

Engagement Policy

FEBRUARY 2026

Introduction

We believe good stewardship practice is a basic obligation when we perform our fiduciary duties for our clients. We characterise engagement as purposeful dialogue with a specific and targeted objective to achieve change. We distinguish this from investment monitoring, which is dialogue solely for investment purposes¹.

Our core investment services provide multi-asset class portfolios, usually via collective investment vehicles. Externally managed products make up the vast majority of 7IM assets under management, and our manager monitoring system is designed to inform us whether external managers are working to safeguard and maximise the value of their assets, with sound stewardship and taking ESG issues into account in their investment processes.

Process and Resources

Our engagement approach combines a top-down thematic perspective with insightful, bottom-up dialogue with managers. We believe combining top-down and bottom-up engagement helps us be better stewards of our clients' capital.



¹Defining Stewardship and Engagement, Investor Forum

Each year, our top-down engagement approach concentrates effort on one or two priority themes set out below. We may pursue these themes through direct dialogue with underlying managers and, where it enhances our influence, via industry collaboration. Climate Change remained one of our main themes in 2024/5 as we continued to pursue engagement on climate-related targets, exemplified by activities within the UK Wealth managers on Climate Group. Another focal theme was Biodiversity, via a collaborative investor initiative Investor Policy Dialogue on Deforestation (IPDD).

Our bottom-up engagement process starts with the initial due diligence that is carried out by the sector specialist. This entails conducting our Manager ESG Convictions Rating Framework and sending out a questionnaire, which also includes ESG questions, via Door² for completion as part of the wider analytical work conducted on a new fund manager.

7IM has access to various data sources to help them analyse direct holdings and third party holdings. This includes MSCI, Sustainalytics and Bloomberg. This allows us to do our own analysis on fund holdings, without relying on marketing materials issued by the fund manager. It also allows us to independently track how the ESG rating of a holding changes over time.

Engagement Principles

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

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

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

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

Fourth, that we employ consistent, direct and honest messages and dialogue.

Fifth, involves reflection so that lessons are learned and we can improve future engagement activity. This will ensure that engagement activity remains focused, appropriately resourced, and ultimately successful.

² <https://guidetodoor.com/>

Escalation

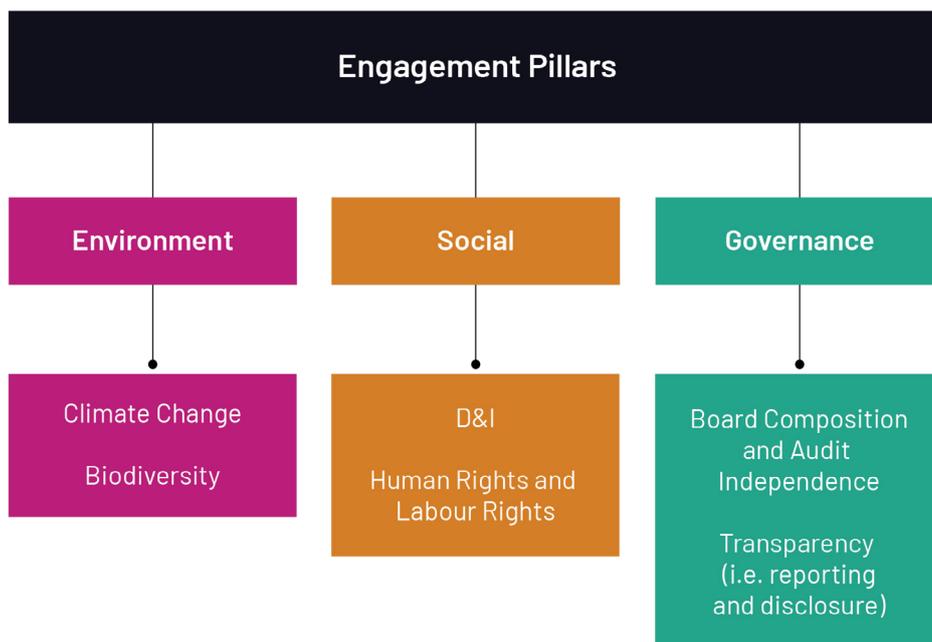
We define 'escalation' as situations where engagement has not worked successfully, and a more proactive approach is required. With companies, we will escalate matters if we are planning to vote against management at a company meeting. Before the meeting we will engage with the management to explain our views and ensure we understand their views. The issues we escalate will depend on how material they are and on our capacity to influence outcomes.

Since the vast majority of our assets under management are held in third-party products, as part of our manager research and monitoring, we expect external managers to escalate with companies on our behalf, when appropriate.

Likewise, on occasion we have found it necessary to escalate issues with investment managers, where we believed their management, product strategy or implementation was not appropriate and that our concerns were not being considered seriously. We will escalate with management companies at whatever level is required.

Engagement Themes

Our engagement themes promote consistency with how we interact with our investment managers and the companies we invest in. These themes are reviewed on an biennial basis and are selected by the Investment Committee. . Each year, we typically prioritise one or two themes where we see the greatest potential for meaningful engagement and positive change. In 2026, we will continue to focus on Climate Change and Biodiversity. We also monitor the other themes below to act on opportunities as they arise.



Climate Change

Climate change is the key threat to human society and hence to all the world's investors in the long run. It's increasingly being recognised as a global risk and is a fundamental issue that's facing asset managers everywhere. We expect our third-party managers to address climate-related risks and opportunities.

Biodiversity

Unfortunately, biodiversity is under threat from a range of human activities. By engaging on biodiversity, we can contribute to sustainable practices that protect and enhance natural resources and ecosystems for the benefit of current and future generations.

Diversity and Inclusion

7IM is committed to developing a culture that is positive, inclusive and supportive, to which all staff can contribute and within which all can reach their full potential. Therefore, as investors, D&I is one of our priorities for engagement with direct holdings and third-party managers.

Human Labour Rights

In order to help transition to a sustainable labour market, we engage with holdings and third-party managers to increase human capital management performance and reduce labour risks in supply chains.

Board Composition and Audit Independence

Strong corporate governance is key to long-term value creation. We are strong advocacies for board and audit independence, board diversity, as well as the management and supervision of ESG issues at the board and audit level.

Transparency

Sound data supports the decisions we make as a business in the best interest of our clients. As long-term investors, we seek to promote and increase transparency across the industry.

Asset Class guidelines

For collective investments, we prioritise our engagements in the light of UN PRI guidance. This prioritisation differs across asset classes but is consistent across geographies.

Active equities and real estate. We focus our equity engagements on our top 30 or so active funds, which total over 95% of active equity exposure. We engage mostly with active managers since they have discretion over concentrated portfolios and often work closely with their companies. We will engage where we've identified material issues that represent specific risks or following a controversy that we consider material.

Passive equities. We define these to include index funds, index ETFs and diversified quantitative products. We expect managers to engage where possible with the companies in their portfolios but recognise that because of the large number of holdings their approach will be different as that performed by active managers. We check that they are using the weight of their assets under management to vote on important issues and are taking their stewardship obligations seriously.

Developed market bonds. Where the counterpart is a developed market government like the United States or Germany, the scope for engagement is small. Our assets under management here are low.

Credit. We engage with credit managers based on the size of our holdings and where we identify material ESG risks in portfolios where we can influence change. Holders of credit lack a vote however they can still influence companies especially High Yield issuers or companies in Emerging Markets. In many cases companies will be responsive to investors as they are important lenders of capital.

Alternative strategies with direct equity exposure, like event or equity long-short. For these products we follow a similar approach to stewardship as for active equities. We note, though, that stock holding periods are often shorter than for fundamental equity strategies, giving managers less scope to influence company behaviour.

Alternative trading funds, like trend-following, put-selling or commodity strategies. There is little or no scope to influence manager stewardship in such cases. Our role is limited to ensuring that managers are looking after the best interests of their clients.

Where 7IM holds equities and bonds directly, which is a minority of holdings, we endeavour to ensure that companies are appropriately managed and meet our environmental, social and governmental requirements. We monitor, engage and are prepared to escalate issues that we consider to be material with companies and issuers. In practice, we focus our engagements on the top 10 or so direct holdings, which represent the majority of our direct assets under management.