

Social Investment Policy (SIP) 2025/26

The Trustee's principal obligation is to promote and protect the financial interests of The D'Oyly Carte Charitable Trust (the Charity) and of its beneficiaries. The Trustees consider that the objectives of the Charity are best achieved in seeking to maximise investment returns commensurate with the Charity's Investment Policy Statement (IPS). However, within the terms of the overall IPS, the Trustees have adopted the following SIP, mindful of the Charity Commission's guidance on social investment and public benefit.

The Charity aims to be a responsible investor, honouring its responsibility to the long-term health of the planet and to the communities in which it operates, whilst generating financial returns from its investments in line with the targets outlined. Specifically, the Charity encourages the investment managers to invest in companies that demonstrate strong ESG (environmental, social and governance) principles across all their operations in the belief that this can help to better determine the future financial performance of companies. Where companies fall short in certain areas the Charity expects the investment managers to engage with them to drive positive change, collaborate with other stakeholders where necessary and exercise voting rights accordingly. The Charity also encourages the investment managers to pursue alignment with the UN Sustainable Development Goals, as a means of determining positive impact from the investments, increased diversity within the investment industry and moves towards a carbon neutral portfolio over a timeframe consistent with the UK Government's commitments.

The Trustees have adopted as part of the investment policy a 'negative screening' process. This is designed around an 'absence of harm' approach and seeks to avoid investing directly into companies whose activities may be inconsistent with the values of the Charity's beneficiaries or supporters. These have been determined as companies where revenues exceed defined tolerances as noted below and that are wholly or mainly involved in the manufacture, production distribution and sale of:

- Alcohol (revenue greater than 10% unless the company meets industry standards for responsible marketing and retailing)
- Gambling (revenue greater than 10%)
- Pornographic and violent material (revenue greater than 3%)
- Strategic weapons (revenue greater than 10%, excluding indiscriminate weaponry, where we take a 'nil exposure' approach), and
- Tobacco (revenue greater than 5%)

Exposure to the above sectors may be permitted indirectly through pooled fund holdings, subject to notification from the Investment Managers where there is exposure of greater than 10% to any one of the restricted activities.

The Investment Managers are to apply a positive engagement approach, scored against UN Sustainable Development Goals, actively seeking out companies that exhibit strong corporate citizenship and business ethics. The Trustees support such a 'responsible investment' approach, which recognises that companies cognisant of a wider responsibility to the environment, human and labour rights, and the communities in which they operate, are more likely to deliver enhanced shareholder value over time and be less exposed to material non-financial risk.



Social Investment Policy (SIP) 2025/26

On behalf of the Charity, the Investment Managers will specifically seek to engage in promoting positive action in three areas:

- Climate change
- Human and labour rights including Modern Slavery
- Financial inclusion and business ethics

Climate change represents a material risk to the planet, people and society; it also represents a material business risk for the Charity. The Trustees have adopted a 'carbon aware' approach in which the overall carbon profile and intensity of companies is considered when making investment decisions. The Investment Managers will also seek opportunities to invest in areas that are leading the transition to a low carbon economy where these also meet the Investment Managers' robust investment criteria. Companies with a material or increasing exposure to oil sands and Arctic drilling are excluded.

The Investment Managers are signatories to various well-regarded sustainability initiatives such as the UK Stewardship Code, Carbon Disclosure Project (CDP), the Workforce Disclosure Initiative (WID) the 30% Club – Growth through Diversity and the UN Principles of Responsible Investment (PRI). In addition, Cazenove is a signatory to the European SRI Transparency Code.

When assessing the impact of the Charity's investments the managers should use the UN Sustainable Development Goals (SDGs) as the framework. The goals were launched in 2015 and adopted by all UN Member States. At their heart are 17 SDGs, which focus on strategies to end poverty, improve health, reduce inequality and spur economic growth, whilst tackling climate change and preserving natural habitats.

The Investment Managers undertake active and informed proxy voting across global markets, seeking to reflect corporate governance best practice in each individual market. A full proxy voting report of action taken is to be published semi-annually by the Managers, which fully meets the requirements of the UK Stewardship Code, to which the Investment Managers are active signatories.

This SIP was adopted on 8th July 2025 and will continue to be reviewed periodically by the Trustees.

Signed:

ANDREW WIMBLE (Chair of the Trustees)

Signed:

ANTONIA BROOKS (Chair of the Investment Committee)

LEI Registration No. 213800AOK7ZGD5MC3L31

2/2