



navera

INVESTMENT MANAGEMENT

UK Stewardship Code Report

FOR THE 12 MONTHS FROM
01 January 2025 to 31 December 2025





navera

INVESTMENT MANAGEMENT

At a glance

WHO WE ARE

£7.2bn

assets under
management

as at 31st December 2025

EST.
1993

First fund launched
in 2018

100%

employee
owned

80

employees

including a 28-person
investment team

WE OFFER CLIENTS



Real returns

A long-term, best ideas investment approach aligned with our clients' financial objectives of growing their assets above inflation



A transparent and simple approach

Investing primarily in global equities, to provide a transparent and best ideas solution for clients



Personal service

Delivering a partnership approach between our clients and our investment team



Stewardship

Core to our investment approach



This report was written by

Sam Cotterell

Investment Partner

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The report has been reviewed and approved by members of the Navera Investment Management board and the Stewardship Working Group.

A message from our CEO and CIO



Caroline Stokell
CEO



Ross Ciesla
CIO

Anyone hoping for financial markets to return to more 'normal' conditions in 2025 was sadly disappointed. We have had a year of geopolitical uncertainty as well as accelerated transformation from technologies such as AI which has all tested companies' resilience and agility. Regulatory change has also been apparent, with pushback from the US administration on climate action and DEI measures meaning companies must be clearer on why any ESG measures have a positive financial benefit.

To us, stewardship is a core part of long-term active management of your assets because of the positive financial benefits. Our approach is rooted in the belief that companies with robust governance, clear strategic foresight, and the ability to adapt to external pressures are best positioned to deliver sustainable long-term returns for you. Considering all material risks and opportunities is a key part of assessing a company's long-term value. Engagement with companies remains a cornerstone of our approach to understand their thinking and work in partnership with them to promote long-term value creation.

As our first report under the revised UK Stewardship Code, we have outlined how and why we consider stewardship across your assets in the [Policy and context disclosure](#) section from page 3. We have given examples throughout the [Activities and outcomes report](#) section from page 18 to show our proactive engagement and informed voting on issues from executive compensation to cybersecurity and AI. We hope this brings to life our team-based stewardship approach, where stewardship specialists work in tandem with primary analysts and portfolio managers to ensure focus on the important issues, often over multiple years.

As we move into 2026, the necessity for active, informed stewardship has never been greater. We remain dedicated to protecting our clients' interests by seeing through the current noise to the underlying health and sustainability of their investments and retain our focus on delivering above-inflation financial returns to our clients.

We hope you find this report informative and illuminating. If you would like to discuss its contents, or any other aspects of our stewardship work, please contact Sam Cotterell at scotterell@naverainvestment.com.

Highlights from our stewardship work in 2025

We had over

150 company meetings

including

79 one-to-one meetings with companies we hold or are considering for our portfolios

of which

30% focused on governance, social or environmental issues



We voted on

485 proposals

at

29 AGMs

We sent

32 letters

to our equity holdings



We spoke or wrote directly to

97% of our core equity holdings

Our

28 investment team members

focusing on

25-40 equity holdings

means we can engage on any material issue at our companies



We maintained our commitment to **focus on material ESG issues by company** despite a shifting political backdrop



We introduced a new proxy advisor to better assist our decision-making

Table of contents

Policy and context disclosure	3
Organisation, investment beliefs and stewardship approach	4
Governance and resources	7
Policies, processes and review	9
Conflicts of interest	16
Dialogue with clients and/or beneficiaries	17

Activities and outcomes report	18
Integrating stewardship and investment	19
Promoting well-functioning markets	24
Voting and engagement	28
Monitoring service providers	40
Looking ahead	42

Appendices	43
Voting summary	43
Voting outcomes for our votes against management	46

Policy and context disclosure



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Organisation, investment beliefs and stewardship approach

Navera Investment Management is a London-based, employee-owned investment manager. We have always focused on a single objective – protecting and growing the real value of our clients’ capital ahead of inflation.

Our client base is primarily made up of private clients and charities. Navera Investment Management is 100% owned by our employees, with the majority of employees owning shares in the firm. This ensures that our business interests and client objectives are aligned and shapes our approach.

Our philosophy and culture are guided by three foundational principles:

1 Real returns

Our investment philosophy is aligned with our client’s objectives – to protect and grow the purchasing power of their capital over the long term. We focus on real returns and consider risk as the potential for permanent capital loss. We believe in providing a sense of security through common-sense investing.

2 Partnership

We have a deep-rooted culture of partnership. The investment team comprises 28 experienced investment professionals who are committed to providing a personal service to all our clients. We are employee-owned which creates stability and focuses us on achieving client objectives.

3 Stewardship

When we buy shares in companies, we become business owners. As stewards of our clients’ capital, we have an opportunity and a responsibility to contribute to the durable success of these businesses, taking the time to understand and support their strategy.

We invest for the long-term, in liquid shares across global listed equities, fixed income, cash and gold. Within our equities, we look for companies that can deliver consistent and repeatable returns ahead of inflation, regardless of the economic backdrop. Our investments are primarily located in the US, Europe, Asia and UK, although we are not restricted by geography.

Our fixed income holdings are used to deliver cash-plus returns, while acting as a risk control and source of diversification. Typically, bonds are held in the base currency of each individual portfolio. The majority of our fixed income holdings are in developed market investment grade corporate or sovereign bonds. We also hold some supranational debt. Approximately 90% of our fixed income holdings are A-rated or above and nearly 75% of our holdings have a maturity of less than five years.

“ We primarily invest directly in high-quality, developed market securities. ”

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Breakdown of assets under management by value as at 31st December 2025

Chart 1. Asset class

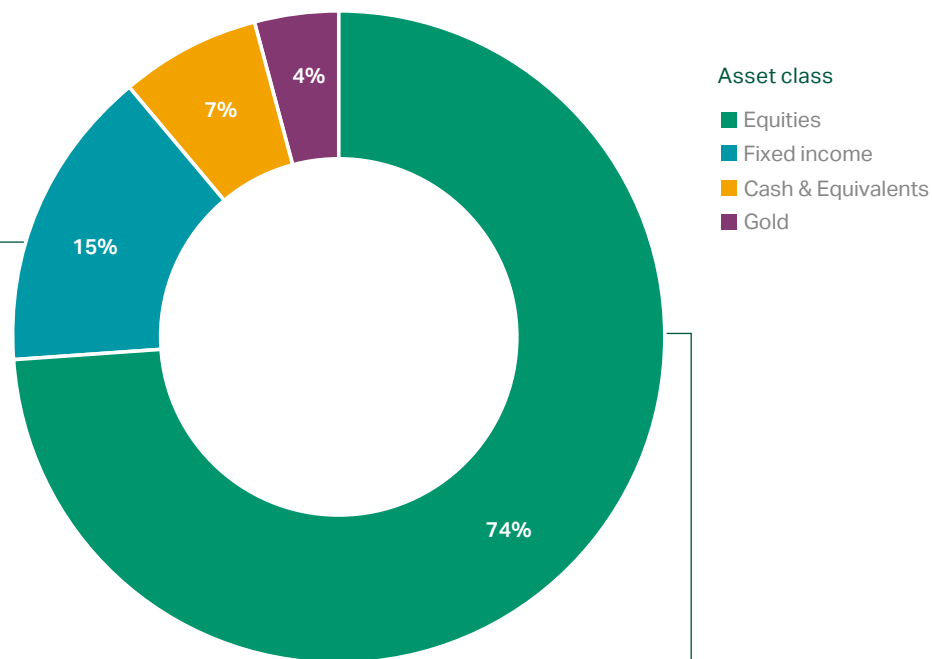


Chart 2. Fixed income

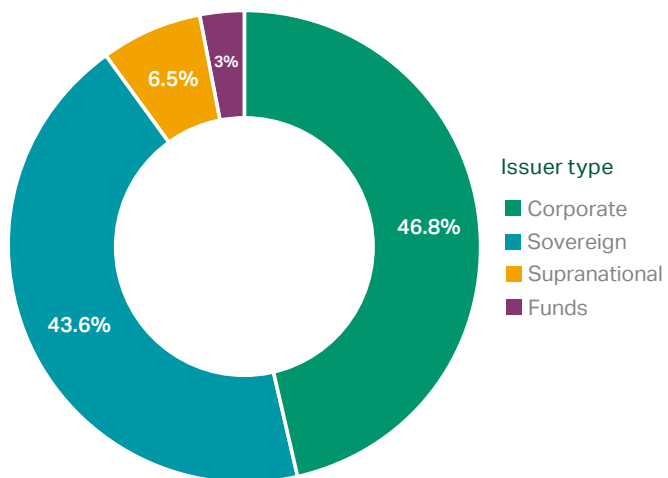
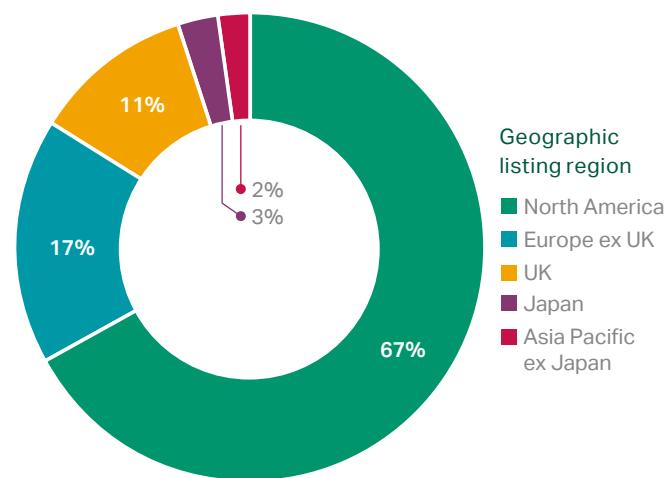


Chart 3. Listed equities



Our approach to stewardship is an intrinsic part of our investment philosophy and process as one of our three foundational principles. Governance, environmental and social considerations are analysed at initial evaluation of a company and throughout the holding period. We see the risks and opportunities associated with these factors as being fundamental parts of the overall investment case.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Our stewardship principles

- 1 Invest in high-quality companies:**
We will not hold shares in companies where we see material risks to the long-term success of the business.
- 2 Culture of partnership with management teams:**
We value progress in pursuit of long-term improvements.
- 3 An aversion to box ticking:**
We focus on what is important to each business.
- 4 A focus on all stakeholders:**
We recognise that businesses exist within society and therefore have a duty to all stakeholders, not just shareholders.

Our ESG research and stewardship work focuses on our equity holdings where the related risks and opportunities are more impactful on long-term value. Where we research, engage with and/or hold the fixed income and equity issued by the same company, the same research will apply.

We do not have separate ESG or stewardship-focused investment strategies. As long-term shareholders, any ESG risk or opportunity that can materially impact an investment company's value will be considered by our analysts as part of the overall investment thesis.

When we buy shares in a company, we aim to work with company management to encourage progress and continuous improvement. Our process is designed to help enhance the long-term real returns of our clients. Often such changes also benefit wider stakeholders, including the workforce and the environment.

We look for companies that support their financial goals and promote sustainable and long-term value creation by ensuring they are monitoring and managing the most important ESG risks and opportunities for their business, those that could potentially have a financial impact if not addressed effectively.



Where our corporate fixed income holdings are not covered by our equity research, we apply an ESG screen to ensure there are no significant ESG risks in our bond holdings. As we tend to hold short-term debt, the long-term impacts associated with ESG risks are often less likely to have an impact on value during our holding period. However, where these risks do present as material over the holding period we will and have removed them from our portfolio.

Our sovereign bonds are issued by developed market sovereigns, primarily the UK, USA, Germany and Switzerland. These countries score highly on key ESG metrics and, as there are no true alternatives or method of influence, we focus our fixed income stewardship efforts on our corporate holdings.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Governance and resources

Governance

Our investment process is overseen by the Investment Governance Committee (IGC) which is chaired by our Chief Investment Officer, Ross Ciesla. Stewardship is also overseen by this committee, as a fully integrated part of the investment process. Information from this committee is reported to the board.

Sam Cotterell, Investment Partner, is responsible for reporting on stewardship matters to the IGC. She also chairs our Stewardship Working Group and ESG Regulation Working Group, in which members oversee administrations, processes and policies.

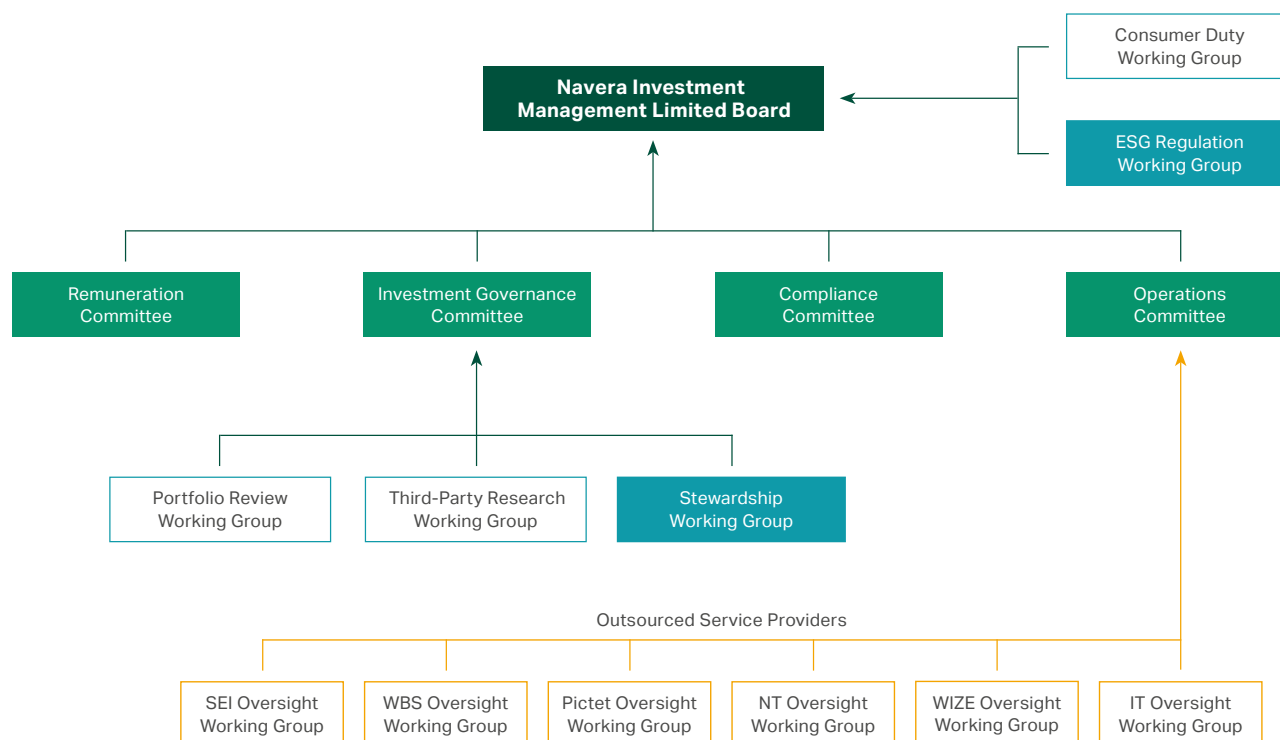
- Stewardship Working Group**

This group meets twice a year at minimum. It is made up of members of the investment team including our deputy CIO and head of research, investment partners and two investment analysts specialising in stewardship and ESG. This group focuses on the administration, policies and processes for our stewardship work (including our voting and engagement policies) and on ensuring consistency of practices across the investment team. Any activities carried out by this group are communicated to the wider investment team during our weekly investment team meetings, as well as to our compliance and operations teams where necessary.

- ESG Regulation Working Group**

This group meets once a year and additionally as necessary on an ad hoc basis. The group includes our executive chair, CEO, CIO and compliance officer. The group assesses any new or evolving regulation and ensures we have the resources and processes to comply.

Chart 4. Governance structure



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Resources

The investment team undertakes our stewardship work. Within the team, two of our investment analysts specialise in stewardship and ESG issues. They work alongside the primary analysts on each individual company. Responsibilities include initial and ongoing research into applicable ESG issues, wider monitoring of material themes and regulations, deciding on and implementing voting decisions and engaging with company management and/or the board on material issues. This work covers all equities and any corporate bonds covered by a company in the equity universe. All our investment research is undertaken by our in-house investment analysts. To assist with research, our analysts use a wide range of resources, which can be broadly summarised as:

- **Direct company information**

This is our preferred source of information and includes:

- Annual reports
- Sustainability/CSRD reports
- CDP submissions
- Proxy statements
- Information gathered from company engagements

- **ESG data providers**

We use data from the following providers and glean insights from their research. We do not use overall ratings as part of our research without understanding how they have been generated.

- Morningstar Sustainalytics
- CDP ratings and research
- UBS HOLT
- Bloomberg
- Sell-side analysts
- Glass Lewis

- **International standards/industry bodies**

We use information from these bodies to inform on ongoing developments and best practice.

- International Sustainability Standards Board (ISSB)
- Taskforce on Nature-related Financial Disclosures (TNFD)
- International Corporate Governance Network (ICGN)
- Partnership for Carbon Accounting Financials.

Where appropriate, we are increasing our use of AI, which we primarily use to enhance and speed up research gathering. One of the platforms we currently use is Quartr, which collates investor relations materials, including call transcripts, allowing for a rich source of information. Information generated is confirmed against original sources.

Third-party research is used to supplement our analysts' own analysis. Equally, any ratings (such as those provided by Sustainalytics and the CDP) are not used to screen companies, or even considered without full understanding of the underlying drivers.

For fixed income, we use these same ESG data providers to screen potential investments for material ESG risks. The majority of our fixed income holdings are short dated, with nearly 75% having maturities of under five years. As the time horizon is shorter than for our equities, the long-term impacts associated with ESG risks are often less likely to have an impact on value during our holding period. However, where these risks do present as material over the holding period we will and have removed holdings from our portfolio.

To inform our voting process, we primarily use each company's proxy statement or annual report, as well as research from our proxy voting provider, Glass Lewis. It is important to note that while we use Glass Lewis research and receive their benchmark voting recommendations, all voting decisions are made by our investment analysts and reflect our own voting policy.

We use our in-house engagement tracker to monitor our stewardship activity. This resource enables us to track engagement meetings, topics covered, on-going monitoring, engagement milestones and instances where we do not vote in line with board recommendations. All voting decisions and rationales are recorded and published annually at the end of this report.

We do not use an engagement service. We carry out our own engagements directly with companies on material issues. Given our focused list of equity holdings and high ratio of investment analysts to companies held or under active monitoring, we have sufficient resource to engage with companies on any material issue. For some companies, we also take part in collaborative engagements. Companies' willingness to engage with us forms part of our overall thinking about each investment opportunity.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Policies, processes and review

Our investment process

We run a focused portfolio of 25–40 stocks, alongside fixed income, cash and gold. Where our strategies differ is in their asset allocation, which reflects each client’s investment objectives. Inflation is a persistent and predictable challenge, steadily eroding the real value of savings. At the core of our real return investment strategy is the conviction that carefully selected equities, aligned with enduring structural shifts and acquired at fair valuations, are pivotal for achieving sustainable real returns.

Our approach focuses on identifying companies that are well positioned to benefit from positive structural changes driving demand for their products or services. While economic cycles are inherently difficult to forecast, structural demand tends to be long-term and relatively insulated from cyclical fluctuations. Companies capitalising on such demand are well-placed to consistently grow earnings and cash flow per share over multi-year periods, regardless of broader economic conditions. Consequently, our investment process focuses on companies with robust and durable business models that generate strong cash flows.

This long-term approach to investment means we naturally incorporate material ESG factors into our investment decisions, to better manage risk and protect and grow our clients’ capital in line with their investment objectives.

Our starting point is to identify well-positioned companies, from which we build a universe of investable businesses. The investment team assesses key pieces of company information, using our internal assessment of the quality of the business. This includes governance structures, the management team, the financials and any material environmental and social risks that the company faces, together with its track record of managing such risks. We also conduct quantitative analysis of the financial track record of the company.

If a company passes the investment team’s initial assessments, we commence our full initiation process, which includes more robust research, input from sector specialists and, where possible, meeting company management. Once this is complete, we generate an estimate the company’s worth in absolute terms. This intrinsic value is based on our analysis of the track record of each company and its future prospects, and includes an assessment of cash flows, quality of management, and management of material environmental and social risks.



Our process results in a shortlist of stocks that we would like to own. We will only purchase stocks on this list when their valuations are attractive (i.e. provide a margin of safety relative to their intrinsic value) and the addition has portfolio construction benefits.

Stewardship and ESG are integrated throughout this process. Environmental, social and governance factors are intrinsic in the quality of each business. Where there are material unaddressed risks, a company would not be able to move through the selection process. Equally, business opportunities linked to environmental, social and governance factors can help improve the overall investment case, especially if they are aligned with our structural growth trends.

Engaging with companies, including through voting, is another important element of our investment process. Our stewardship activities are performed in line with our voting and engagement policies, which are summarised below. Both policies are set and approved by our Stewardship Working Group.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management



When we first purchase shares in a company, we will write to the CEO and chair (and LID where appropriate) to introduce ourselves, our investment and engagement approach, and to outline what the company should expect from us. We will also write to explain our rationale in instances we vote against the board's recommendations at an AGM or if we exit our position.

These policies are reviewed annually by the Stewardship Working Group to ensure that they continue to meet our in-house views and best practice. A more formal review is undertaken every three years, with the last formal review taking place in 2024. However, we are continually monitoring best practices and will amend our policies wherever our assessment has changed.

Voting policy

Our voting policy provides a comprehensive overview of our voting processes and the guidelines we follow to ensure consistency. Our policy guidelines reflect what we consider to be best practice, with the aim of promoting long-term value creation. Our full [voting policy](#) can be found on our website.

We aim to vote across all our core equity holdings, where the shares have voting rights. Our investment analysts are responsible for reaching voting decisions through a combination of these guidelines, our own analysis, experience and dialogue with the companies concerned.

Voting rights

Our approach to voting rights can be summarised as 'one share, one vote'. We prefer simple capital structures and do not support anti-takeover devices.

Boards of directors

We follow the European position that directors can no longer be considered independent once they have been on a board for 12 years. This contrasts with the view held in the US that directors are independent if they have not held an executive role at the company within the past three years.

We are constructive on boards that have an appropriate mix of tenured and recently appointed directors, provided the chair or the lead independent director (where applicable) are truly independent directors (as defined above). In addition, we strongly prefer that the chairs of sub-committees are independent.

We consider separate CEO and chair roles to be best practice. However, where there is a joint position, we expect to see a truly independent lead independent director. We believe that boards should have a majority of independent non-executive directors who are able to hold executive management to account.

We encourage board diversity in all forms: professional skills, gender, ethnicity, experience and age, relevant to the stakeholder base of the individual company. This brings varied perspectives, creativity and insights that are much needed in a rapidly changing world.

Directors should be re-elected with sufficient frequency to provide shareholders with the opportunity to support those who are performing their roles responsibly and remove those who are not promoting best practice.

We generally consider directors with positions on more than four public boards to be over-boarded, especially if this includes executive roles.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Remuneration

Management should be motivated over a long-term horizon. We prefer a majority weighting towards long-term performance versus short-term incentives. We support the alignment of shareholder and management incentives through share rewards and ownership plans. However, we are cautious of overly dilutive schemes and those that vest over short time periods.

We therefore prefer to see a majority weighting towards either performance-linked compensation or time-based compensation that vests over a long time horizon (at least five years). We consider the resetting of targets to meet minimum thresholds for performance-linked pay to be a red flag and would not support this practice without further discussion. We also assess company guidance against the remuneration hurdles to ensure consistency.

We look for awards based on a range of targets (as appropriate to the individual business), with high pay-outs only available for exceptional performance. We review peer-group comparisons for relevance and to identify unexpected inclusions and exclusions.

We look for the inclusion of ESG metrics where these are relevant to the business in question. We expect ESG metrics to encourage progress on stated strategic and financial targets, but not to encourage changes that are already required due to regulatory change or reward behaviours that should be ordinarily expected of management.

Auditor tenure

The appointment of auditors is a key shareholder responsibility, and one we take seriously given past instances of high-profile failures.

We expect auditors to be re-appointed annually. The audit should be re-tendered on a periodic basis, ideally every 10 years, and audit firms changed every 20 years, in line with European best practice.

This represents a difference in best practice from the US, where it is common to see auditors with long tenures. In this case we also aim to have a conversation with the chair of the audit committee to assess the level of challenge between the board and management and the auditor.

Non-audit fees should be minimised. We regard high payments for non-audit work as a red flag that calls auditor independence into question.



Capital allocation

We prefer that resolutions to approve dividends and share repurchase programmes are proposed separately, as both represent a meaningful tool for efficient capital allocation.

We generally invest in companies that have attractive organic growth prospects over many years, as this is typically a lower-risk route to value creation. However, we would expect to vote in support of management on significant mergers and acquisitions if the financial rationale is compelling.

Shareholder proposals

Shareholder proposals are reviewed on a case-by-case basis.

We typically support proposals that increase shareholder rights or improve company disclosure on material issues. For example, we would support lowering the threshold to call a special meeting or requests for transparency over the use and oversight of AI where relevant.

We support management against proposals that are immaterial, could prove overly onerous for the board, or allow excessive influence of larger shareholders.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Engagement policy

Our engagement policy describes how we monitor our companies and engagements, forms and types of engagement we undertake, our escalation processes and our approach to collaborative engagement. It also covers a range of engagement topics, explaining why we consider the theme relevant and detailing areas we would choose to engage on, as well as our rationale. Our [full engagement policy](#) can be found on our website.

When we engage with companies, we have one of two aims in mind. The first is **engagement for information**. In these instances, there is no pre-defined target or resolution. Our aim can be to learn more about a company's thoughts and processes on a specific issue, or to monitor performance.

Where we identify an area that, if addressed by a company, could improve long-term real returns and enhance the strength of a business, we will **engage for change**.

We monitor the progress of our engagements for change by setting ourselves clear objectives at the outset and measuring progress against four milestones:

1	Raising the issue with the company.
2	Receiving acknowledgement from the company that our concerns are valid.
3	Receiving confirmation from the company that it is developing a plan to address the issue.
4	Receiving confirmation from the company that the plan is implemented and the objective is delivered.
Closed	No longer hold the company in client portfolios or no longer consider the issue material.

Where we have concerns or suggestions about how a company could move towards best practice, we aim to raise these in the introductory letter we send to companies when we become shareholders and through our regular meetings with company management and investor relations teams.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

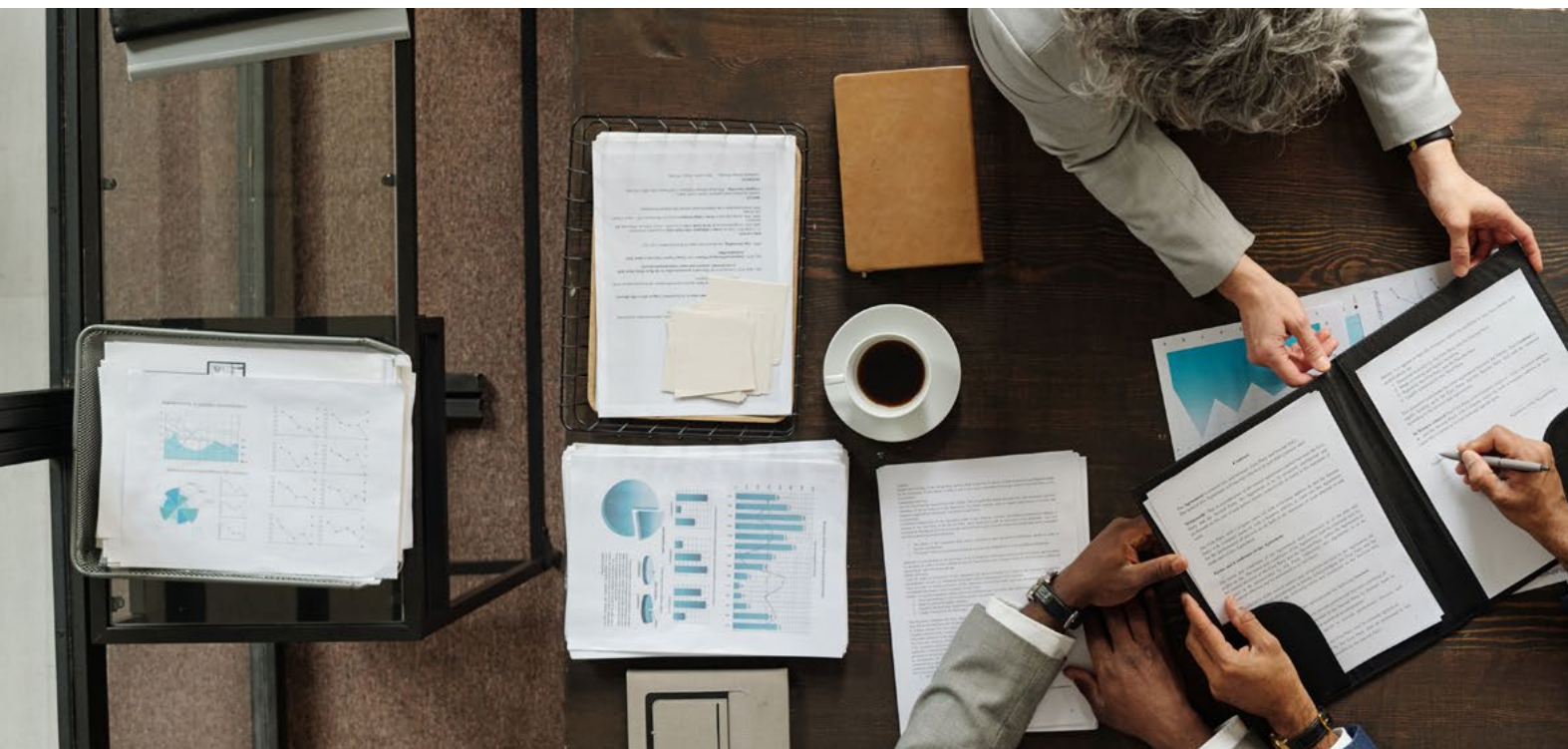
Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management



However, we recognise that there may be instances where a company does not respond constructively and where we believe the company will not take action to address concerns. In such circumstances, and depending on the nature and the severity of the issue, we may decide to escalate our engagement activities.

As a first step, escalation would normally involve holding additional meetings with company management to clarify our position and improve our understanding of the company's view. Should this step not be successful, we will consider further escalation, including:

- Writing to or meeting with senior board members, such as the lead independent director or the chair
- Abstaining or voting against management, including the reappointment of specific directors, at general meetings
- Collaborating with other investors
- Selling our position if an issue jeopardises our clients' financial objectives and is not being adequately addressed by the company.

This last point is important to note. Should there be a fundamental change to our investment case for a company such that our clients' capital could be put at risk, we would then sell the holding rather than initiating a potentially lengthy engagement. We run a focused equity portfolio and will not continue to hold a company where there is a material risk that is not being addressed by management.

An important part of our approach is to work in partnership with the companies in which we invest and we are prepared to be a critical friend in order to support long-term positive change. As such, we will always respond when companies write to us or request a meeting. These requests have included discussions of issues ahead of an AGM and invitations to participate in double materiality studies.

Collaborative engagement

As shareholders in a focused list of companies, our in-depth research process and long-term approach mean we get to know our investee companies in detail, something which we believe is vital for successful engagements. We are therefore confident that where we choose to pursue engagements with investee companies on our own, we can reach a successful outcome for our clients.

Where appropriate, we will engage with other investors. This may relate to systemic issues such as climate change or nature loss, or relate to holdings in asset classes such as fixed income, where we do not usually have a direct relationship with issuers, unless we also hold the equity.

We will also conduct collaborative engagement to influence both issuers and supervisory bodies, such as regulators or governments. This involves dialogue with public policy makers on the development of effective regulation, including responding to policy consultations, providing technical input via regulatory working groups and signing public statements from investor groups.



“ Our in-depth research process and long-term approach mean we get to know our investee companies in detail. ”

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Engagement topics

The following topics are an indication of how we aim to engage with companies, either directly or in collaboration, to influence ongoing improvements and reflect some of our continuing priorities.

While these topics give an insight into our approach, they are not the only topics we engage on. Furthermore, we only engage on these topics where they are relevant or material to a company, or where strong policies and processes are lacking.

1. Climate change/environmental issues

Climate is a systemic risk to the financial system and economies of the world, as well as introducing physical or transition risks at an individual company level. As an active investment manager, we recognise that we have a fundamental role to play in the journey to a low-carbon future and net zero by engaging with and seeking to influence our investee companies.

We strongly believe that all companies need to be aware of their physical and transition risks with regards to climate change. Collecting data and building robust policies and processes to reduce emissions, as well as disclosing this information, can offer financial advantages. We encourage companies to focus on potential financial benefits, such as lower costs and avoiding financial penalties that may arise from regulation or customer preferences for lower-carbon products, as well as financial loss from failing to adequately prepare for the physical risks of climate change.

2. People

Attracting, retaining and developing talent is vital for long-term success and a critical responsibility of senior management and the board. We therefore seek to understand the policies and procedures that are in place to ensure employee engagement, talent development, fair pay, diversity and inclusion, health, safety and welfare.

3. Human rights and supply chains

For many of our investee companies, the biggest environmental and social risks they face come not from their direct operations, but from their supply chains.

We acknowledge that managing these risks is not easy and that companies have to take a risk-based approach to overseeing their supply chains. However, we expect companies to have robust procedures for monitoring practices at all levels of their operations and formal processes in place to deal with any issues identified. We also expect companies to be abreast of and suitably prepared for incoming regulations on supply chain due diligence. We encourage companies to work with suppliers



to resolve issues rather than simply ending contracts with them as soon as issues are identified. In instances where a supplier is not able to meet a company's requirements, we ask companies to enact a responsible exit.

Ensuring correct remediation is of critical importance to us. We believe that simply stopping using a supplier can critically impact the local community in terms of loss of jobs and well-being. Furthermore, divesture from a supplier does not ensure that the supplier will remediate such working conditions in future contracts with different companies.

4. Corporate governance

Effective governance is a framework for better decision making. It should run through every level of organisations and results in greater business durability. Every company should be headed by an effective board, which is collectively responsible for the long-term success of the company. We look at a range of factors which include how the purpose of the company is defined and communicated throughout the business, the board structure and tenure of directors, board diversity and the range of expertise on the board, the committee structure, management compensation structures, talent management programmes, management's history of setting and meeting targets, capital allocation discipline, and auditor independence and challenge. We also consider the quality and nature of dialogue we have with management and the board when assessing culture.

We encourage board diversity in all forms: gender, ethnicity, professional skills, experience and age, as relevant to the stakeholder base and business strategy of the individual company.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Below is a sample of some of our expectations we set for companies. A more complete summary can be found in our [engagement policy](#) on our website.

Topic	Our expectation	Rationale
Climate change	<p>We ask that all our companies disclose their GHG emissions across Scope 1, 2 and 3 and we encourage companies to also disclose via CDP.</p> <p>We expect companies to have mapped their exposure to physical climate risks and disclose some details of their adaptations and preparedness plans.</p>	<p>This allows both the company, and us as shareholders, to monitor progress on GHG emissions and identify areas of concern.</p> <p>Companies should be prepared to act quickly in the case of extreme weather, especially as frequency and severity are becoming greater.</p>
Environmental issues	<p>We expect companies to identify and assess material environmental impacts and dependencies (e.g. water, waste, nature, physical risks) in their own operations and in their supply chains.</p>	<p>Companies that understand and manage their environmental impacts and dependencies can reduce the overall risk to their businesses.</p>
People	<p>We ask that companies disclose voluntary and involuntary attrition rates, training and upskilling programmes, equitable pay structures and gender/racial representation across different levels of seniority over time.</p>	<p>This allows shareholders to monitor key indicators that can show employee satisfaction and happiness. Employee retention is critical to the success of many businesses.</p> <p>We believe attracting and retaining talent from a range of backgrounds, with different skillsets and perspectives as relevant to the company's business model, improves judgement and decision making and avoids groupthink, supporting long-term business performance.</p>
Human rights and supply chains	<p>We expect companies to have a comprehensive supplier code of conduct, which is appropriately monitored, to disclose the percentage of suppliers audited and the results of these audits, including any remediation.</p>	<p>This allows shareholders to assess whether the company has sufficient monitoring in place to understand their full supply chain risks.</p>
Cybersecurity & AI	<p>We expect companies to have qualified or well-informed board-level oversight of cybersecurity. Companies should give an overview of executive oversight, controls and training in place, as well as historical performance including past breaches.</p> <p>We ask that companies have board level oversight of AI. Companies should embed data protection and privacy, transparency and accountability into their AI and provide training for relevant employees.</p>	<p>Companies should be able to demonstrate that they have a robust process for managing cybersecurity threats and the risks associated with the use of AI, including robust oversight from executives and the board.</p>

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Conflicts of interest

As an independent business focusing purely on investment management, we do not experience some of the conflicts faced by larger and more complex financial services companies.

That said, we have an obligation to act in the best interests of our clients and treat them fairly in all circumstances, including where there are, or could be, potential conflicts of interest.

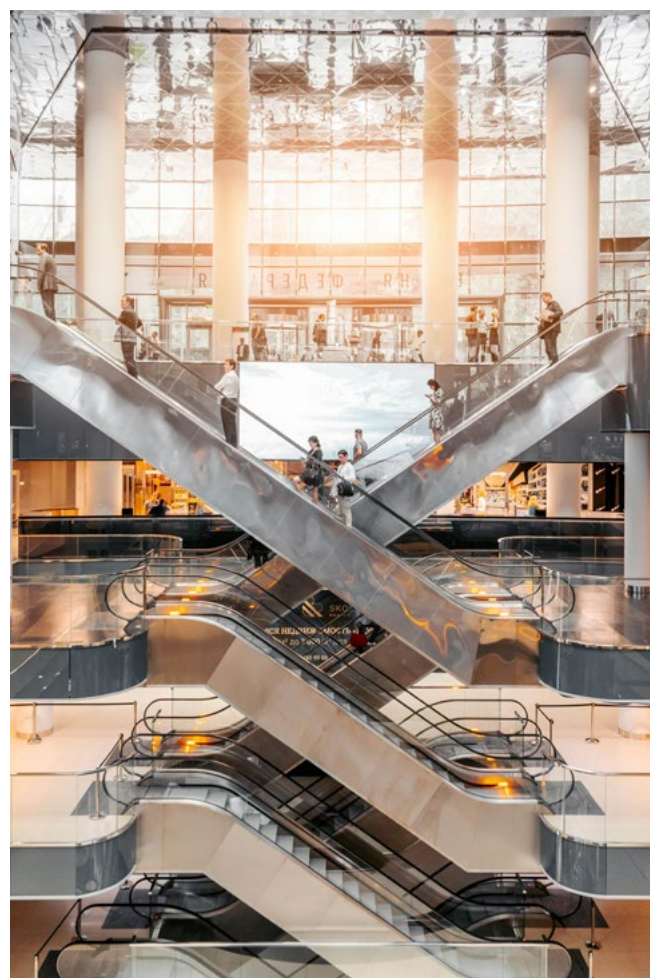
We seek to organise our business activities, including external arrangements, such as to avoid conflicts. Our aim is to ensure that where conflicts do occur, the policies, procedures and controls needed to manage the situation are already in place. These procedures are designed to ensure that the management of any conflict takes place in such a way that the firm or its employees are not advantaged, and that no client is disadvantaged.

Through our culture of openness and regular staff training, we aim to create an environment in which conflicts of interest and potential conflicts of interest can be identified and resolved as they arise. All employees have a responsibility to consider any potential or actual conflicts of interest during day-to-day business activities or ad-hoc project work and disclose such conflicts to the compliance team. We have processes in place to manage and mitigate conflicts, including a rigorous personal account dealing policy, an anti-bribery and corruption policy, and annual disclosure of outside interests. Staff are also subject to a gifts and hospitality policy which requires that disclosures are made and prior approval sought, where necessary.

In addition, all staff review and sign our Code of Conduct document on an annual basis. This is spear-headed by our Chief Executive Officer and draws together the main points from all our conduct and compliance policies to promote high standards of conduct throughout the business.

Our [Conflicts of Interest policy](#) as found on our website sets out our intention and approach to achieving conflicts of interest management. These might include issues arising from order execution, trade allocation or receipt of price-sensitive information. Where conflicts arise through our voting and stewardship activities, for example where clients may have differing views on the outcome of a vote or where a director of an investee company standing for (re) election may also be a client, the matter is escalated to our Investment Governance Committee. As we only hold 25-40 equity holdings in our portfolios, we do not expect such conflicts to arise very often. We do not expect to receive price-sensitive or inside information in our engagements with companies, and we always make this clear to companies. However, if this were ever to happen, we would handle the information according to our normal compliance policies and procedures.

We maintain a firm Conflicts of Interest Register. The register is reviewed by the board on an annual basis.



“ We seek to organise our business activities, including external arrangements, such as to avoid conflicts. ”

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Dialogue with clients and/or beneficiaries

Acting as good stewards of our client's capital and communicating with clients on all our investment activities, including our stewardship activities, is a key part of our partnership approach.

Communication with our clients is an important part of our stewardship process, ensuring that we can explain how these activities are enhancing their long-term value creation.

Client-specific reporting

We communicate directly with our clients on stewardship, either through face-to-face meetings or via phone calls. We will see the majority of clients at least on an annual basis. Our clients have a direct line to our portfolio managers: they can ask about the portfolio directly from those making the decisions. Where our clients would like to hear more information specifically on stewardship, we can offer tailored meetings on request to ensure the most appropriate team members are present, including our stewardship specialists when required.

In their quarterly reports, as well as commentary on markets and individual company performance, clients will also find a section on stewardship, giving an update on our activities over the three months.

Clients are able to request an individual climate report for their portfolio. Further information on voting for their portfolio can also be provided if required. We believe this gives the right balance between informative overviews and access to more detailed or portfolio-specific information.

Public reporting

Given our consistent approach across portfolios and particularly within our equity holdings, our public reporting is an accurate reflection of the vast majority of clients' individual portfolios.

Each year we publish three public reports:

- A Stewardship Code report containing all the information required to fulfil our obligations to the FRC as a UK Stewardship Code signatory, including our policies and processes, progress over the year, engagement case studies and our voting record.
- A more accessible Stewardship Report summarising the Stewardship Code report and including our voting record, progress and engagement case studies.
- An annual climate report detailing our activities related to climate mitigation and adaptation both as a business and in relation to our portfolio companies.

Roundtables

We periodically host roundtables with clients or intermediaries. These are opportunities for us to discuss our stewardship activities in further detail, and for our clients to share their views and opinions. Many of our clients have experience as business leaders in various industries that is valuable and can help us consider our approach to engagement. Learnings from these events can be reflected in our stewardship work.

"Communicating with clients on all our investment activities, including our stewardship activities, is a key part of our partnership approach."



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

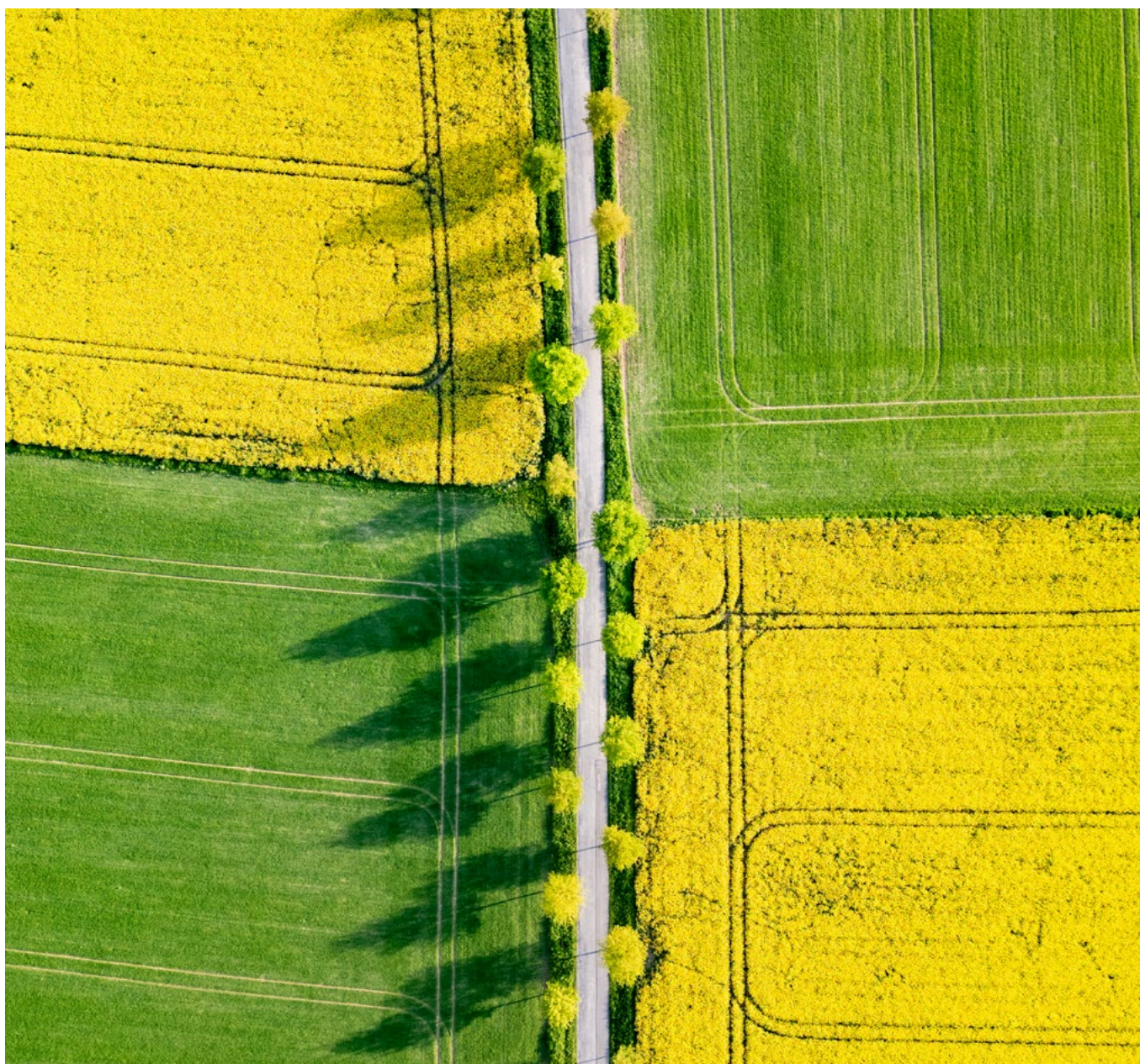
Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Activities and outcomes report



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

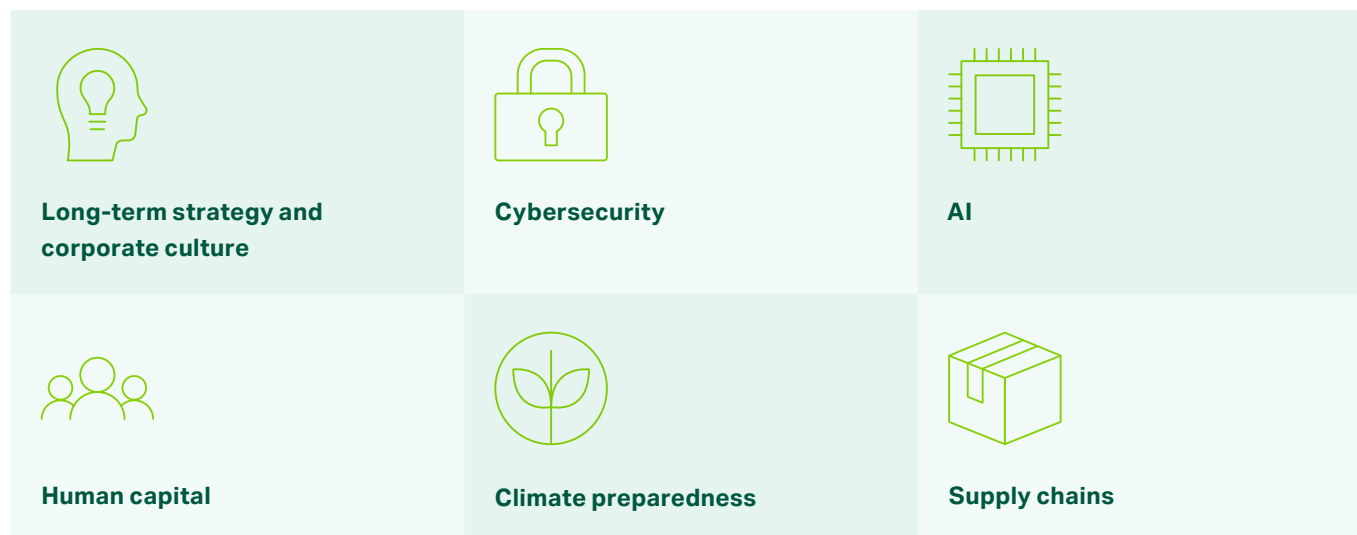
Integrating stewardship and investment

ESG and stewardship landscape in 2025

Throughout 2025, the global ESG landscape underwent a significant change of emphasis, refocusing away from broad aspirational goals and towards operational resilience at the company level. While the early 2020s were defined by peak ambition amid record-breaking global temperatures, 2025 saw companies and regulators grappling with the practicalities of implementation amidst a shifting political backdrop. In the US, the federal government has moved considerably away from climate-related and social goals. In Europe, other priorities such as defence and the cost-of-living crisis have re-directed the focus towards protecting competitiveness and reducing bureaucracy. Timeline and scope changes of only recently enacted legislation such as the Corporate Sustainability Reporting Directive present short-term challenges for companies' operational planning. However, these changes should retain the majority of the benefits while reducing focus on non-material issues and cutting red tape and cost.

The asset management industry has felt the repercussions, with several high-profile cases of mandates being lost due to excessive emphasis on ESG or a lack of emphasis on ESG. In a number of cases, fiduciary duty concerns were cited by both sides of the debate. We continue to engage on specific issues which are material to the individual financial success of companies we invest in and are able to do so due to our focused portfolios and high investor to investee company ratio. We encourage long-term thinking and seek explanations of how company managements' priorities contribute to the long-term success of their businesses.

The main topics we investigated and discussed with company management in 2025 were:



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

We have a responsibility to consider any factor that might impact our ability to protect and grow the value of our clients' assets. As such, stewardship is an integral part of our investment approach. We have an in-depth, bottom-up strategy that results in a portfolio of about 25-40 companies. This focused approach means we consider any material risks or opportunities that can impact an investment case. Many issues we assess are specific to each company, but we also consider other topics more widely if the risks and opportunities they present are applicable to our clients' assets.

Long-term strategy and corporate culture

Our investment strategy means we will only invest in companies that are managed for long-term success. We seek a company culture that encourages management to plan for long-term over short-term results. We look at a range of factors, including how the purpose of the company is defined and communicated throughout the business; board structure and director tenure; board diversity and range of expertise; committee structure; management compensation structures; talent management programmes; management's history of setting and meeting targets; capital allocation discipline; and auditor tenure. We also consider the quality and nature of the dialogue we have with management and the board.

Cybersecurity

Cybersecurity is a growing concern for every company in every industry. During 2025 we saw significant disruptions causing negative financial repercussions for companies such as Marks & Spencer and JLR (formerly Jaguar Land Rover). We seek companies that have proactive and qualified management teams and boards that have sufficient experience or expertise to provide robust challenge. Where possible, we like to see metrics like incident frequency over time, to measure effectiveness. As part of our licence with Glass Lewis, we also see ratings from BitSight that rank cyber risk over time.

AI

AI is an area that is developing rapidly and could have huge implications across many of our companies. As well as assessing the impact of AI on the moats and business models of companies, we also consider each company's approach to governance of AI. We seek companies with board-level oversight including the responsible use of AI, training for employees and the appropriate allocation of capital to AI projects such as infrastructure buildout for AI data centres.

Human capital

Successful human capital management is vital for every business. We look for companies that understand the advantages of attracting and retaining strong talent and have put in place policies and procedures to achieve this. We like to see that senior management and/or board directors have ultimate responsibility for employee engagement, talent development, fair pay, diversity and inclusion, and have policies in place to ensure the health, safety and welfare of all employees.

Climate preparedness

With the physical effects of climate change already having a meaningful impact on operations and supply chains for many companies, we have been ensuring that management teams at the companies in which we invest have conducted risk assessments and are taking action to mitigate damage and disruption to their businesses. This could include assessing the location of new premises, diversifying supply chains, protecting existing operations and ensuring staff safety.

Supply chains

For many of our companies, the biggest environmental and social risks they face are in their supply chains. We seek companies that have identified the risks to their operations in their supply chains and aim to minimise these. Risks could stem from extreme weather, environmental regulations, labour management and human rights risks.

- Environmental: We encourage our companies to gather data from suppliers for greenhouse gas (GHG) emissions and other relevant environmental issues such as deforestation, water resources, waste or hazardous chemical use.
- Social: We expect companies to be vigilant for human rights issues in their supply chains. We acknowledge that many companies have to take a risk-based approach based on geographies and/or specific activities, and we expect companies to have robust monitoring procedures and formal processes for dealing with any issues identified. We encourage companies to work with suppliers to resolve issues rather than immediately ending contracts with them. If a supplier is unable to meet a company's requirements, we ask the company to exit responsibly.

Examples of discussions with companies on these issues can be found throughout this document.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Influencing investment decision-making

Our stewardship activities help us build a well-rounded picture of a company and ensure we are fully assessing all risks and opportunities. While it is unusual for a single factor to lead to a buy or sell decision, material ESG factors and the discussions we have with our companies about them often influence the investment case and our view of the quality of a company and its management. Below are some changes we have made to the portfolio over the year, detailing how environmental, social and governance factors impacted the decision.

Verisk Analytics New holding

Verisk Analytics is a critical information provider for insurance companies whose proprietary data and analytics generate resilient revenues and high margins. One of several drivers behind the purchase was the growth of Verisk Analytics' catastrophe business, where it provides climate and weather products including extreme event models, data and climate analytics used by property and casualty insurers. There is under-penetration of this insurance globally, with 50% of extreme weather damage currently uninsured.

Taiwan Semiconductor Manufacturing Co (TSMC) New holding

As part of our extensive research process before purchasing TSMC, we investigated material ESG risks that the company faces, especially in relation to water use.

Chip-making is inherently water intensive and TSMC has operations in locations with higher water stress, including Taiwan and Arizona. There are also concerns around TSMC's operation in China where, despite there being abundant water resources, there are significant variations in raw water quality. The key concern is whether incidents such as a drought could negatively affect operations by impacting water access. We were reassured by TSMC's short- to mid-term targets, which address efficiency and replenishment as well as diversifying water sources (by using reclaimed water) and reducing water pollution. The company's CSR reports and CDP Water submission outline contingency planning to prevent a halt in operations.

We concluded that water is a material ESG risk for TSMC but the company is aware of the risks and is managing them appropriately.

Next Trim

We reduced our holding in Next after strong share price performance, a decision partially driven by concerns over succession planning and residual concerns over pay issues. Next has been managed successfully by Simon Wolfson over many years raising concerns over key man risk and succession planning.

Further, at the end of 2024 the company lost an equal pay claim filed by their retail store workers. Next has appealed but there remains a small liability while the case is resolved. Given the ongoing strength of the share price and taking into consideration the ongoing pressure on wages faced by the retail sector, we decided it would be prudent to trim our position at a premium to intrinsic value.



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Engaging after stock disappointments

During 2025, we had some stock-specific issues in holdings that we had held for a long period of time. Their management had previously had a strong track record of meeting and beating expectations, resulting in historically strong share price performance. In each case, we engaged with the company after each announcement, often several times. It was a reminder that it can be difficult for outsiders, including industry experts and investment professionals, to make an accurate assessment of the culture inside a business.

Given these disappointments, we re-evaluated relevant parts of our investment process to ensure that we remain sufficiently independent and objective throughout the investment period. This is particularly critical given that the headwinds faced by companies have intensified over the past few years. Our investment process already had procedural steps built in to mitigate potential for behavioural bias. These have now been tightened further with a formalised 'amber flag' system, particularly to ensure vigilance against individually explainable issues accumulating over time. These can be financial elements such as drift in a company's key performance indicators or non-financial considerations, such as senior management change.

Fiserv Exit

We held Fiserv in the portfolio for over 10 years, during which time it had strong operational performance and provided attractive share price returns. During 2025, however, the company announced a material cut to its revenue and profit guidance for 2025 and 2026 following the appointment of a new CEO. The changes in guidance reflected the assessment of the new CEO that there were issues with the company's financial forecasting and that the company would benefit from a change in culture towards greater transparency and a shift in focus away from meeting short-term targets towards longer-term strategic thinking. As part of this process, he also implemented significant leadership changes. Fiserv remains a profitable business, but it requires a period of investment and changes to corporate culture can be challenging and take time. With the level and visibility of future growth reduced, we sold the position in November 2025.

Synopsys Exit

We sold our shares in Synopsys because we had growing concerns about its execution, leadership and governance in an increasingly challenging environment. Following other disappointments, which led us to enhance some areas of our investment process, we were quick to respond to evidence of a series of 'amber flags' at Synopsys and take action.

Our concerns were accentuated by the company's acquisition of Ansys, which adds to demands on management and increases balance sheet constraints. Having previously trimmed the position, we sold out completely when the company failed to provide adequate explanations for poor performance in one of its divisions and the departure of two senior executives. Taken together, these factors reduced our confidence in the company's ability to deliver predictable growth over the short to medium term.

We remain positive on the electronic design automation sector and continue to hold Cadence in this space. Cadence offers access to the same market growth potential but, in our view, with a lower risk profile.

Re-assessing corporate governance in China

Over the year, we investigated how corporate governance issues are developing in China as part of our consideration of the risks and opportunities of investing in the country. A recent visit to China by members of our team underscored China's rapid technological advancement, particularly in automotive, robotics and AI. This bears significance for Western companies as well as potentially providing interesting new opportunities to invest directly. We therefore engaged in discussions with the Asian Corporate Governance Association (ACGA) and Asia analysts from our broker firms. We identified several continuing challenges, including the level of state oversight, the role of the board, shareholder access and complex ownership structures. We concluded that any future work must be highly tailored to individual companies. In particular, it should focus on ensuring that management will act in the interests of minority shareholders, that the company's strategy is positively aligned with China's stated objectives such as the Five-Year plan and that conflicts arising from CEO or founder-related party transactions are likely to be avoided.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Fixed income

We have a relatively short time horizon for fixed income investments with over 70% of our holdings having a maturity of under 5 years. We invest entirely in developed market sovereign debt or high-quality corporate bonds. Accordingly, we have fewer stewardship-related issues that would trigger outright sales.

In 2025, we re-assessed US AI-related debt in the light of increasing data centre capex spend and its effect on free cash flow generation. Current cash flows across the sector will not be enough to fund the capacity buildout and companies are relying more heavily on debt. For example, Oracle now has a negative free cash flow and has been placed on negative watch by credit rating agencies. Meta uses off-balance sheet financing structures to preserve its headline credit metrics and thereby take on more debt for AI-related capex. We do not hold debt issued by these companies and we carry out regular screening to ensure that debt we hold continues to meet our risk profile. Our equity holdings in **Alphabet** and **Microsoft**, and our equity and bond holdings in **Amazon** continue to meet our criteria in terms of net debt to EBITDA and other core balance sheet metrics.

Gold

At the beginning of 2025 we reassessed our gold position and decided to increase our exposure, where appropriate for portfolios, which is implemented primarily through the WisdomTree Core Physical Gold ETC. The decision to increase our gold exposure was driven by a combination of factors, including ongoing geopolitical uncertainty, expectations of falling yields, central banks' growing preference for gold over US dollars and significant movements of physical gold into the US in anticipation of potential tariffs.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

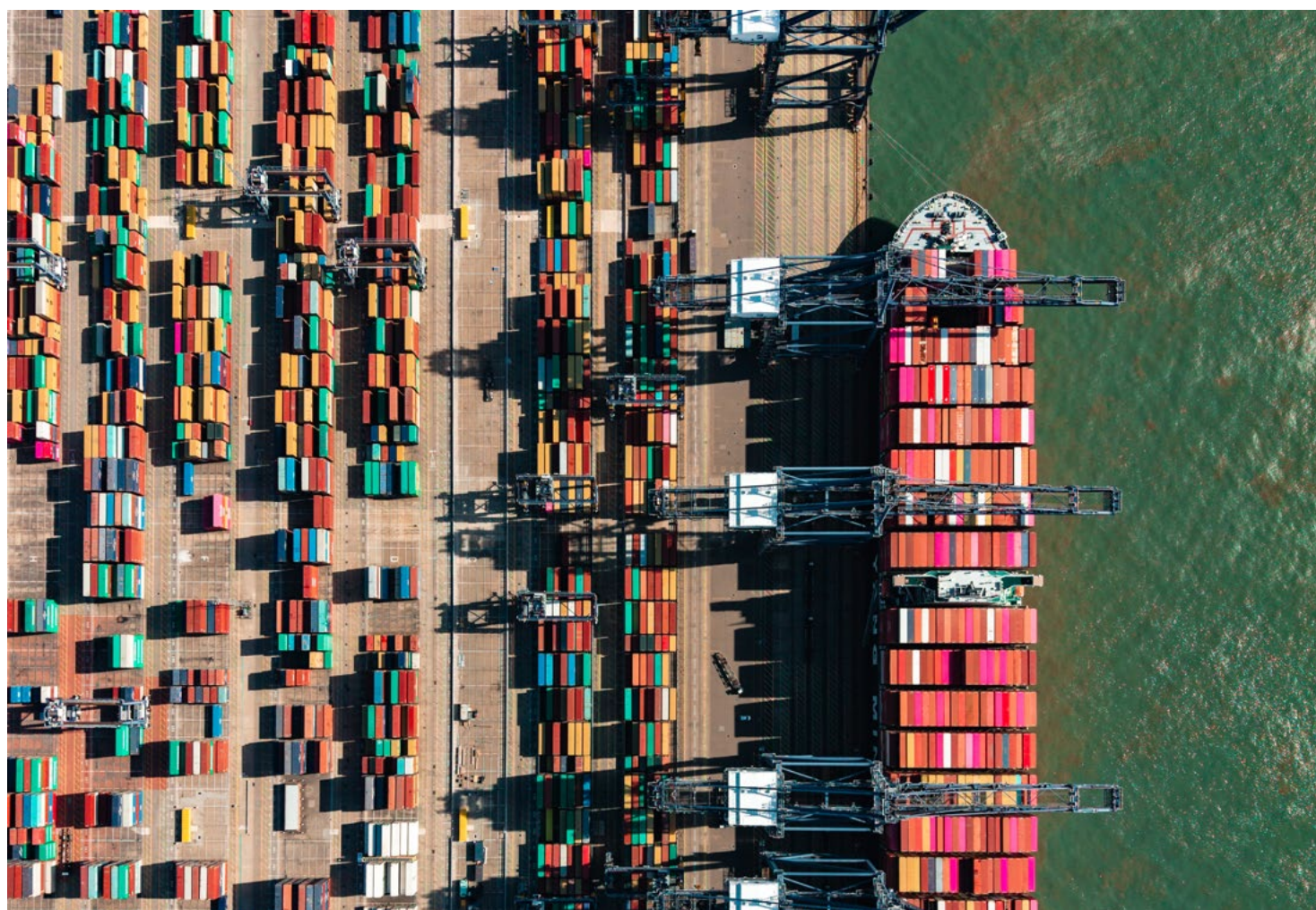
Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management



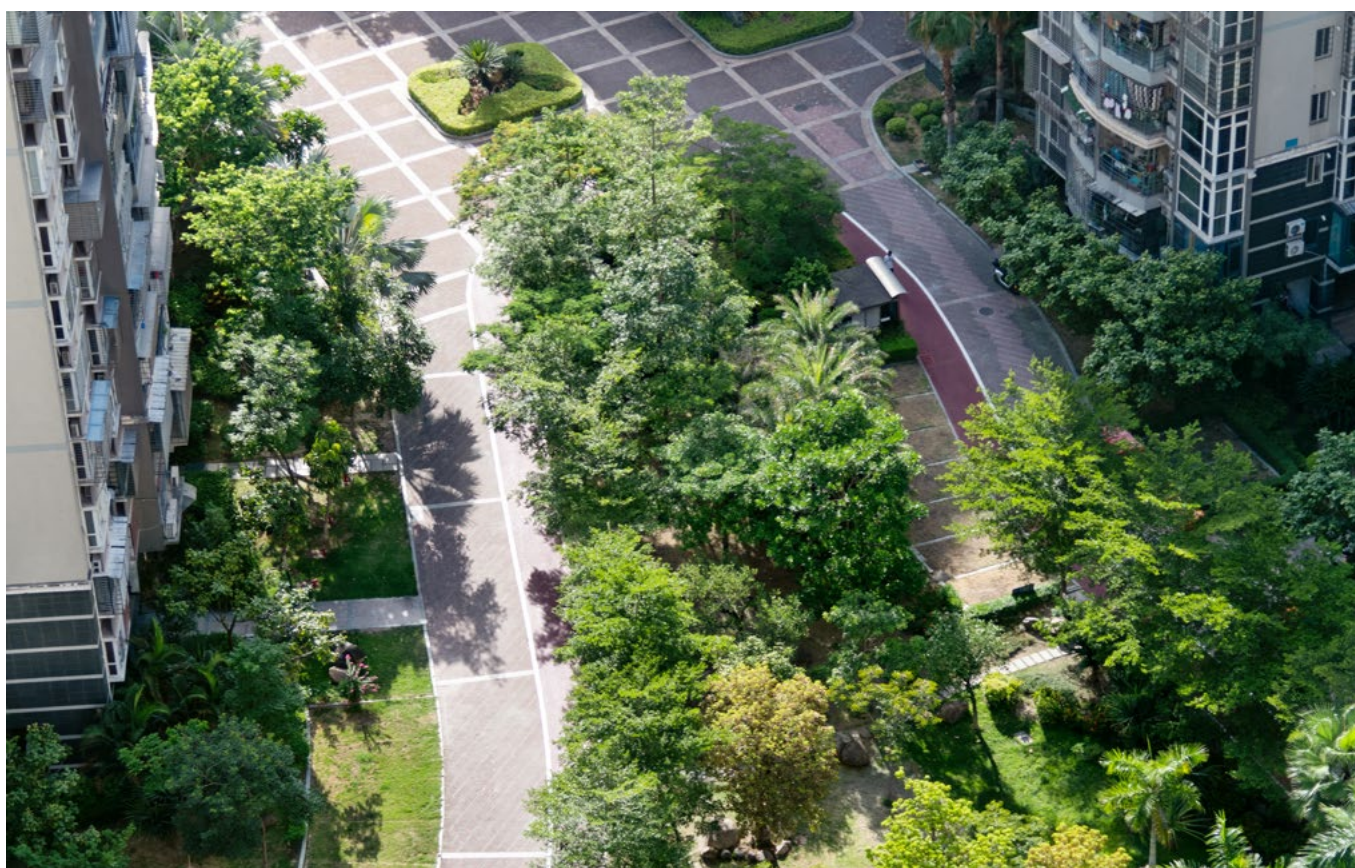
Promoting well-functioning markets

Risk management is inherent in everything that we do. While we identify and analyse the individual risks that impact each company, we also understand that many risks are systemic and apply across all companies. The market-wide and systemic risks we focused on in 2025 were:

- Geopolitical issues, especially the implications of trade tensions and tariffs under the new US administration.
- Macroeconomic risks, such as sovereign debt levels and the outlook for interest rates.
- The disruptive effects of new technology, such as the rapid emergence and use of generative AI and increasing cybersecurity risks.
- Climate change, in terms of transition risks and physical climate risks such as the increased likelihood of extreme weather events.

Each member of our investment team is responsible for identifying market-wide and systemic risks. Risks are discussed at our daily investment team meetings and at our longer weekly investment meetings. All members of the team are encouraged to share their views, and specialist analysts are drawn on for areas of expertise.

Over 2025, we have followed the various tariff and trade restriction announcements closely, as well as considering changing trade patterns across the world and the resulting pricing volatility and impact on supply chains of our companies. We have also been monitoring consumer trends across different socioeconomic groups after a period of high inflation. We continue to monitor demographic changes (due to both ageing populations and changes to immigration policies) and the impact on labour forces, resulting in an increased need for more automation and better and more affordable healthcare. Our technology specialists have highlighted risks relating to data centre capital expenditure, artificial intelligence and the technology race between the US and China. One of our sustainability specialists presented real-world examples of material financial risks stemming from environmental, social and governance factors. Another of our investment analysts focuses on risks associated with our fixed income holdings, such as interest rates, currency and credit ratings, and provides regular macroeconomic updates.



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Some risks, such as human rights issues and extreme heat, are more relevant in emerging markets and therefore have less direct impact on our portfolio, which is currently invested exclusively in developed market securities. However, we are mindful of how these risks could affect our companies' supply chains.

Industry groups enable us to work collaboratively with other investors to address systemic issues and risks such as emerging regulation in the UK and Europe, changes to reporting requirements in the US, nature-loss, water scarcity and human rights issues.

We are members of relevant industry groups that can broaden our knowledge of developing environmental and social risks and how to address them.

- **Net Zero Asset Managers initiative (NZAM)**

NZAM has reviewed its approach over the past year with a relaunch of commitments and expectations to be published in 2026. While this reflects the difficulties some asset managers have faced in pursuing net zero targets in specific jurisdictions, the initiative still has a vital role to play in addressing the systemic risks related to climate change at an industry-wide level.

This year we engaged with NZAM as part of their review process to ensure that asset managers will continue to make firm commitments to reducing portfolio emissions while meeting their fiduciary duties.

- **Advance**

Advance is a PRI-led collaborative initiative aiming to help investors enhance risk-adjusted returns by engaging with companies to protect human rights. As an endorser, we publicly signal our support for the objectives and strategy of Advance. Our participation is currently limited as the initiative is focusing on companies in the metals & mining and renewables sectors, where we do not hold investments.

The initiative also supports engagement with policymakers on human rights issues.

- **Ceres Valuing Water Finance Initiative**

The Ceres Valuing Water Finance Initiative is a global, investor-led effort to engage companies with large water footprints to value and act on water as a financial risk and make the necessary changes to protect freshwater resources and build business resiliency. Water scarcity and quality is a systemic risk for the planet. By engaging with some of the largest corporate consumers of water, we aim to improve management and efficiency of water use. See [Microsoft](#) case study on [page 26](#).

- **Technology, Mental Health and Wellbeing initiative**

The Technology, Mental Health and Wellbeing initiative is a forum on the PRI's collaboration platform that enables like-minded investors to work together and support initiatives. The initiative aims to ensure that companies in the media, internet and gaming sectors are monitoring these impacts and sharing best practice. As part of this initiative, we joined an investor group to engage with [Alphabet](#) in late 2025 and expect to report on developments next year.

- **Nature Action 100 (NA100)**

In 2025 we decided to leave Nation Action 100 (NA100), which we joined in 2023. We remain supportive of the initiative's overall aim of encouraging greater corporate ambition and action on tackling nature and biodiversity loss. However, the publication of their new company benchmark prompted us to review our involvement. The benchmark is highly comprehensive, with 50 stringently assessed underlying metrics. These can provide a good blueprint for companies to refer to, but NA100's scoring method is at odds with our focus on issues that are relevant and material to specific companies and industries. By applying a 'one size fits all' approach, the NA100 metrics do not allow for the wide range of activities undertaken by companies in different sectors. In addition, many companies are still at an early stage in assessing how to measure and report their dependencies and interaction with nature. We believe that the NA100 benchmarking, in its current form, is likely to discourage companies from participating. We detailed our rationale in a letter to NA100 and followed up with a meeting to discuss our concerns.

We remain members of the TNFD forum to further our knowledge of nature issues going forwards, and continue to engage with companies where we see nature as a material risk or opportunity.

- **Industry bodies**

We engage in industry networks through bodies such as the IA and PIMFA, and engage with regulators in conjunction with them. This is the main avenue we use when engaging on public policy, where we focus on UK financial regulation, including where this relates to stewardship. We also attend other networking events and roundtables for investors engaged in stewardship hosted by Glass Lewis, Arkadiko and Virtuvest among others.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

October 2024

We joined CERES' investor group working to engage with Microsoft on their water strategy.

December 2024

The investor group met to discuss its initial outreach letter, which noted Microsoft's target for being water positive by 2030 alongside our concerns about water withdrawal rates and water quality in Microsoft's supply chain.

March 2025

The investor group met Microsoft's chief sustainability officer, water lead and ESG engagement director to discuss areas where Microsoft trails its peers under the CERES methodology. The main focus was on Microsoft's disclosure of water usage and replenishment in its operations, as well as insights from its suppliers. Microsoft stated that they expect to achieve a 40% increase in water use efficiency by changing AI data centre design. The company is also conducting replenishment efforts in water-stressed basins to ensure sustainability as new data centre capacity is built.

While Microsoft is actively managing its direct operations and enforcing its supplier code of conduct, there is limited engagement with suppliers on water data collection and risk analysis, which remains a weakness in Microsoft's current disclosures.

July 2025

The group held a follow-up call with Microsoft's water lead and ESG engagement director following the release of the company's 2025 environmental report, which included details of the following initiatives:

- Microsoft have cumulatively contracted around 100 million m³ of water replenishment projects from FY22 to FY24.
- This contrasts with their FY24 water consumption of 5 million m³. They are funding a lot more volume than they need to help with scaling.
- The replenishment projects are always in the same locations as their data centres and relate to the water sources that Microsoft draws from.
- The projects are audited by a third party to confirm contracted volumes and on an ad-hoc basis once projects are established.
- Microsoft's supply chain programme for water is not as advanced as its competitors'. They collect water data from some suppliers but do not have a robust programme for assessing water risk in their supply chain.

We continue to work as part of this collaborative engagement to push for further disclosure on suppliers' exposure to potentially material water risks.

As part of the CERES Valuing Water Finance Initiative, we co-signed letters to **Alphabet, Amazon, Kerry** and **Microsoft** and the issuers of some of our larger bond holdings (**Apple, Diageo, LVMH, Nestle, PepsiCo** and **Unilever**) to encourage companies to build on their assessment of water risks and disclosure.

Where appropriate, we speak to company management about market-wide risks to gain a better understanding of their perspective and how they approach these. In some cases, this leads us to encourage additional work where we believe the company could do more to reduce their risk exposure. During a meeting with **Broadridge Financial Solutions** we asked why only 1% of the company's electricity usage is provided by renewables. They explained that this is due to political uncertainty in the US around the future of incentives and subsidies for renewables, and noted that they are conducting a cost-benefit analysis to identify where they could install or purchase renewable energy. We will follow up with the company on the results of this analysis.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Regulatory uncertainty was a key theme affecting the market in 2025 and Broadridge Financial Solutions' concerns about the future of incentives and subsidies are valid. In 2025 the US formally withdrew from the Paris Agreement and paused the SEC's climate disclosure mandate. However, we continue to engage on the subject of renewables, noting that some companies in our portfolio, such as **Align Technology** (now sold) and **Avery Dennison**, have reported cost savings from the installation of renewable energy.

As mentioned earlier, we recognise the shifting regulatory landscape, especially when it comes to ESG-related matters. These shifts make it increasingly difficult for companies to keep pace with legal requirements, particularly if they operate across multiple jurisdictions. We nonetheless expect companies to make strategic decisions to promote long-term value creation and resilience and align these with their environmental and social goals.

Thermo Fisher Scientific: Move away from CSR reports



December 2025

In a governance outreach call, we enquired why the company had stopped publishing an annual CSR report. We were informed that it has been replaced by an interactive website to allow a more dynamic approach to data sharing. Whilst the CSR discussion is shorter on this site, reflecting shifting US regulatory requirements, we were encouraged to see that comprehensive data tables with time series information continue to be published.

We also speak to external analysts and experts to better understand current systemic risks. Over the year, we held meetings on AI, cybersecurity, China and, as discussed above, the US regulatory environment. While not all these meetings are directly applicable to the equities within our universe, learnings can be applied from across the market, as in the following example.

Marks & Spencer (not held): Cybersecurity



Following the cyberattack on Marks & Spencer, we attended a call with a cybersecurity consultant to increase our knowledge and apply learnings to portfolio holdings where applicable.

External threat landscape

Ransomware as a service (RaaS) is where ransomware operators write software and affiliates pay to launch attacks with this software. The operator's business model is based on a revenue share of the ransom.

Ransomware actors have adapted their business models in response to increased competition. This has led to the formation of ransomware cartels, where groups collaborate to gain greater market share. In some cases where the target is critical national infrastructure, state actors work alongside them.

Cartelisation has triggered a 317% increase in ransomware variants since Q4 2024, with 62% being rebranded clones of established malware. This has resulted in a year-on-year surge in ransomware attacks.

There has also been a strategic shift towards high-volume harvesting of sensitive data for secondary monetisation alongside ransom income, leading to subsequent waves of fraudulent activity using the stolen data.

The meeting provided invaluable insights into the proliferation of cyberattack tools and how easy they are to use. This has helped hone the questions we ask companies about their cybersecurity management. Some sectors are at greater risk than others, but none is immune.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Voting and engagement

We have chosen to report our voting and engagement activities concurrently because our investment approach means the two activities are intrinsically linked. We regard shareholder voting as an important means of communicating with companies and not an isolated act. In each case where we vote against management, we write to the company to explain our decision and encourage dialogue. This often yields further opportunities to engage with the company. Equally, while some of our engagement is for information only, in cases where we engage for change we may reflect this in our voting decisions.

Voting

We vote across all our core equity holdings, where possible within administrative constraints and regulatory requirements. Our investment analysts are responsible for reaching voting decisions through a combination of our voting guidelines, our own analysis, experience and dialogue with the companies concerned.

In 2025, we voted on 485 proposals at 29 annual general meetings (AGMs) across 5 different countries. This meant we voted at 29 of our 31 core holdings held in client portfolios at the time of the AGM. None of our core portfolio holdings held an extraordinary general meeting (EGM).

The two company AGMs that we did not vote at, despite holding shares at the time, relate to Roche and Broadridge Financial Solutions. In the case of Roche, we hold non-voting equity securities. For Broadridge Financial Solutions, we were unable to vote due to an administrative issue during our move to a new proxy voting provider. More information can be found on [page 40](#).

An overview of how we voted and the reasons for our votes against management and abstentions are included below. Our full voting record for 2025 is available in the [Appendices on page 43](#). Further information is available on request.

We aim to invest only in well-run companies with strong management teams and governance structures and therefore typically expect to vote with board recommendations. But as in previous years, in some cases we felt it necessary to vote against certain management proposals and in favour of some shareholder proposals (which means we voted against management). In 2025, we voted with management for 88% of total proposals, as shown in the [Chart 5](#).

Chart 5. Overall voting record for 2025

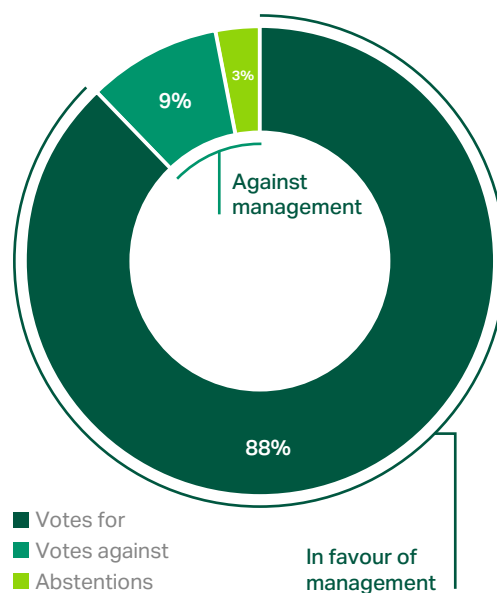
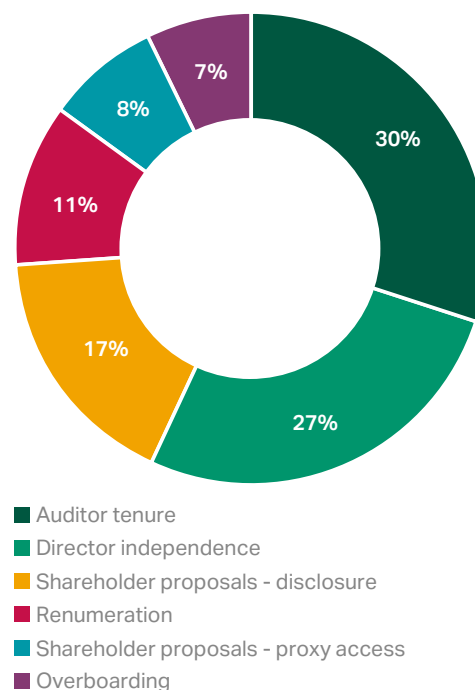


Chart 6. Breakdown of votes against management and abstentions for 2025 by theme



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

The majority of cases where we vote against management are related to director independence and auditor tenure. As described in the [Policies, processes and review](#) section of this report, under [Boards of directors](#) on page 10, we follow the European view on both of these issues but acknowledge that our US-based holdings are unlikely to change their views. As described below, we therefore engage on these issues to ensure we are comfortable with a company's oversight and management, even where they do not apply what we consider to be best practice.

Shareholder proposals

We voted in favour of 33% of shareholder proposals (i.e. against management) during 2025, a decline from 46% in 2024 and 2022's peak of 66%. This decline reflects that:

- The majority of our companies have improved their disclosures and most have set suitable environmental targets
- Some shareholder proposals appear politically motivated
- Some shareholder proposals are too onerous for management teams and/or the company already provides much of the information requested
- In some cases, the issues raised in proposals are not material to the company.

The following case studies are examples of us choosing to support the companies involved because they already provide significant disclosures in their reporting.

Microsoft: Report on AI human rights due diligence



We voted against a shareholder proposal at Microsoft asking for a "Report on the effectiveness of its human rights due diligence processes in preventing, identifying, and addressing customer misuse of AI". The company had already announced publication of its Human Rights Transparency Report and an executive summary of a new human rights impact assessment on generative AI. Having spoken with the company in 2024 to learn more about responsible AI in its supply chain and having read Microsoft's Responsible AI report, we believe the demands of this proposal are already on track to being met.

Alphabet and Amazon: AI data centres and climate change



We voted against a shareholder proposal at Alphabet asking for a "Report on Meeting 2030 Climate Goals". The proposal asked for disclosure with regards to how the company plans to meet its goals while building data centres. We believe Alphabet's annual ESG report comprehensively covers this point in relation to their data centre build-out and the steps being taken. As such additional disclosures would not provide new information.

Similarly we voted against a shareholder proposal at Amazon asking for a "Report on Impact of Data Centers on Climate Commitments" showing how the company will meet its 2040 net zero targets given the projected energy demand from AI and the data centres that Amazon intends to build. Amazon already discloses progress on its net zero targets and its innovations in data centre design and silicon, and makes regular announcements on clean energy procurement. We do not believe an additional report would add to this information.

We were able to engage directly with Amazon on the environmental impact of their data centre buildout during our meeting with the company's head of ESG engagement. She mentioned that their new data centre design allows them to deliver 12% more compute power without increasing footprint. Cooling system innovations have also achieved up to 46% energy savings. Meanwhile, the company undertook a comprehensive water risk assessment across all operations. The results of this have not been disclosed but the team described how learnings have informed their approach to areas of high water stress such as their locations in India, where water-based cooling is to be avoided.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management



In some cases, shareholder proposals provide an opportunity to request improved shareholder rights or disclosure on material issues. When we support a shareholder proposal, we will also engage with the company directly to explain why.

Alphabet, Amazon and Microsoft: Risks on sourcing data for AI model training

Supporting shareholder proposals and engagement for change



We supported shareholder proposals at Alphabet, Amazon and Microsoft AGMs calling for reports on the risks associated with the improper or unethical use of external data in the development of AI products. These proposals reflect growing legal concerns, given lawsuits initiated by content and intellectual property creators against hyperscalers and other AI model developers claiming that illegally obtained data was used to train generative AI models.

Amazon and Microsoft argue that they will be required to produce a similar report under the EU AI Act. However, the EU AI Act may be delayed, repealed or watered down – as has happened with other EU regulations. Given that both companies will have compiled report material in preparation for the EU AI Act, we believe that providing this to shareholders would be neither onerous nor costly.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Engagement

We aim to engage with the management of all our investee companies at least annually. We may also engage with companies we are researching or monitoring for potential inclusion in portfolios.

As outlined in the [Policies, processes and review](#) section of this report, under [Engagement policy](#) on page 12, we have several types of engagement:

- Engagement for information: where we do not have specific concerns but are interested to learn more about a company's thoughts and processes around a particular issue.
- Engagement for change: where we identify an area that, if addressed by a company, could improve long-term real returns and enhance the strength of its business.
- Letters to our portfolio companies: to inform a company of our decision to make an initial purchase or sell completely, where we have voted against management or want to raise an issue with them.

In 2025, we had 154 company meetings, of which 79 were 1:1 meetings. As well as meetings with executive management, which typically focus on long-term strategy, we also benefit from more targeted meetings. In 2025, 30% of our 1:1 company meetings focused on governance, social and environmental issues. This ensures our discussions are with the most relevant people, including board members or executives in specific areas, for issues such as board composition and independence, emissions and other environmental issues, supply chain management and employee wellbeing.

Our ratio of investment analysts to companies held means that we can prioritise engagement on an ongoing basis, targeting issues that are material for each company rather than focusing on a select number of engagement topics.

In addition, during 2025, we wrote 32 letters to our companies. These included:

- Introductory letters to the three companies we added to the portfolio: **Verisk Analytics**, **TSMC** and **RELX**.
- Exit letters to companies we sold with explanations of our decisions. These included **Fiserv**, **UnitedHealth Group**, **Adobe**, **Synopsys** and **Align Technology**.
- Letters explaining why we chose not to support management at AGMs.
- A letter to **Next's** management team to share our recommendations for increasing their disclosure on pay issues in their UK employee base, as part of our engagement on this issue (see [page 38](#)).

While some of our letters simply serve to inform a company of our position and rationale, many also lead to further engagement. This was the case with **Kerry** (case study on [page 34](#)), and assisted in a successful engagement for change with **Sonova**, where we had a positive outcome on disclosure for executive compensation in 2025 following our engagements and letter in 2024.



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

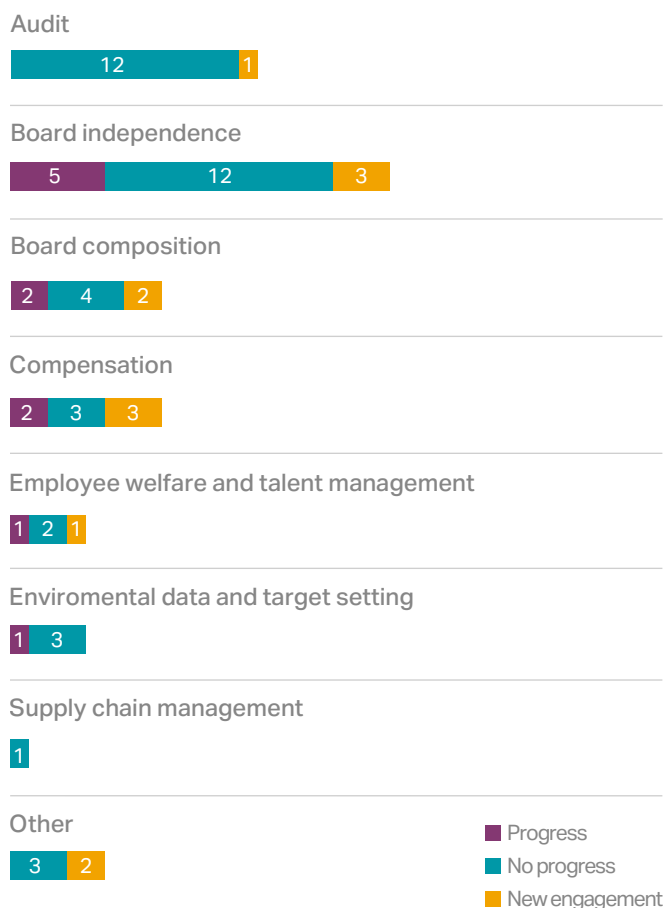
Appendices

Voting summary

Voting outcomes for our votes against management

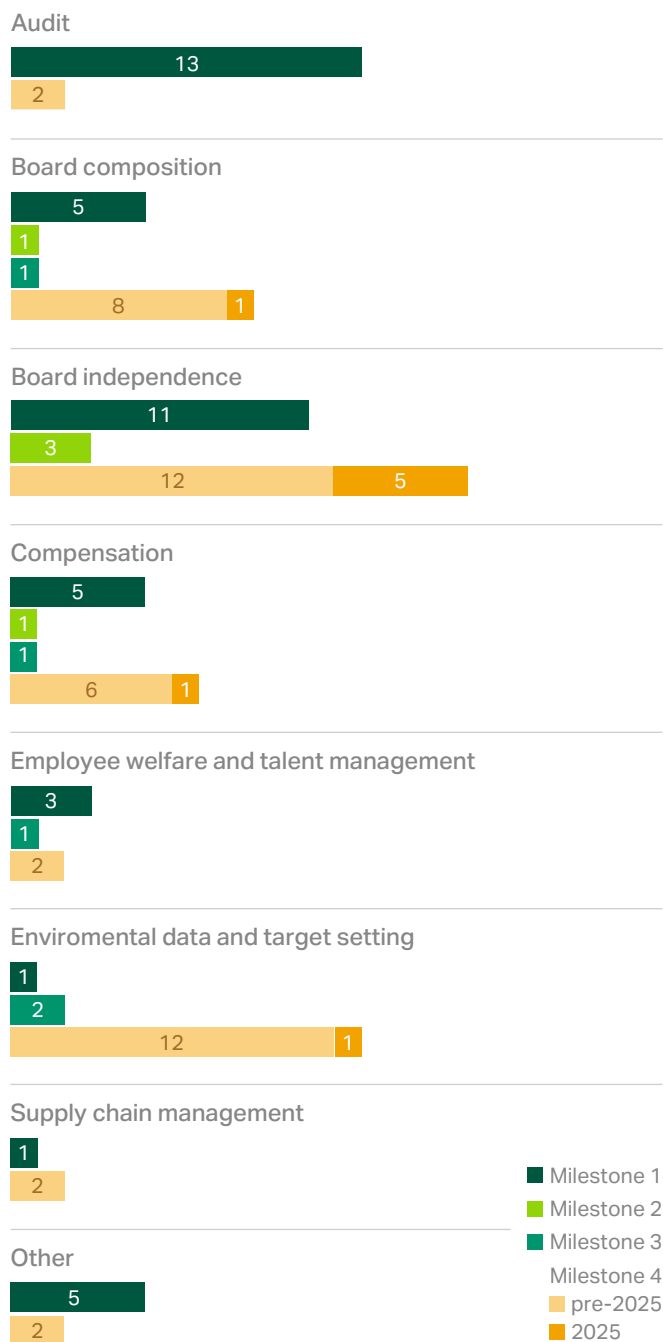
Chart 7 shows, by engagement topic, engagements that progressed at least one milestone over the year, versus those that were new or where there was no change. Chart 8 shows a snapshot of our total current engagements for change, split by issue and milestone. All charts are as at 31 December 2025.

Chart 7. Progress by engagement topic



Most of our progress over the year was in improvements to board independence and composition. Helped by the passage of time and companies recognising the need for new skills, we saw committee chair and lead independent director positions rotate to truly independent directors at **Avery Dennison**, **Intuit** and **Intuitive Surgical**. In contrast, we saw no changes to views on audit tenure by many of our US company holdings over the year and we continue to encourage these companies to consider putting the audit contract to tender to ensure no conflicts of interest, best practice and cost effectiveness. As part of our engagement efforts to ensure sufficient oversight and challenge, we were pleased to hear that the new chair of the audit committee at **Avery Dennison** has introduced regular sessions with the CFO, head of audit and the auditor, as well as advocating for more in-person meetings.

Chart 8. Snapshot of engagements for change by engagement topic and milestone



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Chart 9. Cumulative engagement for change progress over time

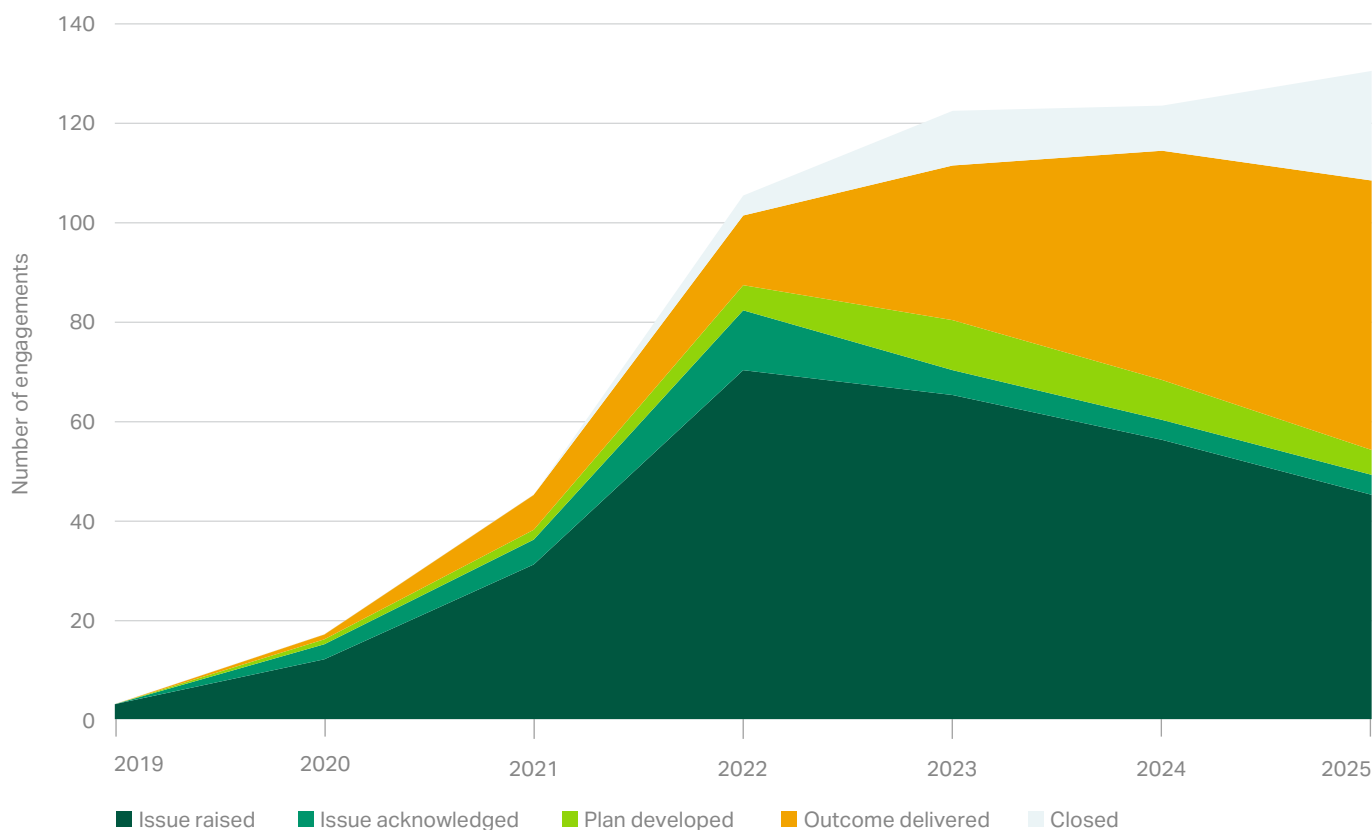
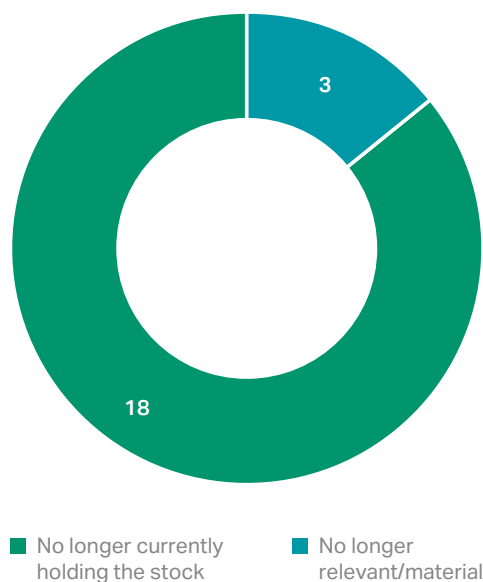


Chart 10. Rationale for closed engagements in 2025



Our cumulative progress to the end of 2025 is shown in [Chart 9](#). Our closed positions denote companies we exited during an engagement, or topics we have chosen to no longer engage on because we no longer believe the topic is material for that company. [Chart 10](#) shows that the majority of the closed engagements were due to our no longer holding the relevant companies in the portfolio. We also closed three engagements on executive compensation due to changes in our rationale regarding executive compensation.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Voting and engagement case studies

Many of our engagements for change are linked to our voting and we have given examples together where this is the case. Several engagements for change occur over periods of over a year and some of the examples below reflect this in their timelines.


Executive compensation

Executive compensation has been a particular focus of our engagement work over the past year. It is important that executives are compensated in a fair and appropriate way that motivates management over the long term. More information about our requirements for remuneration can be found in the [Policies, processes and review](#) section of this report, under [Remuneration](#) on page 11.



As well as providing insights that are relevant to a company's investment case, engagement for information also shapes our understanding of issues and may influence us to reassess the positions we take on specific topics.

Kerry: Executive compensation	
Engagement for information	
<p>Although we voted for Kerry's executive compensation plan as, overall, we believed it was reasonable, we wrote to the company afterwards requesting further information about how they set the plan's key performance indicators (KPIs). In particular, we noted that the volume growth required by the compensation plan was less demanding than Kerry's market guidance.</p> <p>Our letter resulted in a meeting where we learned that this was due to a one-off timing mismatch between compensation and financial guidance. Kerry assured us that there should be a higher correlation between compensation plan requirements and market guidance in future. We are pleased to note that their new plan (published in 2026) has rectified this issue.</p>	

Amazon: Executive compensation	
Engagement for change – closed	
<p>In a change from previous years, we voted for Amazon's executive compensation plan. Amazon's pay for its executives is based on infrequent, large awards of restricted stock units that vest over a period of 6-10 years.</p> <p>We previously voted against Amazon's compensation plans because the absence of performance metrics meant there were no hurdles for executives to achieve before receiving their full bonuses. However, following an engagement meeting with the company and a review of academic literature on this issue, we have changed our position. We believe that a long vesting period (we would expect this to be at least five years) means that the award is highly aligned with the interests of long-term shareholders, and therefore doesn't need additional performance measures.</p>	

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead


Appendices


Voting summary

Voting outcomes for our votes against management



In 2025, two of our companies changed their executive compensation plans to structures that no longer meet our standard of best practice. In both cases, we have shared our concerns with the companies and will continue to monitor going forwards.

<p>Thermo Fisher Scientific: Executive compensation</p> <p>Vote against management and engagement for change</p>	
<p>We voted against the Thermo Fisher Scientific executive compensation plan which, in a highly unusual rejection of US corporate pay, received only 35.6% support from shareholders. It should be noted, however, that the vote is merely advisory and is retrospective. This majority vote against reflected excessive compensation being awarded at a time of disappointing shareholder returns and operational performance. We also noted that the requirements for high awards were based on lower guidance than that given to investors as short-term targets.</p> <p>December 2025</p> <p>We discussed future changes to executive remuneration with Thermo Fisher Scientific’s corporate secretary. We learned that there will be no changes to the remuneration policy at the 2026 AGM, as the executive compensation for 2025 was set prior to last year’s vote. However, in recognition of the low shareholder support for the compensation plan, there will be changes after the 2026 AGM for the 2027 compensation plan.</p> <p>We will monitor the company’s compensation plan and continue the dialogue to encourage stronger alignment with shareholders.</p>	

<p>London Stock Exchange Group (LSEG): Executive compensation</p> <p>Vote abstention and engagement for change</p>	
<p>June 2025</p> <p>We wrote to the chair of LSEG after abstaining on their remuneration report vote. We had previously supported the company’s approach to executive compensation after participating in a shareholder outreach meeting with the remuneration committee chair in 2024. Our concerns this year focused on two points:</p> <ol style="list-style-type: none"> 1. We had reservations about the remuneration plan changing mid-cycle following the shareholder consultation in 2024. We would have preferred to see the previously agreed structure run its course before further adjustments were made. 2. The total shareholder return element of the long-term incentive plan was amended to permit 50% vesting for median performance against the global peer group, up from the previous 25%. This more generous structure may align with market practice, but it comes on top of adjusted EPS targets which we do not consider particularly stretching and which fall below current market expectations of LSEG. <p>We intend to engage further and potentially escalate our vote if we continue to have concerns over remuneration at LSEG.</p>	

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead


Appendices

Voting summary

Voting outcomes for our votes against management

Cybersecurity


High-profile cybersecurity incidents such as ransomware attacks on JLR and Marks & Spencer (neither held) have highlighted the vulnerability of legacy IT infrastructure and third-party supply chains. We held meetings specifically to discuss cybersecurity with **Experian** and **Intuit**, and also raised this topic in other company meetings.

Experian and Intuit: Cybersecurity	
Engagement for information	
<p>We met with the chief information and security officer (CISO) at Experian. We wanted to evaluate why the company did not have specific cybersecurity expertise represented at board level, given its materiality to the business. This was an insightful meeting from an experienced CISO. She explained that she reports directly to the CFO, not the CTO, and that this structure ensures independence. She also highlighted that she finds Experian's board to be engaged and technically probing. Many of the board members have been senior executives in financial companies, and therefore have a strong understanding of cyber risks and ask challenging questions based on their experience. We were reassured by the company's approach to cybersecurity and the board's ability to provide effective challenge.</p> <p>Our conversation with Intuit also reassured us. They have a strong board from a cybersecurity expertise perspective (former CIO of Amazon, CEO of Zoom) and they receive regular external training on cybersecurity. Cybersecurity is a 'priority zero' which means that it is always funded and this funding increases annually. Intuit's CISO reports to both the senior leadership team and the audit committee on a quarterly basis, and the full board continuously reviews metrics such as incident response times and resolution timelines.</p>	

De-emphasis of diversity, equity and inclusion ambitions and climate initiatives for several US companies

In recent years (particularly in the US) there has been notable political and societal resistance to DEI measures and environmental targets and initiatives. In response, high-profile companies including **Alphabet**, **Accenture**, Meta and Target significantly restructured their internal diversity

programmes, often rebranding them as 'business as usual' human resources issues. Companies that retained their stance on increasing diversity (including **Mastercard** and **Experian**) have had to explain why this is of financial benefit.

Mastercard: Retaining DEI targets	
Engagement for information	
<p>June 2025</p> <p>Mastercard received a shareholder proposal for their 2025 AGM requesting a report on discrimination risks of affirmative action initiatives. In a meeting with the corporate secretary and the general counsel of the Americas, we enquired about how the company ensures the legality of their DEI targets, particularly in light of new executive orders put in place to discourage DEI programmes. This was especially relevant given Mastercard's potential exposure to federal contracts through their Value Added Services division.</p> <p>The company responded with three main points:</p> <ul style="list-style-type: none"> • Mastercard had not received any pushback on their DEI targets in relation to federal contracts. • The company embeds financial inclusion into their strategy because it is good for business. Mastercard frames all ESG factors within the context of what is good for the business, so their current principles are likely to remain unchanged. • There is a robust risk oversight structure, with an executive risk committee and a board-level independent risk committee that sits under the audit committee. They have appointed a chief risk officer who is responsible for monitoring policy and governance risks and is cognisant of the people strategy. 	

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers


Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

The de-emphasis of DEI and climate initiatives was equally a concern for **Tractor Supply**, as we reported in last year's Stewardship Code Report. We have continued to engage with the company on their progress following a negative social media campaign targeting the company's DEI and environmental initiatives in 2024.

Tractor Supply: De-emphasis of DEI and carbon initiatives	
Engagement for information moving to engagement for change	
September 2024	
<p>Tractor Supply chose to de-emphasise its diversity and carbon emissions reduction initiatives following social media criticism in 2024. We met with the CEO, CFO and investor relations team to discuss what these changes would mean in practice. They clarified that they would henceforth focus on ESG risks and opportunities relevant to financial performance. Operationally, there was minimal change and the company still planned to release revised carbon targets and pursue SBTi validation. However, they did decide to drop their DEI targets.</p>	
May 2025	
<p>Tractor Supply published its 2025 stewardship report. The CEO's letter to shareholders stated, "Over the past year, we continued our focus on reducing energy expense and lessening our environmental footprint." This statement echoed his sentiments shared with us in September 2024.</p>	
September 2025	
<p>We met with company leadership to discuss rising insurance premiums in the US due to extreme weather events and the potential effect on margins. The CFO reassured us that, although this is a macro-level issue, most Tractor Supply stores are deliberately located in areas with low climate risk.</p>	
<p>We also asked whether dropping their DEI targets had affected the business. The team noted that staff engagement was at an all-time high. The company had also reported a significant reduction of 8% in voluntary attrition. Tractor Supply links pay to productivity and believes that this structure has contributed to the record productivity levels at their distribution centres. We were reassured that the public step-back from their DEI targets does not appear to have had an adverse impact on employee engagement.</p>	
February 2026	
<p>Despite previous assurances, Tractor Supply revealed in their annual report that they had chosen not to adopt climate targets aligned with the SBTi. We are disappointed by this shift from the narrative communicated over the past two years. We intend to re-engage with the company during 2026 to better understand this decision and encourage management to reconsider.</p>	

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead


Appendices

Voting summary

Voting outcomes for our votes against management

Human capital: Employee welfare and retention

The following example from Next shows steps towards a more positive outcome in responding to some shareholder concerns about workforce disclosures.

Next: Wage disclosures	
Voting decision and engagement for change	
January 2025	
ShareAction put forward a shareholder resolution for Next's AGM asking for further workforce disclosures, with specific reference to the real living wage.	
January 2025	
We spoke to the chair of Next to get his perspective on the shareholder resolution and learn more about Next's workforce and pay practices. He made three key points:	
<ol style="list-style-type: none">1. The staff at Next value the flexibility in their roles and most of the staff are the second or third wage earners in their families. There are 30 applicants per open position.2. Pay is managed with the same approach as the rest of the business; every decision must have a financial underpinning.3. Lower rents have been subsidising wage increases. With little further room to go on rent renewals, further wage increases will result in store closures.	
We wanted to know more about why Next does not disclose workforce data such as voluntary attrition, which could indicate overall staff satisfaction levels. We agreed to speak again with the chair and corporate secretary once they had made their official response to the shareholder resolution. Milestone 1	
April 2025	
We met with Next's CEO as part of a group meeting. We asked for his opinion on the real living wage and the shareholder resolution. He reiterated the three points given above.	
May 2025	
We had a final meeting with Next before their AGM. At this meeting they committed to making additional workforce disclosures in their next annual report. Given these commitments, we decided to support management by voting against the shareholder resolution. Milestone 2	
May 2025	
We wrote a letter to Next ahead of their AGM detailing our recommendations for further workforce disclosures, including items like workforce breakdown and voluntary attrition numbers. We also asked that Next formally commit to additional disclosures ahead of the AGM, which they did. Milestone 3	
December 2025	
We met with the new corporate secretary, who detailed the workforce disclosures Next will be making in their next annual report. All but one of our recommendations will be incorporated. The final item, a cost/benefit analysis of raising the wages of the lowest paid workers will not be included, but this remains a subject of discussion. We will continue to monitor the level of disclosures and remain committed to working with the company to address this important issue.	

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers


Looking ahead

Appendices

Voting summary


Voting outcomes for our votes against management

Human capital, and specifically health and safety of workers, was also discussed during our meeting with Amazon.

Amazon: Health and safety	
Engagement for information	
<p>Following a report from the US Senate in 2024 in which it was alleged that Amazon had ignored worker safety, we met with Amazon's head of ESG engagement to discuss the company's health and safety record in its warehouses. Amazon have disclosed significant reductions in injury rates over the past five years, a trend that continues to follow year on year. The company has invested in health and safety improvements, by deploying over 750,000 robots that are intended to reduce physical risk for workers, particularly for physically demanding or repetitive tasks. Robotic fulfilment centres have so far been shown to have 18% lower injury rates. We continue to monitor employee welfare at Amazon.</p>	

Director independence

Director independence continues to represent the largest number of our engagements for change. While progress has been made with some of our companies, there are still many where we find long-tenured (and therefore not truly independent) directors holding leadership positions on the board.

Thermo Fisher Scientific: Director independence	
Engagement for change	
<p>We met with Thermo Fisher Scientific's corporate secretary to reiterate our concerns about the lead independent director (LID), who has a tenure of 18 years and whose appointment we continue to vote against in their AGMs. Thermo Fisher Scientific has a combined CEO and chair, so it is important that they have a truly independent LID to liaise between the chair and independent directors and provide a key contact for shareholders and wider stakeholders.</p> <p>Thermo Fisher Scientific's position is that the long tenure of their LID ensures that they are informed, more comfortable in the boardroom and more likely to speak up if they have concerns about how the board is operating. We understand the company's stance but maintain that a long-tenured LID can no longer be considered independent and may be less likely to challenge decisions that they contributed to in previous years.</p>	

Responses from our companies

We are always pleased to receive feedback from our companies on our approach to engagement. We view engagement as a partnership and encourage an open, two-way dialogue that can foster positive changes.

In an engagement meeting with the corporate secretary, chief legal officer and head of investor relations at **Broadridge Financial Solutions**, they noted that Navera Investment Management is one of their top ten active shareholders. We had been clear when we first became shareholders that we would act as long-term partners, and they said that this has been their experience.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Monitoring service providers

The providers that we use and how they fit into our process is discussed in the [Policies, processes and review](#) section of this report, under [Resources](#) on page 8.

We use third-party information, data, services and ratings purely to supplement our analysts' direct research and judgement, and never in isolation. The third-party providers we use in our investment research and stewardship process are:

- Sustainalytics
- Morningstar
- CDP
- ISS/Glass Lewis
- Investment brokers
- UBS HOLT

We continually evaluate our providers and assess new ones on an ongoing basis, with a focus on quality and accuracy of information, its timeliness and its relevance to our investment process. Assessment of stewardship or ESG-specific providers is carried out by our Stewardship Working Group. If issues with our current providers are identified, such as inaccurate information, we contact the provider directly to raise our concerns and find a solution.

Where necessary, issues relating to data providers are escalated to our Investment Governance Committee. If issues are not addressed in a timely manner, we may seek an alternative data provider.

Moving proxy voting advisers

Having worked with ISS since 2018, we reviewed our options for proxy voting administration and analysis. This was initiated by our stewardship specialists, with input from our other investment analysts. We found that for our approach to investment and stewardship, Glass Lewis provided more information that could better assist our decision-making. The decision to switch provider was approved by our Stewardship Working Group and the Investment Governance Committee.

Overall, the change of provider went smoothly. However, we were unable to vote at the [Broadridge Financial Solutions 2025 AGM](#) due to the record date falling during the switchover, resulting in our shareholding information being received by ISS instead of the Glass Lewis platform. As the record date fell earlier than in previous years, we were unaware of this timing issue and have since taken steps to prevent similar occurrences. We sent a letter to Broadridge Financial Solutions to detail our thoughts on the AGM.

Monitoring our proxy voting process

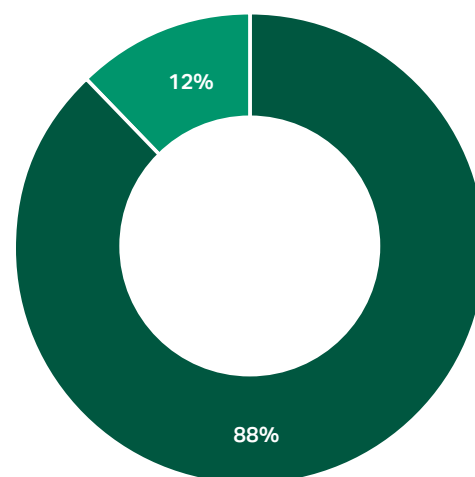
Our voting decisions are submitted through two main platforms. For clients with UK and Guernsey-based custody, voting is submitted via our custodian (SEI Investments Ltd). After each vote has been submitted, the custodian confirms that our votes have been processed correctly.

For clients with custody at Pictet and Cie, and for our fund holdings, voting decisions are submitted through the ISS/ Glass Lewis online voting platform. After each vote is submitted, we receive a vote confirmation report to verify our votes have been submitted successfully.

If we were to identify issues with either platform, we would speak with our relationship managers to resolve the issue and prevent future occurrences.

[Chart 11](#) shows where we voted in line with or against ISS or Glass Lewis recommendations. We voted against their recommendations in 12% of cases. We read the research reports provided by our proxy voting provider, each company's proxy statement or annual report and evaluate in line with our voting policy to reach our voting decision. This ensures that we monitor and assess every recommendation made.

Chart 11. Breakdown in votes in line or against our proxy adviser recommendations



- Votes with ISS/Glass Lewis
- Votes against ISS/Glass Lewis

We often do not vote in line with the proxy voting adviser on director independence and auditor tenure proposals. This is because we apply a best-practice approach across all companies, while our advisers recommend voting in line with regional norms.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Monitoring data providers: case studies

We raise issues that arise when using third-party data providers on an ongoing basis, as shown in the following case studies.

Erroneous entry on Sustainalytics

To prioritise investments for further research, our analysts use Sustainalytics to carry out an initial review of material ESG risks, controversies or negative news flow. In 2025, Sustainalytics flagged that one company's former CFO had been charged with embezzlement. This could have indicated issues with the corporate culture of the firm and warranted investigation. However, we were unable to find any evidence to support the claim. After querying the entry with Sustainalytics, it was found that the flag had been applied to the company in error and has since been corrected. This highlights the importance of using these tools thoughtfully and continuing to check data received.

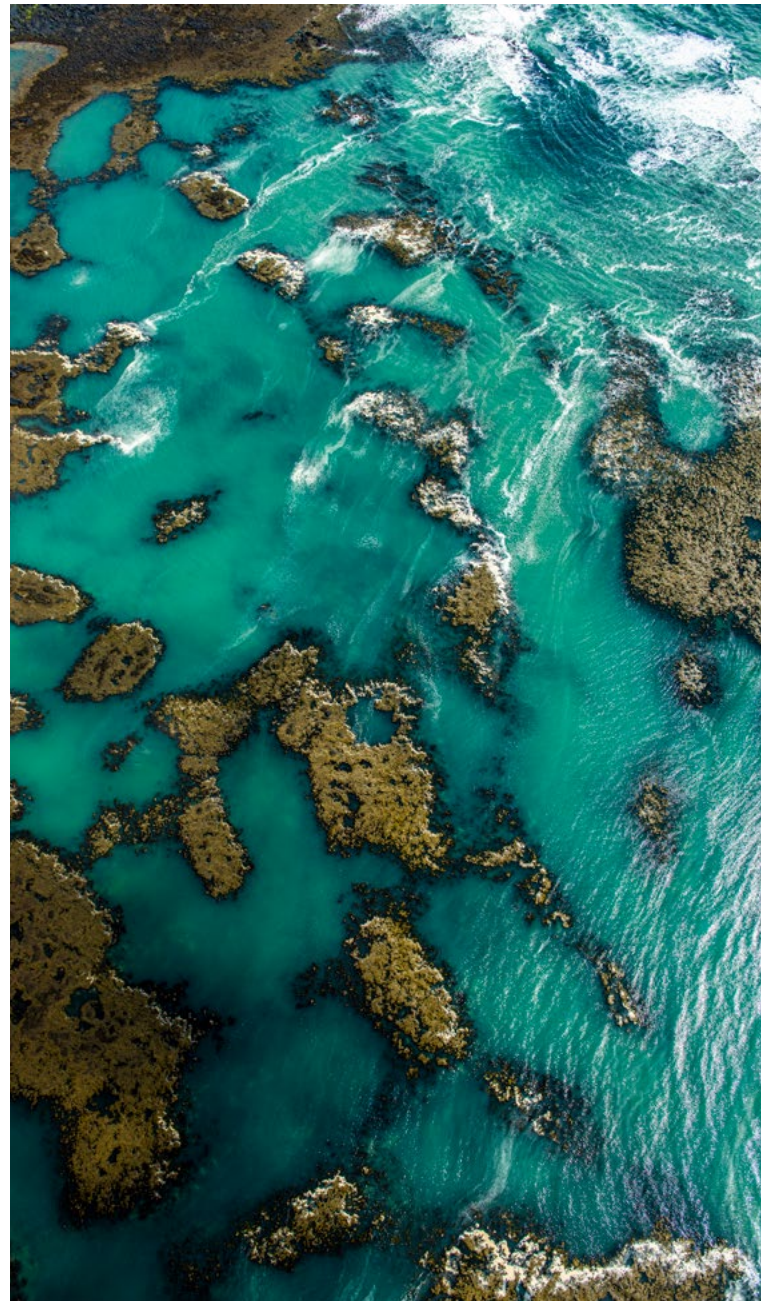
Missing carbon data on Morningstar

When preparing our climate report, we identified that Morningstar was not providing carbon emissions data for three of our companies, despite the companies reporting the numbers in their public-facing disclosures.

We contacted Morningstar to note that the data was publicly available and ensure they updated their data points to reflect this. All issues were rectified. We maintain contact with our relationship manager at Morningstar to continue improving data quality and the timeliness of their updates.

CDP responses

We contacted the CDP, as a change to their new platform meant they no longer displayed questionnaire responses from companies on their website. We draw useful information from these responses, including company-specific scenario analysis and estimated returns on investment for sustainability projects, which help us build a fuller picture of a company's management of climate risk. We were subsequently given to access the responses in a different, but less user-friendly format. Using an AI tool, we have been able to extract the data we require into a more usable format.



Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

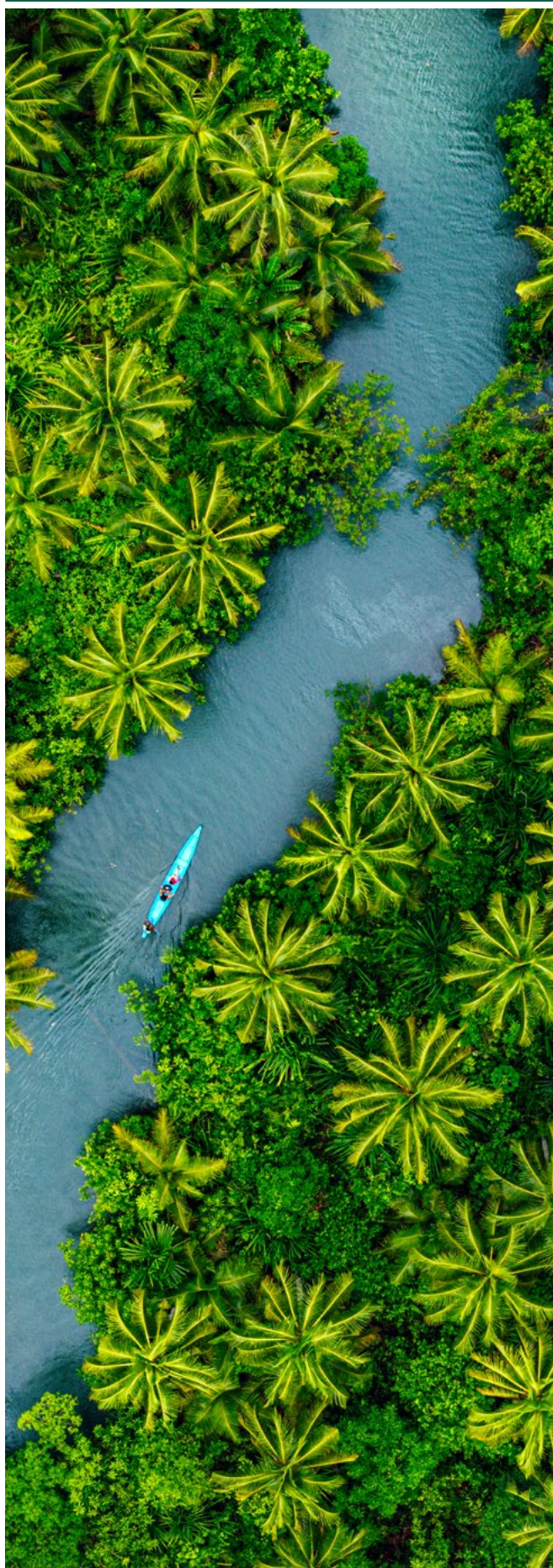
Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Looking ahead



We look forward to continuing our stewardship activities in 2026. We note that we may begin to see fewer shareholder proposals at US companies next year. This is due to a change in policy at the SEC that makes it easier for companies to reject shareholder proposals before they come to the AGM. While this should reduce the burden on companies to respond to immaterial or politically biased proposals, it represents a reduction in shareholder rights and may make it harder for investor viewpoints to be heard.

We firmly believe in encouraging companies to focus on material issues that directly affect their business resilience and financial performance. Despite global differences leading to challenges in some areas, we will continue to be a critical friend to our investee companies and focus on finding common ground to encourage long-term value creation, resilience and success.

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Appendices

Voting summary

01 January to 31 December 2025

With = with company management
Against = against company management

Company name	Meeting type	Meeting date	Votes cast		
			With	Against	Abstentions
Intuit	AGM	23.01.2025	14	2	0
		<ul style="list-style-type: none"> Audit quality – voted against reappointment of EY (first appointed 1990) Director independence – voted against reappointment of the chair of the board, who has been on the board for 17 years 			
Accenture	AGM	31.01.2024	15	1	1
		<ul style="list-style-type: none"> Board composition – voted against the reappointment of the chair of the Compensation, Culture and People Committee as we were concerned about over-boarding. In addition to her role at Accenture, she is CEO of a large, listed company and chairs the audit committee at a third listed company. Audit quality – abstained on the reappointment of KPMG (first appointed 2002) 			
Synopsys	AGM	10.04.2025	11	1	2
		<ul style="list-style-type: none"> Audit quality – voted against the reappointment of KPMG (first appointed 1992) Director independence – abstained on re-election of the lead independent director, who has been on the board for 21 years Director over-boarding – abstained on re-election of another director who sits on four boards, two of which he chairs 			
Adobe	AGM	22.04.2025	14	1	0
		<ul style="list-style-type: none"> Audit quality – voted against the reappointment of KPMG (first appointed 1983) 			
Bunzl	AGM	23.04.2025	19	0	0
Avery Dennison	AGM	24.04.2025	10	1	1
		<ul style="list-style-type: none"> Audit quality – voted against the reappointment of PwC (first appointed 1960) Director independence – abstained on re-election of the lead independent director, who has been on the board for 20 years 			
London Stock Exchange Group	AGM	01.05.2025	22	0	1
		<ul style="list-style-type: none"> Executive compensation – abstained on vote to approve the remuneration report due to concerns about performance targets and potential payouts 			
Intuitive Surgical	AGM	01.05.2025	13	1	2
		<ul style="list-style-type: none"> Director independence – abstained on the reappointment of the chair of the board, who has been on the board for 15 years Director independence – voted against re-election of the chair of the Compensation Committee, who has been on the board for 16 years Executive compensation – abstained on vote to amend the omnibus stock plan as it is trying to extend a plan first sent in 2010 to 2035 and the change in control clause may not prove to be in the best interests of shareholders 			

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Company name	Meeting type	Meeting date	Votes cast		
			With	Against	Abstentions
Kerry	AGM	01.05.2025	22	0	0
DSM-Firmenich	AGM	06.05.2025	25	0	1
					• Executive compensation – abstained on executive compensation due to overuse of ESG metrics
AMETEK	AGM	07.05.2025	3	0	1
					• Audit quality – abstained on the reappointment of E&Y (first appointed 1945)
Cadence Design Systems	AGM	08.05.2025	12	1	0
					• Shareholder proposal – voted for a shareholder proposal asking for a report on political contributions and expenditures
Amphenol	AGM	15.05.2025	11	1	0
					• Audit quality – voted against reappointment of Deloitte & Touche (first appointed 1997)
LabCorp Holdings	AGM	15.05.2025	14	0	0
Marsh & McLennan	AGM	15.05.2025	10	4	0
					• Audit quality – voted against reappointment of Deloitte & Touche (first appointed 1989)
					• Director independence – voted against the re-election of the chairs of the Compensation and Nominations & Governance Committees and the chair of the board. They have been on the board for 14, 23, and 15 years respectively.
Next	AGM	15.05.2025	26	0	0
Tractor Supply	AGM	15.05.2025	10	1	1
					• Audit quality – voted against reappointment of Ernst & Young LLP (first appointed 2001)
					• Director independence – abstained on re-election of the chair of the board due to tenure of 21 years
Fiserv	AGM	17.05.2025	13	1	0
					• Audit quality – voted against reappointment of Deloitte & Touche (first appointed 1985)
Align Technology	AGM	21.05.2025	11	6	0
					• Audit quality – voted against reappointment of PwC (first appointed 1997)
					• Director independence – voted against re-election of the chairs of the Nominations & Governance Committee, Compensation Committee and board as they have been on the board for 27, 19, and 21 years respectively
					• Shareholder proposal (proxy access) – voted for shareholder proposal to provide shareholders the right to call a special meeting at a 25% ownership threshold and at a 10% ownership threshold
Thermo Fisher Scientific	AGM	21.05.2025	11	3	1
					• Audit quality – voted against reappointment of PwC (first appointed 2002)
					• Director independence – voted against re-election of the lead independent director, who has been on the board for 17 years
					• Director independence – abstained on the re-election of the chair of the Audit Committee as he has been on the board for 13 years. However, as the most experienced finance expert on the board, his departure would not be in the best interests of shareholders or the company.
					• Executive compensation – voted against compensation plan due to misalignment of CEO pay with shareholder returns and share price performance

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Voting outcomes for our votes against management

01 January to 31 December 2025

Company name & meeting details	Proposal(s) where we voted against management	Voting results
Intuit AGM, 23rd January	Audit quality – voted against reappointment of EY (first appointed 1990)	Passed (93.5%)
	Director independence – voted against reappointment of the chair of the board, who has been on the board for 17 years	Passed (92.7%)
Accenture AGM, 6th February	Board composition – voted against the reappointment of the chair of the Compensation, Culture and People Committee as we were concerned about over-boarding. In addition to her role at Accenture, she is CEO of a large, listed company and chairs the audit committee at a third listed company.	Passed (74.6%)
	Audit quality – abstained on the reappointment of KPMG (first appointed 2002)	Passed (93.2%)
Synopsys AGM, 10th April	Audit quality – voted against the reappointment of KPMG (first appointed 1992)	Passed (92.7%)
	Director independence – abstained on re-election of the lead independent director, who has been on the board for 21 years	Passed (96.4%)
	Director over-boarding – abstained on re-election of another director who sits on four boards, two of which he chairs	Passed (86.3%)
Adobe AGM, 22nd April	Audit quality – voted against the reappointment of KPMG (first appointed 1983)	Passed (90.9%)
Avery Dennison AGM, 24th April	Audit quality – voted against the reappointment of PwC (first appointed 1960)	Passed (92.8%)
	Director independence – abstained on re-election of the lead independent director, who has been on the board for 20 years	Passed (93.3%)
London Stock Exchange Group AGM, 1st May	Executive compensation – abstained on vote to approve remuneration report due to concerns about performance targets and potential payouts	Passed (69.0%)
Intuitive Surgical AGM, 1st May	Director independence – abstained on the reappointment of the chair of the board, who has been on the board for 15 years	Passed (97.5%)
	Director independence – voted against re-election of the chair of the Compensation Committee, who has been on the board for 16 years	Passed (94.7%)
	Executive compensation – abstained on vote to amend the omnibus stock plan as it is trying to extend a plan first sent in 2010 to 2035 and the change in control clause may not prove to be in the best interests of shareholders	Passed (89.5%)
DSM-Firmenich AGM, 6th May	Executive compensation – abstained on executive compensation due to the overuse of ESG metrics	Passed (96.1%)
AMETEK AGM, 7th May	Audit quality – abstained on the reappointment of E&Y (first appointed 1945)	Passed (92.5%)
Cadence Design Systems AGM, 8th May	Shareholder proposal – voted for a shareholder proposal asking for a report on political contributions and expenditures	Passed (44.6%)
Amphenol AGM, 15th May	Audit quality – voted against the reappointment of Deloitte & Touche (first appointed 1997)	Passed (94.1%)

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Company name & meeting details	Proposal(s) where we voted against management	Voting results
Marsh & McLennan AGM, 15th May	Audit quality – voted against the reappointment of Deloitte & Touche (first appointed 1989)	Passed (92.9%)
	Director independence – voted against re-election of the chairs of the Compensation and Nominations & Governance Committees and the chair of the board. They have been on the board for 14, 23, and 15 years respectively.	Passed (92.6%, 89.8%, and 93.1% respectively)
Tractor Supply AGM, 15th May	Audit quality – voted against the reappointment of Ernst & Young LLP (first appointed 2001)	Passed (95.5%)
	Director independence – abstained on the re-election of the chair of the board due to tenure of 21 years	Passed (97.3%)
Fiserv AGM, 17th May	Audit quality – voted against the reappointment of Deloitte & Touche (first appointed 1985)	Passed (92.7%)
Align Technology AGM, 21st May	Audit quality – voted against the reappointment of PwC (first appointed 1997)	Passed (90.3%)
	Director independence – voted against re-election of the chair of the Nominations & Governance Committee, chair of the Compensation Committee, and chair of the board as they have been on the board for 27, 19, and 21 years respectively	Passed (86.0%, 88.3%, 92.2%)
	Shareholder proposal (proxy access) – voted for shareholder proposal to provide shareholders the right to call a special meeting at a 25% ownership threshold	Passed (72.5%)
	Shareholder proposal (proxy access) – voted for shareholder proposal to provide shareholders the right to call a special meeting at a 10% ownership threshold	Failed (45.2%)
Thermo Fisher Scientific AGM, 21st May	Audit quality – voted against the reappointment of PwC (first appointed 2002)	Passed (86.0%)
	Director independence – voted against the re-election of the lead independent director, who has been on the board for 17 years	Passed (94.3%)
	Director independence – abstained on the re-election of the chair of the Audit Committee, who has been on the board for 13 years. However, as the most experienced finance expert on the board, his departure would not be in the best interests of shareholders or the company	Passed (94.2%)
	Executive compensation – voted against the compensation plan due to misalignment of CEO pay with shareholder returns and share price performance	Failed (35.6%)
Amazon AGM, 21st May	Audit quality – voted against the reappointment of Ernst & Young (first appointed 1996)	Passed (94.6%)
	Director independence – abstained on the reappointment of the lead independent director and the chair of the Nomination and Governance Committee, who have been on the board for 13 and 14 years respectively	Passed (95.5% and 94.6% respectively)
	Shareholder proposals (disclosure) – supported the following five shareholder proposals asking for greater disclosure and/or third-party audits on material ESG risks, which we have discussed with the company: <ul style="list-style-type: none"> • Adopt mandatory policy separating the roles of CEO and board chair • Commission third-party assessment of board oversight of human rights risks of AI • Report on efforts to reduce plastic packaging • Commission independent audit and report on warehouse working conditions • Report on unethical use of external data in development of AI products. 	Failed (ranges from 10.3% to 22.5%)
UnitedHealth Group AGM, 2nd June	Audit quality – voted against the reappointment of Deloitte (first appointed 2002)	Passed (94.1%)

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management

Company name & meeting details	Proposal(s) where we voted against management	Voting results
Alphabet AGM, 6th June	Audit quality – voted against the reappointment of E&Y (first appointed 1999)	Passed (95.8%)
	Corporate structure – voted against re-election of members of the Nomination Committee because there has been no progress on addressing the multi-class share structure with disparate voting rights	Passed (ranges from 83.4% to 90.1%)
	Executive compensation – voted against reappointment of all members of the Compensation Committee due to issues with the remuneration plan, including a three-year say on pay	Passed (ranges from 85.3% to 88.6%)
	Shareholder proposals (disclosure) – supported the following four shareholder proposals asking for greater disclosure and/or third-party audits on material ESG risks, which we have discussed with the company: <ul style="list-style-type: none"> • Approve recapitalisation plan for all stock to have one vote per share • Report on due diligence process to assess human rights risks in high-risk countries • Report on risks of improper use of external data in development of AI products • Adopt metrics evaluating YouTube child safety policies. 	Failed (ranges from 4.5% to 30.7%)
Sonova AGM, 10th June	Other – voted against proposal to authorise the company to transact other business issues due to ambiguity involved	Not disclosed
Mastercard AGM, 24th June	Audit quality – voted against the reappointment of PwC (first appointed in 1989)	Passed (93.3%)
Automatic Data Processing AGM, 12th November	Audit quality – voted against the reappointment of Deloitte (first appointed 1968)	Passed (92.7%)
	Board composition – abstained on re-election of two directors due to over-boarding concerns	Passed (ranges from 93.9% to 99.0%)
Microsoft AGM, 4th December	Audit quality – voted against the reappointment of Deloitte (first appointed 1983)	Passed (93.5%)
	Shareholder proposals – we supported the following two proposals which ask for greater disclosure that would be beneficial for shareholders: <ul style="list-style-type: none"> • Report on risks of operating in countries with significant human rights concerns • Report on AI data sourcing accountability. 	Failed (27.1% and 13.2% respectively)

Policy and context disclosure

Organisation, investment beliefs and stewardship approach

Governance and resources

Policies, processes and review

Conflicts of interest

Dialogue with clients and/or beneficiaries

Activities and outcomes report

Integrating stewardship and investment

Promoting well-functioning markets

Voting and engagement

Monitoring service providers

Looking ahead

Appendices

Voting summary

Voting outcomes for our votes against management



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