
- ☐ (Y) Luxflag Green Bond
- ☐ (Z) Luxflag Microfinance
- ☐ (AA) Luxflag Sustainable Insurance Products
- ☒ **(AB) National stewardship code**  
Specify:  
UK Stewardship Code
- ☐ (AC) Nordic Swan Ecolabel
- ☐ (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- ☐ (AE) People's Bank of China green bond guidelines
- ☐ (AF) RIAA (Australia)
- ☐ (AG) Towards Sustainability label (Belgium)
- ☐ (AH) Other



# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

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

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

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Listed equity – other strategies	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(E) Fixed income – SSA	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(U) External manager selection, appointment and monitoring (SAM) – listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(W) External manager selection, appointment and monitoring (SAM) – fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Y) External manager selection, appointment and monitoring (SAM) – real estate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

(AA) External manager selection,  
appointment and monitoring (SAM)  
– hedge funds

☐

☐

☒

## SUBMISSION INFORMATION

## REPORT DISCLOSURE

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

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

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

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

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

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

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

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

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

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

We set out our guidelines on E, S, and G factors in our Responsible Investing Policy and our Engagement Policy. These include other systematic sustainability issues such as climate change and biodiversity.

- ☐ (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

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

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

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

Add link:

<https://www.7im.co.uk/media/k0odokwh/responsible-investment-policy.pdf>

☒ **(B) Guidelines on environmental factors**

Add link:

<https://www.7im.co.uk/media/k0odokwh/responsible-investment-policy.pdf>

☒ **(C) Guidelines on social factors**

Add link:

<https://www.7im.co.uk/media/k0odokwh/responsible-investment-policy.pdf>

☒ **(D) Guidelines on governance factors**

Add link:

<https://www.7im.co.uk/media/k0odokwh/responsible-investment-policy.pdf>

☒ **(E) Guidelines on sustainability outcomes**

Add link:

<https://www.7im.co.uk/media/k0odokwh/responsible-investment-policy.pdf>

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

Add link:

<https://www.7im.co.uk/media/sqqphsf3/7im-engagement-policy.pdf>

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

Add link:

<https://www.7im.co.uk/media/sqqphsf3/7im-engagement-policy.pdf>

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

Add link:

<https://www.7im.co.uk/media/sqqphsf3/7im-engagement-policy.pdf>

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

Add link:

<https://www.7im.co.uk/media/k0odokwh/responsible-investment-policy.pdf>

☒ **(J) Guidelines on exclusions**

Add link:

<https://www.7im.co.uk/media/i4xogkeu/controversial-weapons-exclusion-policy.pdf>

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

Add link:

<https://www.7im.co.uk/media/sqqphsf3/7im-engagement-policy.pdf>

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

Add link:

<https://www.7im.co.uk/media/sqqphsf3/7im-engagement-policy.pdf>

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

Add link:

<https://www.7im.co.uk/media/I02pz44u/7im-voting-policy.pdf>

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

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

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

☒ (A) Yes

Elaborate:

In 7IM's Responsible Investing Policy, we detail how we uphold fiduciary responsibilities through explaining how we integrate ESG in the investment process, our stewardship philosophy, and our sustainability oversight. Our investment process can be viewed as having four stages: Strategic Asset Allocation (SAA), Tactical Asset Allocation (TAA), Portfolio Management (including security selection) and Risk Management. Finally, for 7IM, Stewardship is central to that responsibility, ensuring we make well-informed decisions that align with our clients' best interests while maintaining the highest levels of accountability. Within SAA, we highlight the importance of long-term preparation and planning as most of our clients have long term investment horizons, therefore, we decided to reduce our SAA's carbon intensity by 30% by 2026.

In 2025, the target set in 2020 was achieved across all our SAA risk profiles ahead of schedule. In 2024, we researched how this project may evolve in the future. We have not formalised the next steps, but our inclination is to lean more heavily on engaging with our investments and encouraging them to adopt more robust climate targets, building on the work we have already been doing over the last few years. This new policy will be finalised in 2025. Within TAA, one of our core beliefs is that markets are not always efficient and that tactical tilts can add value and we recognised climate change will entail also entail short to medium risks and opportunities for investors. Therefore, we review ESG metrics when we consider tactical changes across portfolios and, in the past, we have allocated to climate change leaders when we thought the valuation opportunity was appropriate. Within Portfolio Management, we manage numerous investment strategies, most of which are multi-manager. We act with due care, skill, and diligence through our manager selection and monitoring due diligence process. Since our last UNPRI report, we have enhanced this process to better understand how managers integrate ESG risks and opportunities and to what extent they implement their ESG policy. We aim to understand whether their corporate sustainability commitments and policies are consistent with what they do.

We aim to engage with our fund managers to improve on any ESG risks identified in this process. When it comes to manager selection, we view ESG assessment as a risk management tool. In 2024, we created our Manager ESG Convictions Rating Framework allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. This process accompanies the standard fund due diligence questionnaires sent via Door.

Within Risk Management, we incorporate financially material ESG factors into our investment decision making as ESG metrics are monitored quarterly in the risk oversight of the funds. Climate-related risks are captured in the investment risk management process through several ESG metrics or scores. One of these is a "Weighted Average Key Indicator" Score (WAKI) ranging from 0-10 based on a company's exposure to key Environmental, Social and Governance themes. Another metric is Carbon Emission Intensity (tCO2e/\$m sales). In 2024, we integrated forward looking metrics, Climate Value at Risk (CVaR) and Implied Temperature Rise (ITR) into the risk monitoring process. These types of metrics incorporate forward looking assessment of a company and/or portfolio's financial sensitivity to climate-related risks and opportunities, as well as alignment to global temperature goals, respectively.

The 7IM stewardship philosophy has an ownership mindset. A crucial element of this is active engagement with the third-party fund managers that manage the products in which we invest and other major industry stakeholders such as data providers and regulators. We engage with managers when we believe their investment standards have fallen below current industry best practice. For example, in late 2023, we launched our Passive Managers Net Zero and Stewardship Engagement Project. We launched a deep-dive review of passive providers' stewardship approaches and resources, as well as the honesty and feasibility of their climate commitments.

The outcome of this assessment and engagement was to identify leaders and laggards in the passive space and to track progress. 7IM maintains a Conflicts of Interest (COI) Policy that is publicly available on our website. It forms part of 7IM corporate governance and documents the firm's approach to identifying, preventing and managing conflicts of interest. We disclose our investment approach and stewardship activities via our Responsible Investment Policy and our annual Stewardship Code reports.

- (B) No

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

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

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

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

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

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

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

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

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

## RESPONSIBLE INVESTMENT POLICY COVERAGE

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

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

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment						
(B) Guidelines on environmental factors					(7) 100%	
(C) Guidelines on social factors						
(D) Guidelines on governance factors						

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

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

### AUM coverage

(A) Specific guidelines on climate change				(1) for all of our AUM		
(B) Specific guidelines on human rights				(1) for all of our AUM		
(C) Specific guidelines on other systematic sustainability issues				(1) for all of our AUM		

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

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

☒ **(A) Listed equity**

(1) Percentage of AUM covered

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

☒ **(11) 100%**

☒ **(B) Fixed income**

(1) Percentage of AUM covered

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

☒ **(11) 100%**

☒ **(D) Real estate**

(1) Percentage of AUM covered

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

☒ **(11) 100%**

☒ **(F) Hedge funds**

(1) Percentage of AUM covered

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



- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

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

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

☒ **(A) Actively managed listed equity**

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

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

● (11) 100%

☒ **(B) Passively managed listed equity**

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

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

● (11) 100%

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

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

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

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

Specify:

Sustainability Committee - Stewardship and Responsible Investing at 7IM are ultimately managed by the Sustainability Committee, set up in 2020. The Committee is held accountable for pulling together and embedding our commitments within our culture and related groups and activity, and includes people from across the whole business. The Sustainability Committee reports to the 7IM Executive Committee (ExCo).

☒ **(C) Investment committee, or equivalent**

Specify:

ESG Investment Committee - The ESG Investment Committee is based in the Investment Management team and has five members. It includes representatives from every stage of the investment process at 7IM: Strategic Asset Allocation, Tactical Asset Allocation, Portfolio Management and Investment Risk. A member of the Investment Committee also sit on the ESG Investment Committee.

☒ **(D) Head of department, or equivalent**

Specify department:

Jack Turner, Head of ESG Portfolio Management

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

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

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

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

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>

(H) Guidelines on exclusions	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="checkbox"/>

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

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

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

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

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

☒ **(A) Internal role(s)**

Specify:

Jack Turner – Head of ESG Portfolio Management Wenqian Zeng – ESG Investment Analyst

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

Specify:

We encourage all the external investment managers we invest in to adhere to our responsible investment policy. All external investment managers must adhere to our controversial weapons policy. The Broadridge service currently defaults to automatically vote in line with management on all company proposals.

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

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

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

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

Indicate whether these responsible investment KPIs are linked to compensation

● **(1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

This is applicable to our Head of ESG Portfolio Management

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

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

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

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

(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

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

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

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

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

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

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

Add link(s):

<https://www.7im.co.uk/media/usynwc12/7im-task-force-on-climate-related-financial-disclosures-report.pdf>

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

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

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

## STRATEGY

### CAPITAL ALLOCATION

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

**Which elements do your organisation-level exclusions cover?**

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

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

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

- ☒ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- Select from dropdown list:
- (1) for all of our AUM subject to strategic asset allocation
  - (2) for a majority of our AUM subject to strategic asset allocation
  - (3) for a minority of our AUM subject to strategic asset allocation

☒ **(B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- **(2) for a majority of our AUM subject to strategic asset allocation**
- (3) for a minority of our AUM subject to strategic asset allocation

☐ (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns

☒ **(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- **(2) for a majority of our AUM subject to strategic asset allocation**
- (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

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

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

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

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

	(1) Listed equity	(2) Fixed income	(4) Real estate	(6) Hedge funds
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

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

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

In all asset classes, we focus our stewardship efforts on material issues that we think represent specific risks to the long-term value of our clients' shareholdings, this includes the materiality of ESG factors. We also pay attention to the size of holdings, the scale and urgency of problems, and how much influence we may have. Externally managed products total around 97% of 71M assets under management, and our manager monitoring system and our Manager ESG Convictions Rating Framework are designed to inform us whether external managers are working to safeguard and maximise the value of their assets, with sound stewardship and taking ESG issues into account in their investment processes. Our Manager ESG Convictions Rating Framework allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'.



This research is consistently recorded in the fund due diligence note. The analyst will flag potential opportunities for engagement if any area is flagged as having room for improvement. We believe this method maintains consistency in evaluating managers' ESG practices and capacities. Asset managers who are scored as 'Low' Conviction during the onboarding process will be added to the 'ESG Conviction Watchlist'. We do not exclude 'Low' ESG conviction managers as we believe engagement is a more effective tool for change. We seek to work with them and identify areas of improvement in ESG integration and their active ownership capabilities. To help achieve real-world impact, we aim to indirectly influence underlying companies on ESG, such as climate target setting and disclosures, through engaging with our managers.

Once engagement opportunities are identified, the ESG investment specialist will track and monitor progress year on year. For managers who have made significant ESG improvements since inception, we can upgrade the conviction in the related categories as a measure of our successful engagement. Our manager monitoring system means we engage with fund managers directly, where we have concerns about their investment strategy, performance, governance, remuneration or approach to risks, including those that may arise from social and environmental matters. We regularly question them about their holdings, to ensure that they are implementing full stewardship in their portfolios – via voting, engaging with management where necessary, and encouraging the companies they hold to consider ESG risks. For collective investments, we prioritise our engagements in the light of UN PRI guidance. This prioritisation differs across asset classes but is consistent across geographies.

Active equities: We focus our equity engagements on active funds that we have material holdings in, and managers that have scored a 'Low' ESG conviction score. We engage mostly with active managers since they have discretion over concentrated portfolios and often work closely with their companies. We will engage where we've identified material issues that represent specific risks or following a material controversy.

Passive equities: We define these to include index funds, index ETFs and diversified quantitative products. We expect managers to engage where possible with the companies in their portfolios. We check that they are using the weight of their assets under management to vote on important issues and are taking their stewardship obligations seriously.

We focus on managers that have scored a 'Low' ESG conviction score. Credit: We engage with credit managers based on the size of our holdings and where we identify material ESG risks in portfolios where we can influence change. We focus on managers that have scored a 'Low' ESG conviction score. As a holder of credit, it is possible to engage, but without the use of a vote to make the point some companies choose to ignore bond holders. Votes on bonds tend to be narrow, with little impact on the firm's operations. Occasional opportunities may arise for managers to engage.

Emerging market debt managers, for example, can engage with the governments of some countries. Alternative strategies: With direct equity exposure, like event or equity long-short. For these products, we follow a similar approach to stewardship as for active equities. We note, though, that stock holding periods are often shorter than for fundamental equity strategies, giving managers less scope to influence company behaviour. Where 7IM holds equities and bonds directly, we endeavour to ensure that companies are appropriately managed and meet our environmental, social and governmental requirements. We monitor, engage and are prepared to escalate issues that we consider to be material with companies and issuers. In 2024, we have limited direct holdings, representing less than 3% of our assets under management.

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

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

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

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

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

There are occasions when shareholders might collaborate with other investors to increase their influence on specific company decisions, to ensure that outcomes benefit their clients. We take part in collaborative engagements when we think we can enhance the value or lower the risks of client assets and expect our third-party managers to engage collaboratively on our behalf when appropriate. As an investment management firm that primarily uses fund-of-funds structures, the opportunities we have to engage directly with companies are limited. Directly invested equities make up less than 3% of our assets under management, with unitised products or closed-ended investments making up the rest.

Investor Policy Dialogue on Deforestation (IPDD) Initiative: As detailed in last year's Stewardship Report, in 2023, we joined the Investor Policy Dialogue on Deforestation (IPDD) Initiative as a working group member in order to help and address nature-related, in particular, biodiversity-related issues within our portfolios. We wanted to make nature a stewardship priority, therefore, we continued our active participation in the initiative in 2024. As a member of the initiative, 7IM joins monthly and bi-monthly IPDD meetings with other investor participants to discuss issues and policies around deforestation. Our main participation is within IPDD's Consumer Countries Working Group, focused on engagements in the EU, US, UK. This workstream considers how the regulatory environment can help tackle commodity-driven deforestation, given the increase in deforestation related regulation currently being debated and passed in consumer countries. In 2024, as part of the IPDD Consumer Countries Working Group, we co-signed a letter to the UK Department for Environment, Food and Rural Affairs. This letter explained the importance of halting deforestation to investors, highlighting both the systemic risks and the financial, reputational, operational, litigation and regulatory risks due to investment in companies or instruments that are directly or indirectly linked to global supply chains containing forest-risk commodities. The letter called on the government to introduce the Forest Risk Commodities legislation set out in the Environment Act 2021 as a priority. This engagement remains ongoing.

UK Wealth Managers on Climate Group: In 2024, 7IM joined forces with partners across the wealth management industry through the 'UK Wealth Managers on Climate' group to encourage asset managers to embrace net zero. In an increasingly challenging political and regulatory landscape for sustainability, the role of this group in driving collective action and advocating for meaningful climate commitments has become more critical than ever. As a founder member of 'UK Wealth Managers on Climate' 7IM aims to create positive impact through its focused environmental goals. Recognising the industry's potential to leverage positive action, the group's nine members, which have a combined total AUM of £165 billion, have come together to cosign a letter<sup>6</sup> outlining three clear climate change ambitions for asset managers: • Set a net zero commitment and ensure that targets are clear and transparent • Communicate the approach clearly to both the business and clients • Ensure that stewardship activities reflect net zero commitments and deliver tangible results. These 'asks' reflect 7IM's own sustainability goals including a drive towards cleaner investments and commitment to a 30% reduction in the carbon intensity of its Strategic Asset Allocations (SAAs) by 2026, detailed previously in this report. We are proud members of 'UK Wealth Managers on Climate' and by signing this letter, we hope to encourage more wealth management firms to commit to a more sustainable future and join us in delivering positive change.

7IM aims to support environmental and social initiatives, when relevant and appropriate. As a member of the UN PRI, we have opportunities to be part of initiatives supported by the PRI. In 2024, 7IM remained endorsers of 'SPRING', a new collaborative stewardship initiative on nature launched by the UN PRI and 'Advance', a PRI led initiative seeking to advance on human rights and positive outcomes through engagement with metals and mining sector and renewables sector, targeting around 40 companies. For more details, please see last year's Stewardship Code report. As endorsers, we have joined training sessions provided to educate ourselves on most recent developments, and utilise insights with our managers, where relevant. For both initiatives, we have decided to be endorsers rather than participants. While we understand the greater impact of being a participant of engagements, the expectations of a participant do not align with a fund-of-funds house. We are continuously looking for ways we can contribute to environmental and social outcomes. Looking ahead, we will explore meaningful opportunities to participate in a relevant social initiative

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

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

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

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

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

As we are a fund-of-funds business, engagements with external fund managers are conducted in-house by our Investment Team sector specialist and the ESG Investment Analyst. 7IM's separate ESG due diligence process focuses on how the third-party fund managers of funds held by 7IM tackle ESG issues, and how they fulfilled their responsibilities as stewards of the investments in their funds. Since we mostly invest indirectly, through collective vehicles, those third-party managers are our main 'levers' to achieve our stewardship-related objectives. In 2023 and 2024, we enhanced this process. At the end of 2023, we moved away from the annual ESG questionnaire system to a more efficient and systematic framework of ESG integration in fund selection.

The framework is structured in two parts. First, managers are assessed on ESG pre-investment to see if they meet our minimum ESG standards, then the ESG investment analyst researches on six key areas (firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting – further expanded below) to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. Second, the ESG analyst conducts a post-investment ESG review based on the responses to the ESG-specific questions on the Door due diligence questionnaires, as outlined previously. The aim is to ensure that the responses align with pre-investment ESG due diligence.

The analyst will flag potential opportunities for engagement if any area is flagged as having room for improvement. We believe this method maintains consistency in evaluating managers' ESG practices and capacities. In addition, we improved the ESG monitoring procedure through an 'enhanced monitoring' mechanism. Asset managers who are scored as 'Low' Conviction during the onboarding process will be added to the 'ESG Conviction Watchlist'. We do not exclude 'Low' ESG conviction managers as we believe engagement is a more effective tool for change. We seek to work with them and identify areas of improvement in ESG integration and their active ownership capabilities. To help achieve real world impact, we will indirectly influence underlying companies on ESG, such as climate target setting and disclosures, through putting pressure on our managers.

Once engagement opportunities are identified, the ESG investment specialist will track and monitor progress year on year. For managers who have made significant ESG improvements since inception, we can upgrade the conviction in the related categories as a measure of our successful engagement. The purpose of the ESG Conviction Framework was to find out how asset managers viewed ESG issues as firms and as fund managers, and to set expectations for what we wanted them to do as stewards of the investments in their funds held on behalf of investors in 7IM funds and products. Our engagement activities are a continuous process and occasionally where engagement is not successful, we would consider divestment post-escalation. Given our investment approach, we are almost entirely reliant on third-party fund managers to vote, engage with and scrutinise companies on our behalf.

Our expectations are high when it comes to external managers being aware of controversies affecting a company they are invested in, proactively addressing issues via continuous engagement, and being ready to escalate (and possibly divest) if responses by the investee company's management remains unsatisfactory. For example, 7IM launched a Passive Managers Net Zero and Stewardship Engagement Project in 2023. At 7IM, we consider voting and engagement the key 'levers' at a passive fund manager's disposal to achieve positive investor outcomes, given that divestment is not an option. We commenced a deep-dive review of passive providers' stewardship approaches and resources, as well as the honesty and feasibility of their climate commitments.

The engagements addressed questions related to corporate targets and action plans, stewardship resources, and engagement and voting processes. The outcome of this qualitative assessment and engagement will be to identify leaders and laggards in the passive space and conduct an annual review to track progress. We classified the managers ranging from 'High' to 'Low' conviction. The passive managers involved are Vanguard, Amundi, LGIM, HSBC, DWS (Xtrackers), and BlackRock (iShares). These, as a result, have impacted investment decisions. As an endorser of UN PRI's Advance, a collaborative initiative on human rights in the metals and mining sector, we have been engaging with BlackRock, the manager of the World Mining Fund.

We strongly encouraged joining Advance to work with other investors and industry experts to encourage disclosure and transparency and foster best practices. This may also help with prevention and mitigation of negative impacts of tragic events, going beyond post-event stewardship activities.

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

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

The 7IM stewardship philosophy has an ownership mindset. A crucial element of this mindset is active engagement with the third-party fund managers that manage the products in which we invest.

We base our engagement policy with third-party managers on five principles. These are based on The Investor Forum's guidance on good engagement.

Firstly, we are long-term investors, and our engagements are set on that basis. This recognises that change is a gradual process but should be pursued, nonetheless. Our engagements focus on long-term value creation for the end client.

Secondly, our engagements are framed by a close understanding of the fund manager and their investment style. This may mean adapting our approach depending on whether a fund manager is active or passive, or focused on small or large cap stocks.

Thirdly, our engagements are based on setting clear objectives with a focus on effecting change. We want to be clear with the investment managers we invest with so that they understand our aims.

Fourthly, we employ consistent, direct and honest messages and dialogue.

Fifthly, involves reflection so that lessons are learned and we can improve future engagement activity.

This will ensure that engagement activity remains focused, appropriately resourced, and ultimately successful. As multi-asset multi-manager investors, we engage with companies and managers on assets in different asset classes and geographies. We question our active managers about their holdings of stocks with poor ESG ratings and controversies and expect them to engage with companies and encourage them to improve their stewardship and ESG performance.

The engagement process is underpinned by our bottom up ESG Manager Conviction Framework and our top-down engagement themes, such as targeting Climate Change through the Passive Managers Net Zero and Stewardship Engagement Project.

Multiple examples are provided in our annual Stewardship Report.

## STEWARDSHIP: (PROXY) VOTING

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

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

- ☐ (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
- ☐ (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear
- ☐ (C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed
- ☐ (D) We do not review external service providers' voting recommendations
- ☒ (E) Not applicable; we do not use external service providers to give voting recommendations

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

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

- ☐ (A) We recall all securities for voting on all ballot items
- ☐ (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- ☐ (C) Other
- ☐ (D) We do not recall our securities for voting purposes
- ☒ (E) Not applicable; we do not have a securities lending programme

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

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

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

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

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

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- ☐ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- ☐ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- ☒ (D) **We did not privately or publicly communicate our voting intentions prior to the AGM/EGM**
- ☐ (E) Not applicable; we did not cast any (proxy) votes during the reporting year

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

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

- ☒ (A) **Yes, for all (proxy) votes**  
Add link(s):  
<https://www.7im.co.uk/media/tjxfi4zx/full-voting-records-2024.pdf>
- ☐ (B) Yes, for the majority of (proxy) votes
- ☐ (C) Yes, for a minority of (proxy) votes
- ☐ (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

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

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

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

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

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

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company		
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

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

<https://www.7im.co.uk/media/yh5prbp/stewardship-report-2024.pdf>

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

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

The ESG Investment Analyst on the Investment Management team is designated to vote shares held in the funds through the Broadridge proxy voting platform, Proxy Edge, which is a service available for the funds held at Northern Trust. The ESG Investment Analyst receives email notifications from Broadridge on upcoming votes. The Broadridge Proxy Voting service currently defaults to automatically vote in line with management on all company proposals. When a ballot is published on Proxy Edge, the ESG Investment Analyst engages with the sector specialist. Any proposals not to vote in line with the default approach will be reviewed and require approval by the ESG Investment Committee. If the Investment Management team chooses to override the management recommendation, then the action is noted and a reason for the vote is written up by the sector manager or a member of the ESG Investment Committee.

7IM prioritises votes where 7IM holds a significant number of shares in the company or where the holding is viewed as substantial. 7IM has relatively few direct equity holdings, so most of the voting on listed equities is done by managers of third-party funds we invest with. 7IM engages with managers, asking them to disclose their approach to stewardship and Environmental, Social, and Governance (ESG) as a company and for their funds, and to explain their voting policies. While 7IM cannot vote on these third-party funds, we can seek to influence how a fund will vote. For third-party funds with voting rights, the house policy on voting is to vote based on materiality. We review the votes on funds where we either hold more than 20% of the fund's assets or the fund is a top 20 holding in absolute terms across all centrally-managed propositions, as at the end of the first quarter of the calendar year. We review the votes for all investment trusts held across all centrally-managed propositions.

In some cases, the shares held in funds may not be available for voting. This is because some shares can only be voted on when a power of attorney is in place and the ESG Investment Committee makes an assessment on whether the cost implications of putting such a POA in place are merited. If it is considered this will not be in the best interests of the shareholders, the shares are not voted.

7IM does not use an advisory service to recommend how to vote. Undertaking this activity using internal resources better reflects 7IM's governance views, rather than taking an external advisor's recommendation with which 7IM may disagree. There are relatively few direct holdings that need to be voted on, and voting research is better managed in-house.

## STEWARDSHIP: ESCALATION

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

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

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one



(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal



(C) Publicly engaging the entity, e.g. signing an open letter



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director



(F) Divesting



(G) Litigation





(H) Other ☐

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings ☐

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

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

- ☒ (A) Joining or broadening an existing collaborative engagement or creating a new one
- ☒ (B) Publicly engaging the entity, e.g. signing an open letter
- ☒ (C) Not investing
- ☒ (D) Reducing exposure to the investee entity
- ☒ (E) Divesting
- ☒ (F) Litigation
- ☐ (G) Other
- ☐ (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

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

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

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

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

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

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

Describe:

When the FCA's Policy Statement for the Sustainability Disclosure Requirements was released in late 2023, we were pleased to see that the FCA had listened to industry feedback, including our written response via the Investment Association's (IA). As mentioned in last year's report, we had asked the FCA to "develop a label that incorporates this flexibility and caters for a large segment of the existing sustainable market. The label would cover a blend of the categories that the FCA has proposed, allowing an investment manager to allocate between the three categories". We were then very happy when the FCA announced a fourth label 'Mixed Goals'. Throughout 2024, we engaged with industry peers through The Investment Association SDR forum and our underlying managers on their approach to SDR.

The Financial Reporting Council (FRC) initiated a review of the UK Stewardship Code in 2024, launching a consultation to the Code's updated principles and reporting framework. The proposed updates focused on long-term sustainable value, streamlined reporting, and tailored principles for different types of signatories. As an investment manager committed to responsible stewardship, 7IM actively participated in the consultation process. We attended two of FRC's Stewardship Code roundtables, UN PRI's UK Stewardship Code drop-in session for broader industry discussion, and finally fed back with a formal written response by the requested deadline. Our consultation response highlighted both our support for and concerns about the revised Code. While 7IM welcomes the enhancements aimed at strengthening stewardship practices, we believe certain revisions could be improved to ensure the Code remains a robust and globally recognised standard. We remain committed to effective stewardship and continue to support the UK Stewardship Code as a vital framework for driving transparency, accountability, and long-term sustainable value in the investment industry.

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

Describe:

Investor Policy Dialogue on Deforestation (IPDD) Initiative: In 2023, we joined the Investor Policy Dialogue on Deforestation (IPDD) Initiative as a working group member in order to help and address nature-related, in particular, biodiversity-related issues within our portfolios. We wanted to make nature a stewardship priority, therefore, we continued our active participation in the initiative in 2024. As a member of the initiative, 7IM joins monthly and bi-monthly IPDD meetings with other investor participants to discuss issues and policies around deforestation. Our main participation is within IPDD's Consumer Countries Working Group, focused on engagements in the EU, US, UK. This workstream considers how the regulatory environment can help tackle commodity-driven deforestation, given the increase in deforestation related regulation currently being debated and passed in consumer countries. In 2024, as part of the IPDD Consumer Countries Working Group, we co-signed a letter to the UK Department for Environment, Food and Rural Affairs. This letter explained the importance of halting deforestation to investors, highlighting both the systemic risks and the financial, reputational, operational, litigation and regulatory risks due to investment in companies or instruments that are directly or indirectly linked to global supply chains containing forest-risk commodities. The letter called on the government to introduce the Forest Risk Commodities legislation set out in the Environment Act 2021 as a priority. This engagement remains ongoing.

- ☐ (E) Other methods

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

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

- ☐ (A) We publicly disclosed all our policy positions  
☒ (B) We publicly disclosed details of our engagements with policy makers  
Add link(s):

<https://www.7im.co.uk/media/yh5prbp/stewardship-report-2024.pdf>

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

## STEWARDSHIP: EXAMPLES

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

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

(A) Example 1:

Title of stewardship activity:

IPDD

- (1) Led by
- ☐ (1) Internally led
  - ☐ (2) External service provider led
  - ☒ (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- ☒ (1) Environmental factors
  - ☐ (2) Social factors
  - ☐ (3) Governance factors
- (3) Asset class(es)
- ☒ (1) Listed equity
  - ☒ (2) Fixed income
  - ☒ (3) Private equity
  - ☒ (4) Real estate
  - ☒ (5) Infrastructure
  - ☒ (6) Hedge funds
  - ☒ (7) Forestry
  - ☒ (8) Farmland
  - ☒ (9) Other

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

In 2023, we joined the Investor Policy Dialogue on Deforestation (IPDD) Initiative as a working group member in order to help and address nature-related, in particular, biodiversity-related issues within our portfolios. We wanted to make nature a stewardship priority, therefore, we continued our active participation in the initiative in 2024. As a member of the initiative, 7IM joins monthly and bi-monthly IPDD meetings with other investor participants to discuss issues and policies around deforestation. Our main participation is within IPDD's Consumer Countries Working Group, focused on engagements in the EU, US, UK. This workstream considers how the regulatory environment can help tackle commodity-driven deforestation, given the increase in deforestation related regulation currently being debated and passed in consumer countries. In 2024, as part of the IPDD Consumer Countries Working Group, we co-signed a letter to the UK Department for Environment, Food and Rural Affairs. This letter explained the importance of halting deforestation to investors, highlighting both the systemic risks and the financial, reputational, operational, litigation and regulatory risks due to investment in companies or instruments that are directly or indirectly linked to global supply chains containing forest-risk commodities. The letter called on the government to introduce the Forest Risk Commodities legislation set out in the Environment Act 2021 as a priority. This engagement remains ongoing.

(B) Example 2:

Title of stewardship activity:

Robeco leading the way

(1) Led by

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

(2) Primary focus of stewardship activity

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

(3) Asset class(es)

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

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

[We have been holding Robeco's global credit funds for a number of years. As part of the ESG Conviction framework described above, we met with Robeco to assess its ESG capabilities. Robeco is an early mover in sustainable investing (SI), embedding ESG deeply into its investment process. Its early adoption, proprietary research, and focus on decarbonisation and advanced ESG metrics demonstrate leadership in the field. Robeco's focus on SI is evidenced by the senior representation and responsibilities within the Sustainability & Impact Strategy Committee and its sub committees. Given the firm has identified four strategies priorities of Climate, Biodiversity, SDGs and Social issues, they have built governance structure around that. Robeco's extensive, experienced and diverse resource pool has been in place since 2005, demonstrating high levels of commitment to SI resource. The team operates like traditional analysts, ensuring deep sector expertise and integration. Robeco's structured engagement process is supported by its PLATO system, which tracks and monitors engagements transparently, with a clear escalation process ensures engagement effectiveness. We were impressed with Robeco's comprehensive approach as the firm demonstrates a high conviction in sustainable investing through its governance, research and integration, and active ownership.

(C) Example 3:

Title of stewardship activity:

Geode/Fidelity

(1) Led by

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

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors

- ☒ (2) Social factors
- ☒ (3) Governance factors
- (3) Asset class(es)
  - ☒ (1) Listed equity
  - ☐ (2) Fixed income
  - ☐ (3) Private equity
  - ☐ (4) Real estate
  - ☐ (5) Infrastructure
  - ☐ (6) Hedge funds
  - ☐ (7) Forestry
  - ☐ (8) Farmland
  - ☐ (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We have been engaging with Fidelity on its passively managed product range, managed by a firm called Geode, since 2021 following our initial roll-out of our ESG questionnaire. Geode, based in the US, predominantly manages passive and systematic low-cost investment strategies. We continue to build on conversations on stewardship in 2024, detailed in our previous Stewardship Reports. Since 2021, after identifying Geode's areas of weakness, we have engaged with Fidelity International on its passively managed products, sub-advised by Geode, focusing on stewardship, proxy voting, and engagement efforts. Since this engagement started, Geode has increased their ESG Stewardship Team from two in 2021, to four in 2022, to six in 2023.

In 2022, we encouraged Fidelity International to reconsider the investment management arrangement with Geode, though this is unlikely, given the historical relationship between the two firms. In 2023, we encouraged Fidelity to explore various options that may enhance the voting and engagement on the sub-advised assets on behalf of European investors. Fidelity was able to take us through the options they were considering internally as well as the likelihood of each, such as the necessary infrastructure and logistics required. Fidelity also emphasised that they themselves are already engaging on a lot of the holdings that Geode sub-advises. In 2024, we followed up to assess whether any progress had been made.

Progress on Geode's stewardship has been minimal due to capacity limits within certain stocks, requiring Fidelity to find a way to manage both active and passive books. While alternative solutions were considered, it was noted that cost concerns, leadership changes, and resource constraints added uncertainty to Fidelity's priorities. Discussions on Geode's stewardship and inhouse passive capabilities remain stalled, with limited influence from Fidelity International. Despite this, Fidelity stressed that sustainability remains a consideration, though no visible commitment changes have been seen. We appreciate the efforts made to explore potential solutions; however, we were disappointed to see little tangible improvement in stewardship practices.

In the meantime, we have reduced our passive position with Fidelity. Looking ahead, we will continue to monitor Fidelity's approach to Geode stewardship practices.

- (D) Example 4:
- Title of stewardship activity:

Ruffer and Transparency

- (1) Led by
  - ☒ (1) Internally led
  - ☐ (2) External service provider led
  - ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - ☐ (1) Environmental factors
  - ☐ (2) Social factors
  - ☒ (3) Governance factors
- (3) Asset class(es)
  - ☒ (1) Listed equity
  - ☐ (2) Fixed income
  - ☐ (3) Private equity
  - ☐ (4) Real estate
  - ☐ (5) Infrastructure
  - ☐ (6) Hedge funds
  - ☐ (7) Forestry
  - ☐ (8) Farmland
  - ☐ (9) Other

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

We held the Ruffer Diversified Return Fund in our Managed Select Service (MSS) model portfolios in 2024. In April, we expressed concerns on the lack of transparency on clientfacing documents, such as the factsheet. Given the fund's investments in derivatives and short positions, we were concerned with the lack of disclosure regarding the economic exposure of these instruments. During discussions with Ruffer, we referenced the FCA Consumer Duty document which emphasises enabling and empowering consumers and distributors to take responsibility for their decisions. Furthermore, the IA Fund Communication Guidance sets out that investors should receive an unambiguous picture of the fund through factsheets. We pointed out that that all client communications should clear, consistent and not misleading, failing to disclose significant positions may negatively impact investor trust. Following our discussions, Ruffer took steps to improve transparency by adding a couple of sentences in their factsheet to explain that credit and derivatives strategies are presented at market value. Ultimately, our engagement with Ruffer highlights the importance of clear and transparent client communications, particularly in complex investment strategies involving derivatives and short positions

(E) Example 5:

Title of stewardship activity:

UK Wealth Managers on Climate Group

(1) Led by

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

(2) Primary focus of stewardship activity

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

(3) Asset class(es)

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

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

In 2024, 7IM joined forces with partners across the wealth management industry through the 'UK Wealth Managers on Climate' group to encourage asset managers to embrace net zero. In an increasingly challenging political and regulatory landscape for sustainability, the role of this group in driving collective action and advocating for meaningful climate commitments has become more critical than ever. As a founder member of 'UK Wealth Managers on Climate' 7IM aims to create positive impact through its focused environmental goals. Recognising the industry's potential to leverage positive action, the group's nine members, which have a combined total AUM of £165 billion, have come together to cosign a letter<sup>6</sup> outlining three clear climate change ambitions for asset managers: • Set a net zero commitment and ensure that targets are clear and transparent • Communicate the approach clearly to both the business and clients • Ensure that stewardship activities reflect net zero commitments and deliver tangible results. These 'asks' reflect 7IM's own sustainability goals including a drive towards cleaner investments and commitment to a 30% reduction in the carbon intensity of its Strategic Asset Allocations (SAAs) by 2026, detailed previously in this report. We are proud members of 'UK Wealth Managers on Climate' and by signing this letter, we hope to encourage more wealth management firms to commit to a more sustainable future and join us in delivering positive change.

## CLIMATE CHANGE

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

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

#### ☒ (A) Yes, within our standard planning horizon

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

7IM we view climate change as the key risk to human society and hence to all investors in the long run. We support the decarbonisation drive as part of our stewardship commitment and our drive to reduce transition risk. We believe it is increasingly likely that policy risks will hamper the most carbon intensive companies and we believe that the SAA is the best way to shield portfolios from this risk. We aim to control some of climate transition risks by underweighting emitters via shifting towards low carbon indices at the SAA level. This is our SAA decarbonisation target. In 2020, 7IM's Executive Committee agreed to a programme by which the carbon emissions of the SAA of all portfolios will be steered down over time.

We aim to reduce emissions by 30% at the SAA level by mid-2026. We have focused on Scope 1 and 2 emissions, measured by MSCI's Weighted Average Carbon Intensity (WACI) metric. We have been able to decarbonise our investments with minimal potential impact to performance, helping to reduce the future risks to investors. We began by lowering the carbon-intensity of our US equity and corporate bond exposures in 2021–22. This was then followed in 2023 by allocating to a low carbon ETF that follows the EU's Climate Transition Benchmark (CTB) regulation in Japanese equity exposures. In 2024 we researched whether further changes were needed and took some time researching options in Europe and emerging markets.

Following this analysis, we decided further changes were not needed. Alongside the annual changes made as part of this project there are also reviews of the traditional risk and return characteristics of the SAA. In 2024, this process led to small reductions in High Yield Credit and an increase to US and European equities at the expense of emerging markets. These changes, which were driven by the factor optimisation process, had the added effect of reducing the carbon intensity of the SAA. In early 2025, further changes were made which meant the target was achieved across all our SAA risk profiles. In 2024, we researched how this project may evolve in the future. We have not formalised the next steps, but our inclination is to lean more heavily on engaging with our investments and encouraging them to adopt more robust climate targets, building on the work we have already been doing over the last few years. As with the original goal, the next phase aims to strike the right balance between climate considerations, portfolio performance, and risk. We are currently gathering data from our underlying fund managers to better understand how the new framework can be practically and effectively implemented. This new policy will be finalised in 2025. Our Risk Management team is a cornerstone of our investment process and ESG metrics are monitored quarterly in the risk oversight of funds.

our risk management process uses a 'bottom-up' approach, calculating risk metrics for each holding that build up into an overall score for a fund or model. We have followed the same approach with ESG and climate risk, calculating a WAKI, carbon emissions and CVaR for each holding and aggregating them to a fund/model score. We have embedded the monitoring of ESG and climate risk into our portfolio monitoring process. ESG scores and issues will be considered pre-trade for new securities as part of the investment process. Portfolio level ESG scores and climate metrics (WAKI and carbon emission intensity) will then be reviewed at least quarterly by the Investment Risk Team and Investment Risk Committee.

These are not hard limits but guidelines. The flags are based on the ESG scores for global equities which is typically around 5 to 5.5 for WAKI and 150 to 180 for Carbon Emission intensity (tCO<sub>2</sub>e / \$m sales). For core portfolios, the flags will kick in if WAKI is 0.3 below global equities or Carbon Emissions are 100 above global equities. For the Responsible Balanced fund, it will flag if WAKI or Carbon Emission intensity is less than global equities. The strategic and tactical asset allocations will also be compared to final portfolios. If a flag is raised in the quarterly reviews, the Investment Risk Team will investigate the portfolio and analyse the security(ies) that are causing the flag.

This will be flagged and discussed with the Investment Management Team to establish the best course of action. This may also generate engagement opportunities with the third-party manager where we voice our concern on climate-related risks. ne of the main upgrades to our portfolio management capabilities was the move of our risk system from MSCI Barra to Bloomberg PORT. We implemented the transition in 2024.

#### ☒ (B) Yes, beyond our standard planning horizon

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

We have also integrated CVaR and ITR into the investment risk process outlined. The forward looking analysis act as an input into the investment management process, and flags have been agreed which will prompt further investigation and analysis to make sure 7IM are comfortable holding on that risk.

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



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

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

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

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

Since 2020, 7IM has been on a journey to put culture, sustainability, responsibility and stewardship at our core. We started out with four key business sustainability pillars that include commitments to: cleaner investments, sustainable choices, an inclusive team, and giving back. Under Cleaner Investments, we have committed to a 30% reduction in the carbon intensity of our Strategic Asset Allocations (SAAs) by 2026, as mentioned previously in the report.

In both the way we invest money and the way we run our business; we know the importance of sustainability. Our aim is to remain proactive, and not reactive, as the sustainability and climate landscape continues to evolve. To do this, our governance structure and Risk Management Framework inform and oversee our Sustainability Strategy, which is guided by Four Key Business Sustainability Pillars; Cleaner Investments, Sustainable Choices, An Inclusive Team, and Giving Back. The four pillars are underpinned by Sustainability Focus Factors, which are linked to 7IM's Sustainability Framework, and span over Environmental (E), Social (S), and Governance (G) Sustainability Area. Relevant action plans within these Sustainability Focus Factors support 7IM in embedding a culture that considers the four pillars throughout its operations. Climate related Sustainability Focus Factors, as well as action plans, are tied to the highlighted pillars; Cleaner Investments and Sustainable Choice.

Within investment management, we believe climate-related risks are best handled within Investment Teams, rather than having a separate ESG or Stewardship Team to focus on these issues, and should be incorporated into our regular tasks, plans and responsibilities as Investment Managers. Our investment process can be viewed as having four stages: • Strategic Asset Allocation • Tactical Asset Allocation • Portfolio Management (including security selection) • Risk Management.

Within SAA, in 2020, 7IM's Executive Committee agreed to a programme by which the carbon emissions of the SAAs of all portfolios will be steered down over time. We aim to reduce portfolios' carbon intensity by 30% at the SAA level by mid-2026. We are pleased to say that we have achieved the target, ahead of schedule, as at the end of 2024.

Climate change will entail risks and opportunities for investors. We believe that our Tactical Asset Allocation (TAA) can be a powerful tool to position 7IM portfolios, so they are placed to navigate a world impacted by climate change. In the past, we have allocated to climate change leaders when we thought the valuation opportunity was appropriate. We review ESG metrics, "Weighted Average Key Issue Score" and carbon intensity, when we consider tactical changes across portfolios.

Within Portfolio Management, 7IM is largely a fund of funds business and most of its assets are managed by third-party managers in equities, bonds and alternative investments. When meeting fund managers, we cover a wide range of due diligence issues. Our ESG monitoring process within our funds are via two mechanisms: ESG Conviction Framework and Door questionnaires.

Our Investment Risk Team is a cornerstone of our investment process and ESG metrics are monitored quarterly in the risk oversight of funds, via the Investment Risk Committee. As described earlier, climate metrics are integrated into the investment risk process.

Finally, we offer products that incorporate climate-related risks and opportunities and support the transition toward a low-carbon economy. The 7IM Responsible Balanced fund (previously known as "7IM Sustainable Balance Fund") is managed to a balanced risk profile, meaning returns are expected from both income and capital-enhancing assets. The fund has been running since 2007, and it's designed to embrace – and support – the world's economic growth in the long run, investing in companies that demonstrate positive and sustainable conduct. In addition to holding third-party funds, 7IM outsources the stock selection of a portfolio of sustainable global equities to Sarasin & Partners LLP as external manager. We also offer Responsible Choice Model Portfolios and Responsible Wealth Model Portfolios. The portfolios focus on investments that score well on ESG factors and aim to avoid companies that produce products like weapons, tobacco and thermal coal. We also look for investments that will have a positive long-term impact on society and the environment

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



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

#### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

##### ☒ (A) Coal

Describe your strategy:

We exclude thermal coal within our Responsible Balanced Fund and Responsible Choice and Responsible Wealth Models. We have a 10% maximum revenue threshold of the underlying company within the fund we invest in. We perform monthly controversial activity screening to monitor our funds and check if they have breached this threshold. The underlying exclusion policies for each third-party fund are unlikely to be the same, meaning there may be residual exposure that breaches the thresholds above. We will only invest in other funds where we judge that this will not be in conflict with the Fund's objective, investment policy and strategy. In any event, the Fund's total exposure to companies linked to the excluded activities set out above is limited to 1%. If aggregate portfolio exposure to the exclusions outlined above breaches this 1% tolerance, the Manager will resolve any issue as soon as is practicably possible following its identification in accordance with its ongoing monitoring and stewardship processes.

##### ☒ (B) Gas

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

##### ☒ (C) Oil

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

##### ☒ (D) Utilities

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

##### ☒ (E) Cement

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

##### ☒ (F) Steel

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(G) Aviation**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(H) Heavy duty road**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(I) Light duty road**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(J) Shipping**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(K) Aluminium**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(L) Agriculture, forestry, fishery**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(M) Chemicals**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(N) Construction and buildings**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(O) Textile and leather**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(P) Water**

Describe your strategy:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. We seek external managers with sound engagement practices for the benefit of investors and clients. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG. 7IM's engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. We seek to engage with our third-party managers on Environment (climate change and biodiversity), Social Issues (Diversity & Inclusion and Human and Labour Rights), and Governance (Board composition & Audit independence and Transparency) and seek to understand how they engage on these themes.

☒ **(Q) Other**

Specify:

We have a firm-wide controversial weapons exclusion policy.

Describe your strategy:

<https://www.7im.co.uk/media/i4xogkeu/controversial-weapons-exclusion-policy.pdf>

- (R) We do not have a strategy addressing high-emitting sectors

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

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

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

We have used Morgan Stanley Capital International's (MSCI) Climate VaR data, which is modelled using three components under different temperature pathways: policy risks, technology opportunities, and physical risks and opportunities. MSCI's Climate VaR forecasts the present value of future costs and benefits of listed companies under different climate scenarios. The present value of the sum of these future cash flows are divided by the current company valuation to produce a negative or positive percentage figure. MSCI's scenarios are based around the Network for Greening the Financial System (NGFS)'s public scenarios generated using the REMIND models.

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

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

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

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

7IM embed climate risks and opportunities considerations at every stage of our investment process. As mentioned earlier, our investment process can be viewed as having four stages: Strategic Asset Allocation, Tactical Asset Allocation, Portfolio Management (including security selection) and Risk Management, supported by stewardship activities.

**Strategic Asset Allocation:** At 7IM, we believe it is increasingly likely that policy risks will hamper the most carbon intensive companies and we believe that the SAA is the best way to shield portfolios from this risk. We aim to control some of climate transition risks by underweighting emitters via shifting towards low carbon indices at the SAA level. This is our SAA decarbonisation target, mentioned earlier in the report. In 2020, 7IM's Executive Committee agreed to a programme by which the carbon emissions of the SAA of all portfolios will be steered down over time. We aim to reduce emissions by 30% at the SAA level by mid-2026.

**Jasmin - Our Proprietary Portfolio Analytics Platform:** Jasmin is 7IM's proprietary Risk & Performance Analytics Platform, designed to monitor and analyse tactical positions in our funds and model portfolios against the strategic asset allocation. This platform makes it easy to see how new trades might interact with existing active positions in terms of correlations, risk, historical performance, and their contribution to ESG features like WAKIs and carbon emissions. By incorporating third party ESG data into our position analysis, Jasmin allows us to determine the overall portfolio ESG score and carbon emissions for each active position in the Tactical Asset Allocation. This comprehensive assessment of their direct impact compared to our benchmark, the Strategic Asset Allocation.

**Portfolio Management:** When we select third-party funds or direct investments, we integrate ESG considerations into the decision-making process, this includes understanding how fund managers manage climate risks and opportunities. This is achieved by our fund diligence process via Door and 7IM's ESG convictions assessment. We are constantly reviewing our due diligence process for fund selection and monitoring, which has been incrementally improved since 2020. From starting out with an ESG questionnaire, we have been able to develop an efficient and digitised process, examining all aspects of a fund manager's ESG approach and commitments.

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

As detailed in our last report, our risk management process uses a 'bottom-up' approach, calculating risk metrics for each holding that build up into an overall score for a fund or model. We have followed the same approach with ESG and climate risk, calculating a WAKI, carbon emissions and CVaR for each holding and aggregating them to a fund/model score. We have embedded the monitoring of ESG and climate risk into our portfolio monitoring process. ESG scores and issues will be considered pre-trade for new securities as part of the investment process. Portfolio level ESG scores and climate metrics (WAKI and carbon emission intensity) will then be reviewed at least quarterly by the Investment Risk Team and Investment Risk Committee.

We have also integrated CVaR into the investment risk process outlined. The ESG scores act as an input into the investment management process, and flags have been agreed which will prompt further investigation and analysis to make sure 7IM are comfortable holding on that risk. These are not hard limits but guidelines. The flags are based on the ESG scores for global equities which is typically around 5 to 5.5 for WAKI and 150 to 180 for Carbon Emission intensity (tCO<sub>2</sub>e / \$m sales). For core portfolios, the flags will kick in if WAKI is 0.3 below global equities or Carbon Emissions are 100 above global equities.

For the Responsible Balanced fund, it will flag if WAKI or Carbon Emission intensity is less than global equities. The strategic and tactical asset allocations will also be compared to final portfolios. If a flag is raised in the quarterly reviews, the Investment Risk Team will investigate the portfolio and analyse the security(ies) that are causing the flag. This will be flagged and discussed with the Investment Management Team to establish the best course of action. This may also generate engagement opportunities with the third-party manager where we voice our concern on climate-related risks. In cases where 7IM is uncomfortable with the risk, the issue would be presented to the Portfolio Management Committee and/or Investment Committee for further discussion and for a decision to be made. One of the main upgrades to our portfolio management capabilities was the move of our risk system from MSCI Barra to Bloomberg PORT.

This follows moving our portfolio management system to Bloomberg AIM in 2022. Our Investment Risk team spent 2023 reviewing the capabilities of PORT, including ESG capabilities. We implemented the transition in 2024. The move further builds on the improvements from Bloomberg AIM, enabling seamless integration of risk analysis with portfolio management. It is now much easier for risk analysts and portfolio managers to analyse Funds and Models, gaining deeper insights of the drivers of portfolios. Further work was needed to integrate the ESG risk metrics, such as Carbon Emissions, Climate Value at Risk, and Implied Temperature Rise, into the new risk system, which was our focus in 2024. The dedicated effort yielded great results and we are now able to analyse the ESG metrics of all our Funds and models with greater efficiency and ease.

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

**(1) Describe your process**

Yes, we embed climate risks within the investment risk management process, please see answer above.

Being a responsible active owner also allows us to manage climate-related risks. Our core investment services provide multiasset class portfolios, usually via collective investment vehicles. Externally managed products total around 97% of 7IM assets under management, and our manager monitoring system is designed to inform us whether external managers are working to safeguard and maximise the value of their assets, with sound stewardship and taking ESG issues into account in their investment processes. We engage with fund managers directly, where we have concerns about their investment strategy, performance, governance, remuneration or approach to risks, including those that may arise from social and environmental matters. We regularly question them about their holdings, to ensure that they are implementing full stewardship in their portfolios – via voting, engaging with management where necessary, and encouraging the companies they hold to consider ESG risks, including climate risks. The 7IM Investment Management Team continues to focus on climate change as a key systemic risk that can affect our portfolios in the long run. Climate change remained one of our main engagement themes in 2024 as we pursued engagement on climate-related targets and stewardship efforts, exemplified by activities within the UK Wealth Managers on Climate Group and Passive Managers Net Zero & Stewardship Engagement Project follow ups. Climate change and biodiversity are intricately linked; therefore, we continued to be part of the Investor Policy Dialogue on Deforestation (IPDD) Initiative as a working group member.

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

Yes, we embed climate risks within the investment risk management process, please see answer above

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

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

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

☒ **(A) Exposure to physical risk**

**(1) Indicate whether this metric or variable was used and disclosed, including the methodology**

- (1) Metric or variable used

- (2) Metric or variable used and disclosed
- (3) **Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable  
<https://www.7im.co.uk/media/usynwc12/7im-task-force-on-climate-related-financial-disclosures-report.pdf>
- ☒ (B) **Exposure to transition risk**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - (3) **Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable  
<https://www.7im.co.uk/media/usynwc12/7im-task-force-on-climate-related-financial-disclosures-report.pdf>
- ☐ (C) Internal carbon price
- ☒ (D) **Total carbon emissions**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - (3) **Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable  
<https://www.7im.co.uk/media/usynwc12/7im-task-force-on-climate-related-financial-disclosures-report.pdf>
- ☒ (E) **Weighted average carbon intensity**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - (3) **Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable  
<https://www.7im.co.uk/media/usynwc12/7im-task-force-on-climate-related-financial-disclosures-report.pdf>
- ☐ (F) Avoided emissions
- ☒ (G) **Implied Temperature Rise (ITR)**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - (3) **Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable  
<https://www.7im.co.uk/media/usynwc12/7im-task-force-on-climate-related-financial-disclosures-report.pdf>
- ☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- ☐ (I) Proportion of assets or other business activities aligned with climate-related opportunities
- ☐ (J) Other metrics or variables
- (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

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

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

- ☒ (A) **Scope 1 emissions**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - (2) **Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.7im.co.uk/media/nuao3dii/annual-report-and-audited-consolidated-financial-statements.pdf>

☒ **(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

○ (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.7im.co.uk/media/nuao3dii/annual-report-and-audited-consolidated-financial-statements.pdf>

☒ **(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

○ (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.7im.co.uk/media/usynwc12/7im-task-force-on-climate-related-financial-disclosures-report.pdf>

<https://www.7im.co.uk/media/nuao3dii/annual-report-and-audited-consolidated-financial-statements.pdf>

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

## SUSTAINABILITY OUTCOMES

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

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

● **(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**

○ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

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

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

☒ **(A) The UN Sustainable Development Goals (SDGs) and targets**

☒ **(B) The UNFCCC Paris Agreement**

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

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

☐ (E) The EU Taxonomy

☐ (F) Other relevant taxonomies

☐ (G) The International Bill of Human Rights

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

☐ (I) The Convention on Biological Diversity

☐ (J) Other international framework(s)

☐ (K) Other regional framework(s)



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

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

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

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

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

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

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

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

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

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



☐ (H) Other

## HUMAN RIGHTS

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

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

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

Explain how these activities were conducted:

In reference to the Modern Slavery Act, we explicitly ask firms we invest with how they are considering the risks relating to modern slavery and we are in the process of updating our ESG due diligence procedures to make them even more robust.

☒ (B) We assessed the sector context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

We engage with our investments on human right, when relevant, As detailed in previously, as an endorser of UN PRI's Advance, a collaborative initiative on human rights in the metals and mining sector, we have been engaging with BlackRock, the manager of the World Mining Fund. From our 2023 engagement, while BlackRock stated human rights are already a core focus and having "Company Impacts on People" as a key engagement theme, it was unclear how this was integrated into its investment and engagement processes in practice. In 2024, we followed up our initial engagement with a call. We were able to learn more about BlackRock's approach along with a few company examples and how they have reacted to severe controversies. We identified that there is room for improvement in human rights due diligence prior to investment, broader industry participation to advance on human rights, and enhancing human rights stewardship within the sector. Subsequently, we provided feedback, highlighting that we are conscious of the complex nature of human rights issues in this sector and strongly encouraged BlackRock to further enhance efforts in addressing human rights issues through joining Advance. We suggested joining Advance to work with other investors and industry experts to encourage disclosure and transparency and foster best practices. This may also help with prevention and mitigation of negative impacts of tragic events, going beyond post-event stewardship activities. BlackRock responded that while it belongs to numerous trade groups and evaluates memberships regularly, it's primary focus is maximise returns for clients and such affiliations do not impact how it manages client portfolios. We were disappointed with BlackRock's response as our concerns remain regarding the depth of human rights due diligence, engagement efforts, and transparency. We sold our position in early 2025.

7IM has had an investment mandate for a portion of the Responsible Balanced Fund's equity assets with Sarasin & Partners for over 17 years. We have quarterly review meetings and annual due diligence to monitor and assess their engagement activities. As a fund of funds business, we rely on them to engage and vote on companies on our behalf. In 2024, Sarasin engaged with Microsoft on human rights. While Microsoft is a leader in publishing Responsible AI principles and commitments, there is limited insight into how these principles are implemented in practice and the effectiveness of the tools used. This prompted Sarasin's support for a shareholder resolution urging the company to produce a report on its data centre operations in countries with significant human rights concerns, along with the company's strategies for mitigating the associated impacts. The resolution did not receive majority shareholder support.

☐ (C) We assessed the human rights performance of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes

☐ (D) We monitored severe and emerging human rights controversies to understand how this could connect our organisation to negative human rights outcomes

☐ (E) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

☐ (F) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

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

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

☒ **(A) Corporate disclosures**

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

Prior to investment, we review a wide range of sources to identify ESG concerns to raise in our due diligence meetings. We conduct Manager ESG Convictions Framework which allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. During the course of the investment, we meet with our third-party managers regularly to raise any ESG issues we have observed through various channels of information.

☒ **(B) Media reports**

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

Prior to investment, we review a wide range of sources to identify ESG concerns to raise in our due diligence meetings. We conduct Manager ESG Convictions Framework which allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. During the course of the investment, we meet with our third-party managers regularly to raise any ESG issues we have observed through various channels of information.

☒ **(C) Reports and other information from NGOs and human rights institutions**

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

Prior to investment, we review a wide range of sources to identify ESG concerns to raise in our due diligence meetings. We conduct Manager ESG Convictions Framework which allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. During the course of the investment, we meet with our third-party managers regularly to raise any ESG issues we have observed through various channels of information.

☒ **(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

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

Prior to investment, we review a wide range of sources to identify ESG concerns to raise in our due diligence meetings. We conduct Manager ESG Convictions Framework which allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. During the course of the investment, we meet with our third-party managers regularly to raise any ESG issues we have observed through various channels of information.

☒ **(E) Data provider scores or benchmarks**

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

Prior to investment, we review a wide range of sources to identify ESG concerns to raise in our due diligence meetings. We conduct Manager ESG Convictions Framework which allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. During the course of the investment, we meet with our third-party managers regularly to raise any ESG issues we have observed through various channels of information.

☐ **(F) Human rights violation alerts**

☐ **(G) Sell-side research**

☒ **(H) Investor networks or other investors**

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

Prior to investment, we review a wide range of sources to identify ESG concerns to raise in our due diligence meetings. We conduct Manager ESG Convictions Framework which allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. During the course of the investment, we meet with our third-party managers regularly to raise any ESG issues we have observed through various channels of information.

- ☐ (I) Information provided directly by affected stakeholders or their representatives
- ☐ (J) Social media analysis
- ☐ (K) Other

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

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

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

Describe:

As a multi-asset fund of fund business, 7IM invests with a range of external managers, both active and passive. As stewards of clients' assets, we expect and encourage managers to engage with their companies and holdings on ESG.

For example, Thermo Fisher is held in Sarasin's Responsible Balanced mandate. Sarasin initiated discussions with Thermo Fisher, the world's largest life science tools company, after sending a post-proxy letter to the Chair. This led to engagements on human rights policies, diversity within management, and executive compensation. Sarasin questioned allegations that Thermo Fisher's DNA collection kits for forensic investigations might be utilised for mass biometric data collection and surveillance in Tibet, following previous allegations concerning Uyghurs in China's Xinjiang province. The company indicated that since 2019, there have been no sales to the entities listed and they have no evidence of their technology being used in Tibet. They plan to issue a statement regarding the outcome of their investigations. While this provides some reassurance, Sarasin stressed the need for stronger policies to prevent misuse.

They've enhanced board diversity this year following their AGM and now align with Sarasin's guidelines. While they have a diversity strategy for senior leadership, they refrain from setting public diversity targets due to potential litigation risks from recent Supreme Court rulings. Furthermore, Sarasin raised concerns regarding remuneration, particularly on the vesting of performance shares during below-median performance and the absence of non-financial (strategic) KPIs in long-term incentives. The company plans to enhance their disclosures next year, especially regarding stock options, which Sarasin welcomes.

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

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

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

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

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

(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Stewardship</b>				
(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) Engagement with policy makers and other non-investee stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(O) Results of stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Performance and Reporting</b>				
(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SERVICE PROVIDERS

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

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

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

## POOLED FUNDS

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

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

**Provide example(s) below**

(A) Selection	<p>7IM is largely a fund of funds business and most of its assets are managed by third-party managers in equities, bonds and alternative investments. When meeting fund managers, we cover a wide range of due diligence issues. Our ESG monitoring process within our funds are via two mechanisms: ESG Conviction Framework and Door questionnaires.</p> <p>As a manager-of-managers, we aim to understand how managers integrate ESG risks and opportunities and to what extent they implement their ESG policy.</p> <p>We aim to understand whether their corporate sustainability commitments and policies are consistent with what they do. We aim to engage with our fund managers to improve on any ESG risks identified in this process. When it comes to manager selection, we view ESG assessment as a risk management tool. Our Manager ESG Convictions Rating Framework allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting.</p> <p>This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note.</p> <p>Since we mostly invest indirectly, through collective vehicles, third-party managers are our main 'levers' to achieve our stewardship-related objectives, and are our main 'targets' for engagement and escalation. The three fund due diligence questionnaires on Door to send to different types of funds we invest in: our Core questionnaire is applicable to all actively managed funds and includes essential ESG questions, our ESG-specific questionnaire dives deeper into ESG and is applicable to all actively managed funds used within ESG-oriented portfolios, and our add-on questionnaire allows supplementary information applicable to actively managed funds above an investment threshold.</p>
(B) Appointment	<p>The appointment of the fund is completed after conducting the due diligence process, which consist of investment and ESG research and analysis, supported by information gathered in meetings, Manager ESG Conviction Framework and due diligence questionnaires. All funds must be approved by 7IM's Portfolio Management Committee (PMC). A detail research due diligence note is sent prior to the PMC meeting and the fund investment and ESG case is presented and challenged in the meeting. 7IM has had an investment mandate for a portion of the Responsible Balanced Fund's equity assets with Sarasin &amp; Partners for over 17 years and this mandate includes stringent ESG considerations as part of the appointment.</p>
(C) Monitoring	<p>Using the Manager ESG Conviction Framework, asset managers who are scored as 'Low' Conviction during the onboarding process will be added to the 'ESG Conviction Watchlist'. We do not exclude 'Low' ESG conviction managers as we believe engagement is a more effective tool for change. We seek to work with them and identify areas of improvement in ESG integration and their active ownership capabilities.</p>

To help achieve real-world impact, we aim to indirectly influence underlying companies on ESG, such as climate target setting and disclosures, through engaging with our managers. Once engagement opportunities are identified, the ESG investment specialist will track and monitor progress year on year. For managers who have made significant ESG improvements since inception, we can upgrade the conviction in the related categories as a measure of our successful engagement. Our Risk Management team is a cornerstone of our investment process and ESG metrics are monitored quarterly in the risk oversight of funds. Climate-related risks are captured in the investment risk management process through several ESG metrics or scores. One of these is a “Weighted Average Key Indicator” Score (WAKI) ranging from 0-10 based on a company’s exposure to key Environmental, Social and Governance themes. Another metric is Carbon Emission Intensity (tCO2e/\$m sales). We have embedded the monitoring of carbon risk, ESG risk, and forward looking metrics into our portfolio monitoring process, and in reports to the Investment Risk Committee. 7IM have also added an ESG stress test, which is based on shocking the oil price and letting market factor correlations play through portfolios. In addition, we perform annual country-level climate-related risks analysis through our government ESG ratings. The ratings are composed of three publicly available indices covering ESG factors: Yale Environmental Performance Index, Social Performance Index, and World Bank Worldwide Governance Indicators.

## SELECTION

### RESPONSIBLE INVESTMENT PRACTICES

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

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

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

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

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

#### Organisation

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

Select from dropdown list

- ☒ (1) for all of our mandates
- ☐ (2) for a majority of our mandates



- (3) for a minority of our mandates
- ☒ **(B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)**

Select from dropdown list

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

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

Select from dropdown list

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

#### **People and Culture**

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

Select from dropdown list

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

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

Select from dropdown list

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

#### **Investment Process**

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

Select from dropdown list

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

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

Select from dropdown list

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

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

Select from dropdown list

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

#### **Performance and Reporting**

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

Select from dropdown list

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

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

Select from dropdown list

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

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

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO 8, OO 21, SAM 4	N/A	PUBLIC	Stewardship	4

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

- ☒ (A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate
  - Select from dropdown list
    - ☒ (1) for all of our mandates
    - ☐ (2) for a majority of our mandates
    - ☐ (3) for a minority of our mandates
- ☒ (B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities
  - Select from dropdown list
    - ☐ (1) for all of our mandates
    - ☒ (2) for a majority of our mandates
    - ☐ (3) for a minority of our mandates
- ☒ (C) Their participation in collaborative engagements and stewardship initiatives
  - Select from dropdown list
    - ☐ (1) for all of our mandates
    - ☒ (2) for a majority of our mandates
    - ☐ (3) for a minority of our mandates
- ☒ (D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues
  - Select from dropdown list
    - ☐ (1) for all of our mandates
    - ☒ (2) for a majority of our mandates
    - ☐ (3) for a minority of our mandates
- ☒ (E) Details of their engagement activities with policy makers
  - Select from dropdown list
    - ☐ (1) for all of our mandates
    - ☒ (2) for a majority of our mandates
    - ☐ (3) for a minority of our mandates
- ☒ (F) Their escalation process and the escalation tools included in their policy on stewardship
  - Select from dropdown list
    - ☐ (1) for all of our mandates
    - ☒ (2) for a majority of our mandates
    - ☐ (3) for a minority of our mandates
  - ☐ (G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO 9, OO 21, SAM 4	N/A	PUBLIC	Stewardship	4

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

- ☒ (A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate
  - Select from dropdown list
    - ☐ (1) for all of our mandates

- (2) for a majority of our mandates
  - (3) for a minority of our mandates
- ☒ (B) Historical information on the number or percentage of general meetings at which they voted
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- ☒ (C) Analysis of votes cast for and against
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- ☒ (D) Analysis of votes cast for and against resolutions related to risks connected to systematic sustainability issues
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- ☒ (E) Details of their position on any controversial and high-profile votes
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- ☒ (F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- ☒ (G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- (H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year
- (I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/or hedge funds that hold equity.

## APPOINTMENT

## SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13, OO 21	N/A	PUBLIC	Segregated mandates	4

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

- ☒ (A) Their commitment to following our responsible investment strategy in the management of our assets
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates
    - (3) for a minority of our segregated mandates
- ☒ (B) Their commitment to incorporating material ESG factors into their investment activities

Select from dropdown list

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

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

Select from dropdown list

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

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

Select from dropdown list

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

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

Select from dropdown list

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

☒ (F) Exclusion list(s) or criteria

Select from dropdown list

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

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

Select from dropdown list

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

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

Select from dropdown list

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

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

Select from dropdown list

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

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

Select from dropdown list

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

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

Select from dropdown list

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

☐ (L) Other

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

## MONITORING

### RESPONSIBLE INVESTMENT PRACTICES

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

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

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

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



## Investment Process

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



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



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



## Performance and Reporting

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)



(J) Inclusion of ESG factors in contractual agreements



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



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

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

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

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

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

In 2024, our process now consists of the manager ESG Conviction Framework and Door questionnaires. To summarise, in 2021 we upgraded our due diligence process by signing up to Door, a digital platform where asset managers exchange due diligence information with manager research teams. In 2023, we fully digitised the due diligence process by creating a tailored questionnaire on Door through filtering Door's standardised question set and incorporating 7IM's bespoke questions. The objective remained unchanged: since we mostly invest indirectly through collective vehicles, thirdparty managers are our main 'levers' to achieve our stewardship-related objectives, and are our main 'targets' for engagement and escalation. We have formalised three fund due diligence questionnaires on Door to send to different types of funds we invest in.

Our Manager ESG Convictions Rating Framework, formalised in 2024, allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. The analyst will flag potential opportunities for engagement if any area is flagged as having room for improvement. We believe this method maintains consistency in evaluating managers' ESG practices and capacities. Asset managers who are scored as 'Low' conviction during the onboarding process will be added to the 'ESG Conviction Watchlist'.

We do not exclude 'Low' ESG conviction managers as we believe engagement is a more effective tool for change. We seek to work with them and identify areas of improvement in ESG integration and their active ownership capabilities. Once engagement opportunities are identified, the ESG investment specialist will track and monitor progress year on year.

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

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

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



## STEWARDSHIP

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

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

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

(I) Whether they participated in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Whether they had an active role in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(L) We did not monitor our external investment managers' stewardship practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) Any changes in their policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Whether their (proxy) voting decisions were consistent with their stewardship priorities as stated in their policy and with their voting policy, principles and/or guidelines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable)	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>
(G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year	<input type="radio"/>	<input type="radio"/>

## ENGAGEMENT AND ESCALATION

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

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

We held the Ruffer Diversified Return Fund in our Managed Select Service (MSS) model portfolios in 2024. In April, we expressed concerns on the lack of transparency on clientfacing documents, such as the factsheet. Given the fund's investments in derivatives and short positions, we were concerned with the lack of disclosure regarding the economic exposure of these instruments. During discussions with Ruffer, we referenced the FCA Consumer Duty document which emphasises enabling and empowering consumers and distributors to take responsibility for their decisions. Furthermore, the IA Fund Communication Guidance sets out that investors should receive an unambiguous picture of the fund through factsheets. We pointed out that that all client communications should clear, consistent and not misleading, failing to disclose significant positions may negatively impact investor trust. Following our discussions, Ruffer took steps to improve transparency by adding a couple of sentences in their factsheet to explain that credit and derivatives strategies are presented at market value. Ultimately, our engagement with Ruffer highlights the importance of clear and transparent client communications, particularly in complex investment strategies involving derivatives and short positions.

Another example is the Passive Managers Net Zero and Stewardship Engagement Project, where, in 2023, we launched a deep-dive review of passive providers' stewardship approaches and resources, as well as the honesty and feasibility of their climate commitments. In 2024, In light of growing scepticism toward ESG initiatives, evolving political dynamics, and recent headline developments, we engaged with BlackRock and Vanguard to follow up on our Net Zero and Stewardship Engagement project. This remains an ongoing conversation. Further details within the Stewardship Code report.

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

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

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1
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**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We checked that the information reported was verified through a third-party assurance process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

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

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

☒ **(A) Sustainability outcome #1**

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

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

☒ **(2) The UNFCCC Paris Agreement**

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

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

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

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

☐ (9) The Convention on Biological Diversity

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

(2) Classification of sustainability outcome

☒ **(1) Environmental**

☐ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)

(4) Number of targets set for this outcome

☐ (1) No target

☒ **(2) One target**

☐ (3) Two or more targets

☒ **(B) Sustainability outcome #2**

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

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

☐ (2) The UNFCCC Paris Agreement

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

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

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

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

☒ **(9) The Convention on Biological Diversity**

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

(2) Classification of sustainability outcome

- ☒ (1) **Environmental**
- ☐ (2) Social
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

Investors Policy Dialogue on Deforestation (IPDD) active participant UNPRI SPRING endorser

(4) Number of targets set for this outcome

- ☒ (1) **No target**
- ☐ (2) One target
- ☐ (3) Two or more targets

☒ **(C) Sustainability outcome #3**

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

- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (2) The UNFCCC Paris Agreement
- ☒ (3) **The UN Guiding Principles on Business and Human Rights (UNGPs)**
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☒ (2) **Social**
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

UNPRI ADVANCE endorser

(4) Number of targets set for this outcome

- ☒ (1) **No target**
- ☐ (2) One target
- ☐ (3) Two or more targets

☒ **(D) Sustainability outcome #4**

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

- ☒ (1) **The UN Sustainable Development Goals (SDGs) and targets**
- ☐ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☒ (1) **Environmental**
- ☒ (2) **Social**
- ☒ (3) **Governance-related**
- ☐ (4) Other

(3) Sustainability outcome name

Responsible Product Range

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

☒ (E) Sustainability outcome #5

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

- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☒ (1) Environmental
- ☐ (2) Social
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

UK Wealth Managers on Climate Group

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

- ☐ (F) Sustainability outcome #6
- ☐ (G) Sustainability outcome #7
- ☐ (H) Sustainability outcome #8
- ☐ (I) Sustainability outcome #9
- ☐ (J) Sustainability outcome #10

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

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

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)
(1) Target name	Strategic Asset Allocation (SAA) Decarbonisation



(2) Baseline year	2020
(3) Target to be met by	2026
(4) Methodology	<p>Since 2020, we began a research programme aimed at decarbonising our SAAs and reducing the emissions intensity of all portfolios. 7IM's Executive Committee agreed to a programme by which the carbon emissions of the Strategic Asset Allocations of all portfolios will be reduced by 30% at the SAA level between 2021 and 2026. We began by lowering the carbon-intensity of our US equity and corporate bond exposures in 2021–22. This was then followed in 2023 by allocating to a low carbon ETF that follows the EU's Climate Transition Benchmark (CTB) regulation in Japanese equity exposures. The annual changes made as part of this project there are also reviews of the traditional risk and return characteristics of the SAA added effect of reducing the carbon intensity of the SAA. This means the target set in 2020 was achieved across all our SAA risk profiles ahead of schedule.</p>
(5) Metric used (if relevant)	Weighted Average Carbon Intensity (WACI)
(6) Absolute or intensity-based (if relevant)	(2) Intensity-based
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	30% reduction
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(2) No
<b>(D1) Sustainability Outcome #4: Target details</b>	
(D1) Sustainability Outcome #4:	Responsible Product Range
(1) Target name	
(2) Baseline year	
(3) Target to be met by	
(4) Methodology	
(5) Metric used (if relevant)	

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

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

(8) Target level or amount (if relevant)

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

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

#### **(D2) Sustainability Outcome #4: Target details**

(D2) Sustainability Outcome #4: Responsible Product Range

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

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

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

(8) Target level or amount (if relevant)

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

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

## FOCUS: SETTING NET-ZERO TARGETS

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

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

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

## TRACKING PROGRESS AGAINST TARGETS

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

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

### (A1) Sustainability outcome #1:

(A1) Sustainability outcome #1:	Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)
Target name:	Strategic Asset Allocation (SAA) Decarbonisation
Does your organisation track progress against your nearest-term sustainability outcome targets?	(1) Yes

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

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

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

(A1) Sustainability Outcome #1:	Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)
(1) Target name	Strategic Asset Allocation (SAA) Decarbonisation
(2) Target to be met by	2026
(3) Metric used (if relevant)	Weighted Average Carbon Intensity (WACI)
(4) Current level or amount (if relevant)	This has now been achieved ahead of schedule and we are currently working on how to proceed to further our climate efforts.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	We monitor the carbon intensity profile of our investments quarterly. We conduct annual reviews of the SAA decarbonisation project to identify which asset classes are best to decarbonise.

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

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

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

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets  
 Select from drop down list:  
☒ (1) Individually

- ☒ (2) With other investors or stakeholders
- ☒ (B) Stewardship: engagement with external investment managers
  - Select from drop down list:
    - ☒ (1) Individually
    - ☐ (2) With other investors or stakeholders
- ☒ (C) Stewardship: engagement with policy makers
  - Select from drop down list:
    - ☒ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (D) Stewardship: engagement with other key stakeholders
  - Select from drop down list:
    - ☒ (1) Individually
    - ☐ (2) With other investors or stakeholders
- ☒ (E) Capital allocation
  - ☐ (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Capital allocation activities used	(1) Asset class allocation (3) Selection of and allocation to third-party funds (4) Divestment from assets or sectors
(2) Explain through an example	<p>As an endorser of UN PRI's Advance, a collaborative initiative on human rights in the metals and mining sector, we have been engaging with BlackRock, the manager of the World Mining Fund. From our 2023 engagement, while BlackRock stated human rights are already a core focus and having "Company Impacts on People" as a key engagement theme, it was unclear how this was integrated into its investment and engagement processes in practice.</p> <p>In 2024, we followed up our initial engagement with a call. We were able to learn more about BlackRock's approach along with a few company examples and how they have reacted to severe controversies. We identified that there is room for improvement in human rights due diligence prior to investment, broader industry participation to advance on human rights, and enhancing human rights stewardship within the sector. Subsequently, we provided feedback, highlighting that we are conscious of the complex nature of human rights issues in this sector and strongly encouraged BlackRock to further enhance efforts in addressing human rights issues through joining Advance. We suggested joining Advance to work with other investors and industry experts to encourage disclosure and transparency and foster best practices. This may also help with prevention and mitigation of negative impacts of tragic events, going beyond post-event stewardship activities.</p>

BlackRock responded that while it belongs to numerous trade groups and evaluates memberships regularly, its primary focus is maximise returns for clients and such affiliations do not impact how it manages client portfolios. We were disappointed with BlackRock's response as our concerns remain regarding the depth of human rights due diligence, engagement efforts, and transparency. We sold our position in early 2025.

7IM has a Controversial Weapons Policy.

The policy applies to active equity, fixed income and alternative managers that the 7IM Investment Management team invest in. This exposure is monitored quarterly.

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

(B) Sustainability Outcome #1: Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)

(1) Capital allocation activities used

- (1) Asset class allocation
- (3) Selection of and allocation to third-party funds
- (4) Divestment from assets or sectors

(2) Explain through an example

7IM's Executive Committee agreed to a programme by which the carbon emissions of the Strategic Asset Allocations of all portfolios will be reduced by 30% at the SAA level between 2021 and 2026. We began by lowering the carbon-intensity of our US equity and corporate bond exposures in 2021–22. This was then followed in 2023 by allocating to a low carbon ETF that follows the EU's Climate Transition Benchmark (CTB) regulation in Japanese equity exposures. The annual changes made as part of this project there are also reviews of the traditional risk and return characteristics of the SAA added effect of reducing the carbon intensity of the SAA. This means the target set in 2020 was achieved across all our SAA risk profiles ahead of schedule.

## **(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: Investors Policy Dialogue on Deforestation (IPDD) active participant UNPRI SPRING endorser

(1) Capital allocation activities used

(2) Explain through an example

## **(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3: UNPRI ADVANCE endorser

(1) Capital allocation activities used

- (4) Divestment from assets or sectors

(2) Explain through an example

As an endorser of UN PRI's Advance, a collaborative initiative on human rights in the metals and mining sector, we have been engaging with BlackRock, the manager of the World Mining Fund. From our 2023 engagement, while BlackRock stated human rights are already a core focus and having "Company Impacts on People" as a key engagement theme, it was unclear how this was integrated into its investment and engagement processes in practice.

In 2024, we followed up our initial engagement with a call. We were able to learn more about BlackRock’s approach along with a few company examples and how they have reacted to severe controversies. We identified that there is room for improvement in human rights due diligence prior to investment, broader industry participation to advance on human rights, and enhancing human rights stewardship within the sector. Subsequently, we provided feedback, highlighting that we are conscious of the complex nature of human rights issues in this sector and strongly encouraged BlackRock to further enhance efforts in addressing human rights issues through joining Advance. We suggested joining Advance to work with other investors and industry experts to encourage disclosure and transparency and foster best practices. This may also help with prevention and mitigation of negative impacts of tragic events, going beyond post-event stewardship activities. BlackRock responded that while it belongs to numerous trade groups and evaluates memberships regularly, its primary focus is maximise returns for clients and such affiliations do not impact how it manages client portfolios. We were disappointed with BlackRock’s response as our concerns remain regarding the depth of human rights due diligence, engagement efforts, and transparency. We sold our position in early 2025.

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4:	Responsible Product Range
(1) Capital allocation activities used	
(2) Explain through an example	

**(F) Sustainability Outcome #5:**

(F) Sustainability Outcome #5:	UK Wealth Managers on Climate Group
(1) Capital allocation activities used	
(2) Explain through an example	

## STEWARDSHIP WITH INVESTEEES

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

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

### (A) Across all sustainability outcomes

(1) Describe your approach	<p>The 7IM stewardship philosophy has an ownership mindset. A crucial element of this mindset is active engagement with the third-party fund managers that manage the products in which we invest.</p> <p>We base our engagement policy with third-party managers on five principles. These are based on The Investor Forum's guidance on good engagement, as described earlier in the report.</p> <p>Externally managed products total around 97% of 7IM assets under management, and our manager monitoring system is designed to inform us whether external managers are working to safeguard and maximise the value of their assets, with sound stewardship and taking ESG issues into account in their investment processes. We engage with fund managers directly, where we have concerns about their investment strategy, performance, governance, remuneration or approach to risks, including those that may arise from social and environmental matters. We regularly question them about their holdings, to ensure that they are implementing full stewardship in their portfolios – via voting, engaging with management where necessary, and encouraging the companies they hold to consider ESG risks. These are implemented through our bottom-up Manager ESG Conviction Framework and top-down engagement themes.</p>
(2) Stewardship tools or activities used	<p>(1) Engagement</p> <p>(2) (Proxy) voting at shareholder meetings</p> <p>(9) Other</p>
(3) Example	<p>We have been holding Robeco's global credit funds for a number of years. As part of the ESG Conviction framework described above, we met with Robeco to assess its ESG capabilities. Robeco is an early mover in sustainable investing (SI), embedding ESG deeply into its investment process. Its early adoption, proprietary research, and focus on decarbonisation and advanced ESG metrics demonstrate leadership in the field.</p> <p>Robeco's focus on SI is evidenced by the senior representation and responsibilities within the Sustainability &amp; Impact Strategy Committee and its sub committees. Given the firm has identified four strategies priorities of Climate, Biodiversity, SDGs and Social issues, they have built governance structure around that. Robeco's extensive, experienced and diverse resource pool has been in place since 2005, demonstrating high levels of commitment to SI resource.</p>



The team operates like traditional analysts, ensuring deep sector expertise and integration. Robeco's structured engagement process is supported by its PLATO system, which tracks and monitors engagements transparently, with a clear escalation process ensures engagement effectiveness. We were impressed with Robeco's comprehensive approach as the firm demonstrates a high conviction in sustainable investing through its governance, research and integration, and active ownership. An example of our top down engagement is our collaborative efforts.

In 2024, 7IM joined forces with partners across the wealth management industry through the 'UK Wealth Managers on Climate' group to encourage asset managers to embrace net zero. In an increasingly challenging political and regulatory landscape for sustainability, the role of this group in driving collective action and advocating for meaningful climate commitments has become more critical than ever. As a founder member of 'UK Wealth Managers on Climate' 7IM aims to create positive impact through its focused environmental goals.

Recognising the industry's potential to leverage positive action, the group's nine members, which have a combined total AUM of £165 billion, have come together to cosign a letter outlining three clear climate change ambitions for asset managers:

- Set a net zero commitment and ensure that targets are clear and transparent
- Communicate the approach clearly to both the business and clients
- Ensure that stewardship activities reflect net zero commitments and deliver tangible results.

These 'asks' reflect 7IM's own sustainability goals including a drive towards cleaner investments and commitment to a 30% reduction in the carbon intensity of its Strategic Asset Allocations (SAAs) by 2026, detailed previously in this report.

We are proud members of 'UK Wealth Managers on Climate' and by signing this letter, we hope to encourage more wealth management firms to commit to a more sustainable future and join us in delivering positive change.

As a fund-of-funds house, we rely on our asset managers to be sound stewards of our client's capital. Passive investments are projected to grow as a proportion of our asset base. At 7IM, we consider voting and engagement the key 'levers' at a passive fund manager's disposal to achieve positive investor outcomes, given that divestment is not an option. In 2023, we have, therefore, commenced a deep-dive review of passive providers' stewardship approaches and resources, as well as the honesty and feasibility of their climate commitments.

The engagements addressed questions related to corporate targets and action plans, stewardship resources, and engagement and voting processes.

The outcome of this qualitative assessment and engagement will be to identify leaders and laggards in the passive space and conduct an annual review to track progress.

We classified the managers ranging from 'High' to 'Low' conviction. The passive managers involved are Vanguard, Amundi, LGIM, HSBC, DWS (Xtrackers), and BlackRock (iShares). These managers are responsible for approximately \$21tr AUM altogether.

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

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(B) Sustainability Outcome #1:	Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)
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(1) Describe your approach

(2) Stewardship tools or activities used

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(3) Example

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**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2:

Investors Policy Dialogue on Deforestation (IPDD) active participant UNPRI SPRING endorser

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(1) Describe your approach

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(2) Stewardship tools or activities used

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(3) Example

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**(D) Sustainability Outcome #3:**

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(D) Sustainability Outcome #3:

UNPRI ADVANCE endorser

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(1) Describe your approach

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(2) Stewardship tools or activities used

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(3) Example

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**(E) Sustainability Outcome #4:**

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(E) Sustainability Outcome #4:

Responsible Product Range

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(1) Describe your approach

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(2) Stewardship tools or activities used

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(3) Example

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**(F) Sustainability Outcome #5:**

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(F) Sustainability Outcome #5:

UK Wealth Managers on Climate Group

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(1) Describe your approach

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(2) Stewardship tools or activities used

### (3) Example

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

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

☒ **(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

We believe good stewardship practice is a basic obligation when we perform our fiduciary duties for our clients. We characterise engagement as a purposeful dialogue with a specific and targeted objective to achieve change. We distinguish this from investment monitoring, which is dialogue solely for investment purposes. Our core investment services provide multi-asset class portfolios, usually via collective investment vehicles. Externally managed products make up the vast majority of 7IM assets under management, and our manager monitoring system is designed to inform us whether external managers are working to safeguard and maximise the value of their assets, with sound stewardship and taking Environmental, Social, and Governance (ESG) issues into account in their investment processes. This is carried out via our bottom-up Manager ESG Convictions Framework and top-down engagement themes.

Select from the list:

☒ **1**

☒ **(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

Select from the list:

☒ **2**

☒ **(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**

Describe how you do this:

Select from the list:

☒ **3**

☒ **(D) Other**

Describe:

Select from the list:

☒ **4**

## STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

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

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

### (A) Across all sustainability outcomes

#### (1) Describe your approach

Our engagement process starts with the initial due diligence carried out by the sector specialist and is supported where needed by a member of the ESG Investment Committee.

Our Manager ESG Convictions Rating Framework allows us to assess managers on six key areas: firm philosophy and commitments, accountability and oversight, ESG team, ESG integration and research, engagement, and voting. This is to establish ESG convictions from 'High' to 'Low'. This research is consistently recorded in the fund due diligence note. The analyst will flag potential opportunities for engagement if any area is flagged as having room for improvement.

We believe this method maintains consistency in evaluating managers' ESG practices and capacities. Asset managers who are scored as 'Low' Conviction during the onboarding process will be added to the 'ESG Conviction Watchlist'. We do not exclude 'Low' ESG conviction managers as we believe engagement is a more effective tool for change. We seek to work with them and identify areas of improvement in ESG integration and their active ownership capabilities. To help achieve real-world impact, we aim to indirectly influence underlying companies on ESG, such as climate target setting and disclosures, through engaging with our managers. Once engagement opportunities are identified, the ESG investment specialist will track and monitor progress year on year.

For managers who have made significant ESG improvements since inception, we can upgrade the conviction in the related categories as a measure of our successful engagement.

.In 2023, we fully digitised the due diligence process by creating a tailored questionnaire on Door through filtering Door's standardised question set and incorporating 7IM's bespoke questions. The objective remained unchanged: since we mostly invest indirectly through collective vehicles, thirdparty managers are our main 'levers' to achieve our stewardship-related objectives, and are our main 'targets' for engagement and escalation. We have formalised three fund due diligence questionnaires on Door to send to different types of funds we invest in: Our Core questionnaire is applicable to all actively managed funds and includes essential ESG questions, Our ESG-specific questionnaire dives deeper into ESG and is applicable to all actively managed funds used within ESG-oriented portfolios, and Our Add-on questionnaire allows supplementary information applicable to actively managed funds above an investment threshold.

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

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(B) Sustainability Outcome #1:	Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)
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(1) Describe your approach

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**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2:	Investors Policy Dialogue on Deforestation (IPDD) active participant UNPRI SPRING endorser
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(1) Describe your approach

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**(D) Sustainability Outcome #3:**

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(D) Sustainability Outcome #3:	UNPRI ADVANCE endorser
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(1) Describe your approach

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**(E) Sustainability Outcome #4:**

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(E) Sustainability Outcome #4:	Responsible Product Range
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(1) Describe your approach

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**(F) Sustainability Outcome #5:**

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(F) Sustainability Outcome #5:	UK Wealth Managers on Climate Group
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(1) Describe your approach

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## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

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

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

### (A) Across all sustainability outcomes

(1) Describe your approach	<p>There are occasions when shareholders might collaborate with other investors to increase their influence on specific company decisions, to ensure that outcomes benefit their clients. This might happen when they intend to vote against company management and believe that other shareholders share their views and concerns. Small shareholders typically have little influence on companies, but when they band together they can be far more effective. We take part in collaborative engagements when we think we can enhance the value or lower the risks of client assets and expect our thirdparty managers to engage collaboratively on our behalf when appropriate. As an investment management firm that primarily uses fund-of-funds structures, the opportunities we have to engage directly with companies are limited. Directly invested equities make up only 2% of our assets under management, with unitised products or closed-ended investments making up the rest.</p>
(2) Engagement tools or activities used	<p>(1) We participated in 'sign-on' letters (2) We responded to policy consultations (3) We provided technical input via government- or regulator-backed working groups</p>
(3) Example(s) of policies engaged on	<p>For example, in 2023, we joined the Investor Policy Dialogue on Deforestation (IPDD) Initiative as a working group member in order to help and address nature-related, in particular, biodiversity-related issues within our portfolios. We wanted to make nature a stewardship priority, therefore, we continued our active participation in the initiative in 2024. As a member of the initiative, 7IM joins monthly and bi-monthly IPDD meetings with other investor participants to discuss issues and policies around deforestation.</p> <p>Our main participation is within IPDD's Consumer Countries Working Group, focused on engagements in the EU, US, UK. This workstream considers how the regulatory environment can help tackle commodity-driven deforestation, given the increase in deforestation related regulation currently being debated and passed in consumer countries. In 2024, as part of the IPDD Consumer Countries Working Group, we co-signed a letter to the UK Department for Environment, Food and Rural Affairs. This letter explained the importance of halting deforestation to investors, highlighting both the systemic risks and the financial, reputational, operational, litigation and regulatory risks due to investment in companies or instruments that are directly or indirectly linked to global supply chains containing forest-risk commodities. The letter called on the government to introduce the Forest Risk Commodities legislation set out in the Environment Act 2021 as a priority. This engagement remains ongoing.</p>

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

(B) Sustainability Outcome #1: Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: Investors Policy Dialogue on Deforestation (IPDD) active participant UNPRI SPRING endorser

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3: UNPRI ADVANCE endorser

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4: Responsible Product Range

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**(F) Sustainability Outcome #5:**

(F) Sustainability Outcome #5: UK Wealth Managers on Climate Group

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

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

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

**(A) Across all sustainability outcomes**

(1) Key stakeholders engaged

(9) Other key stakeholders

(2) Provide further detail on your engagement

In 2024, 7IM joined forces with partners across the wealth management industry through the 'UK Wealth Managers on Climate' group to encourage asset managers to embrace net zero. In an increasingly challenging political and regulatory landscape for sustainability, the role of this group in driving collective action and advocating for meaningful climate commitments has become more critical than ever. As a founder member of 'UK Wealth Managers on Climate' 7IM aims to create positive impact through its focused environmental goals.

Recognising the industry's potential to leverage positive action, the group's nine members, which have a combined total AUM of £165 billion, have come together to co-sign a letter outlining three clear climate change ambitions for asset managers:

- Set a net zero commitment and ensure that targets are clear and transparent
- Communicate the approach clearly to both the business and clients
- Ensure that stewardship activities reflect net zero commitments and deliver tangible results.

These 'asks' reflect 7IM's own sustainability goals including a drive towards cleaner investments and commitment to a 30% reduction in the carbon intensity of its Strategic Asset Allocations (SAAs) by 2026, detailed previously in this report. We are proud members of 'UK Wealth Managers on Climate' and by signing this letter, we hope to encourage more wealth management firms to commit to a more sustainable future and join us in delivering positive change.



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

(B) Sustainability Outcome #1: Decarbonising our Strategic Asset Allocation (To reduce greenhouse gas emissions)

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: Investors Policy Dialogue on Deforestation (IPDD) active participant UNPRI SPRING endorser

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3: UNPRI ADVANCE endorser

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4: Responsible Product Range

(1) Key stakeholders engaged

(5) Auditors

(2) Provide further detail on your engagement

Sarasin, which manages a portfolio of listed equities on 7IM's Responsible Balanced Fund has been advocating for net zero auditing for a long time. From regularly engaging with auditors on climate change risks to challenging the Big Four auditors via coordinated engagement letters from investors, both of which are described in 7IM's 2021 and 2022 Stewardship Report, Sarasin continued to push for changes in climate accounting in 2023. To promote better accounting, Sarasin led on a number of collaborative initiatives in 2023.

Sarasin led on a November publication by International Corporate Governance Network (ICGN) titled “Reflecting climate-related matters in financial statements”. The manager continues to be part of the co-Chair of Institutional Investors Group on Climate Change (IIGCC) Paris-aligned accounting and audit workstream, building on awareness and educate the investment community on the importance of climate-conscious accounting and audit. Sarasin’s active voice in this matter can also be demonstrated through their thematic webinar for a US-focused investor audience hosted by Ceres and a Net Zero Banking assessments webinar hosted by Sarasin. The goal of this work is to capture the attention of standard setters, regulators and other key market actors such as auditors. The effectiveness of the outreach efforts became apparent when the European Securities Market Authority (ESMA) issued a report outlining revised guidance on the integration of climate considerations into financial statements. We are impressed by the work Sarasin has done on this front and will continue to support them on advocating for net zero auditing.

Sarasin advocating for climate resilience in banks It has been made evident that climate change poses material financial risk, and risks to financial stability. Therefore, in early 2024, Sarasin and a group of investors wrote to the Bank of England’s Prudential Regulation Authority to express concerns on the banking sector’s approach to climate change and seek support in delivering improve climate risk disclosures. The letter<sup>7</sup> highlighted that the lack of climate risk integration into banks’ financial statements, auditor reporting, and capital adequacy reporting, adversely effects the functioning of Pillar 3 of the Basel Framework – market discipline.

The letter suggested potential actions for consideration, including using severe but plausible climate scenarios, disclosure if key conclusions from regulatory climate stress-testing exercises, and proactive enforcement of reflecting climate risks in financial statements and auditor reports. In September 2024, PRA’s annual letter<sup>8</sup> to banks and building societies explicitly pointed to enhance disclosures on climate risks in Expected Credit Loss measurement and assumptions for investors as a focus for 2025, to help users understand the effect of climate risk on a firms’ exposure to credit risk.

The success of this initiative underscores the powerful impact of collaborative efforts. We are impressed by the work Sarasin has done on this front and will continue to support them on advocating for bank’s climate risk disclosures.

**(F) Sustainability Outcome #5:**

(F) Sustainability Outcome #5:	UK Wealth Managers on Climate Group
(1) Key stakeholders engaged	
(2) Provide further detail on your engagement	

## STEWARDSHIP: COLLABORATION

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

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

### (A) Initiative #1

(1) Name of the initiative	UN PRI Spring
(2) Indicate how your organisation contributed to this collaborative initiative	(C) We publicly endorsed the initiative
(3) Provide further detail on your participation in this collaborative initiative	Please see details throughout the report and in our latest Stewardship Code Report: <a href="#">stewardship-report-2024.pdf</a>

### (B) Initiative #2

(1) Name of the initiative	UN PRI ADVANCE
(2) Indicate how your organisation contributed to this collaborative initiative	(C) We publicly endorsed the initiative
(3) Provide further detail on your participation in this collaborative initiative	Please see details throughout the report and in our latest Stewardship Code Report: <a href="#">stewardship-report-2024.pdf</a>

### (C) Initiative #3

(1) Name of the initiative	IPDD
(2) Indicate how your organisation contributed to this collaborative initiative	(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	Please see details throughout the report and in our latest Stewardship Code Report: <a href="#">stewardship-report-2024.pdf</a>

#### (D) Initiative #4

(1) Name of the initiative	UK Wealth Managers on Climate Group
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	Please see details throughout the report and in our latest Stewardship Code Report: <a href="#">stewardship-report-2024.pdf</a>

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

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

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

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

## INTERNAL REVIEW

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

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

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