King Charles III Charitable Fund (KCCF)

Responsible Investment Policy

Policy statement

King Charles III Charitable Fund (KCCF) holds investments with the aim of generating long-term total returns to underwrite its charitable giving. KCCF recognises that long term financial value depends on good governance and the preservation of social and natural capital and will therefore consider social, environmental and governance factors when choosing investments.

Overall responsibility for this policy and its implementation lies with the Trustees and the senior management team.

The Trustees will:

- Select investment managers who incorporate environmental, social and governance thinking into their investment policies and strategies;
- Consider the governance of the fund, bank or other asset manager in accordance with the UK Stewardship code and UNPRI as set out in the policy guidance;
- Engage investment managers on their performance;

KCCF expects that investment managers will:

- Evaluate investments in companies according to the environmental and social criteria set out in the policy guidance;
- Not invest in companies or funds which are in conflict with KCCF's charitable purpose;
- Consider the governance of the company or fund into which they are investing;
- Engage with companies based on their performance;
- Exercise its rights and responsibilities as an investor;
- Consider long term natural and social capital impacts as well as financial returns;
- Consider the responsible development, deployment and use of AI and other emerging technologies, including their impacts on people, communities, the environment, human rights, governance, data protection and security.

Guidance

KCCF will not knowingly hold shares in companies that derive a **significant** (more than 10%) proportion of their income from the following business activities and business behaviours, or invest in funds that hold a significant number of shares (more than 10%) in such companies:

- Fossil fuels – primary extraction of high-carbon fossil fuels (e.g. coal);
- Climate change - Companies operating in high-carbon industries without evidence of a credible strategy to align their activities over time with a net zero pathway
- Deforestation, endangered habitats and species – activities (e.g. agriculture, mineral or fuel extraction) that threaten or harm endangered habitats (e.g. tropical forests, ancient woodlands, peat lands), endangered species;
- Genetic modification – production or sale of genetically modified organisms;
- Intensive farming – intensive rearing of livestock;
- Agrochemicals – large-scale production of artificial fertilizers and pesticides;
- Animal testing – testing of cosmetics and toiletries on animals for non-medical purposes;
- Sale of weapons – for e.g. "manufacture or sale of strategic weapons systems, munitions or combat platforms."
- Human rights - Companies contravening international human rights standards or engaged in other human rights abuses'
- Harmful products or activities such as tobacco, pornography and gambling.
- Technologies and digital services that materially undermine human rights, privacy, democratic integrity, child protection, equality, safety or environmental sustainability, including irresponsible or harmful uses of AI where there is inadequate governance, transparency or accountability.
- Negative employment practices - Companies exhibiting poor employment practices, such as those with poor management of labour relations or poor health and safety record.

Stewardship and funds

KCCF expects that investment managers will:

- Commit to the UK Stewardship Code and explain any areas of non-compliance;
- Explain how environmental, social and governance (ESG) issues are considered and incorporated into the investment strategy;
- Pro-actively consider investing in businesses that make a positive contribution towards environmental, social and economic sustainability;
- Explain the approach taken to risk management, identifying material financial and non-financial risks and the systemic links between them;
- Demonstrate how they use engagement (such as dialogue, voting and participation in collaborative investor initiatives) to address ESG risks, encourage improvements in corporate behaviour, and/or raise awareness of systemic sustainability risks;
- Report regularly on financial performance as well as the performance of stewardship rights and responsibilities and any material risks arising.
- Where AI or other advanced technologies are material to an investee company or fund, explain how risks and opportunities are identified, managed and monitored, including governance arrangements, environmental footprint, data protection, workforce impacts, human oversight and compliance with applicable regulation.

Emerging themes and legislation

KCCF will keep its responsible investment approach under review in light of emerging themes and developments in law, regulation and market practice. Relevant themes include climate transition planning, nature and biodiversity loss, human rights and supply chain due diligence, decent work and employment practices, data privacy and cyber resilience, ethical AI governance, anti-greenwashing expectations, stewardship outcomes and the quality of sustainability data, labels and disclosures.

In applying this policy, KCCF and its investment managers should have regard, where relevant, to current and emerging responsible investment law, regulation and market standards.

The inclusion of these themes does not replace KCCF's core exclusions. Rather, it supports a broader assessment of whether investments remain consistent with KCCF's charitable purposes, ethical investment profile and long-term responsibility to preserve social and natural capital.

Adopted on: 6th October 2026

Last reviewed: September 2026