



## **Stellar Asset Management Limited – ESG Policy**

### **Introduction**

At Stellar Asset Management Limited (**Stellar**), we are inheritance tax and estate planning specialists, with over three decades of financial services experience. We provide services for financial advisers and individuals for whom inheritance tax is a concern and we seek to create a robust legacy for future generations with the capital with which we are entrusted.

Our services provide diversification and choice and allow investors to retain control over their capital during their lifetime. We deliver specialist services that identify the individual needs of an investor – protecting their capital and providing inheritance tax freedom, to create a lasting legacy for the next generation.

Protecting our investors' best interests has always been at the forefront of our philosophy. Our core principles of honesty, transparency and integrity are at the heart of everything that we do and ensure that our duty to investors is always upheld, and that investor capital is managed responsibly.

Our services are designed to preserve investor's capital whilst also achieving capital growth. Since inception, robust measures have been in place to mitigate risk and deliver positive returns to investors. In recent years, it has become increasingly clear that Sustainability incorporating Environmental, Social and Governance (**ESG**) factors constitute key considerations that must be integrated in addition to existing risk mitigation measures to protect the long term interests of our investors, as well as enhancing the wider positive impact that we can have on both society and the economy.

Stellar became a signatory to the Principles for Responsible Investment (PRI) in 2021 (further details below). We recognise the importance of integrating sustainability considerations across all aspects of our business and we are on a journey to achieve this.

That said, the successful integration of sustainability across our investment services requires careful consideration and diligence to ensure that it can be integrated in an effective manner that does not compromise our core mandates.

In our view, it is crucial that sustainable actions are embedded firstly into the heart of the business, Stellar's day-to-day operations. This policy focuses solely on the measures in place, as well as the steps being implemented by Stellar as a company to achieve this integration. Individual policies for each of our core services will be published in the coming weeks.

This policy has been ratified by our board of directors and is supported by all Stellar employees. As Sustainability and ESG is an evolving concept, it will be reviewed regularly and updated accordingly.

### **Guidance and Transparency**

#### **UN Principles of Responsible Investment (UN PRI)**

Stellar became a signatory to the Principles for Responsible Investment (PRI) in 2021. In doing so, Stellar has committed to adopt the following principles:



1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of PRI within the investment industry.
5. We will work together to enhance our effectiveness in implementing these principles.
6. We will report on our activities and progress towards implementing these principles.

These principles provide a voluntary framework to help institutional investors incorporate ESG issues into investment analysis, decision-making, and ownership practices. In adhering to these principles, Stellar accepts the frequent and comprehensive disclosure requirements that are associated with being a signatory.

The assessment process will provide us with external guidance on our continuous journey of improvement.

### **Policy Implementation**

#### **Governance**

We firmly believe that embedding strong governance practices and principles is imperative in maintaining investor confidence and achieving risk adjusted attractive long-term returns.

Stellar's board of directors have been at the forefront of tax-efficient UK investment since the early 1990s.

Craig Reader is a Non-Executive Director and Chairman of the board. The executive board comprises Jonathan Gain (Chief Executive), Claire Taylor (Finance Director), Daryl Hine (Chief Operating Officer) and Matthew Steiner (Corporate Development Director). The executive board meet weekly, whilst the full board meet monthly formally.

Stellar is committed to fostering a culture that is inclusive of diverse backgrounds and cultures and which values the contribution of varied views and thoughts. This is exemplified by the board who have clear areas of responsibility and expertise.

Whilst the board of directors is ultimately responsible for decisions that are made at a company level, Stellar has several committees to ensure that different aspects of the business are managed with the appropriate care, diligence, and oversight. A comprehensive list of these committees can be found [here](#).

Sustainability & ESG policy is a focal point of discussion at board meetings and investment committee meetings. Further detail on how Stellar incorporates ESG into its investment decision making will be outlined in the respective ESG policies of each service. At a company level, a concerted effort continues to be made by the board to maintain a company culture that aligns with core ESG principles.



### Business Ethics and Compliance

As an FCA regulated firm, the firm adheres to the FCA's Principles. All employees are held to the highest professional standard.

Stellar has a zero-tolerance approach to bribery and corruption and ensure that the businesses and funds we manage adhere to rigorous policies and procedures. All Stellar employees are required to complete bribery and corruption and anti-money laundering training.

All client money is handled by third-party custodians. Stellar is audited annually by RSM.

Stellar utilises CCL Compliance, a third-party compliance platform that provides a host of tools that ensure Stellar's compliance management is robust and that effective systems of control are in place across the organisation.

All Stellar employees are required to review compliance policies on a quarterly basis and attest to the agreement of these policies following each review. In addition, Stellar employees regularly attend compliance refresher training which incorporates all aspects of compliance law.

### Environmental

As a company, Stellar supports the global effort to tackle climate change by reducing our carbon footprint taking steps to refrain from activity that may damage the environment.

#### Energy efficiency

Stellar incentivises employees to utilise energy efficient modes of transport when commuting (i.e., public transport or cycling). Stellar offers a Bike to Work scheme whereby employees are rewarded for cycling to work, as well as season ticket loans to encourage the use of public transport.

Stellar operates a flexible working policy for employees. Whilst in place prior to the pandemic, this policy has developed at an accelerated rate since. With all employees capable of working to their full capacity from home, employees visit the office when they feel it is beneficial to do so. This has significantly reduced heating and air conditioning requirements and water use across our offices.

#### Waste efficiency

Stellar discourages printing of documents within its offices. Having enhanced its collaborative tools in recent years, Stellar encourages documents internally to be provided digitally, without the requirement to print.

Our offices recycle all relevant materials, including dry recyclables, such as paper, cardboard, plastics and metals to minimise waste to landfill.



## **Social**

### **Corporate Social Responsibility (CSR) Policy**

Stellar has an established CSR Policy that is reviewed annually, a copy of which can be found [here](#).

Stellar's CSR Policy demonstrates how Stellar addresses key social considerations associated with ESG investing. This includes:

- promoting the health and wellbeing of employees;
- championing the professional and personal development of employees;
- training and educating employees on the importance of Sustainability & ESG;
- enhancing and maintaining cyber security;
- protecting and providing an optimal service to investors; and
- vetting suppliers to ensure they align with Stellar's core principles and maintaining these relationships.

Stellar regularly seeks opportunities to give back to society and is committed to engaging with local communities and supporting good causes. Stellar encourages employees to participate in its 'Give and Gain' initiative whereby employees are actively supported in volunteering their time to pursue charitable endeavours of their choosing.

Stellar has also committed to providing a summer internship to a school leaver from a disadvantaged community each year.

### **Staff training**

Stellar is committed to training all staff on the core principles of ESG.

All members of the investment team are required to attain the CFA Institute's Certificate in ESG Investing. ESG is also factored into staff appraisals for members of the investment team.

All employees attend quarterly meetings hosted by Stellar's board or investment team. During these meetings, employees are updated on the steps being implemented by Stellar as a company and as an investment manager.

### **2022 Commitment**

Stellar's inheritance tax services each have different investment mandates. Given the diversity of Stellar's services and the nuances of integrating Sustainability & ESG effectively, it is necessary to have an ESG policy for each service. In 2022, this corporate policy will be supported by individual policies for each service.

Stellar will continue to adhere to the requirements of all PRI signatories as well as incorporating sustainability into quarterly reports to investors.

Stellar is committed to developing its sustainability & ESG policy and the policies for each service. All policies will be frequently updated as the landscape continues to evolve.