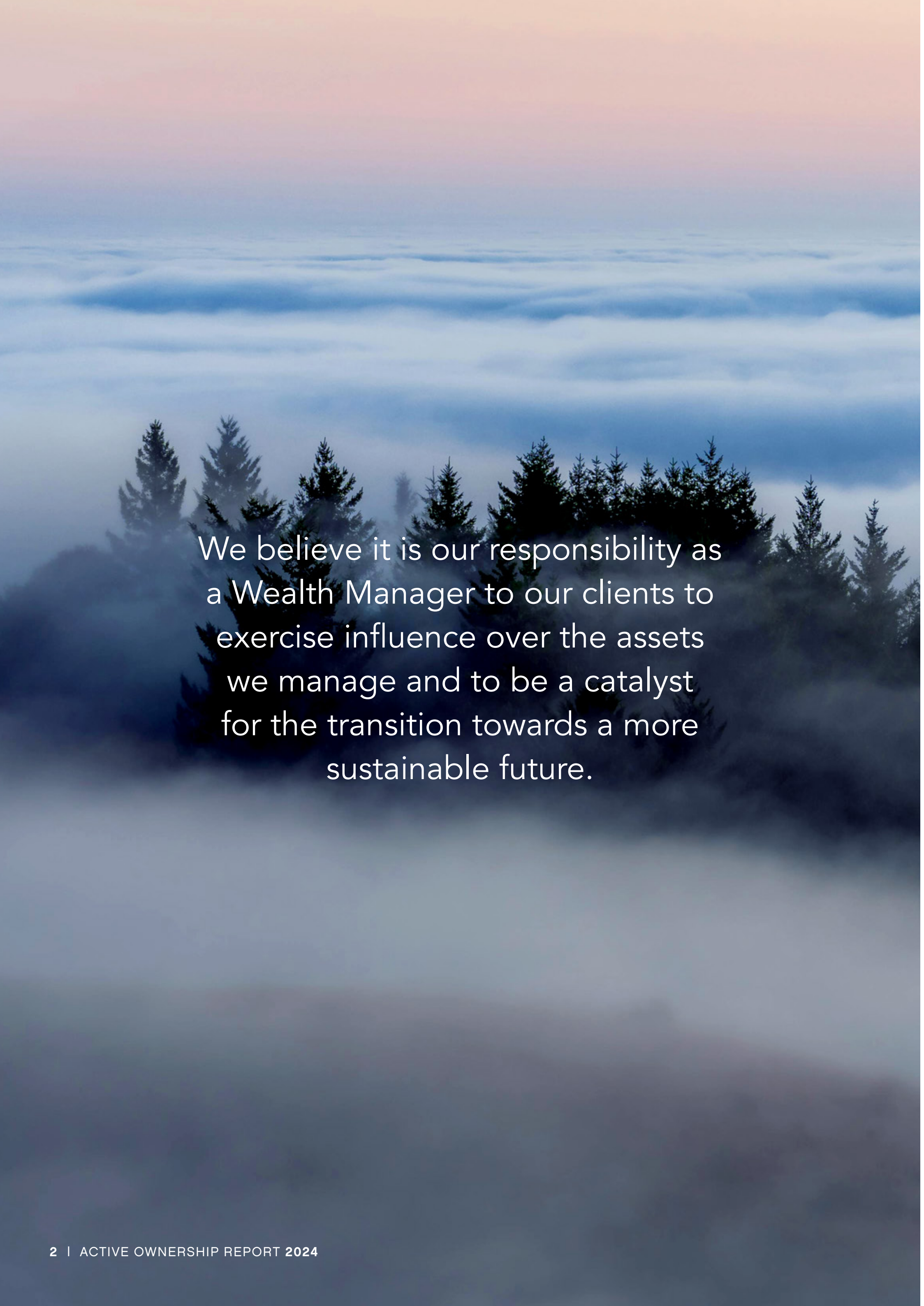
BROWN SHIPLEY
A QUINTET PRIVATE BANK

2024 ACTIVE OWNERSHIP REPORT

CHANGE WHAT YOU DON'T LIKE, INVEST IN WHAT YOU DO



We believe it is our responsibility as a Wealth Manager to our clients to exercise influence over the assets we manage and to be a catalyst for the transition towards a more sustainable future.

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CONTRIBUTORS

Brown Shipley Group Sustainable Investment Team

Highlights – Using our influence to make a difference

Key companies engaged with in 2024

The company was engaged on improving tax transparency, leading to plans for stronger disclosures aligned with U.S. standards and ongoing dialogue to support clearer reporting amid growing global scrutiny.

In response to engagement on human rights, Coca-Cola enhanced its reporting, formed new partnerships, and is developing a global human rights framework.

Following engagement on ethical content governance, the company improved internal processes and appointed a privacy officer by end-2024.

Engagements were around reduction of antibiotic use in supply chains; critical antibiotics have been eliminated from chicken and new targets have been set for beef suppliers.

Key engagement facts 2024

212
companies engaged

1,326
ESG issues and objectives

Engagement progress in 2024

EOS made solid progress in delivering engagement objectives across regions and themes. At least one milestone was moved forward for about 47% of its objectives during the year. The following chart describes how much progress has been made in achieving the milestones set for each engagement.

Our **voting group** comprises representatives of diverse investment teams across all regions overseeing voting decisions

Support for **environmental proposals: 53%**. This is 2.5x the industry average[1]

Support for **social proposals: 44%**. This is almost triple the industry average[1]

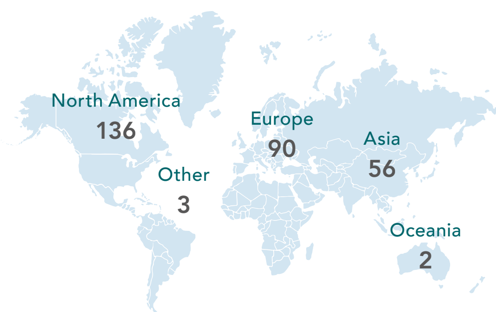
Support for **governance proposals: 39%**. This is greater than the industry average[1]

Key voting facts 2024

207
proposals voted upon

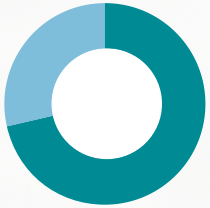
18
meetings

Breakdown of meetings by region



1 Glass Lewis reported in 2024 that average shareholder support for environmental and social proposals was 20% and 16%, respectively.

Proposals voted upon by category



190

Management proposals voted upon

28% votes against management

- Votes with management (136)
- Votes against management (54)

16

Shareholder proposals voted upon

44% votes against management

- Votes with management (9)
- Votes against management (7)

Active ownership

Helping activate change with active ownership

At Brown Shipley, we strive to earn the trust of the families we serve – across economic cycles and from one generation to the next. To do so, we ensure that we understand their long-term financial objectives as well as their broader goals and values, including what matters to them most, how they want their wealth to shape the future and the kind of world they hope to pass on to the next generation.

That is why – even as sentiment around environmental, social and governance (ESG) considerations evolves – we believe that incorporating such factors in our decision-making is aligned with our fiduciary responsibilities. We are convinced when companies adopt sound ESG practices, they become better businesses, benefiting investors, society and the planet. This belief continues to guide us, even as external challenges intensify.

We embrace "active ownership," which means that we engage with the companies in which we invest and vote on behalf of our clients on the issues that matter most, helping steer businesses toward long-term, sustainable success. We see active ownership as one of the most powerful ways we can uphold our ESG commitments.

The state of the world in 2024 underscored why active ownership matters more than ever. The planet breached the 1.5°C warming threshold for the first time. Flooding and climate-related natural disasters caused record damage across the US, Europe and Asia. In parallel, global human rights concerns — including in high-risk and conflict regions — reminded us why investor scrutiny, transparency and pressure remain vital to hold companies to account.

Over the past decade, demand for ESG-aligned investments has grown steadily among high-net-worth individuals, especially younger generations who want their investments to reflect their values and long-term goals. There is an increasing understanding that ESG goes much further than just clean energy; it entails the fact that well-managed and high-quality companies should demonstrate a deep understanding of their supply chains.

Yet, the landscape is shifting: regulatory uncertainty, ideological pushback and increased political scrutiny are prompting some investors to retreat, while others remain firmly committed to the long-term value of ESG. Against this backdrop, a growing number of shareholders have pulled back from environmental and social proposals. However, Brown Shipley through it's parent company Quintet Private bank, has consistently continued to support environmental and social resolutions at a significantly higher rate than the industry average. A sizable proportion of our votes are also against the views held by company management. These are some of the factors that set us apart.

While we take seriously environmental and social issues — from climate transition and emissions reduction to human rights and labour practices — we also place strong, independent focus on governance. Issues such as board effectiveness, executive compensation, audit quality and shareholder rights are not secondary to ESG; they are pillars of long-term business resilience and accountability.

Our commitment to active ownership is brought to life by working closely with our specialist partners — including EOS at Federated Hermes and Glass Lewis— to engage and vote on material ESG issues and represent our clients' values with conviction. We are also proud to collaborate with leading global initiatives such as Climate Action 100+ and the UN Principles for Responsible Investment, reinforcing our belief that transparency, accountability and collective influence are key to driving meaningful change.

For us, active ownership is a mindset. One rooted in care, courage and long-term thinking. It is how we help shape better companies, a stronger financial system and a more sustainable world. Where some others retreat, we press forward — transparently and with conviction.

Change what you don't like.
Invest in what you do.
That's what we believe.

Engagement case studies

Each year, through our specialist engagement partner EOS Federated Hermes, we engage with companies on a wide range of material sustainability issues — from climate risk and human rights to board effectiveness and capital management. These engagements aim to drive tangible progress on behalf of our clients.

Here, we highlight a selection of engagement case studies to illustrate where and how we sought to effect change last year. For a broader overview of our engagement approach and how it is delivering impact, see page 25: **Active Ownership: How Engagement on Your Behalf is Making a Positive Impact**.

Overview

Apple is one of the world's most recognised technology companies. EOS have been encouraging Apple to be more open about the taxes it pays, in line with international best practices. Greater transparency can help build trust with stakeholders and demonstrate that the company is managing its responsibilities carefully.

Engagement activities and outcomes

At the end of 2023, EOS raised the importance of better tax reporting with Apple's leadership, noting that we believe it is in the company's own interest. The company acknowledged our request.

In 2024, Apple made plans to align its tax disclosures with upcoming US standards. EOS continued to engage with the company to encourage even clearer reporting, against a global framework, helping to highlight Apple's efforts to manage risks and opportunities.

Following a Q4 2024 tax-related charge of $10 billion, EOS reiterated client support for more granular tax transparency, noting that this could help Apple build a more positive regulatory halo that could benefit the company in the face of multiple challenges.

EOS remains in dialogue with Apple to support greater transparency around its tax practices and encourage it to prepare for future regulatory expectations.

Overview

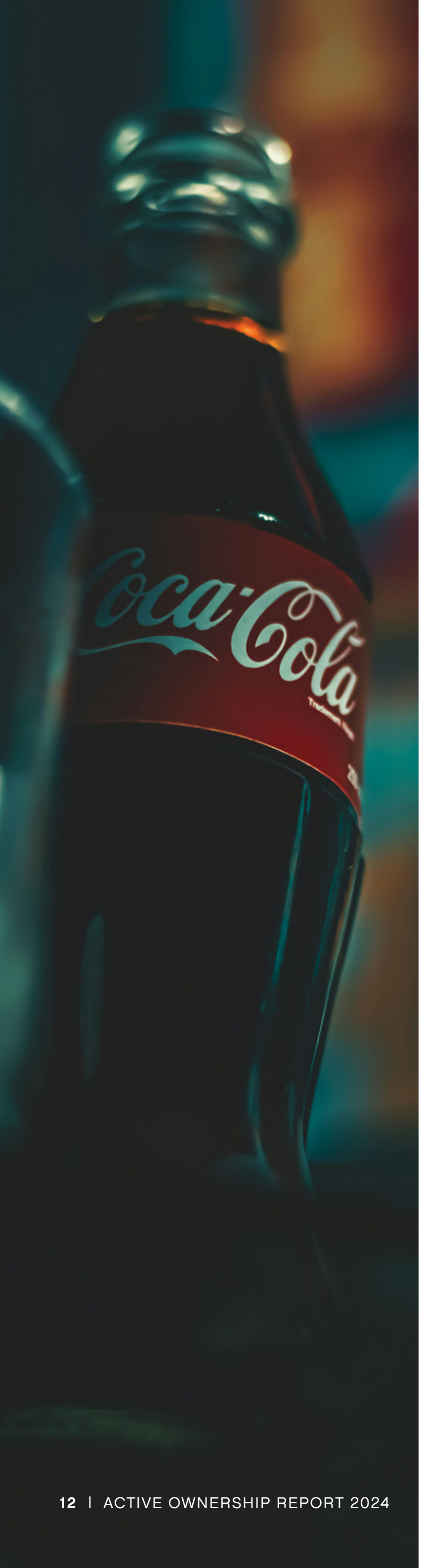
Netflix is one of the world's largest streaming platforms, delivering entertainment to hundreds of millions globally. EOS' engagement with Netflix has focused on encouraging the company to explain clearly how it makes decisions about sensitive or controversial content, and how ethical considerations are built into that process.

Engagement activities and outcomes

EOS first raised their request in 2022, asking Netflix to publish a set of guiding principles or standards for how it handles ethical content decisions. After some discussions, Netflix acknowledged our request and agreed to consider further disclosures.

By the end of 2024, Netflix had made progress, including appointing a privacy officer and outlining the procedures it uses when dealing with sensitive content issues. The company has updated parts of its human-rights policy and explained its general approach to freedom of expression, based on its own internal content standards.

EOS continues to encourage Netflix to publish a clear set of principles to help investors and other stakeholders understand how it manages these important societal issues, which could reduce reputational risks.



Overview

Coca-Cola is one of the world's largest beverage companies, operating a complex supply chain across many countries. With large supply chains come risks, including potential human-rights issues such as poor working conditions. EOS engaged with Coca-Cola to strengthen how it identifies and manages these risks, and to encourage the company to show how it provides support when problems are identified.

Taking action on human rights not only protects workers but also helps companies avoid reputational and operational risks.

Engagement activities and outcomes

In late 2023, EOS raised concerns with Coca-Cola about improving transparency on how it manages human-rights issues in its supply chain. In response, Coca-Cola agreed to consider the request to enhance its public reporting and to hold discussions with its human-rights specialists.

By early 2024, Coca-Cola shared real examples of progress. This included consideration for enhanced childcare access where child-labour risks were identified in agricultural supply chains. The company is also building a new human-rights framework developed with external experts, focusing on stronger partnerships, better use of technology and a clearer approach to solving problems when they arise.

EOS continues to encourage Coca-Cola to provide more detailed updates on how these processes are being applied across its global operations.

Overview

McDonald's is one of the world's largest fast-food chains, with a major influence on global food supply chains. Large companies like McDonald's play an important role in promoting healthier and more sustainable farming practices. EOS engaged with McDonald's to encourage better management of how antibiotics are used in its beef, pork and poultry supply chains, given risks to human health.

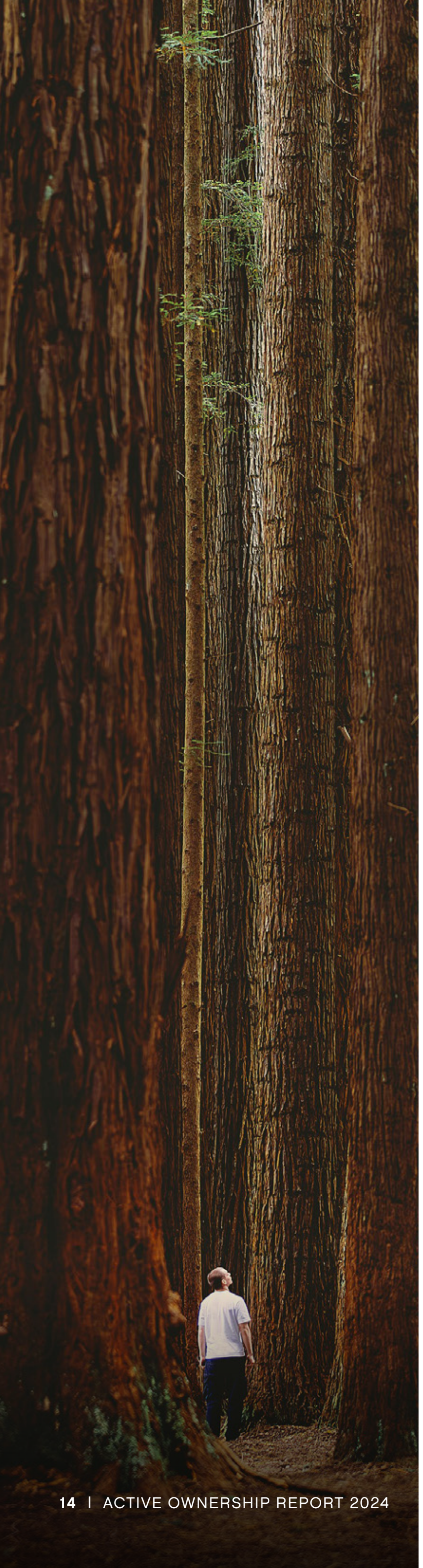
Responsible antibiotic use helps protect public health and ensures more sustainable food systems.

Engagement activities and outcomes

Since 2017, EOS has been engaging with McDonald's to push for clearer targets on reducing antibiotic use across its supply chains. In the early years, progress was made in chicken supply chains; in 2021, McDonald's created a global working group to build a policy for responsible use across beef and pork suppliers.

In 2022 and 2023, McDonald's reviewed supplier feedback and updated its antibiotic policy. By 2024, it confirmed that it had eliminated the most critical antibiotics from chicken sold in key markets such as the US, Europe, Australia and Japan. It also set targets for responsible antibiotic use across beef supply chains, covering more than 80% of its suppliers.

Work continues to develop a clear policy for pork, with McDonald's expected to expand its efforts further by 2027.



EOS leads important work through Climate Action 100+ (CA100+), a global effort where investors push the world's biggest polluters to take material steps to manage the risks associated with climate change and capture transition opportunities. Rather than just making promises about net zero, EOS encourages companies to show clear plans with proper timelines, investment strategies and stronger oversight to make real progress.

In 2024, EOS saw good progress. Companies such as Air Liquide improved how they report on climate risks, TotalEnergies became more open about its energy projects, and Hyundai Steel committed to reaching net zero by 2050. Others, including Danone and CRH, strengthened their climate targets, while banks such as BNP Paribas, UBS and MUFG took steps to better align their lending practices with global climate goals.

Bringing our votes to life

With regards to how we approach voting, every proposal we consider is reviewed in context. We focus on what we believe to be in the best interest of protecting shareholder value, and consequently, our clients.

On the next page is a snapshot of how we put our principles into action when voting. The range of topics we face each year is broad, and each decision calls for thorough analysis. From climate and governance to shareholder rights and remuneration practices, the issues may differ but the care we take in representing our clients remains the same.

Later in this report, you will find further details on how we voted by topic and the themes that shaped our decisions.

Exercising our right to vote

As highlighted earlier, voting is a core part of how we actively exercise our rights as shareholders.

How we vote

At Brown Shipley, we seek to vote where feasible at all shareholder meetings, across direct equity holdings in our in-house fund ranges: Our voting is conducted through a centralised system via Brown Shipley's parent company, Quintet Private Bank.

Voting is coordinated by a central group of investment and ESG professionals, guided by our policies and informed by recommendations from Glass Lewis. We do not vote when barriers such as share-blocking or minimal holdings apply. However, when we do vote, the central organisation of our voting process helps us maintain consistent positions designed to support long-term value creation and responsible governance.

Due to an issue in the vote execution process, we were unable to submit majority of the intended votes for Brown Shipley funds during the 2024 proxy season. As a result, this report reflects only those votes that were successfully submitted and recorded.

We are working closely with our service providers to understand the root cause and are taking steps to strengthen oversight and controls to help ensure this does not recur in future voting cycles. We remain fully committed to transparency and the effective exercise of shareholder rights on behalf of our clients.

Proposals overview

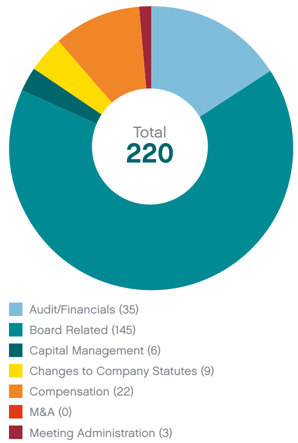
At annual general meetings (AGMs), shareholders vote on two main types of proposals: **management proposals**, which typically cover topics such as director elections, remuneration and governance; and shareholder proposals, which are submitted by investors and often relate to ESG issues.

In line with historical trends, the significant majority of our 3,978 votes on management-related proposals continued to be on board-related matters, followed by audit-related and compensation-related matters. We supported the majority of management proposals; however, as shown in the case studies, we did not hesitate to oppose those that we believed to lack alignment with shareholder value. We voted against management on 16% of such proposals.

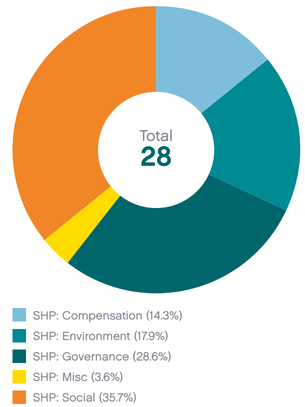
We voted on 424 shareholder proposals last year. Social proposals constituted the largest proportion, followed by governance and environmental proposals. Consistent with our approach of taking shareholder proposals seriously and assessing them on their merits, we voted against management on 53% of these proposals.

The following subsections provide a brief overview of some of the key themes we observed across both management and shareholder proposals last year.

Management proposals by category

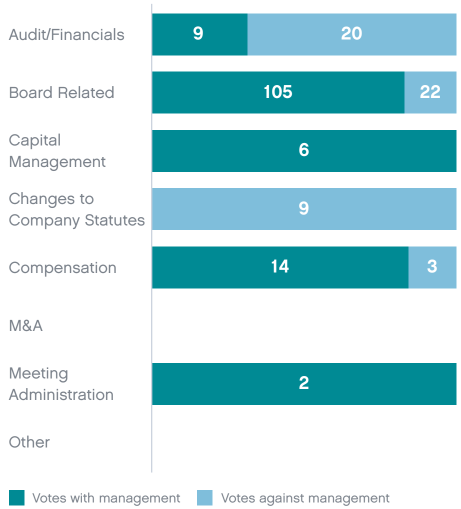


Shareholder proposals by category



Management proposals by category

Votes compared to management



Compensation

Amongst compensation-related proposals, we voted against management on 18% of them. We believe compensation should be fair and create appropriate incentives to promote long-term value. We opposed proposals where we believed that executive pay lacked links to performance and/or sustainability, or where pay packages appeared excessive relative to peers. For example, at Agilent Technologies, we voted against management as sustainability was not incorporated into the compensation package.

Audit/Financials

Across some 70% of our votes against management in this category, our concern was excessive auditor tenure, which can compromise independence and objectivity, both of which are critical to ensure the integrity of financial reporting. An example of votes against management on audit-related matters include Edwards Lifesciences Corp.

Board-Related

While board-related proposals are most often about the election of directors, they may serve as a proxy for shareholders to signal concerns about how a company is being run in a broad range of areas.

The most common reason was the lack of sufficient female representation on the board. We believe diversity is essential for an efficient board; our policy is therefore to oppose the election of male members of the nominating committee when there is insufficient female representation.

Additionally, a proportion of our votes against management were to oppose the nomination of the chair of the board where companies were not signatory to, or had violated, one of the 10 principles of the United Nations Global Compact (UNGC). Examples of such votes includes voting against the chair of Apple Inc. and Visa at their respective AGMs. We believe that these principles, derived from unanimously recognised treaties such as the Universal Declaration of Human Rights, are pivotal to upholding basic responsibilities to employees, society and the planet.

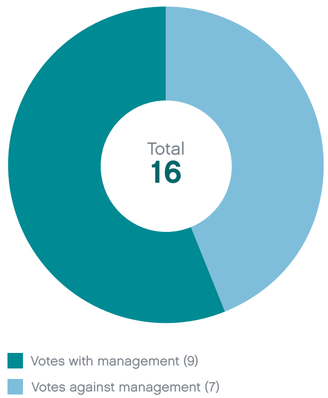
Climate Action/Transition Proposals

A "climate action/transition" proposal is a request by which companies provide shareholders with the opportunity to approve (or reject) the company's actions to transition to a greener economy as well as their climate-related risks.

We supported climate action proposals where we believed companies had clear, credible and forward-looking transition strategies. Examples include National Grid and Unilever, where plans demonstrated robust ambitions, transparency and alignment with long-term climate goals.

Shareholder proposals by category

Votes compared to management



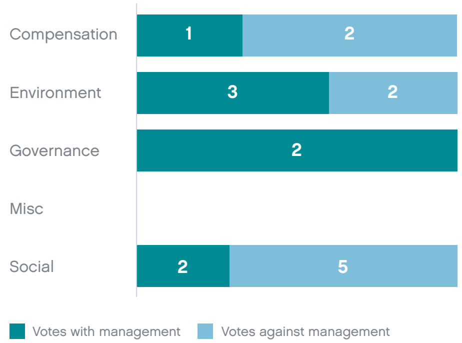
Shareholder Proposals

Shareholders have the right to escalate important matters and directly engage with a company's board and fellow shareholders through formal proposals. These proposals are a crucial accountability tool, allowing investors to push for meaningful improvements in corporate policies, practices and disclosures — often on topics that management may have overlooked or resisted. They are particularly common in the US but are also increasingly appearing in Europe.

As highlighted in the pie chart above, in 2024, 44% of our votes went against management recommendations — meaning we did not support the position of company leadership in just less than half the cases. This highlights our willingness to take an independent stance when we believe shareholder interests are better served otherwise.

If we look at how we voted on shareholder proposals themselves, rather than how we voted with or against management, our support for environmental and social proposals remained steady; shown in the graph below. We supported 47% of such proposals in 2024 — broadly consistent with 2023 levels and significantly above the industry average. This reflects our ongoing focus on environmental and social issues, even as we remained selective in our support. As in 2023, a growing proportion of filings were ideologically driven, or "anti-ESG" in nature, and we did not support them.

Shareholder Proposals by Category: For & Against



Environmental Matters

When voting on environmental shareholder proposals, we considered both the direct impact a company may have on the environment as well as the regulatory, operational and reputational risks it may face by failing to act responsibly. Our decisions were also guided by whether the proposals added value to existing company initiatives. We believe companies that effectively manage their environmental risks and align with evolving expectations — including those of customers and regulators — are better positioned to sustain long-term value.

In 2024, average investor support for environmental shareholder proposals dropped from 23% to 20%. At Brown Shipley, we moved in the opposite direction — increasing our support from 57% to 60%. In a year marked by hesitation and retreat, we chose to lean in, standing firmly behind credible climate action and long-term value creation.

In recent years, the CA100+ initiative has contributed to a surge in net-zero pledges from relevant companies, with the focus of proposals now shifting from setting targets to monitoring progress. Consequently, the environmental shareholder proposals we supported in 2024 spanned a wide range of topics, reflecting the specific circumstances and progress of each company.

Social Matters

Social proposals covered a wide range of issues last year, continuing a trend seen in previous AGM seasons. These proposals focused on areas that largely reflect the growing scrutiny companies face from shareholders on how they interact with the community and associated stakeholders.

When analysing social proposals, we consider the company's current disclosures, operating context, impacted stakeholders and risks posed by weak oversight of social issues. Healthy relationships with employees, consumers and local communities are essential for smooth business operations. While the industry continues to scale back support for social shareholder proposals — at just 16% in 2024 — Brown Shipley remained committed and higher than the industry average, supporting 29% of such proposals in 2024.

How engagement on your behalf is making a positive impact

At Brown Shipley, we invest both directly in companies and through third-party asset managers. Engagement therefore plays a dual role: helping us communicate expectations to companies in which we invest and ensuring that external fund managers align with our approach to sustainability.

Engagement with Asset Managers

As we invest the majority of client assets through external managers, we engage with them to align on expectations and assess their practices. Brown Shipley has dedicated Responsible Investment Guidelines for fund selection, ensuring managers uphold ESG commitments. Fund managers must complete a questionnaire demonstrating how ESG factors are integrated in their investment process. We review both holdings and portfolio construction to ensure alignment with the fund's stated environmental and social goals.

All fund managers should at minimum meet Brown Shipley's Responsible Investment criteria:

1. Integrate ESG factors in financial analysis and portfolio construction (for active funds)
2. Be active owners by engaging with investee companies and, where applicable, vote at shareholder meetings
3. Exclude issuers involved in controversial weapons (applies only to issuers of cluster munitions)

Funds with stronger sustainable characteristics are analysed based on five key pillars:

1. Intentionality (explicit and intended link to ESG in objectives)
2. Sustainability of the portfolio (sustainable characteristics of the holdings)
3. Quality of sustainable research (sufficient skill, capacity and tools embedded in robust methods and processes)
4. Active ownership (high-quality engagement and proxy voting, supported by clear policies)
5. Transparency (frequent reporting on voting, engagement and progress on ESG targets

If a fund does not meet our minimum requirements or we do not support its approach to sustainability, we communicate our beliefs through engagement with the fund manager.

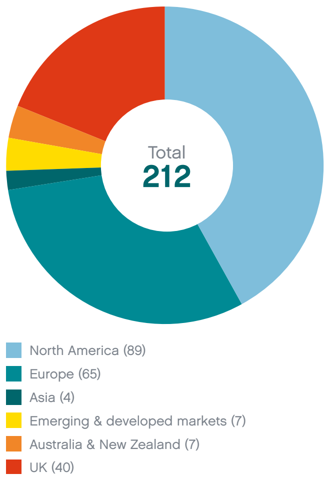
Engagement with Companies

Given the diversity of companies held across our investment universe — and the relatively small share we may hold in each — Brown Shipley works with EOS at Federated Hermes to increase the effectiveness of our engagements. EOS represents over $1.3 trillion in assets and enables us to join forces with likeminded investors in a collaborative model that maximises collective insight, influence and impact.

This collaborative approach strengthens our ability to engage with companies at scale, encourages more consistent outcomes and reduces duplication of investor efforts. We have requested that EOS prioritises companies that violate the UN Global Compact and/or are exposed to significant ESG controversies.

In 2024, we engaged with 212 companies on more than 1,326 issues and objectives.

Companies engaged by region



To measure our progress and the achievement of engagement objectives, we employ a four-stage strategy:

Milestone 1: Concern raised with the company at the appropriate level

Milestone 2: Company acknowledges the issue as a serious investor concern

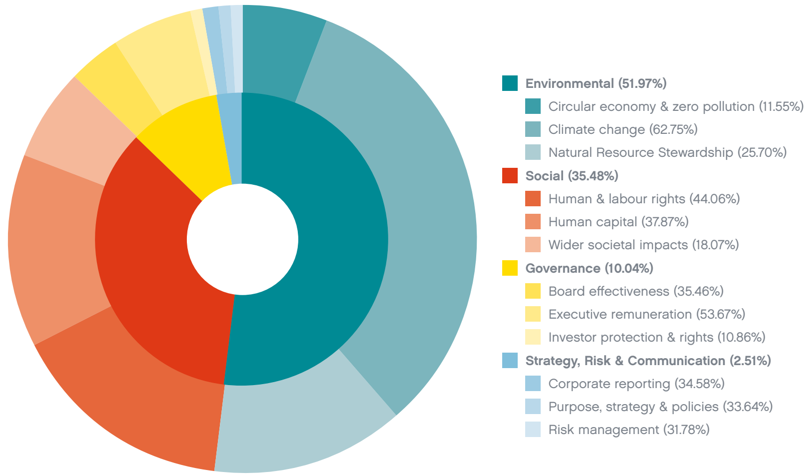
Milestone 3: Development of a credible strategy/stretch target to address the concern

Milestone 4: Implementation of a strategy or measures to address the concern

In 2024 we made solid progress in delivering engagement objectives across regions and themes. At least one milestone was moved forward for 49% of our engagements.

Key Engagement Themes in 2024

Engagement by Theme



In 2024, active ownership deepened across sectors critical to the energy transition, digital infrastructure and others. In the energy sector, investor engagement centred on the credibility of decarbonisation strategies, especially alignment between long-term climate goals and near-term capital allocation. These conversations took place against a backdrop of heightened geopolitical tensions, which underscored the strategic and financial risks associated with overreliance on volatile fossil-fuel markets. There was also increased focus on the role of digital tools in enhancing emissions tracking and operational transparency.

In the critical minerals and semiconductor sectors, growing demand for materials essential to clean energy and advanced computing sharpened the focus on responsible sourcing and ESG risk management. Engagements increasingly explored the use of AI and automation in extraction and manufacturing, raising questions around environmental impacts, labour dynamics and algorithmic governance. Investors also continued to push for greater supply chain transparency and the harmonisation of ESG standards across jurisdictions.

Meanwhile, content governance remained a focal point in the tech sector. Shareholders pressed for stronger safeguards against misinformation and harmful content, with rising expectations around board-level accountability, platform integrity and the ethical use of algorithms.

Taken together, 2024 reflected a shift toward more outcomes-oriented engagement, as investors sought meaningful progress on systemic risks and reinforced the importance of ESG governance at the highest levels.

Transparency, Partnerships and Memberships

Brown Shipley is committed to transparency and collaboration in our stewardship practices. In line with Principle 6 of the UN Principles for Responsible Investment (UN PRI), Brown Shipley's parent company Quintet openly reports on our active ownership activities. We disclose all votes cast at shareholder meetings over the past year on our website and provide regular updates on our engagement progress and decisions through both interim and annual reports.

We are proud members of several investor-led collaborative initiatives that enhance the reach and impact of our stewardship. As a longstanding member of Climate Action 100+, Brown Shipley's parent company Quintet works alongside over 700 investors representing $26.3 trillion in assets to engage the world's largest corporate greenhouse gas emitters. Through this initiative, 75% of focus companies now have net-zero commitments, with the current phase continuing efforts to ensure progress and close remaining gaps.

Our stewardship approach is also shaped by our commitment to the UN PRI. As a signatory, we endorse Principle 2 of the UN PRI, which states: "We will be active owners and incorporate ESG issues into our ownership policies and practices." These partnerships reflect our belief in the power of investor collaboration to drive accountability and long-term value for all stakeholders.

Appendix

Voting statistics breakdown

Brown Shipley

Voting Statistics

PROPOSAL CATEGORY TYPE	FOR	AGAINST	ABSTAIN
Totals	**144**	**28**	**35**
Audit/Financials	9	3	17
Board Related	105	15	7
Capital Management	6	0	0
Changes to Company Statutes	0	0	9
Compensation	14	1	2
Meeting Administration	2	0	0
SHP: Compensation	1	2	0
SHP: Environment	3	2	0
SHP: Governance	2	0	0
SHP: Misc	0	0	0
SHP: Social	2	5	0

Meeting Statistics

REGION	COUNTRY OF ORIGIN	VOTED
Total for all Regions		**84**
Canada & United States		**40**
	United States	40
Europe		**44**
	Germany	5
	Luxembourg	34
	Spain	5

Non-Independent Research

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