

# **Annual Stewardship and Responsible Investing Report**

Activities and Outcomes Disclosure

**For the period 1<sup>st</sup> January 2025  
to 31<sup>st</sup> December 2025**

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# Introduction

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This report is published by Premier Fund Managers Limited, authorised investment manager within the Premier Miton Investors group of companies (Premier Miton). It covers stewardship activities undertaken on behalf of clients whose assets we manage.

As a UK-based active investment manager, we are committed to acting as responsible stewards of our clients' capital, with stewards embedded within our investment decision-making processes. We believe that effective stewardship supports long-term investment outcomes and is integral to meeting our responsibilities to clients.

Our investment approach is genuinely active and led by our fund managers. Investment teams are given the freedom to form independent views, unconstrained by a house view, while operating within a robust governance and risk framework. Where we believe Environmental, Social and Governance (ESG) factors are financially material, they are considered alongside traditional financial analysis as part of company research, portfolio construction, and ongoing monitoring. Stewardship activities, including engagement and voting, are a natural extension of this process.

Company engagement is a core component of our stewardship approach. Through regular meetings and constructive dialogue with company management, board members and other relevant stakeholders, we seek to deepen our understanding of long-term risks and opportunities and, where appropriate, to influence corporate behaviour to protect or enhance shareholder value. We also vote actively, informed by detailed company knowledge and supported by independent research.

This report presents our stewardship and responsible investing activities undertaken between 1 January and 31 December 2025, in accordance with the Financial Reporting Council's UK Stewardship Code (the Code). It provides examples of how we have applied the Code's principles in practice, including engagement outcomes, voting activity, and our approach to managing systemic risks. We have been a signatory to the Code since 2022, and remain committed to maintaining high standards of transparency, accountability, and long-term value creation.

## Internal governance

This report has been reviewed and approved by the Responsible Investing Oversight Committee, which oversees stewardship activities, which oversees stewardship activities, and approved by the board of Premier Fund Managers Limited.

Signed on behalf of Premier Fund Managers Limited by,



Neil Birrell, Chief Investment Officer

# Executive summary

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Premier Miton Investors offers a range of active investment strategies across different asset classes that aim to generate good investment performance over relevant time periods.

We are genuinely active investors with no house view which means clients' investments are managed by talented investment management teams who are given appropriate freedom to think independently and exchange ideas.

Our purpose is to actively and responsibly manage clients' investments for a better financial future.

## Responsible investing

We define responsible investing as an approach to investing that includes the consideration of Environmental, Social and Governance (ESG) factors alongside financial factors, supported by stewardship activities. We regularly engage with the management of companies in which we invest or are considering investing in and we take a thoughtful approach to voting on company resolutions at Annual General Meetings and other shareholder meetings.

Our fund managers lead on responsible investing activities across their own strategies to ensure that relevant outcomes are directly integrated into their investment decision making process.

## Engaging with company management

- 2,229 meetings were held between our investment teams and company management in 2025. 37% of these included discussions on ESG related matters such as climate change, company culture, board composition, supply chain management and remuneration.
- We actively participated in industry wide collaborative engagement initiatives including the CDP Non-Disclosure Campaign, CA100+, Net Zero Engagement Initiative, Investor Forum, the LAPFF Climate Vote Initiative, and the Rathbones Votes Against Slavery campaign. We remain the lead investor for several of these collaborative engagements.

## Voting at shareholder meetings

- We voted at 947 shareholder meetings across 12,272 unique resolutions. 99% of eligible votes were cast in 2025.
- We select companies based in part on their strong management and do not expect to vote frequently against them. In 2025, 4% of our votes were against management recommendations, typically on matters relating to director nominations and executive remuneration.
- We voted on 179 shareholder resolutions, of which we supported 32%. These related to topics such as governance, shareholder rights, and human rights.
- We review the recommendations of our proxy voting service provider, Institutional Shareholder Services (ISS), alongside our own research. We generally agree with ISS's analysis; 2% of our votes were contrary to ISS recommendations.

## Considering stewardship in our Net Zero strategy

We remain committed to our Net Zero strategy across our investment portfolios, and active stewardship is a significant element of that strategy. We reaffirmed our commitment to the Net Zero Asset Managers initiative, following its relaunch in early 2026. More information regarding our Net Zero strategy, metrics and targets can be found in our TCFD Entity Report, which is available on our website.

## Third party ESG ratings

We received the following labels and ratings from external industry organisations.

- In 2025 we reported under the Principles for Responsible Investment (PRI) "Other Responsible Investing Reporting Obligations" framework. In our last full assessment in 2023, we received 4/5 stars for Policy, Governance and Strategy.
- Over 50% of assets under management is held in funds rated '3 ESG Risk Rating Globes' or higher by Morningstar.

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- We adopted the FCA SDR 'Sustainability Focus' label for the Premier Miton Global Sustainable Growth and Premier Miton Global Sustainable Optimum Income Funds.
  - The 'Premier Miton Diversified Responsible Growth' and 'Premier Miton Responsible UK Equity' Funds are non-labelled under SDR with sustainable characteristics.

### **Independent oversight and assurance**

The Principles of the UK Stewardship Code are embedded in our business, and we continue to take these responsibilities seriously. Oversight of stewardship and responsible investing activities is undertaken by the Responsible Investing Oversight Committee Premier Miton Investors

# Case studies

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# Principle 1

## **Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.**

All data as of 31 December 2025, unless stated otherwise.

We define responsible investing as an approach to investing that includes the consideration of environmental, social and governance (ESG) factors alongside financial factors, supported by stewardship activities. We regularly engage with the management of companies in which we invest, or are considering investing in, and we take a thoughtful approach to voting on company resolutions at annual general meetings and other shareholder meetings.

Our fund managers are given the appropriate freedom to apply their own investment strategies and views in their portfolios, within a disciplined product governance framework which includes robust portfolio and compliance monitoring. They are accountable for stewardship and responsible investing activities on their funds with support from the Responsible Investing team. We believe this assignment of responsibilities ensures that related activities are directly integrated into investment decision making where appropriate, rather than being undertaken by a separate team.

### **Integrating ESG-related considerations into our investment decision making**

We aim to consider ESG factors in a proportionate and appropriate manner in the investment approaches across our different investment strategies.

When considering ESG factors alongside financial factors, we believe that we can enhance our decision making by considering additional information on an investment opportunity and whether it is suitable for inclusion in a product. When applied, this is undertaken across the investment process including in company research and analysis, portfolio monitoring and buying and selling decisions.

Our fund managers are encouraged to share investment ideas across investment teams where appropriate and they meet monthly to share market news, views and analysis. Additionally, the Stewardship Forum meets quarterly and aims to facilitate relevant discussions and share best practice on stewardship and responsible investing activities with the investment teams. Over the year, this has included updates on collaborative engagement activities, discussion of net zero targets and progress, regulatory updates, client stewardship expectations, and training on related topics such as nature and artificial intelligence. Responsible investment topics also feature regularly in intra-team and inter-team meetings, as well as ad-hoc discussions.

The Responsible Investing (RI) team is part of the investment team and supports the fund managers with ESG integration and stewardship activities. The RI team will generally be the primary contact for ESG data providers and relevant ESG-related initiatives. The team also leads on collaborative engagements, with the aim of including the relevant fund managers directly. The RI team monitors ESG-related risks and regularly provides fund managers with both company and portfolio level data covering climate risks, governance quality, product involvement and adherence to international norms of business.

### **Meeting company management**

For some of our investment strategies, we aim to contact, and preferably meet, the management of companies we invest in at least annually. We also find value in site visits, and in meeting competitors, suppliers and end users of their products or services when researching companies to support our investment analysis.

When we meet companies, we do so through multiple channels with the aim of developing our understanding of their business strategy, financial position and prospects, amongst other factors. This includes matters relating to accounting, capital expenditure, growth and risk management.

ESG matters may also be discussed in these meetings, which can include company specific issues, or themes such as climate change, biodiversity, diversity and inclusion, company culture, health and safety, supply chain management, board composition, remuneration and shareholder rights. These discussions are often supported by research from third party ESG data providers.

We also aim to engage with companies where we believe changes to activities or behaviours could improve long term shareholder returns. This can include sharing our views on an over-boarded director, misaligned remuneration or dividend policies or mergers and acquisitions. Where we are contacted by a company for our views and feedback on an issue we aim to respond promptly, which will often result in meeting company management.

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Please read Principle 3 for specific examples of our engagement activity.

### Voting at company meetings

We aim to vote at all company meetings where we have the opportunity to do so.

By actively exercising the right to vote, we seek to ensure that the companies we invest in behave in a way that promotes good governance, generates long term shareholder returns, and contributes to our investment objectives.

Fund managers are responsible for considering proxy voting research and recommendations alongside their specific company knowledge before making final voting decisions. Additionally, they can share information and views with our other fund managers and discuss matters with the Responsible Investing team who will flag significant votes. Where there are concerns, the fund managers may choose to engage with company management before voting and inform companies on voting decisions in follow up communications.

Please read Principle 4 for more details about our voting activity.

### Different approaches across different investment strategies

Each investment team takes its own approach to analysing ESG factors, engaging with management, voting at company meetings and making investment decisions to best serve clients. These approaches are regularly discussed and reviewed with the Head of Responsible Investing and Chief Investment Officer, with oversight from the Responsible Investing Oversight Committee.

### Funds within our responsible and sustainable range

For our responsible and sustainable funds, the fund managers, along with the Responsible Investing team, undertake additional research across the investment process and adopt a proactive approach to stewardship.

Third party ESG research providers Ethical Screening maintain 100% coverage of equity holdings across this range. A predefined minimum portion of these funds' assets must meet required ESG criteria and align with long term responsible or sustainable growth themes. Our sustainable funds also align company revenues with the United Nations Sustainable Development Goals (SDGs).

If an investment ceases to meet the necessary standards, the fund managers will engage with company management and determine a route for improvement. If this does not result in the investment regaining the necessary standard over 12 months, it will be sold within a reasonable timeframe. This process is monitored and assessed by the Responsible Investing Oversight Committee, who have the authority to mandate escalation activity when deemed appropriate.

## More information on each fund in the responsible and sustainable range:

### Premier Miton Global Sustainable Growth & Premier Miton Global Sustainable Optimum Income Funds

The fund managers aim to achieve capital growth over the long term by investing in companies that meet the sustainable criteria, which includes a requirement that at least 50% of company revenue maps to a Sustainable Development Goal, as well as alignment to a sustainable growth theme.

The funds have adopted a 'Sustainability Focus' label under the FCA Sustainability Disclosure Requirements. The fund managers analyse companies on a wide range of criteria including specific social and environmental characteristics enabled by strong governance. The managers also aim to meet portfolio companies regularly to ensure that they remain aligned with the sustainable growth themes. Appropriate metrics are used to set thresholds for individual and aggregate criteria which need to be met on an ongoing basis.

Please read the investment materials on our website for more information which includes the latest Sustainability Factsheets for the Premier Miton Global Sustainable Growth Fund and Premier Miton Global Sustainable Optimum Income Fund.

#### Case study: Unilever

##### Issue:

Over recent years, Unilever has announced significant changes to its structure and strategy, including its ESG commitments. We wanted to gain assurance that these changes are aligned with our expectations for driving positive shareholder returns.

##### Process:

We met with the Head of Investor Relations (IR) and the Global Investor Relations Director to discuss the changes.

##### Outcome:

We discussed the appointment of a new CFO, changes to Board composition, and the separation of distinct business lines. IR highlighted that these elements comprise part of a broader strategic shift towards Unilever's ultimate goal of accelerating growth.

On sustainability, the company highlighted that it remains committed to its sustainability credentials, but is shifting its primary focus back towards product functionality. However, IR was able to point to several areas where Unilever continues to lead the market, such as sharing technology regarding energy efficient ice cream cabinets and increased government advocacy. IR also stated that, following the recalibration of its targets, there are no plans for further updates in the foreseeable future. While some questions remain regarding the achievability of Unilever's growth targets, the engagement helped inform the managers' decision to maintain position sizing.

#### Case study: Experian

As an increasing number of companies shift focus away from sustainability, we met with Experian, an Irish data and technology company, to better understand the business's approach to sustainability and financial inclusion. Experian's three largest markets are the USA, where 49 million people have no credit profile or are unscorable, Brazil, where roughly 75 million people have defaulted on their debts, and the UK, where 4-5 million people have no credit history or are unscorable.

##### Discussion:

When questioned about how they respond to this problem, Experian described their core products (to increase access to credit and educate people), social innovation (niche products that aim to offer societal benefits) and community investment (where employees volunteer their time and expertise to help deliver financial education programmes) and other causes relevant to the business. This includes the United for Financial Health programme, working with NGO partners.

Experian explained that sustainability is important for the resilience of the business and is included in an annual strategic planning process that is approved by the board. The company is currently developing a net zero transition plan, and we also discussed their social innovation program, AI, cybersecurity, and the workforce. Experian explained that they are working on an impact framework and expect to publish something about this by the end of the year.

##### Outcome:

Following the engagement, there has been no change in our view and the managers have maintained the size of the position.

## Premier Miton Diversified Responsible Growth Fund

The Fund is categorised as 'unlabelled with sustainability characteristics' under the FCA Sustainability Disclosure Requirements.

The fund managers aim to achieve capital growth over the long term by investing in a globally diversified portfolio covering different asset classes assessed against relevant sustainability characteristics, which display a good governance profile, and which align to specific and pre-determined responsible or sustainable growth themes.

For equities and property company shares, the fund managers aim to identify companies that perform well against various environmental and social impact of business factors such as carbon emissions, resource usage and intensity, supply chain management and business ethics. For government bonds, the fund managers assess country approach to factors including democracy, civil liberties, corruption and climate change. Corporate bonds are typically green bonds which meet standards required by the International Capital Markets Association's Green Bond Principles.

For alternative investments, hedge fund managers must be signatories to the Principles for Responsible Investment and investment trusts must hold the London Stock Exchange Green Economy Mark. Please read the investment materials on our website for more information. This includes the fund's Sustainability Factsheet.

### Case study: Ørsted

#### Topic:

To better understand Ørsted's credit prospects following an equity raise and risks to US offshore wind projects.

#### Discussion:

Ørsted explained that its US offshore projects have stabilised after the stop work order on Revolution Wind was lifted. The firm noted that fixed price Power Purchase Agreements (PPAs) in the US do not adjust for inflation, which makes the commercial environment tougher, and the wider political volatility in the US has reduced its appetite for further expansion there. By contrast, it sees Europe as more predictable, with the UK remaining the most advanced offshore wind market and new 20-year CfDs providing more delivery flexibility.

On the financial side, the large rights issue has strengthened Ørsted's credit profile and it expects to retain solid investment grade status. The company intends to grow more steadily,

focusing on 1–2 CW of offshore additions a year and returning more cash to shareholders if project opportunities are scarce.

From an ESG perspective, Ørsted sees the US as increasingly challenging because policy uncertainty raises both financial and sustainability delivery risks. Its strategic shift back toward Europe signals a preference for markets where long term climate policy, permitting and revenue frameworks are more stable, reducing the risk of stranded assets and supporting predictable decarbonisation outcomes.

#### Outcome:

The meeting improved the managers' assessment of the company from a fundamental and ESG perspective and led to an increase in the size of the position.

## Premier Miton Responsible UK Equity Fund

The fund managers aim to achieve capital growth over the long term by investing in UK companies that act responsibly, with strong sustainability characteristics, and which display a good governance profile. When assessing whether a company is acting responsibly, they will consider a number of different themes such as Health & Education, Protecting the Planet, and Enhancing Society.

The Fund is 'unlabelled with sustainability characteristics' under the FCA Sustainability Disclosure Requirements. Please read the investment materials on our website for more information. This includes the fund's Sustainability Factsheet.

### Case study: Hill & Smith

#### Objective:

To understand the strategic direction of the business and how best to consider the role of CEO at Hill & Smith (H&S).

#### Discussion Summary:

The Chair of H&S had been CEO, as well as Executive Chair, of the business in the past and so was well placed to help us think about what a successful new CEO of the business would look like. He emphasised that, as H&S is fundamentally a group of in some cases quite distinct businesses, the role of the CEO in its context focuses on enabling and equipping the head of each particular business rather than bringing unique subject matter expertise.

#### Outcome:

We came away with a better appreciation of what the role of CEO at H&S should entail, which will help us to evaluate future CEOs in the role going forward.

## ESG integration processes across Premier Miton funds

### Premier Miton Fixed Income funds

The fund managers believe that ESG factors can and do influence fixed income markets, and that good ESG practices are aligned with good financial returns over the long term.

With investors considering ESG risks and opportunities, the fund managers believe that poor ESG management can be a significant financial risk factor, potentially leading to a widening of credit spreads due to lack of investor interest. Credit rating agencies consider ESG in their ratings, and in some situations this can lead to downgrades, which can have a negative impact on spreads. This is especially the case in areas such as climate risk and poor corporate governance.

Across the fixed income funds, for a company to be considered investable it must be considered to have a stable or improving credit profile, not be expensive and not be an environmental laggard or have poor corporate governance. The fund managers do not currently invest in those issuers that have the lowest ESG assessments in their internal ESG rating process, which accounts for approximately 15% of their global corporate bond universe.

#### Case study: Fixed Income ESG integration process review

Following a review of the Premier Miton Corporate Bond Monthly Income Fund's climate metrics, the managers noticed that the weighted average carbon intensity (WACI) had risen significantly and was above the benchmark. Despite being a relatively small holding, ArcelorMittal was the largest contributor to the Fund's WACI and had a carbon intensity significantly above that of its peer group. Although the Fund mandate does not require the WACI to be lower than that of the benchmark, the managers are aware that many investors screen out carbon intensive businesses and hence there is reduced demand for these issuers. Additionally, they recognise that many clients actively monitor the Fund's ESG performance and would appreciate a lower WACI. In light of this, the fund managers reviewed the ESG screening process and added an additional screen to remove the top 5% of companies by carbon intensity from the Fund's investable universe.

The ESG integration process document for funds managed by the Premier Miton fixed income team is updated annually, approved by the Responsible Investing Oversight Committee and is available for sharing with investment professionals upon request.

### Premier Miton Tellworth UK Smaller Companies Fund

The fund managers of the Premier Miton Tellworth UK Smaller Companies Fund believe that delivering financial returns and positive ESG related outcomes are complementary. They aim to generate financial returns for clients in a way that considers the outcomes that the businesses in which they invest have on the environment and society. This is achieved by managing ESG risks and opportunities through the use of in-house and bottom up ESG scoring. The fund managers act as responsible stewards of clients' capital by engaging with company management and proxy voting, where possible, to promote positive change.

The fund managers implement scoring using an in-house subjective scoring system using the 'SWOTDOT' framework. This considers Strength/Weakness, Opportunity/Threat and Direction of Travel of the company from an ESG perspective. The result is a proprietary bottom-up approach that does not rely on third-party ESG scores, but which ensures that the output is meaningful to the investment process. The ESG integration process document for the Premier Miton Tellworth UK Smaller Companies Fund is updated annually and can be shared with investment professionals upon request.

#### Case study: Renold plc

##### Issue:

Renold's receipt of a takeover bid.

##### Process:

The fund managers met with the company to discuss the proposed deal and ensure that any accepted deal would be in the best interest of shareholders. Two meetings were organised with the CEO to discuss the proposals.

##### Outcome:

The meetings provided an insight into the CEO's view on the potential acquisition. The CEO reinforced that, as he owned approximately 4% of Renold stock, his interests were very much aligned with other shareholders in terms of securing an attractive price. The CEO also discussed how company strategy may evolve in the event of an unsuccessful bid. Shortly after the June meeting, it was announced that Renold had accepted Webster's takeover bid. The previous meetings had given the managers confidence to vote for the acquisition, which ultimately passed with more than 92% shareholder support.

## Integrating ESG considerations across traditional funds where deemed financially material

We aim to consider ESG factors in a proportionate and applicable manner in the investment approaches across our different investment strategies. Fund managers have access to company level ESG data and research and are supported by the Responsible Investing team where required.

### Premier Miton US Opportunities Fund

The fund managers of the Premier Miton US Opportunities Fund aim to provide capital growth over the long-term by investing primarily in North American company shares across all industry sectors. They believe that there are only a limited number of companies able to deliver consistent and reliably forecastable performance and they therefore concentrate on high quality franchises with high cash return on cash invested, solid balance sheets and whose business models are reliable and predictable.

#### Case study: Graphic Packaging International

##### Topics:

Decarbonisation and net zero

##### Discussion:

The discussion focussed on Graphic Packaging's sustainability goals, including its "Vision 2030" strategy. The company shared its scope 1&2 decarbonisation target, which includes a 50% reduction by 2032, of which a significant portion will be delivered through "Renewable Fuel Projects" and "Purchased Renewable Electricity". The company also shared its target to reduce scope 3 emissions by 30%, which it hopes will bring it into alignment with the Paris Agreement. As part of this target, the company stated that 90% of sales to its largest 30 customers now have scope 1-3 reductions written into customer agreements.

##### Outcome:

The managers were impressed by the company's robust approach to decarbonisation and recognised the significant progress being made. Graphic Packaging is a significant contributor to the Fund's carbon footprint, but, in light of this discussion, the managers have maintained the size of the position.

### Premier Miton European Opportunities Fund

The fund managers of the Premier Miton European Opportunities Fund aim to provide a total return, comprised of income and growth, over the long term, by investing primarily in companies listed in Europe, excluding the UK. They are long term and low portfolio turnover stock pickers looking for companies that will grow their earnings substantially over their investment horizon and where they expect share prices to track the growing earnings power of the underlying companies.

#### Case study: BioGaia

##### Topics:

Corporate Governance and Chair elections

##### Process:

BioGaia is a Swedish probiotic company, where one of the Premier Miton European Opportunities Fund managers sits on the Nomination Committee. This responsibility brings several benefits. In this role, the manager gains increased exposure to company management and the opportunity to build a positive and long-term relationship with the company. The manager's investment perspective, drawing on insights from a wide range of companies and sectors, can also provide useful insights to help company management operate more effectively. In Q3 2025, the manager was directly involved in the process of selecting a new Chair. This included interviews with the Board, voting on the changes to the Board, and interviewing candidates for the new Chair.

##### Outcome:

The ongoing relationship with the company continues to bring beneficial investment insights, and the fund managers continue to feel comfortable holding the company.

## Premier Miton Global Infrastructure Income Fund

The fund manager of the Premier Miton Global Infrastructure Income Fund aims to provide an income together with capital growth over the long term by investing primarily in the shares of companies that operate in the infrastructure industry globally.

### Case study: National Grid

#### Topic:

Premier Miton is a lead investor for the CA100+ climate engagement group for National Grid, a UK-based utility company. This process is led by the fund manager for the Premier Miton Global Infrastructure Income Fund with support from the RI Team.

#### Discussion:

Over the year, the group met the company twice – once with members of the Board and once with senior management. The engagement objectives are focussed on building grid capacity, enhancing lobbying disclosures, and providing additional disclosures as part of the company's decarbonisation strategy.

#### Outcome:

The company has made moderate progress towards the achievement of the engagement objectives, and plans are already being made for the next year of engagement. The manager's direct involvement in the engagement has brought unique perspectives both to the company meetings and to the manager's own investment decision-making.

## Premier Miton UK Multi Cap Income Fund

The overall approach of the Premier Miton UK Multi Cap Income Fund is to select the best stocks from an income and growth perspective across the whole UK market, including large, medium and smaller sized companies.

By its nature, the strategy has a wide investment universe, meaning the portfolio can be more diverse from a stock and sector perspective, which may help to reduce stock concentration and risk.

### Case study: Pan African Resources

#### Topic:

Environmental and social considerations

#### Process:

Over the past 12 months, the fund managers of the Premier Miton UK Multi Cap Income Fund have engaged with Pan African Resources four times, with each meeting including discussion of an ESG topic.

On carbon reduction, the company has invested significantly in renewable energy, with approximately 9% of its 2025 energy mix now coming from renewable sources, up by 44% since 2024. Furthermore, following the company's move to the main market, the fund managers expect a significant increase in the quality of its climate reporting. This has already resulted in the inclusion of scope 3 emission reporting. They have also engaged with the company as part of the CDP Non-Disclosure Project to encourage full CDP disclosure.

On community engagement, the company stressed its focus on employment of local people and has invested \$2.5m in CSI (Corporate Social Investment) and LED (Local Economic Development) projects. Following a worker fatality, the managers quickly engaged on health and safety and, following the meeting, were comfortable that the fatality was not indicative of wider failings of the company's health and safety culture.

#### Outcome:

These ongoing engagements have allowed the managers to build a positive working relationship with senior management and gain a better understanding of the company's approach to ESG factors. The managers believe the company takes its responsibilities in this area extremely seriously and are looking to be recognised as best in class.

## Premier Miton UK Value Opportunities Fund

Premier Miton UK Value Opportunities Fund is a value oriented actively managed fund seeking to deliver consistent outperformance of the FTSE All Share over the long term, defined as rolling three and five year periods.

Utilising a contrarian investment philosophy, investments are made into companies that the fund managers believe to be materially undervalued relative to their earnings power or asset value. The Fund follows a multi-cap and benchmark unconstrained approach, aiming to capitalise on the best investment opportunities across the entire UK equity market.

As the investment philosophy is long-term in nature, it involves a high level of engagement between the fund managers and the executive and non-executive management of investee companies.

### Case study: Moonpig

#### Topics:

Company strategy and succession planning

#### Objective:

To understand the Board's view on succession planning in light of the CEO's departure and to what extent this may harbour a change in strategy at the company.

#### Discussion:

The managers met with the Chair, who explained that the Board had been preparing for the CEO to leave for several years. The Board did not regard his departure as a major issue for the company, which was performing strongly and was already highly profitable. The Chair did note that there was a lack of good quality candidates, suggesting that the process might take a while. The managers fed back that, in their view, the company's long-term revenue growth targets are unnecessarily high and that the company should consider lowering them to a level that would be more easily achievable.

#### Outcome:

The engagement is ongoing, but the clear communication channels established with the company have given the managers more comfort in maintaining their position. being made. Graphic Packaging is a significant contributor to the Fund's carbon footprint, but, in light of the above, the managers felt comfortable continuing to hold the position.

## Premier Miton UK Growth Fund

The Premier Miton UK Growth Fund is an actively managed portfolio with at least 80% of assets in shares in companies incorporated, domiciled, or which have a significant part of their business in the UK. It is a portfolio of small, medium and larger sized companies and diversified across industry and sector.

Individual holdings are selected based on detailed company specific research, taking into account the long-term prospects for each business and the fund managers' assessment of its quality, growth potential and valuation.

The fund managers meet company management teams regularly, as such meetings often offer useful insights into company strategy, the quality of the management team, and the potential risks and opportunities facing the business.

### Case study: Cranswick

#### Topics:

Animal welfare

#### Discussion:

The fund managers met with the CFO and IR at Cranswick, a UK food company, to assess the company's response to revelations of animal abuse, and to understand how likely such abuse was to recur.

The CFO expressed genuine regret about the incident given the culture they have sought to inculcate in their farming business. In the industry, Cranswick is regarded as having very high, if not the highest, standards of animal welfare. The CFO clearly outlined the next steps for the business including: (i) the fitting of AI-enabled CCTV cameras in all their indoor farming facilities; (ii) an independent review by an authorised, licenced third party (e.g. a qualified vet approved to audit facilities); (iii) a review of training processes on both animal welfare and whistleblowing; (iv) the suspension and almost likely dismissal of the individuals involved.

#### Outcome:

Following completion of the review detailed above, the fund managers were broadly satisfied with the company's response to the incident and did not exit the position. However, they will continue to monitor developments and discuss progress with company management to ensure that commitments made are properly implemented.

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## Premier Miton Monthly Income Fund

The Premier Miton Monthly Income Fund aims to deliver both income and capital growth over the long term. This is achieved through a high conviction approach with the Fund primarily invested in quality UK-listed companies.

### Case study: Next

**Issue:**

After 26.9% of shareholders voted in favour of a shareholder resolution regarding low pay and wage transparency, the fund managers of the Premier Miton Monthly Income Fund met Next to discuss its approach to wages, labour conditions, and human rights.

**Discussion:**

The company explained that, as Next's workforce is comprised of many students and individuals for whom the role may not be their primary source of income, the company does not observe widespread in-work poverty among its employees. Targeted support is available, which contributes to high retention and morale, with strong internal promotion pathways and a culture of long-term career development.

On third-party contractors, each supplier is rated under an internal Code of Practice and audited regularly. Next has implemented enhanced due diligence in Myanmar, which includes audits every eight weeks. The company has also taken steps to reduce pressure on suppliers by adjusting internal timelines.

**Outcome:**

Next has committed to enhancing its pay disclosures, although these will not be aligned with the original shareholder resolution. The fund managers were reasonably satisfied with Next's responses, although some doubts remain regarding the resourcing of its internal supplier audit team and the cost/benefit analysis of paying the Real Living Wage for direct UK employees. The engagement is ongoing.

## Principle 2

### Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Our Enterprise Risk Management Framework aims to identify, review and monitor market-wide and systemic risks and how they may impact our business. We regularly participate in industry-wide initiatives to promote a well-functioning financial system.

We deploy a “three lines of defence” model to identify, assess and mitigate both principal and emerging risks from across the organisation. Responsibility for ensuring the adequacy and effectiveness of internal financial controls and internal control and risk management systems is delegated to the Premier Miton Audit & Risk Committee. This includes advising on risk appetite, tolerance and strategy, as well as the current and prospective macroeconomic and financial environments.

For more information regarding our risk management framework, governance committees and resources, please see page 40 of our 2025 Annual Report, or the Terms of Reference for the Audit & Risk Committee. Both of these documents are available on our website.

Please find below examples of market-wide and systemic risks that we and the wider financial system have had to contend with over the year, as well as our response to these risks.

#### **Artificial Intelligence**

As of December 2025, more than 800 million people<sup>1</sup> are using ChatGPT every week. Considering the large language model was first launched in November 2022, it is no surprise that investors, businesses, and policymakers are still working to understand the associated risks and leverage potential opportunities fully.

As investors, we are particularly focussed on three key systemic points: potential productivity gains and corresponding workforce impacts; data accuracy; and the environmental impacts of AI-associated infrastructure.

In recent months we have seen several stock market shocks in response to scenarios whereby the widespread use of AI significantly impacts traditional business models and, by extension, the labour force. These scenarios are likely to evolve as further use cases for AI are identified. While the consequences of these are difficult to predict, we are monitoring the sector closely for new information and will aim to respond accordingly.

While potential productivity gains are significant (users recently reported time savings of 40-60 minutes per day<sup>2</sup>), risks regarding data accuracy mean that we expect companies to ensure that all AI use has some level of human oversight. Useful engagement considerations and questions relating to these points were recently shared with the Responsible Investing Oversight Committee as part of our ongoing work on this theme. In June 2025 we set up an AI Steering Group which has oversight of Premier Miton’s internal AI strategy and the implementation of AI-related tools.

We have also shared work internally on the environmental impact of AI, recognising the importance of a conscientious approach to its use and providing some tips on how colleagues can mitigate the environmental impact of their AI usage.

We continue to work with internal and external partners to better understand the risks associated with AI and are considering joining a collaborative engagement related to the theme.

#### **Increased headwinds for UK company valuations**

UK asset managers continue to face significant headwinds, primarily driven by UK fund outflows, due in part to volatile financial markets and a shift to global, passive investing. This situation has been exacerbated by UK pension schemes further reducing allocations to UK equities.

The outgoing Chair of Premier Miton Group plc, Robert Colthorpe, has been active in supporting the UK stock market, including the idea of supporting the idea of a potential Great British ISA to focus on UK equities.

He has also called on the UK Government to prioritise the conditions and decisions that will:

- Increase the rate of long-term savings especially in workplace pension schemes.
- Support structures that channel public and private domestic capital investment into UK businesses and reduce the barriers that discourage domestic investment.

<sup>1</sup><https://openai.com/index/the-state-of-enterprise-ai-2025-report/>

<sup>2</sup><https://openai.com/index/the-state-of-enterprise-ai-2025-report/>

- Ensure that if tax benefits are provided to encourage savings, UK businesses get value for, and a fair share of, this investment.
- Recognise that regulation can provide important protections but can also bureaucratise and reduce investment scope and discourage a sensible approach to taking investment risk.
- Encourage a resilient and competitive UK capital market.

In September 2025, the RI team and several fund managers participated in an Investor Forum collaborative engagement with AstraZeneca to learn more about the company's rationale for shifting its primary listing from London to the New York Stock Exchange. This culminated in a meeting with the Chair, allowing a range of shareholders, including several Premier Miton fund managers, to proactively advocate for UK capital markets. We also contributed to the Investor Forum's AIM to Main project, which aimed to explore ways to facilitate the transition for companies looking to adopt a Main Market listing.

### Regulatory requirements

In order to combat greenwashing and facilitate decision-making for retail investors, regulatory requirements for sustainable funds have increased significantly in recent years.

2025 saw the launch of the FCA SDR's sustainability labels. In accordance with the new regime, we adopted a "Sustainability Focus" label for our Premier Miton Global Sustainable Growth and Premier Miton Global Sustainable Optimum Income Funds and adopted an "unlabelled with sustainable characteristics" approach for the Premier Miton Responsible UK Equity and Premier Miton Diversified Responsible Growth Funds. The corresponding literature can be found on our website, with annual Sustainability Reports and Sustainability Factsheets available for both the labelled and unlabelled funds. We continue to advocate for the FCA's publication of the report from the Advisers' Sustainability Group to support the adviser community's knowledge of sustainability labels.

As we continue to develop our European-domiciled fund range, we are also closely monitoring the EU's SFDR 2.0 requirements. None of our funds currently requires a sustainable classification under the regime, but this may change as our funds, or the regulations, develop.

We are also aware of the incoming FCA regulation for ESG data providers. While this is still in the consultation stage, we can see the value of further regulation in this area and look forward to seeing the final proposals. We use a range of data providers and have begun speaking with those providers to gain a better understanding of potential impacts, risks and opportunities.

We remain active in responding to consultations, and aim to feed into responses that are drafted in relation to the initiatives of which we are members. During the year we supported the adoption of a UK green taxonomy, driven by the view that, as a UK investor, it would support our reporting and evidencing under SDR.

### Exceeding a 1.5 degrees Celsius increase in global temperatures

In 2025 global temperatures continued to climb towards the 1.5°C temperature threshold. It was the third-warmest year on record and, despite the cooling effects of the La Niña weather pattern, was just 0.13°C cooler than the warmest year on record. The past 11 years have been the 11 warmest on record<sup>3</sup>.

These temperature changes brought increased physical climate impacts including record heatwaves, severe storms, heavy rainfall, flooding and deadly wildfires. Beyond the clear human tragedy, these events have encouraged some businesses to accelerate their climate planning and increase resilience against extreme weather.

Considering these developments, we remain increasingly committed to achieving our own decarbonisation targets, and ensuring that, wherever relevant, our investee companies are mitigating and adapting to climate risk. In 2025 the emissions associated with our operations and our investments continued to fall in line with our target to reach net zero by 2050.

We continued our participation in climate related collaborative engagement initiatives, encouraging portfolio companies to strengthen their understanding and disclosure of climate risks and opportunities as well as to develop credible energy transition plans. This included enhanced participation in the Climate Action 100+, Net Zero Engagement Initiative and the CDP Non-Disclosure Campaign.

<sup>3</sup><https://climate.copernicus.eu/copernicus-2025-was-third-hottest-year-record>

2025 also marked the sixth year we completed the CDP Climate Change questionnaire, and we were pleased to receive a score of “B” – the highest possible score for our SME reporting category. Reporting to the CDP helps us further assess our exposure to transition and physical climate risk and to get ahead of regulatory and policy changes.

We also reconfirmed our commitment to the Net Zero Asset Managers (NZAM) initiative, following its relaunch in early 2026. We continue to see significant value in industry-wide co-operation to limit the global temperature increase in line with the goals of the Paris Agreement.

### **Decline in global biodiversity**

According to the World Wide Fund for Nature (WWF), there has been a 73% decline in the average size of monitored wildlife populations in just 50 years. Habitat loss, degradation and overharvesting, driven primarily by our global food system, are the dominant threats to wildlife populations around the world, followed by invasive species, disease and climate change.

Biodiversity remains a sustainable growth theme in our sustainable funds, and we continue to look for opportunities to invest, support and engage on improving biodiversity. During 2025, 20 engagements were conducted on topics related to biodiversity. We also organised a “Nature Literacy” session, where the Surrey Wildlife Trust came to our offices to present to fund managers and the wider staff to improve awareness of our impacts and dependencies on nature and biodiversity.

In the UK, the deterioration of nature and biodiversity has resulted in a reduced resilience to climate change. Supporting local initiatives such as the Surrey Wildlife Trust and The Tree Council is aligned with our belief that the improvement of the UK’s natural capital is key to transition to a low carbon economy.

In partnership with Carbon Footprint Ltd, we became carbon neutral by purchasing carbon offsets for 487 tonnes of scope 1, 2 and 3 carbon emissions (excluding those emissions associated with our investment portfolio). We aim to consider biodiversity in our approach to offsetting, with this year’s offsets supporting the reforestation of degraded forest lands in Sierra Leone and planting 273 trees in the UK.

### **Looming deadline for the Sustainable Development Goals**

The Sustainable Development Goals (SDGs) were adopted by the UN in 2015, aiming to bring “peace and prosperity for people and the planet”. Most of these goals were set to be achieved by 2030. With less than four years to go, progress has been notably mixed. Child mortality rates have fallen and more young people complete school. Women hold five percentage points more parliamentary seats worldwide, and internet connectivity has increased by 70%. Yet at the same time, global conflict is increasing and efforts to limit climate change have been disappointingly slow.

As investors, we cannot easily contribute to all the SDGs but we are well placed to drive progress towards those goals which are more closely linked to economic development. Premier Miton’s sustainable funds have an explicit objective to invest in companies whose revenues are aligned with the SDGs. At the end of 2025, most investments in the Premier Miton Global Sustainable Growth Fund were aligned with SDG 3: Good health & wellbeing; SDG 9: Industry, innovation & infrastructure; and SDG 8: Decent work & economic growth.

However, as the 2030 deadline looms, investors who report against the SDGs are increasingly asking what might come next. Will the SDGs rollover into a new cycle? Will they be replaced by a new framework? Or, in a time of increased political polarisation and volatility, might they simply cease to exist in any form?

In order to better understand the risks and opportunities associated with these questions, we are beginning to engage with our data providers, industry peers, and policy working groups. We remain very supportive of the continuation of a framework like the SDGs but want to ensure that this will remain useful for investor decision making and offer a robust framework to measure sustainable impact.

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## Our work with other stakeholders and contribution to industry wide initiatives

We are actively involved in several industry wide initiatives to promote well-functioning markets where we believe we can have an influence and where we believe it is helpful for our views to be heard.

- Investment Association (IA) - We support the work of the IA, participating in a wide variety of committees and working groups, including the Climate change working group, SFDR Forum, Derivatives Committee, Financial Crime Committee, Fixed Income Trading Committee, Investment Funds Committee and Overseas Fund Regime Working Group.
- Principles for Responsible Investment (PRI) - We became a signatory to the PRI in 2020. We monitor the collaboration platform for relevant engagement opportunities. We are also a member of the Global Policy Reference Group and engage regularly with the UK policy team.
- Net Zero Asset Managers (NZAM) - We support the transition to a net-zero carbon economy having become a signatory to the NZAM in 2022. We participated in the review of the initiative during 2025 and remain committed following the strategy's relaunch in February 2026.
- Investor Forum - We joined the Investor Forum in 2022 to facilitate collective engagement on material issues with listed UK companies and work with other UK investors on policy matters.
- Quoted Companies Alliance (QCA) - Our Head of Equities Gervais Williams is the President of the QCA, an organisation which champions the UK's community of more than 1000 small and mid-sized publicly traded businesses.
- Global Listed Infrastructure Organisation (GLIO) - Fund manager Jim Wright is a member of the GLIO Advisory Committee.
- CFA - We support staff who wish to study the CFA Sustainable Investing Certificate, and the CFA Climate Risk, Valuation, and Investing Certificate.
- Association of Investment Companies (AIC) - AIC exists to support and represent a broad range of investment companies, investment trusts, VCTs and other closed-ended funds, by engaging with members, investors and the wider financial community. Our Head of Investment Trusts Claire Long attends events such as the annual members' conference and managers' discussion forums. We are also invited to contribute to their response to proposed legislative changes, and to take part in promotional activity such as investor conferences and press articles.

We review the list of initiatives of which we are a member annually to ensure that these remain appropriate and aligned with our requirements.

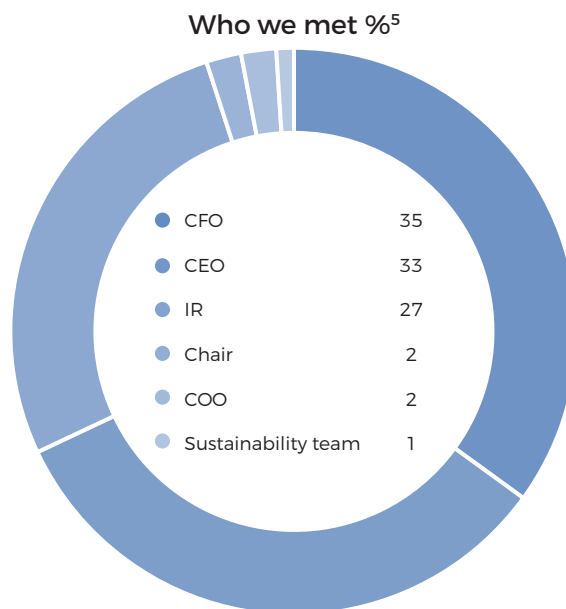
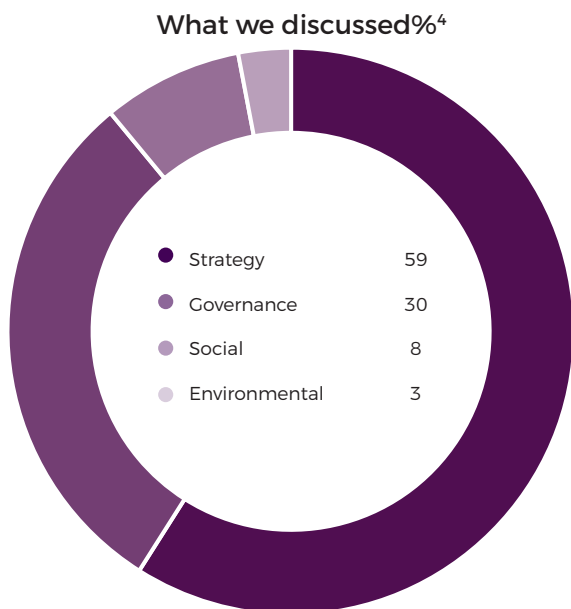
# Principle 3

## Signatories engage with issuers to maintain or enhance the value of assets.

We believe that meeting and engaging with the companies in which we invest gives us a greater understanding of their business activities and creates an opportunity to positively influence corporate behaviours. These are key contributions to potential returns, and therefore to our ability to meet our investment objectives and clients' expectations.

Interactions between fund managers and companies are recorded via an internal corporate access system which was updated during the year to facilitate improved data collection. The system covers a range of meeting metrics including the type of meeting held, who attended the meeting and what was discussed. Topics recorded include specific environmental, social and governance (ESG) matters as well as company strategy.

Our fund managers, investment analysts and Responsible Investing team attended 2,229 meetings with 1,550 different companies during 2025. 37% of these included some discussion of ESG-related matters.



The Responsible investing team identified the following key topics covering ESG and corporate strategy to help the fund managers to categorise their discussions.

Environmental	Social	Governance	Strategy
Climate change	Company culture	Reporting	Business Performance
Biodiversity	Health & safety	Risk management	Capital expenditure
Pollution	Customer responsibility	Audit & accounting	Strategy
Water	Human rights & community	Board composition	M&A
Waste management	Labour standards	Remuneration	Dividends
	Supply chain	Shareholder rights	
	Impact	Bribery & corruption	
	Diversity & inclusion		

Items in the table above appear in order of frequency, meaning that the most discussed topics for E, S, and G were climate change, company culture, and reporting respectively. The most discussed topic relating to strategy was "Business Performance".

<sup>4</sup>Note that one meeting may include discussion on several different topics. As such, the percentages of reported topics may not align with the percentage of meetings which included ESG-related discussions.

<sup>5</sup>Note that company attendees were not recorded for all engagements. This graph shows the percentage of attendees for meetings where we have data.

25% of meetings logged were one-to-one meetings between Premier Miton staff and company representatives. However, we also find it efficient to meet companies at industry conferences, and 16% of company meetings were undertaken at these events. The remainder of the meetings were held via site visits, calls, roadshows and group meetings.

We believe that members of the executive and senior management teams offer the best insight on company strategy; we also recognise the benefits of meeting representatives from Boards of Directors and Investor Relations teams.

### Our approach to engagement

Engagement is important for most of our investment strategies, but differs by fund, with each fund manager ensuring that the level of company engagement is appropriate for their own strategy.

Most engagements are led by the fund managers, although we also participate in collaborative engagements which are driven by the Responsible Investing team. Where the Responsible Investing team is leading an engagement, they will always work in collaboration with at least one fund manager who is invested in, or considering investing in, the given company.

When we engage with companies, we view this as a dynamic, ongoing activity throughout the investment process. If we discuss a particular issue with a company and it comes to a satisfactory conclusion, we will not necessarily determine that this ends the requirement for monitoring, analysis or engagement. We typically focus more on investments where we have significant exposure, either as an amount of money invested or the proportion of the company owned.

We continue the process of analysis through ongoing engagement to see where progress is being made.

### Premier Miton responsible and sustainable funds

The fund managers of our responsible and sustainable funds are active in meeting companies throughout the investment process and discussing matters material to the funds' objectives. They aim to be in contact with, and preferably meet with, the management of all companies they invest in annually, although we recognise that this is not always possible. More detailed information regarding stewardship can be found in the funds' prospectus and Sustainability Factsheets which are available on our website.

The engagement approach includes raising ESG issues and requesting additional ESG disclosures, including information to evidence revenue alignment to relevant themes and the SDGs. If a holding has ceased to meet the necessary sustainability

characteristics, engagement is required to discuss a route to meet those standards within a 12-month period. If this engagement does not result in the company meeting necessary standards, it will be sold within a reasonable timeframe.

### Case study: Auction Technology Group

#### Issue:

The managers of the Premier Miton Responsible UK Equity Fund met the company to discuss research which claimed that Auction Technology Group sold firearms, alcohol, tobacco and pornography through their auction sites.

#### Nature of discussion:

The company explained that all firearms sold complied with local and national rules, including US federal licence requirements. It was confirmed that no automatic weapons can be sold, and that last year firearms were less than 1% of Gross Merchandise Value (GMV). It was also confirmed that, while alcohol can be sold, licences are required in the UK and the US. Furthermore, alcohol amounted for less than 0.8% of GMV. Finally, the company explained that tobacco listings were very rare and that pornography was forbidden on ATG's auction sides unless it was antique or tastefully presented (i.e. art).

#### Outcome:

The managers classified the engagement as successful. It was determined that revenue from prohibited activities was immaterial for the group and that pornography was forbidden, other than subject to the strict aforementioned criteria.

### Case study: SOL Group

#### Topic:

The managers of the Premier Miton Global Sustainable Growth Fund had a provisional meeting with the CEO of SOL, as they were considering investing. SOL is an industrial and healthcare gases company based in Italy. The two founding families still have a controlling interest and are central to the running of the company and this has led to an ISS Governance Quality Score of 10 (highest risk).

#### Process:

The fund managers had a call with the CEO, CFO, GM, and IR to discuss the nature of their strategy, family input into the business, succession planning, remuneration structure, ESG and sustainability plans, long term investment plans and intentions for the family shareholdings.

**Outcome:**

The managers were extremely impressed with management responses to the issues highlighted above and believe the ownership and management structure of the company is a real positive to the investment case. Management and the family take a very long-term approach to the business, exactly what is needed to deliver success in an industry such as industrial gases. The fund managers fundamentally disagreed with the ISS assessment and did not feel that governance-related concerns were sufficient reason not to invest.

**Premier Miton UK and European equity funds**

Across our UK and European funds, ongoing relationships with management are easier to maintain due to the logistics of time and distance as well as more closely aligned standards on company practices such as disclosure and reporting. Engagement is also typically greater with smaller companies in these regions where we may have a more significant shareholding and hence increased influence.

**Case study: Soitec****Issue:**

Tax investigation

**Process:**

The managers of the Premier Miton European Opportunities Fund met with the new CFO of Soitec, a French semiconductor company, to discuss an ongoing tax investigation. The CFO was able to give comfort that a reasonable settlement would, in due course, be forthcoming. The managers were also impressed by the new CFO's experience and communication skills.

**Outcome:**

Following the meeting, the managers felt the potential risk was being well-managed and decided further escalation was not necessary. As such, the managers have maintained the size of the position.

**Case study: Jet2****Issue:**

Poor ESG performance ratings

**Process:**

The fund managers of the Premier Miton UK Value Opportunities Fund have been engaging with Jet2, a British airline company, for several years due to poor ESG performance. They have engaged bilaterally and through the IIGCC's Net Zero Engagement Initiative, where we are a lead investor. In March 2025, the managers met with the new Head of Sustainability to encourage further improvements to the company's ESG disclosure and performance. They discussed the company's plans to reduce its carbon intensity with more efficient planes, as well as the increasing adoption of Sustainable Aviation Fuel (SAF). The managers noted the recent appointment of two women to the company's Board, which helps to address concerns relating to board diversity. The company shared that, having begun reporting to the CDP in 2022, it is now targeting a score of "A".

**Outcome:**

The managers were impressed by the company's change in approach and noted that these changes have led to an improvement in the Sustainalytics score, which is no longer above the internal threshold for high ESG-risk companies. As such, they continue to hold the company.

**Case study: Premier Foods****Topic:**

The fund manager of the Premier Miton Tellworth UK Smaller Companies Fund wanted to learn more about the company's management incentives.

**Process:**

The manager met with the Chair to discuss management incentives. The meeting concluded with a recognition that upper end remuneration targets could be more stretching. However, the manager felt that the Board and executive team function well. The manager also learnt that M&A has the potential to become more important for the company, in light of an improving balance sheet supporting potentially larger deal sizes.

**Outcome:**

Following the meeting, the managers have maintained the size of the position.

### Case study: Vanquis Banking Group & Secure Trust

**Topic:**

The FCA's discretionary car finance commission review

**Discussion:**

The fund managers of the Premier Miton UK Multi Cap Income Fund engaged with Vanquis Banking Group and Secure Trust to learn more about both companies' approach to responsible lending within the context of the ongoing review into discretionary car finance commissions payments. The managers were pleased to learn that exposure was limited, suggesting that responsible lending approaches have been followed.

**Outcome:**

Following the discussion, the managers were comfortable maintaining the size of their positions.

### Case study: Coca-Cola Europacific Partners (CCEP)

**Objective:**

The managers of the Premier Miton Monthly Income Fund wrote to CCEP to outline environmental concerns regarding the introduction of new PET (a common type of plastic used for drinks bottles) product lines, and to seek clarity on the associated risks, such as plastic and microplastic waste and recycling.

**Discussion:**

Plastic packaging is a key sustainability challenge for the company, particularly in developing markets where recycling infrastructure is limited. While all CCEP packaging is technically recyclable, the company relies heavily on voluntary collection schemes and emerging deposit return systems to improve recovery rates. Regulatory pressure is increasing and CCEP welcomes tighter regulation around recycling. Approximately €100m of annual efficiencies are reinvested into sustainability initiatives, which supports long term progress but slows short-term margin expansion.

**Outcome:**

Whilst the managers recognise CCEP's industry leading commitments on sustainable packaging, they believe a more rigorous assessment of the environmental impact of installing new PET lines should have been undertaken. While CCEP is aware of the importance of strengthening its approach to recycling, the scale of the challenge suggests that a more robust review process is needed to ensure future decisions align with CCEP's sustainability ambitions.

### Premier Miton US equity funds

Although it can be more difficult to meet with companies based outside the UK and Europe, our US investment team aims to visit companies where they are based, where this is feasible and worthwhile. Such meetings and visits are important for our fund managers to get an on-the-ground experience of the macro-economic situation including vibrancy of economies, occupancy levels across public infrastructure and hospitality, consumer habits and spending and government regulations as well as to meet the management of their portfolio companies in person at company offices.

The fund manager of the Premier Miton US Opportunities Fund went on three trips to the US during 2025, for a total of almost five weeks. During this time, he met with a wide variety of companies including both current and potential positions. Over the course of the year, the US Opportunities team had more than 200 company meetings.

### Case study: UnitedHealth Group (UNH)

**Issue:**

Profitability and governance.

**Discussion:**

UNH is the largest health insurer in the US. In April 2025, the company shocked investors with a profit warning and, one month later, announced the departure of the CEO and the withdrawal of full year guidance. To add to its woes, the Wall Street Journal reported that the company was under criminal investigation for Medicare fraud (denied by the company), and President Trump announced ambitions to reform drug pricing, which could undermine the profitability of the company's drug supply business.

**Outcome:**

With so much uncertainty, the managers of the Fund chose to exit the decade-long held position despite the shares significantly pulling back, as it became virtually impossible for them to model or to forecast what may happen in the future.

## Premier Miton fixed income funds

The fund managers of Premier Miton fixed income funds actively engage with companies and participate in investor roadshows ahead of bond issuance as well as other corporate update meetings.

### Case study: UK water companies

**Issue:**

The UK water sector is facing significant challenges relating to high debt levels, ageing infrastructure, and increased social pressure on tackling environmental pollution.

**Process:**

In order to better understand how different companies are responding to these challenges, we joined the Investor Forum's collaborative engagement with a range of UK-based water utility companies.

**Outcome:**

Through the engagement we have been able to compare each company directly with its peer group, which has been invaluable in assisting bond selection decisions. These engagements have helped the fixed income team re-evaluate its position on UK water, and the funds' exposure has correspondingly increased.

## Collaboration between investment teams

To take full advantage of the wealth of expertise and diversity of opinions across our investment teams, we aim to collaborate when we meet companies that are co-owned. This may occur in a number of ways including communicating on upcoming company meetings so that more than one team can participate, sharing meeting notes and engagement progress, and proxy voting intentions in relation to shared holdings where appropriate.

During the year, 36 company meetings were held with more than one investment team in attendance.

### Case study: Helical

**Topic:**

Capital allocation strategy

**Process:**

Fund managers from across the Premier Miton's UK and real estate equity funds wrote a detailed letter to the Board, setting out the managers' views on the company's capital allocation strategy. The managers argued for a clearly explained share buyback policy, designed to materially enhance NAV per share by buying back shares with surplus profits whenever the shares trade below a pre-set level.

**Outcome:**

The engagement is ongoing, with the managers expecting a follow up meeting with the Chairman soon.

### Case study: Drax

**Topic:**

Climate change and decarbonisation

**Process:**

With collaboration from the managers of the UK Growth, UK Value Opportunities, UK Multi Cap Income, Global Infrastructure Income, and Fixed Income teams, the Responsible Investing team has been leading the Net Zero Engagement Initiative (NZEI) collaborative engagement with Drax. In this capacity, we have engaged with the company 11 times since 2023 during which time we have built an effective engagement relationship with the company. In 2025, the Chief Sustainability Officer reached out to us to discuss their updated Climate Transition Plan.

**Outcome:**

Drax has made significant decarbonisation progress and is awaiting validation for SBTi for its target of net zero by 2040. We were encouraged by progress on the sustainability of biomass, with the use of an independent advisor board and improvement on sourcing transparency. This is a long-term engagement, but priorities for next year include gaining further insight into capex strategies, investment into data strategies, and the long-term role of new gas fired electricity generation units.

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## Collaborative Engagements

We participate in various collaborative engagement initiatives to benefit from the weight of other investors in, for example, large capitalised global companies as well as to leverage the additional research capabilities that initiatives can access. Initiatives include those organised by the Institutional Investors Group on Climate Change (IIGCC) Net Zero Engagement Initiative, CDP Non-Disclosure Campaign, CA100+, Investor Forum and Rathbones' Votes Against Slavery.

To date, although we are often one of the smaller shareholders in the room, our fund managers demonstrate in-depth knowledge of the company, often gained through existing long term company relationships, which strengthen the quality of the discussion and progress the agenda.

Our fund managers benefit from the additional company contact, experience best practice investor engagement and can ensure outcomes feed directly into investment decisions.

### CA100+

We generally have a low exposure to carbon intensive sectors, with many of our fund managers believing that the sector will not produce long term growth due to the growing regulation that both limits carbon emissions and supports renewable and low carbon energy. However, we do have some allocations to these companies, including a small number of companies included in the CA100+ list of 167 highest carbon emitters. We are conscious of our limited ability to influence these companies through direct engagement due to the size of our shareholding, and we therefore joined CA100+ in 2021 as this initiative covered several of the carbon intensive companies held. We are lead investors for National Grid, and participating investors for engagements with bp, Shell, and RWE.

### Net Zero Engagement Initiative

The IIGCC's Net Zero Engagement Initiative (NZEI) aims to drive ambitious climate action by engaging with companies to accelerate their transition to net zero emissions. Their aim is to help investors align their portfolios with a net zero pathway by engaging collaboratively with companies on their transition plans.

The focus is on major emitters beyond the CA100+ list. In 2025, we led engagements with Drax, Jet2, and Wizz Air. We also participated in engagements with Power Grid Corp of India, Shin-Etsu Chemical, and TSMC.

NZEI provides a useful framework and supports investors by regularly communicating on progress. During the year we sent letters to Jet2 and Drax, and had a meeting with Drax's Chief Sustainability Officer. More information regarding the Drax and Jet2 engagements can be found on pages 24 and 22 respectively.

Our fund managers actively participate in these engagements and are able to benefit from a greater understanding of how these companies view the net zero transition and to what extent relevant risks and opportunities are integrated into business activities and future planning.

### CDP Non-Disclosure Campaign

We joined the CDP Non-Disclosure Campaign in 2021 to encourage smaller companies to report on climate risk management and carbon metrics so that we can use this information in our own investment decision making.

With regulatory requirements to disclose in line with ISSB, encouraging companies to prepare for mandatory disclosure is an important stewardship activity and the CDP Non-Disclosure campaign remains a key initiative for Premier Miton. CDP assessments are also useful as the output data feeds directly into the ISS ESG climate solutions database that we use in our own ESG integration and fund level reporting activity.

Over the year we contacted 39 companies to encourage completion of the annual questionnaire via the CDP Non-Disclosure Campaign. Four of our target companies submitted a CDP assessment for the first time and we plan to continue to engage in 2026 with companies that do not disclose.

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## Investor Forum

We joined the Investor Forum in 2022. This is a formalised group of investors that facilitate collective engagement on material issues with listed UK companies. Engagement is undertaken by the Investor Forum staff using a unique collective engagement framework. As members, our aim is to strengthen our ability to engage effectively with and positively influence investee companies.

During the year we participated in 26 Investor Forum events, including 12 company engagements. These included AstraZeneca regarding their new listing in the USA, M&S regarding the UK Real Living Wage, Assura regarding its response to takeover bids from PHP and KKR, bp regarding the election of a new Chair, and a thematic engagement with UK water companies.

More information on the Investor Forum's collective engagements during 2025 is available in their annual review on their website.

## Rathbones Votes Against Slavery

Modern slavery is a pervasive risk to business, supply chains, society and our economy. Rathbones convened the 'Votes Against Slavery' collaborative initiative in 2020 to coordinate the response of the investment community and help provide the necessary accountability for, and compliance to, the section 54 of the Modern Slavery Act (2015). 168 investors, representing £2.96 trillion, have joined this initiative and collectively challenge UK listed companies that have failed to meet their reporting requirements.

The initiative engaged with 26 FTSE 350 and 60 AIM companies over the year with the majority responding and making the necessary changes to ensure compliance.

## Engagement Escalation

Where we believe the interests of shareholders or bondholders are potentially being compromised, we aim to engage to encourage appropriate action and protect our clients' interests. Where engagement does not lead to an appropriate outcome, we may choose to escalate the issue.

Once an issue has been identified it will be discussed by the fund manager and the Responsible Investing team to decide upon its materiality. If deemed appropriate, the issue would be raised with the company at the next scheduled meeting. If considered to be of high importance, a meeting with the company will be organised at the earliest possible opportunity.

Initial discussions would, if appropriate, take place on a confidential basis. If a board does not respond constructively and we have concerns about the strategy, performance, governance, remuneration or approach to risks, then we will consider whether to escalate action, for example by:

- Holding additional meetings with management specifically to discuss concerns
- Meeting with the Chair, Senior Independent Director or an Independent Director
- Engaging with external shareholders via collaborative initiatives to see if concerns are shared
- Voting against management at the next shareholder meeting

As an active investor, where appropriate we will reduce our holding or divest to protect our clients' assets. For example, where we believe the company is unable to resolve the issue satisfactorily or where the issue negatively impacts the long-term sustainability and/or investment outcome for the business.

Our governance framework supports escalation activity when deemed appropriate. This is achieved through the Responsible Investing Oversight Committee which can mandate escalation activity such as engagement, voting or, in extreme situations, request that a fund manager sell a position.

## Escalation may differ between different investment strategies

Each issue is debated and prioritised on its own merits. If an issue is identified in a company that is held across more than one investment strategy, the relevant fund managers and the Responsible Investing team will collaborate, where possible, on the approach and discussions with the company to find a resolution. However, the fund managers are charged with meeting specific investment objectives and therefore a good outcome for one fund may differ from another. These differing objectives may result in different fund managers wishing to adopt a different stewardship approach. In these instances, potential conflicts are usually resolved by the fund managers and the Head of Responsible Investing, but if escalation is required, the Chief Investment Officer or the Responsible Investing Oversight Committee will decide. Escalation may differ by asset class, geography and company size.

The outcome of any escalation is key to our decision to retain or sell a holding in a company, although it may result in ongoing monitoring or other escalation activity listed above.

### Case study: BP

#### Issue:

Strategy and Governance

#### Process:

Ahead of bp's strategy day, the fund managers of the Premier Miton Monthly Income Fund wrote to the Chair encouraging a long-term view on investments in renewables and green fuels. However, the new strategy significantly reduced green capex and aimed to reduce green exposure materially. In response to this, the fund managers asked that bp include a vote on their new energy transition plan at the AGM, a request which the company refused and did not offer a follow-up meeting. We then attended an Investor Forum meeting with the Chair, which provided limited insight into how the strategic shift will impact on commercial risks and future opportunities.

#### Outcome:

The fund managers voted against the re-election of the Chair at the AGM. In the managers' view, the Chair had failed to manage both the CEO transition and long-term company strategy effectively. The vote was also driven by concerns the Chair was overboarded. The managers sold their position in the months following the AGM.

### Case study; Taiwan Semiconductor Manufacturing Company (TSMC)

#### Issue:

As a significant contributor to the fund's climate metrics, the managers of the Premier Miton Global Sustainable Growth Fund attempted to engage with TSMC to discuss the company's approach to climate risk management.

#### Process:

Unfortunately, the company was unreceptive to the manager's approach to arrange a meeting. We therefore decided to escalate the engagement and join a collaborative engagement, organised by the IIGCC's Net Zero Engagement Initiative.

#### Outcome:

By joining a collaborative engagement, we were able to leverage the combined resources of several investors with similar concerns. We met with the engagement group in September 2025, where discussion focussed on specific engagement objectives such as the implementation of its new science-based targets, including interim milestones, and the company's use of renewable energy. The engagement group is hoping to organise a meeting with the company in 2026.

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### Case study: Zoetis

**Issue:**

Internal independent oversight of the Premier Miton Global Sustainable Growth Fund is maintained by the Responsible Investing Oversight Committee (RIOC), which assesses the Fund's holdings against a range of ESG-related metrics. This includes an assessment against the Nature Action 100 company benchmark, whereby companies are assessed on their approach to monitoring and mitigating nature-related impacts and dependencies.

**Process:**

The RI team flagged to the RIOC that Zoetis was one of the few companies in the benchmark which did not provide any of the disclosures required by the benchmark. The RIOC decided to add Zoetis to its "monitored holdings" list, which led the fund manager to begin an engagement to encourage enhanced disclosures. The fund managers have found it challenging to open a dialogue with the company but recently asked several nature-related questions in a group meeting.

**Outcome:**

This engagement is ongoing.

# Principle 4

## Signatories actively exercise their rights and responsibilities

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Unless it is not possible to do so, we actively vote at company meetings on corporate resolutions in the best interests of our clients, as we consider this an important part of our stewardship responsibilities. By exercising the right to vote, we seek to influence investee companies to behave in a way that promotes good governance, provides stability and financial soundness and therefore contributes to the products' investment objectives and in turn to good outcomes for consumers.

Our Proxy Voting Policy contains information on our voting guidelines and process as well as factors taken into consideration when voting. Our fund managers are charged with applying this policy in line with their investment strategy and relevant investment objectives of the funds that they manage. This policy is reviewed on an annual basis and was last updated in January 2026. This update provided more details regarding instances when fund managers may abstain from voting and added further emphasis to fund managers' responsibility for each vote (as opposed to a single firm-wide position).

This approach has been developed in line with the principles of the FRC's UK Stewardship Code. Voting records are published quarterly on our website, and these provide details of votes cast since 2019. We are also fully compliant with the N-PX requirements set out by the SEC, ensuring transparency and accountability by disclosing our voting activities in alignment with regulatory expectations.

Our fund managers aim to review all votes. They consider their knowledge of the investee company, company structure, annual report and other disclosures, previous engagement dialogue, proxy voting research and recommendations from ISS as well as considering the investment mandate and the specific nature of the proposal. They may discuss resolutions across investment teams and with other fund managers who also hold shares in the company to ensure consistent voting where appropriate, although fund managers of different funds may make their own decisions to ensure that actions are in the best interests of the investors in their specific funds.

We are typically responsible for all decisions regarding voting on behalf of our clients, who are not able to instruct voting activity, although we are happy to engage with clients on their views.

We receive proxy voting recommendations from ISS, a company which facilitates proxy voting decisions on our behalf. Our fund managers can choose a default for how proxy votes should be cast, such as "Vote with ISS recommendation" or "Vote with management". We subscribe to the ISS Benchmark Policy for the UK, and, while we find these recommendations useful, we will deviate from the recommendation in cases where the fund manager has a different view. In 2025, we voted against the ISS recommendation for 1.4% of all votes.

The Responsible Investing team highlights 'significant votes' to the fund managers for additional analysis. Significant votes are defined as shareholder meetings where aggregated ownership at Premier Miton is greater than 5% of the company's shares, resolutions relate to environmental or social matters, shareholders have filed a resolution, or the proxy advisor recommends voting against management. The RI team also aims to highlight votes where share blocking rules apply, or there is no management recommendation, or where a vote is out of scope of the proxy voting service.

Before a decision is made to vote against management, the fund managers may discuss the issue with the company and when they do decide to vote against, aim to notify management and provide a rationale for doing so.

Premier Miton does not engage in stock lending so there is no related conflict with voting activity. Where a fund or product uses a contract for differences to gain exposure to equity prices there is no transfer of vote and therefore the fund will not have voting rights.

We monitor the voting rights of shares that are owned through ISS, who notify the fund managers and Head of Responsible Investing directly of any changes to voting rights. Understanding the voting rights of shares also forms part of the investment analysis undertaken prior to purchase.

### Voting activity

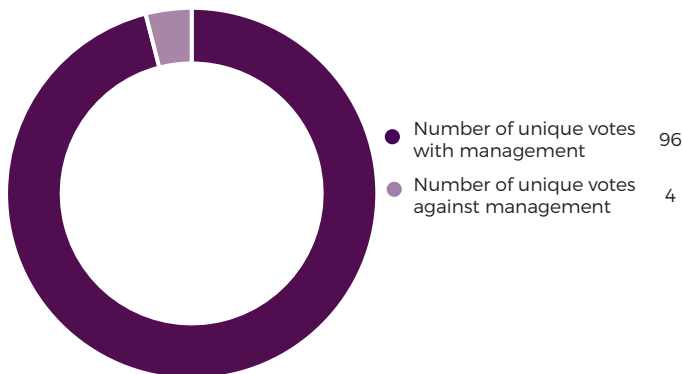
Over the twelve months to the end of December 2025, we voted at 947 shareholder meetings across 12,272 unique resolutions. 40,345 resolutions were voted in total due to multiple ballots being cast for company meetings where the company is held across different funds.

The majority of occasions where no votes were cast were a result of share blocking restrictions. In these instances, fund managers did not vote all shares for liquidity purposes.

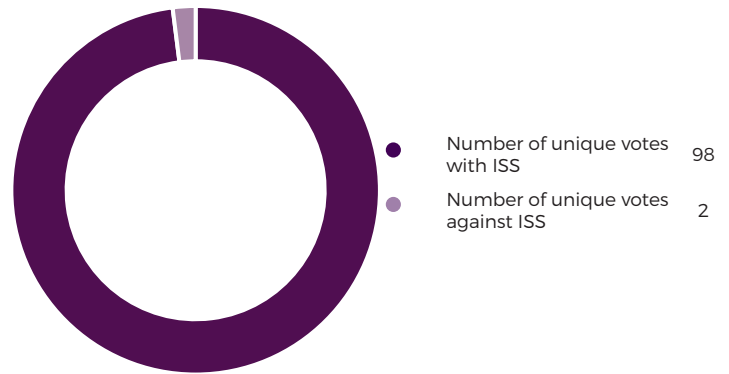
We have made a focused effort over recent years to increase the percentage of eligible votes cast and this has increased from 95% in 2021 to 99% in 2025. Most company meetings were annual meetings, although circa 4% were special or other meetings, often driven by corporate activity such as mergers and acquisitions.

	2021	2022	2023	2024	2025
Total number of votable resolutions across ballots	42,364	42,663	43,339	45,022	40,708
Total number of resolutions voted across ballots	40,220	41,749	42,813	44,706	40,345
% of resolutions voted	95%	98%	99%	99%	99%

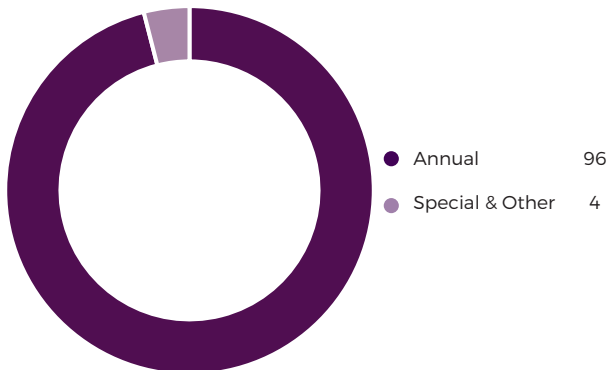
Voting by resolutions %



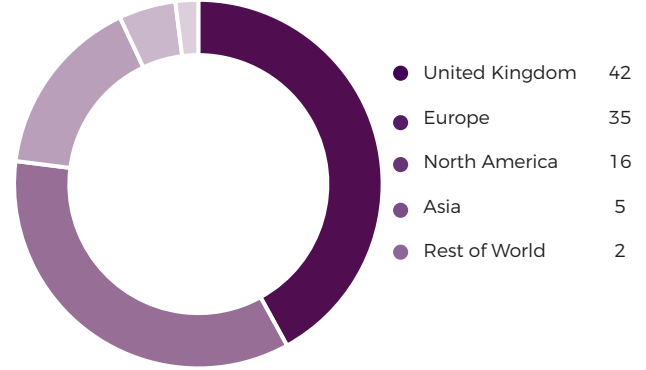
Voting by resolutions %



Shareholder meeting by type %



Votes by company location %



## Influence of management recommendations on voting decisions

We will generally invest in companies where we share the management's vision on corporate strategy, customer service and risk mitigation. For this reason, we support management in most resolutions.

There are occasions when we take a different view on company strategy or a management proposal, and these are normally resolved in dialogue with the company. Where we remain unconvinced by management's rationale, we will vote against the management resolutions.

We supported management at 96.8% of votable proposals over the period. In 3.2% of resolutions we voted against management, primarily on items related to director nominations and executive remuneration. On director nominations, we voted against proposals where we believed that a board needed to improve independence or diversity or where proposed directors were overboarded. We also voted against remuneration proposals over excessive remuneration or where there was a lack of transparency in the structure of incentives. We also voted against management at a small number of climate related shareholder resolutions and proposals relating to mergers and acquisitions on valuation grounds.

## Executive remuneration policies at UK companies

We voted against management on remuneration policies at several large UK companies including Unilever, London Stock Exchange Group, and JD Sports, with some of these companies receiving sufficient dissent such that additional engagement with shareholders was required. The fund managers of the Premier Miton UK Multi Cap Income Fund generally vote against executive remuneration at FTSE 100 companies given the quantum of pay, although they recognise that companies need to balance shareholder views as well as the requirement to provide sufficient motivation to retain strong leadership and drive company growth and shareholder returns.

## Impact of proxy recommendations on our voting decisions

We followed ISS recommendations at 98.6% of votable resolutions over the period, meaning that 1.4% of resolutions were voted contrary to ISS recommendations. For example, in some cases there are good commercial and governance reasons why a business proposes something beyond the governance norms. This is particularly the case with smaller companies, where often our fund managers have a good, long-term relationship with management and a strong understanding of company strategy.

### Case study: Computacenter

The fund managers of the Premier Miton Diversified Income Fund voted in favour of Computacenter's remuneration policy, despite an ISS recommendation to vote against. The proposed changes would likely lead to a significant pay increase for the CEO.

ISS advised a vote against the policy as the company has performed poorly over the last 12 months, but the Premier Miton Diversified Income Fund managers took the view that, given the CEO's 30-year tenure at the company and strong long-term performance, a short assessment period was not appropriate in this instance. As such we changed our vote to vote with management rather than in line with ISS's recommendation. The resolution received 78% support at the AGM.

### Case study: Polypeptide

Following a meeting with management at Polypeptide, the managers of the Premier Miton European Opportunities Fund decided to support two capital-related amendments to the Articles of Association, despite an ISS recommendation to vote against the proposals. The proposed amendments would allow for a capital increase of 15% of issued share capital, above ISS's threshold of 10%.

In line with market practice, the Board of Directors would be authorized under certain circumstances to withdraw or restrict pre-emptive rights or advance subscription rights of existing shareholders. Ahead of the AGM the fund managers met with the company and gained comfort that the Board would use its proposed authorisations responsibly and in the best interest of existing shareholders. This decision was facilitated by the fund managers' long-term relationship with the company and deep understanding of its approach to corporate governance.

## Shareholder resolutions

We generally take a cautious approach when considering shareholder resolutions due to concerns around being overly prescriptive about company strategy or individual metrics.

During the year we voted on 179 shareholder resolutions. We supported 57 of those resolutions, with the majority relating to items which lead to improved governance, shareholder rights, and human rights.

We find that our proxy advisor is sometimes less likely to recommend support for shareholder resolutions than we may expect. As such, the RI team and relevant fund manager collaborate where feasible to reach their own decision. The final decision leverages research from the proxy advisor, the manager's relationship with the company, and any other relevant research, such as that published by the PRI and the IIGCC.

### Case study: JP Morgan Chase & Co

The managers of the Diversified fund range voted in favour of a shareholder resolution at JPMorgan Chase to require an independent board chair. The current Chair is also the CEO and has held those positions since 2007 and 2006 respectively. Separation of the offices of Chair and CEO is generally considered to reduce the potential for conflicts of interest and enhance effective board leadership. The resolution ended up receiving support from 36.6% shareholders.

## Environmental & social resolutions

We reviewed 206 unique environmental and social resolutions, of which 70 were proposed by shareholders. Due to instances where companies are held in several different funds, this led 878 votes being submitted. 92% of these votes were in line with the management recommendation.

The environmental and social resolutions that we supported included resolutions for Home Depot and Procter & Gamble to report on efforts to reduce plastic use, human rights-related resolutions at Microsoft, data protection resolutions at Meta, and a resolution requesting a report on a civil rights audit at Deere & Company.

### Case study: The Home Depot, Inc.

The managers of the Premier Miton Global Sustainable and Diversified fund ranges voted in favour of two shareholder resolutions asking the company to "disclose a biodiversity impact and dependency assessment" and to "report on efforts to reduce plastic use". This was against the recommendations of management and our proxy advisor, but the managers felt that the resolutions would help the company better understand and manage the risks and opportunities relating to biodiversity impacts and pollution, which ultimately should help the company protect and generate value for shareholders. The resolutions each received approximately 16% support.

### Case study: Shell

The managers of the Premier Miton Monthly Income Fund voted against a shareholder resolution calling for more information on Shell's LNG strategy. In their view, the proposal called for an unnecessary level of detail on future LNG projects. The managers believe gas will be an important transition fuel in Asia and that the increase of production can still be consistent with the Paris Accord. Shell looks at a range of LNG demand scenarios, and, while future demand relies on future price, there is good evidence for good and growing demand at \$7-8/MMBtu. Should the outlook for demand change the managers would expect Shell to change the strategy.

The managers also think the company is more engaged with investors than oil and gas sector peers and provides best in class disclosure, having agreed to provide a summary note on their LNG strategy before the 2026 AGM. The managers continue to concentrate their engagement on emission reductions and ensuring that company lobbying activities are focussed on promoting changes in customer demand.

## Management 'Say on Climate' resolutions

We encourage companies to hold regular votes on net zero strategies and during the year we saw such resolutions at three UK companies and seven global companies. We supported every one of these resolutions.

### Case study: Rio Tinto

Rio Tinto is held across the Premier Miton Diversified fund range, as well as in the Premier Miton UK Growth and Premier Miton UK Multi Cap Income Funds. The resolution related to the approval of the 2025 Climate Action Plan, which retained previous targets of a 50% reduction by 2030 and to reach net zero by 2050.

While the updated plan does not include a long-term scope 3 target, the company remains one of the leaders among its peer group, and the managers noted good decarbonisation progress (-14%) in scope 1 & 2 emissions since the baseline year. Future decarbonisation is also underpinned by a clear capex strategy. As such, the managers voted to approve the plan alongside 93% of other shareholders.

### Case study: SSE Plc

SSE is held in the Premier Miton Income and Premier Miton Global Infrastructure Funds. While decarbonisation progress at SSE has not been linear over recent years, the managers of both funds voted to approve the Net Zero Transition Report at SSE's July AGM. The managers noted that the company's decarbonisation targets have been approved by the Science-Based Targets initiative and are accompanied by significant investment plans (£20.5bn) until 2027, with 89% of total capex in 2024/2025 aligned with the EU taxonomy. The plan was approved by 97.9% of shareholders.

### "Anti-ESG" shareholder resolutions

We continue to see a number of anti-ESG shareholder resolutions, where a shareholder is looking to remove ESG practices at a company. During the year there were 16 'anti-ESG' resolutions at 11 companies, including proposals that The Coca-Cola Company and Bristol-Myers Squib consider abolishing their DEI goals, and that Colgate-Palmolive revisit its plastic packaging policies. Fund managers at Premier Miton did not support any of these resolutions.

### Case study: Colgate-Palmolive

The fund managers of the Premier Miton Global Sustainable Growth Fund voted against the anti-ESG shareholder resolution at Colgate-Palmolive, which asked the company to re-evaluate its plastic packaging policies. The proponents claimed that the current policies are based on "exaggerated, distorted, or false" claims around plastic packaging.

In response, the company highlighted that, through its enterprise risk management process, it already assesses the business benefits and long-term costs and savings associated with plastic waste management, with many sustainability initiatives designed to deliver economic and/or consumer benefits in addition to environmental benefits. The resolution ultimately failed, with support from just 2.9% of shareholders.

### Asset classes other than company shares

In addition to company shares, we apply our voting policy across all assets including Exchange Traded Funds (ETFs), corporate bonds and investment trusts.

We aim to cast all votes relating to holdings in bonds where possible. Moreover, we will discuss with the issuers the terms and conditions of individual bonds to obtain the best outcome for holders at the time of issue and as necessary, through the lifetime of a bond.

As investors in investment trusts, we can vote on situations such as winding up or continuation. These often come at the end of extensive discussions on fees, capital structure or directors' positions.

### Case study: Care REIT plc

The fund managers of the Premier Miton Multi-Asset Monthly Income and Premier Miton Multi-Asset Distribution Funds voted against the re-election of the Chair at the company's AGM in April 2025. In the managers' view, the Chair had not appropriately managed the recent bid for the company by CR United Bidco, which was at a significant discount to net asset value. The managers also voted against the acquisition in the Extraordinary Meeting in May, which ultimately passed with 84.8% support.

### Voting monitoring

Proxy voting activities are overseen by the Responsible Investing Oversight Committee. Its responsibilities include reviewing proxy voting activity reports, reasons where votes have not been made and discussing any improvements that could be made to the voting process. The Responsible Investing Oversight Committee will discuss voting practices and analyse the voting activity report to ensure that fund level voting activity is meeting expectations.

# Principle 5

## Signatories integrated stewardship considerations into their selection and oversight of external managers.

Our multi manager funds constitute approximately 10% of our total AUM. For these funds, the managers aim to invest across a broad range of asset classes, in different funds and fund managers. The team believes that ESG factors can and do influence financial markets and therefore should be considered when making investment decisions. This is achieved via the following process:

- Determine how ESG factors can be incorporated into different investment decisions, whilst recognising that certain asset classes and strategies can be challenging for some ESG factors.
- The individual elements of ESG factors are formalised into the fund research and analysis and addressed for every underlying fund recommendation.
- Allocating to and monitoring investment opportunities linked to sustainable growth opportunities in delivering performance consistent with the specific mandate's investment objective.

ESG research is undertaken using a bespoke ESG questionnaire. Funds with a clear and consistently implemented ESG framework which is backed by a public policy and evidenced with examples are favoured.

The multi manager investment team aims to monitor and engage when there are concerns, or where an underlying fund is considered to have excessive exposure to controversial business activities. They also believe that alignment with the UN SDGs can offer long term growth opportunities, and will consider allocating to funds with related exposures. The ESG integration process document for Premier Miton multi manager funds can be shared with investment professionals upon request.

The team met with 236 fund managers over the year. These meetings included discussions around company holdings, stewardship activities and ESG matters raised as part of the pre-investment questionnaire or related quarterly monitoring.

They also contact all third-party funds as part of their investment process to further understand the manager's approach to net zero, carbon emission reporting, fund labels as well as signatory status to the Principles for Responsible Investment (PRI) and the UK Stewardship Code. Responses are reviewed and lead to further engagement where required.

### Case study: UK Income fund

**Topic:**

Communication

**Discussion:**

Following a review and ongoing due diligence probing meeting with a UK fund position, the multi-manager team participated in a follow-up webinar which delved into the detail of the headwinds the UK fund had been facing. While performance has proved challenging, the managers remain supportive of the disciplined approach adopted by the fund and understand that style factors have been the biggest headwind to performance in recent times.

**Outcome:**

After the webinar, the managers engaged with the investee fund to encourage refining the communication to better emphasise their key message and the strength of resource. The investee fund took this constructive feedback and adopted the suggested changes.

### Case study: Real Estate Credit Investments

**Topic:**

Capital structure

**Discussion:**

The multi-manager team engaged with the manager and broker of a listed real estate finance company. Despite the appeal of the strategy and credibility of the manager, a candid discussion was held on solutions to the discount, increasing the scale of the company and reducing the reported cost base. The conversation also encompassed considering changes to the listing classification of the Company to provide for wider shareholder appeal.

**Outcome:**

In the view of the multi-manager team, such open dialogue with listed funds is both informative and productive in providing understanding and aligning support for possible solutions to be devised.

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**Case study: Assura  
(acquisition by Primary Health Properties / “PHP”)**

**Topic:**  
Mergers and Acquisitions

**Discussion:**  
The multi-manager team initially engaged with Assura to detail the value they placed on the company’s management and assets and to encourage dialogue with PHP regarding the merger proposal. The managers’ stance was aligned with that of the Investor Forum, whose collective engagement they joined throughout this process.

Ahead of a vote on a bid from KKR, the managers met with Assura’s Chair to encourage a reconsideration of the Board’s recommendation to accept the KKR bid in light of a more attractive proposal from PHP. In early June, Assura announced that the meeting to approve the KKR bid had been adjourned. The managers then met company management to discuss the PHP bid in more detail, during which the managers stated their continuing preference for the PHP merger.

**Outcome:**  
In August 2025, it was announced that Assura would be acquired by PHP, which the managers viewed as the preferred outcome.

**Case study: Empiric Student Property  
(acquisition by Unite Group)**

**Topic:**  
Mergers & Acquisitions

**Discussion:**  
As long-term shareholders, in June 2025 the managers were invited to confidential discussions regarding the terms of a potential takeover of Empiric by Unite. The managers met the Chair and the CEO in two separate meetings and expressed concerns regarding the value and benefits of the acquisition. They also expressed concerns around the potential dilution of the existing corporate strategy.

**Outcome:**  
These meetings gave the managers a more complete understanding of the constraints of scale, the relative pricing risk of Empiric compared to peers, and the strategic alignment between Empiric and Unite. This led the managers to soften their stance on the proposed terms which were subsequently agreed upon by the companies. The acquisition was completed in January 2026.

# Principle 6

## Signatories monitor and hold to account stewardship service providers

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As active investors, we believe that detailed company research and data focused on the evaluation of ESG risks and opportunities provides greater insight than a single, combined ESG score.

We subscribe to several independent providers of ESG data and research to enhance our stewardship processes. This data is used by the Responsible Investing Oversight Committee and the Responsible Investing team to identify risks and determine escalation activities such as undertaking further ESG-related analysis, engaging with company management, voting against a specific resolution or even the sale of a position if deemed appropriate.

Our data providers include Ethical Screening, ISS ESG, ISS Governance Research & Voting, Integrum ESG, Net Purpose, CDP, Transition Pathway Initiative and Bloomberg. These have been selected by the Chief Investment Officer and Head of Responsible Investing following detailed research and consultation with our wider investment teams.

We regularly interact with third party ESG data and research providers on a range of topics, including data and methodologies. Where there are discrepancies between our data providers' analysis and our own, we may highlight relevant information to ensure that assessments are accurate and up to date. We actively highlight data-related concerns with our providers and expect timely responses when we do so.

### ISS ESG

ISS ESG is a global proxy voting advisory, data and analytics firm we use for proxy voting services including voting research as well as access to their datasets covering governance quality score, norms-based research, banned weapons, climate, and extractives. By leveraging their comprehensive voting platform and data management services, we can efficiently track, record, and report our voting activities.

This service has helped to ensure accuracy and completeness of disclosures, to meet our regulatory obligations and uphold transparency with stakeholders.

We engaged with ISS ESG on multiple occasions over the year including to further understand the methodologies and outputs of their climate scenario analysis, to streamline our climate reporting, and with issuer-specific queries regarding the norms-based research reports.

Data offering and voting recommendations are reviewed on an ongoing basis and we will engage with the data provider where additional information is required or where we have evidence supporting a contrary view.

### Ethical Screening

Ethical Screening is a bespoke ESG research provider we use for in-depth analysis covering the largest 350 companies in the UK as well as investments held across our responsible and sustainable funds. They provide an independent and comprehensive ESG score alongside qualitative summaries on material ESG factors, ethical issues and the level of product involvement across tobacco, alcohol, fossil fuels and armaments, which supports our exclusions monitoring. They also quantify issuer alignment to positive themes, as well as contributions and obstructions to the SDGs as a percentage of revenue. We often use Ethical Screening research as a starting point for company engagement meetings to gain further clarity on issues.

The managers of our responsible and sustainable funds consider this data as part of their investment process and use it to report how the funds are meeting their requirements. We engage with Ethical Screening frequently to understand how they have determined specific figures. Where helpful, we also share our own research and the outcomes of company engagement to further inform Ethical Screening's assessments.

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## **Integrum ESG**

Integrum are differentiated from other ESG data providers by the provision of live insights on sentiment across press and social media, and a “glass box” click-through access to company reporting which is complementary to our active investment process. They also focus on the quality of company reporting rather than quantum and provide a more independent assessment than some of their larger peers.

The scoring methodology is simple and rules based, with the overall ESG score of each company assessed as A (Very Good) to E (Very Weak). This is based on global standards from the International Sustainability Standards Board, Sustainability Accounting Standards Board, Climate Disclosure Standards Board and Task Force on Climate-related Financial Disclosures. Where Integrum highlights that material reporting is missing we may engage with companies to encourage additional disclosures.

## **Transition Pathway Initiative**

Transition Pathway Initiative (TPI) is an independent initiative supported by the Grantham Research Institute on Climate Change and the Environment at the London School of Economics. TPI provides research and data on the progress of corporate entities in transitioning to a low-carbon economy. They evaluate company governance and management of carbon emission on an industry basis using sector benchmarks.

We attended a variety of TPI events over the year led by their researchers to increase our understanding of their corporate assessments, which feed into the regular monitoring undertaken by the Responsible Investing Oversight Committee. Where companies score poorly according to TPI we may aim to undertake additional engagement.

## **Code of Conduct for ESG Data and Ratings Providers**

We continue to support the Code of Conduct for ESG Data and Ratings Providers and actively encourage all our third party ESG data providers to register and issue supporting statements. Our data providers who are currently signed up to the code include ISS ESG and TPI.

## **Assuring the effectiveness and ongoing suitability of service providers**

We regularly review our third-party data providers following implementation of FCA Sustainability Disclosure Requirements. Under these new rules, the third party ESG data providers that will support our investment decision-making are those able to provide detailed evidence of sustainability characteristics. We require full portfolio coverage as sector averages or proxies are of little use to our active strategies.

# Focus for 2026

## Our priorities around stewardship and responsible investing include the following:



Continue to support Premier Miton funds with sustainability labels as well as those that are unlabelled with sustainability characteristics by undertaking high quality stewardship to help achieve the relevant sustainability objectives.



Continue to support managers of all funds with their approach to investment stewardship, helping those managers to protect value and generate positive shareholder returns.



Continue to progress towards the achievement of our net zero strategy, recognising the role of investment stewardship as a key lever.



Continue to monitor to systemic risks and participate in industry-level mitigation efforts through collaborative initiatives.



Further enhance engagement monitoring, escalation and tracking of outcomes.



Continue to research and articulate the financial benefits of effective stewardship to fund managers and their clients



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