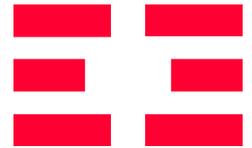


Walter Scott

Locations: United Kingdom (HQ)
Industries: Diversified Financials

RISK LEVEL:



High Risk

DESCRIPTION:

Walter Scott is High Risk. The company yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. Walter Scott embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues. This approach fails to safeguard free exercise, free speech, and free enterprise.

Corporate Weaponization

Has canceled customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries. High Risk

Walter Scott uses its influence to pressure companies it invests in to change their ESG policies, including climate disclosures and which companies it invests in. Walter Scott has divested from companies for not taking action on its recommendations. From its 2023 Annual Sustainability Report: "Typically, our preference is to use our influence as long-term owners to engage with companies on areas of concern rather than divest. However, should our escalation strategy prove unsuccessful, we may choose to sell our investment" (1). The company promotes divisive sex and gender policies. Its Supplier Code of Conduct requires international vendors to include sexual orientation and gender identity in their nondiscrimination policy (2). The company integrates ESG into its business practices. From its 2024 ESG Integration Overview and Stewardship Policies: "Our Research team and Investment Executive integrate ESG factors into our investment analysis and conduct ongoing proxy voting and engagement" (3). The company is a signatory of the Principles for Responsible Investment, incorporating ESG issues into investment analysis, decision-making, and other business practices (4)(5).

Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. Lower Risk

The Walter Scott Giving Group does not appear to discriminate against charitable organizations based on views or beliefs. Its charitable giving focus areas are community, health, and education (1)(2).

Employment policies fail to protect against viewpoint or other discrimination and/or are ideological in nature. High Risk

Walter Scott requires its employees to take annual DEI training. Walter Scott appears to prioritize diversity over merit in its recruitment. From its Commitment to Diversity and Inclusion 2023 report: "We have also extended the scope of our intern recruitment drive, with the objective of increasing the diversity of candidates... To help us do this... our internship interview panel has also received unconscious bias training" (1). Walter Scott does not provide viewpoint protections for its employees (2)(3).

Corporate Governance and Public Policy

Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression. High Risk

Walter Scott supports DEI within its business practices, employing a DEI Council (1). The company is a signatory of the Carbon Disclosure Project, a non-profit that pressures companies to disclose and improve climate policies through a rating system. In 2023, Walter Scott attended the Council for Institutional Investors' Fall Gathering which focused on discussion around ESG integration and diversity (2)(3). In 2023, the company published its first entity-level TFCF-aligned report with the Task Force for Climate-Related Financial Disclosures, aligning itself to an organization that promotes methods of climate change policy within companies (4)(5)(6). The company monitors which companies have Net Zero goals. However, it does not appear to have or enforce a net zero goal itself (8)(9).

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. Medium Risk

Walter Scott is a partner of Black Professionals United, an organization dedicated to improving company DEI goals (1)(2). Otherwise, the company has not used corporate funds to advance ideological causes, organizations, or policies (3).

Uses corporate political actions and/or financial contributions for ideological, non-business purposes. N/A

Walter Scott does not operate a PAC or engage in lobbying at this time (1)(2)(3).

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