



navera

INVESTMENT MANAGEMENT

Stewardship Report

April 2026





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

Stewardship Report 2025

We are delighted to share our annual stewardship report with you, highlighting our engagement and voting activities in 2025. Stewardship is integral to our investment approach and contributes to delivering sustainable value creation to our clients over the long term.

Our sole aim is to deliver long-term returns ahead of inflation. In doing so, we have a responsibility to be good stewards of our clients' capital, alert to anything that might affect the value and durability of their investments.

We monitor and engage with companies on issues that we consider to be material to their long-term success, including corporate governance, financial performance, business practices, remuneration and social and environmental risks. Our engagement and voting activities work hand-in-hand to promote effective and cooperative relationships with our portfolio companies.



"We are proud to have received signatory status to the UK Stewardship Code for the past five years."

We commit to voting at company general meetings and, where necessary and possible, we engage with companies before voting to discuss concerns and our voting intentions. We also commit to responding to companies should they write to us or request a meeting on an issue. Given our focus on high-quality companies and detailed investment research, we expect to be broadly supportive of company management. However, we are willing to be a critical friend in the pursuit of encouraging long-term success.

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.

2025 Engagement summary

We had 154 company meetings, of which 79 were 1:1 meetings. 30% of these were wholly focused on governance, social and environmental issues. We voted on 485 proposals at 29 AGMs. We also sent 32 letters as part of our efforts to work in partnership with our investee companies and encourage long-term value creation.

In order to further our continuous learning, we also held over 350 meetings with broker analysts and experts. Additionally, we attended conferences on corporate governance, AI, robotics and automation, consumer retail companies, the defence sector and healthcare.



154 company meetings



485 proposals



32 letters

Main engagement topics covered in 2025

<p>Board composition</p> <p>Evaluating whether companies have the range of expertise and independence required and provide constructive challenge</p>	<p>Supply chains</p> <p>Understanding the impact of China/US trade wars, including tariffs, as well as environmental and social practices in supply chains</p>
<p>Capital allocation</p> <p>Understanding priorities between driving organic growth through employees, research and development or capex, M&A opportunities and returning capital to shareholders</p>	<p>Environmental issues, including carbon</p> <p>Understanding companies' preparedness for the shift to a low-carbon economy, including opportunities and risks, and consideration of other material risks such as water, waste and biodiversity</p>
<p>Audit quality</p> <p>Encouraging companies with long-tenured auditors to consider putting the audit contract to tender to ensure best practice, cost effectiveness and no conflicts of interest</p>	<p>Automation and artificial intelligence</p> <p>Opportunities and threats from increased use of automation and AI, both to increase productivity in our companies and where they have new opportunities or risks to their business from technological developments</p>
<p>Employee welfare and inclusion</p> <p>Understanding the culture of a company, employee retention, how employees are treated and fairness of pay in a competitive landscape for talent</p>	<p>Cybersecurity</p> <p>Understanding a company's approach to cybersecurity and assessing whether management and boards are proactive and have sufficient experience and expertise in this area</p>

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 shifted considerably away from climate-related and social goals. In Europe, other priorities such as defence and the cost of living crisis have shifted 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.

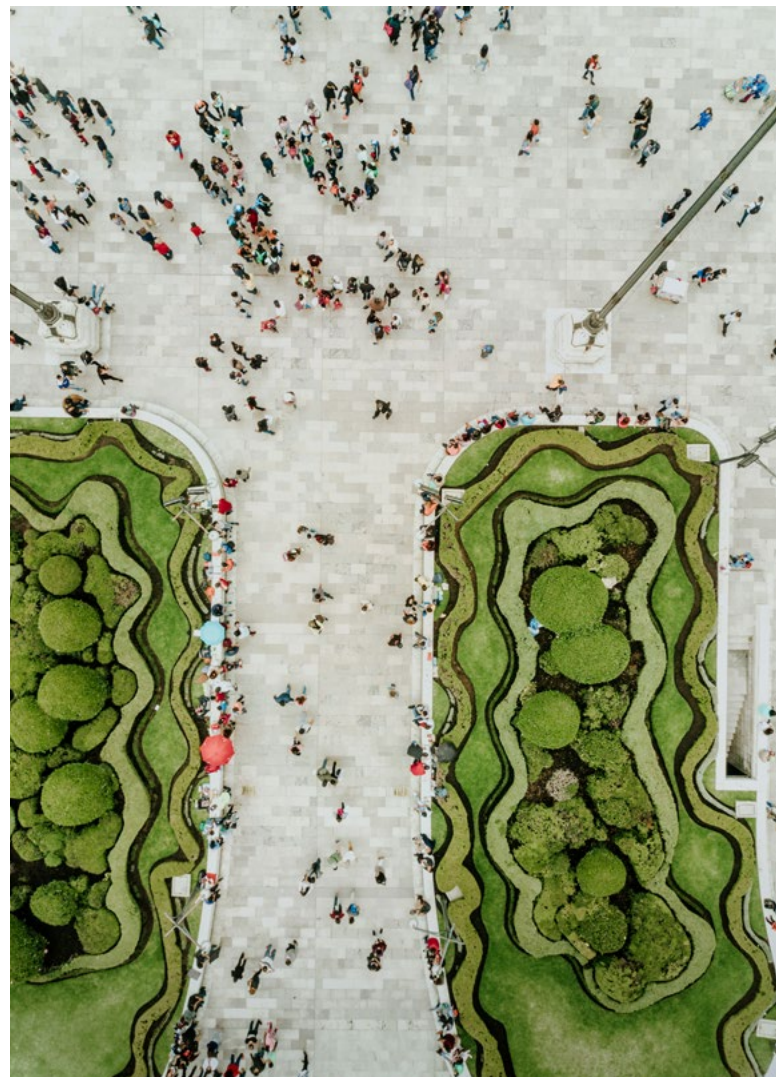
The asset management industry has felt the repercussions, with several high-profile cases of mandates being lost due to excessive emphasis on ESG or a lack of emphasis on ESG. In a number of cases, fiduciary duty concerns were cited by both sides of the debate. We continue to engage on specific issues 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. Further details of these discussions with companies are available in the *Engagement* section on page 7 of this report.

" We encourage long-term thinking and seek explanations of how company managements' priorities contribute to the long-term success of their businesses. "

Governance

We consider strong governance as critical for all companies. Every company should be headed by an effective board, which is collectively responsible for the long-term success of the company. Strong governance has rarely been more relevant than in today's increasingly challenging environment. On top of day-to-day business requirements, executives have multiple issues to grapple with including geopolitics, tariffs and trade restrictions, shifting regulations, climate events, cybersecurity and a high level of technological disruption as AI develops at speed.

We therefore look for boards with varied and relevant skillsets and experience who can support and challenge management teams constructively. 2025 saw several departures of senior management at companies we invest in. In some cases these were in response to, or were followed by, significant changes to financial guidance and disappointing share price outcomes. For this reason, the emphasis of our governance conversations with companies during 2025 shifted to discussions of navigating management change and fostering a long-term sustainable growth culture.

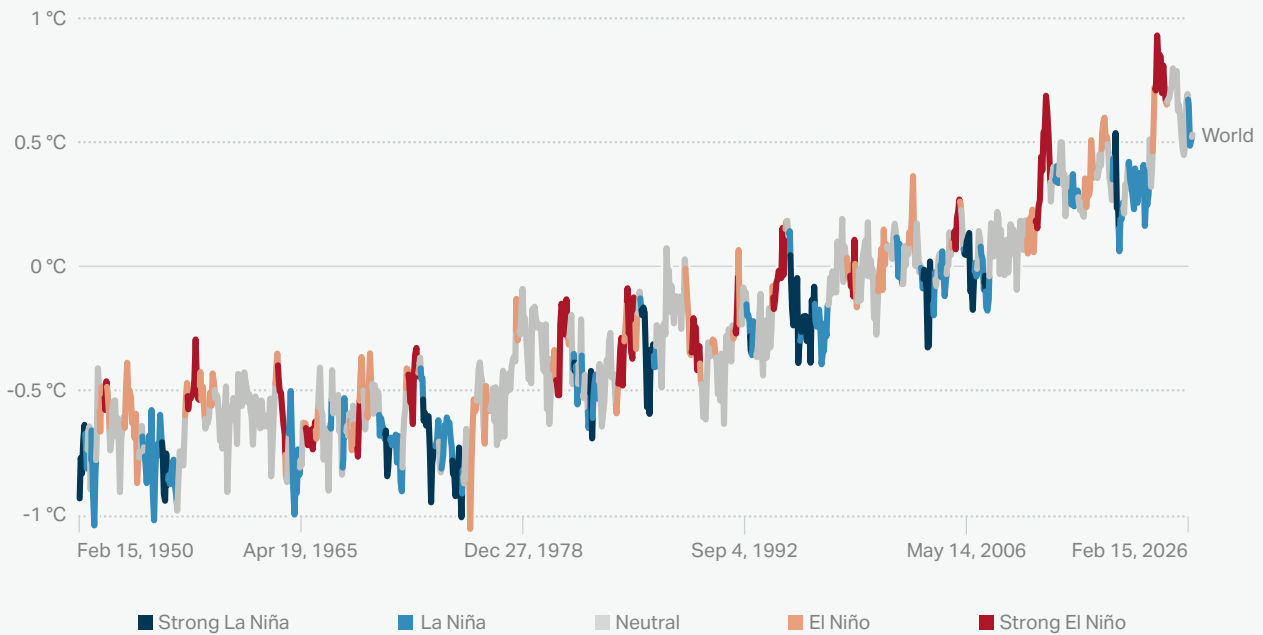


Environmental issues

Following the record-breaking heat of 2024 – the warmest year on record – 2025 was confirmed as the third-warmest year globally since the pre-industrial era and the warmest La Niña year on record. This underscores that the underlying warming trend and its consequences remain dominant, regardless of political ideologies.

“ We continue to see the financial consequences of climate change – particularly in the insurance industry. ”

Global temperature anomalies by El Niño and La Niña conditions



The difference between a month’s average land-sea surface temperature and the 1991-2020 average of the same month, measured in degrees Celsius.

El Niño is the warm phase of the Pacific climate cycle, when unusually warm surface waters in the central and eastern tropical Pacific disrupt normal wind and rainfall patterns. La Niña is the cool phase, marked by stronger trade winds and unusually cold Pacific surface waters, which tend to amplify typical weather patterns.

Data source: Contains modified Copernicus Climate Change Service information (2025); NOAA National Centers for Environmental Information (2025)

OurWorldinData.org/climate-change | CC BY

The USA’s formal withdrawal from the Paris Agreement and pausing of SEC climate disclosure mandates in 2025 was compounded in early 2026 by the repeal of the 2009 Greenhouse Gas Endangerment Finding. This ruling, which stated that the buildup of greenhouse gases in the atmosphere endangers public health and welfare, had been the foundation of various US climate rules and disclosure requirements. However, various states are enacting their own regulations, such as California’s Climate Corporate

Data Accountability Act, which requires large companies doing business in the state to report Scope 1, 2, and 3 emissions, regardless of federal rollbacks. Most of the US companies we invest in have global presence and adhere to a variety of regulatory requirements. They are therefore likely to continue to disclose relevant information and proactively address climate adaptation and mitigation where financially relevant.

We continue to see the financial consequences of climate change – particularly in the insurance industry. Business interruption lawsuits and homeowner insurance disputes linked to climate disasters (excluding hurricanes) have more than doubled in the US over the past decade. The World Economic Forum estimates that as much as \$610 billion of fixed asset losses per year could be seen across listed companies by 2035.¹ There is also increasing recognition of the demands placed on resources by our rapidly rising demand for computing power in a data-intensive world. Data centres are not only raising electricity demand and prices; their water usage has also become an issue, and a point of engagement for us with **Amazon** and **Microsoft**.

Social issues

In 2025, we observed a definitive move by US corporations to distance themselves from the ambitious DEI targets and statements of the early 2020s. It was already illegal to have specific numeric quotas, direct benefits or hiring practices based solely on race in the US, although diversity initiatives aimed at widening the net for attracting and retaining employee talent were allowed. Following ‘anti-DEI’ executive orders in early 2025, the environment in the US has shifted. This is particularly the case for companies intending to do business with the federal government and/or wishing to avoid public relations risks that could have a significant impact on company financials. High-profile companies including **Alphabet**, **Accenture**, Meta and Target significantly restructured their internal diversity programmes to mitigate these risks, often rebranding them as ‘business as usual’ human resources issues rather than specific projects. Companies that retained their stance on increasing diversity (including **Mastercard** and **Experian**) have had to explain why this is a financial benefit to them.

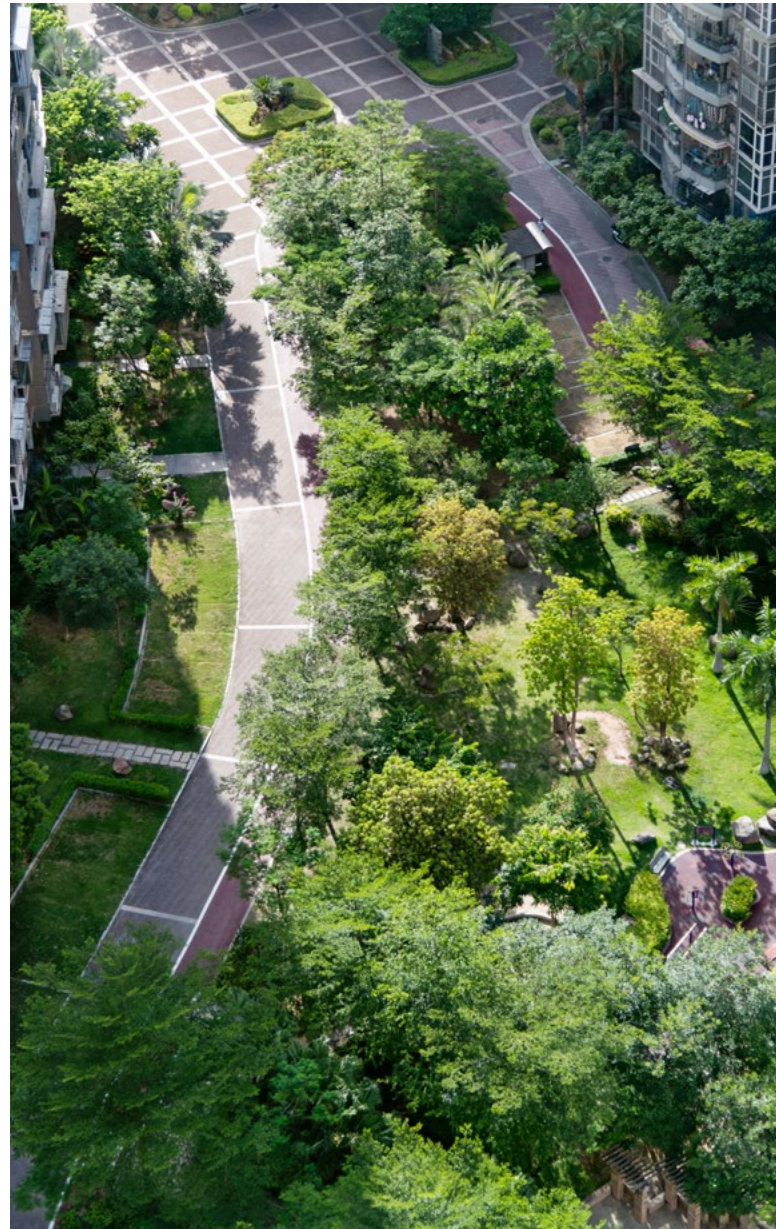
While we do not ask companies to set rigid DEI targets, we maintain that attracting talent from diverse backgrounds helps companies avoid groupthink and thrive in a competitive environment. Rather than expecting specific targets to be met, we encourage companies to track voluntary attrition data to assess retention and focus on the following:

- **Training and upskilling**
Enabling all employees to reach their full potential through training as well as ensuring the workforce can adapt to the AI-driven economy.
- **Transparency in pay**
Disclosing information on pay levels across genders and ethnicities to demonstrate equal pay for equal work.
- **Internal mobility**
Tracking how employees from different backgrounds progress through seniority levels.

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.



1. *Climate insurance legal action surges as property damage costs rise*, Financial Times, January 2026.

Engagement

As part of our initial investment research and ongoing monitoring process, we consider the extent to which companies are:

1. Setting strategic objectives that build long-term, successful business models and prioritising the achievement of these strategic objectives over short-term performance.
2. Managing risk effectively, as seen from the perspectives of multiple stakeholders.
3. Implementing an appropriate capital structure through a process of sound capital allocation.
4. Promoting good corporate governance, including strong corporate cultures and appropriate remuneration and incentives.
5. Communicating transparently and producing high-quality disclosures and reporting.

Engagement is an important part of this research and monitoring work. We seek to engage with our investee companies at least annually and will always engage with companies at their request. Our engagements are undertaken in a spirit of partnership, whereby we work with companies to promote long-term value creation and resilience. We therefore aim to engage directly with company executives, senior management in specialist areas and board members. Our engagements take the form of meetings, both in person and virtual, and through written correspondence. We write letters when we initiate a position, to explain our thinking on a specific issues and when we exit a position. These often lead to a meeting and further discussion with the company.

Further details of our engagement strategy can be found in our [Engagement policy](#) (see our website).



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, 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. The enhancements to our process reinforced action in the case of **Synopsys**. 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 resignations of two senior executives.



Letters

During 2025, we wrote 32 letters to our companies. These included three letters following initial purchases of **RELX**, **TSMC** and **Verisk** and five letters to **Adobe**, **Align**, **Fiserv**, **Synopsys** and **UnitedHealth** to inform management of our rationale behind decisions to exit their shares. We also wrote to **Next**'s management to share our recommendations on increasing their disclosure on pay issues in their UK employee base as part of our engagement on this issue (see *Engaging for change* section on page 9). Other letters were to inform companies of our voting decisions, particularly when we had not supported management on a proposal (see *Voting activities* section on page 13).



Engaging for information

We engage for information when we would like to learn more about a company's thoughts and processes around a particular issue rather than having a specific concern or an addressable outcome.

Cybersecurity

Cybersecurity was a common topic of conversation this year, particularly as high-profile incidents in the UK, such as the ransomware attacks affecting JLR and Marks & Spencer (neither held in portfolios), highlighted vulnerabilities in legacy IT infrastructure and third-party supply chains. We had meetings specifically to discuss these issues with **Experian** and **Intuit**, and we also raised this topic in other company meetings.

We met with the chief information and security officer (CISO) at **Experian** to discuss their efforts and her interactions with the board. 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 a highly 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. While the board does not have a director dedicated specifically to cybersecurity, many have been senior executives within financial companies and therefore have a strong understanding of cyber risks and 'lean forward into cyber'. Board members ask challenging questions based on their experience. We were reassured by the company's approach to cyber and the board's ability to provide effective challenge.

" We work with companies to promote long-term value creation and resilience. "

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 i.e. 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.

Climate issues

Where relevant, we continue to discuss climate issues with companies – particularly emissions reduction and climate preparedness. With **Tractor Supply** we discussed rising insurance premiums due to increased extreme weather events. The CFO agreed that this is being seen on a macro level, but explained that most of Tractor Supply's stores are intentionally located in areas of low climate risk.

In our introductory call with **AMETEK**, we discussed their target of a 40% reduction in Scope 1 and 2 emissions intensity from 2019 to 2035. As a manufacturer of electromechanical and electronic instruments, AMETEK's emissions intensity is higher than average among our portfolio holdings. The 26% reduction achieved so far has been largely driven by energy efficiency in operations. The company has a kaizen initiative, whereby employees can identify operational efficiencies or even revenue generation opportunities such as CarbonStream, which is used in carbon capture and storage technology. We also discussed AMETEK's limited (8%) use of renewable energy. They explained they always consider installing solar panels on site but their decision is based on the financial returns of each individual project and that installations at remote locations may not be viable.





Engaging for change

Where we have specific requests that we would like a company to adopt, we 'engage for change' and monitor progress according to our engagement milestones, as set out below.

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.

Given our focused list of high-quality securities, we continue to find that our engagements for change on some issues have reduced, particularly as many of our companies are already disclosing environmental information and setting targets relating to those issues. We are also mindful of changes to US regulation, as discussed earlier in this report. When we speak to companies it often becomes apparent that they are more active in stewardship-related initiatives than their disclosures would suggest. For example, if companies can demonstrate to us that they are mitigating the physical and transition risks of climate change adequately, we may not expect them to make their updated targets for emissions publicly available.

Progress by engagement topic in 2025

Audit



Board independence



Board composition



Compensation



Employee welfare and talent management



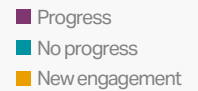
Environmental data and target setting



Supply chain management



Other



As discussed in the *Voting activities* section on page 13, many of our US companies take a different view to ours on the benefits of changing auditor. Similarly, board independence is another area where views on tenure differ across the Atlantic. However, helped by the passage of time and companies recognising the need for new skills, we made progress during 2025 on independence of sub-committee chairs and lead independent directors at **Avery Dennison**, **Intuit** and **Intuitive Surgical**. We continue to discuss these issues with our companies, focusing on ensuring sufficient challenge to auditors and management teams. We therefore continue to expect a high level of Milestone 1 engagements in these categories.

We consider voluntary attrition data to be a key indicator for assessing human capital retention. High employee turnover can be expensive for companies in terms of disruption, the cost of new hires and training, and loss of intellectual capital in high-knowledge businesses.

Our current engagements by topic and milestone

Snapshot at 31st December 2025

Audit



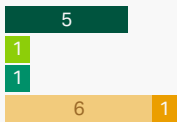
Board composition



Board independence



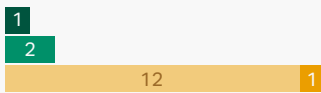
Compensation



Employee welfare and talent management



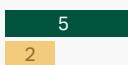
Environmental data and target setting



Supply chain management



Other



- Milestone 1
- Milestone 2
- Milestone 3
- Milestone 4
- pre-2025
- 2025



In their latest disclosures, **Tractor Supply** reported a significant reduction of 8% in voluntary attrition. During a call with the CEO, he agreed with us that minimising the cost of voluntary attrition is important and that this is why Tractor Supply links pay to different productivity levels. He believes that this structure has contributed to the record productivity levels at their distribution centres.

Broadridge and **AMETEK** confirmed to us that they track voluntary attrition but do not publish the data. In Broadridge's case, this is because they consider voluntary attrition data to be competitively sensitive information – unlike several of its peers, who publish theirs. We will continue to engage on this issue with Broadridge and AMETEK.

" 18% of our outstanding engagements progressed in 2025. "

Next plc: Wage disclosures case study

We had several conversations with Next about disclosures on wages for UK staff over the course of 2025, progressing from Milestone 1 to Milestone 3. We will continue to monitor Next's progress on improving their disclosures around employee welfare and talent management during 2026.



Jan '25 ShareAction put forward a shareholder resolution for Next's AGM asking for further workforce disclosures, with specific reference to the real living wage.



Meeting

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:

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)

Apr '25



Group meeting

We met with the 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 '25



Meeting

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)



Letter

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)

Dec '25



Meeting

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.

Collaborative engagement

We get to know our investee companies in detail through in-depth research and because we tend to be long-term holders. We are therefore confident that we can reach a successful outcome for our clients when we choose to pursue engagements with investee companies on our own.

Where appropriate, we will take part in collaborative engagements with other investors. This may relate to systemic issues such as climate change or nature loss, or asset classes such as fixed income, where we do not usually have a direct relationship with issuers.



In 2025, we continued to participate in the Ceres Valuing Water Finance Initiative through active involvement in an investor group focusing on **Microsoft's** use of water, particularly for cooling datacentres. We met with Microsoft's chief sustainability officer, who highlighted that the company is on track to achieve a 40% increase in water efficiency by changing its AI datacentre design.

We also discussed Microsoft's approach to water consumption when considering placing new AI datacentres in areas where the water supply is stressed, and how they ensure that water sources are replenished. However, Microsoft's supply chain programme for water exposure is not as advanced as those of its competitors and provides no disclosure on supply chain water risk. In a call with the water lead at Microsoft, she confirmed that they do collect water data from some suppliers, but they do not have a robust programme in place with their suppliers to assess water risk. This is something that the investor group has agreed to continue engaging Microsoft on.

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 TNFD² forum to further our knowledge of nature issues going forwards.



Voting activities

We regard shareholder voting as an important means of communicating with companies to promote good stewardship of our clients' assets. Although separated here for reporting purposes, voting is not an isolated act; it goes hand-in-hand with our broader engagement work, as the examples below demonstrate. Further details can be found in our [Voting policy](#) (see our website).

A summary of our voting activity over the past year is shown in the pie charts and a full breakdown of the votes cast on behalf of our clients is included in the *Appendix* on page 16. We invest in well-run companies that have strong management teams and governance structures, so we typically expect to vote in line with board recommendations. But as in previous years, there have been cases this year where we felt it necessary to vote against management proposals and in favour of shareholder proposals.

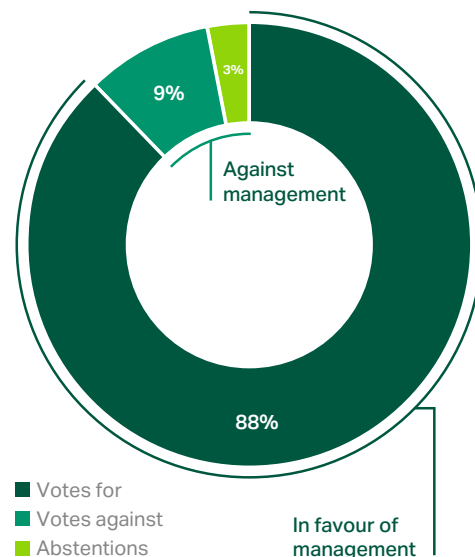
As the first pie chart shows, the vast majority (88%) of our votes have been in line with management. As in previous years, there are always expectations, and we have voted against management for 12% of our votes. These decisions are not taken lightly and reflect our independent judgement, analysis and outcomes of engagements with companies. When we vote against management, we write to explain our decision.

Director independence and auditor tenure

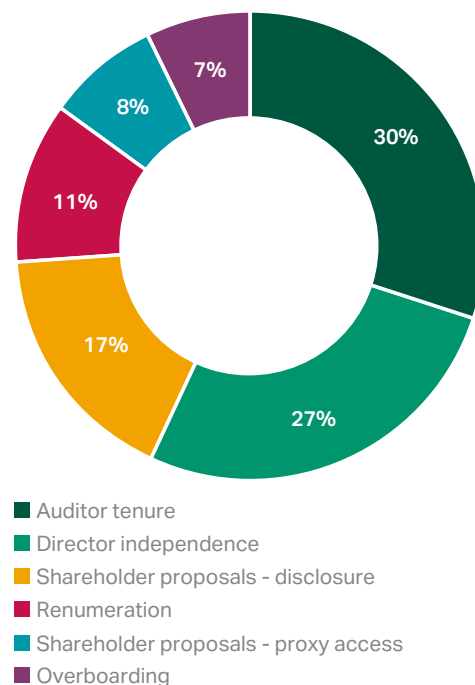
Director independence and auditor tenure continue to be areas where we have differing opinions to many US companies. While we understand the benefits of a range of tenures, we continue to expect directors who hold particular roles of responsibility, such as the chair of a committee or the lead independent director, to be truly independent (defined as less than 12 years of tenure).

Similarly, we follow a European perspective of audit tenure, expecting audit contracts to be retendered after 10 years and changed after 20 years to ensure best practice and no vested interests. In contrast, the US opinion is that long auditor tenures are positive because they enable in-depth knowledge, and a change of auditor may indicate a disagreement or concern about the business. Details of votes against management on these issues are in the *Appendix* on page 16.

Votes with/against management



Votes against management by theme





Executive compensation

We analyse executive compensation thoroughly, requiring executives to be aligned with shareholders and have targets that are sufficiently stretched for them to achieve top awards. Having voted against the **Amazon** executive compensation package in previous years, we voted for the resolution this year following engagement with the company on the issue. Amazon's executive pay is based on large and infrequent stock units that vest over a period of 6-10 years. In previous years we voted against on the basis that these do not include any performance metrics. However, on reflection and after reviewing academic literature on this issue, we believe that the long vesting period aligns the award with the interests of long-term shareholders.

We voted against the **Thermo Fisher** 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. The 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. In a follow-up meeting with the company, we reiterated our concerns and will be closely watching for better alignment with shareholders going forwards.

We voted for the **Kerry** executive compensation plan as, overall, we believed it was reasonable, but wrote to the company afterwards requesting further information about how they set key performance indicators (KPIs) within the plan. In particular, we noted that the volume growth required by the compensation plan was less demanding than market guidance given by Kerry. 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 higher correlation between compensation plan requirements and market guidance in future. We will monitor this going forwards.

Shareholder proposals

Our voting for shareholder proposals (i.e. against management) declined again in 2025 to 33%, considerably reduced from 46% in 2024 and from a peak of 66% in 2022. This is for several reasons:

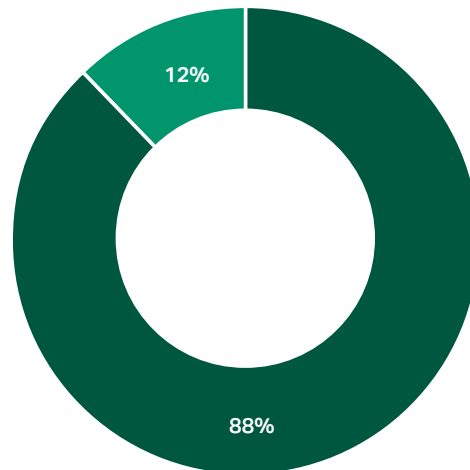
- The majority of our companies now have better disclosure and most have set suitable environmental targets
- Some shareholder proposals are politically motivated
- Some proposals are too onerous for management teams and/or the company already provides much of the information requested
- In some cases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

For example, in 2025, we voted against a shareholder proposal at **Alphabet's** AGM asking for a "Report on Human Rights Risk Assessment on AI-Driven Targeted Ad Policies". Having previously voted for this proposal for three consecutive years, we now believe that Alphabet's guardrails have improved significantly on this topic. Similarly, we voted against shareholder proposals regarding climate commitments, particularly with respect to datacentres, at both **Alphabet** and **Amazon**. Both companies already give significant disclosures on climate in their current reporting.

We supported shareholder proposals at **Alphabet** and **Amazon's** AGMs asking for reports on the risks of improper use of data when developing AI products. This is an important and pressing issue: illegal use of data to train large language models has already resulted in content and intellectual property creators suing AI model developers. Amazon argues that such a report is not needed because it would be very similar to a report required under the EU AI Act. However, it is unclear whether the EU AI Act will continue in its current form or be repealed or reduced in scope. Given that both Amazon and Alphabet are already collecting the information required by the EU AI Act, we believe that they should be able to provide it to shareholders without undue cost.



Independent decisions



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

We use a proxy adviser to aid administration and benefit from their research. However, we always make our own voting decisions based on our [Voting policy](#) (see our website) and knowledge of the company in question. We will often discuss specific resolutions with companies directly when we feel it would aid our decision-making. This means that we sometimes vote against the proxy adviser's recommendations. In 2025 we voted against the proxy adviser's recommendations in 12% of cases (10% in 2024).

Examples of not following our proxy adviser's recommendations include:

- Votes against several directors and auditors due to independence and tenure
- Voting for Amazon's executive compensation package
- Voting against reappointment of a director at **Accenture** due to overboarding concerns.

As with all of our research providers, we periodically assess our options. In 2025 we carried out a thorough review of our proxy administration and voting support. We found that Glass Lewis provided information that is more suitable for our requirements than that from our existing provider and could better assist our decision-making. The decision to switch provider was approved by our Stewardship Working Group and the Investment Governance Committee and was completed during the year.

Written by

Sam Cotterell

*on behalf of the
Investment Team*



Appendix

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%)

Company name & meeting details	Proposal(s) where we voted against management	Voting results
Amphenol AGM, 15th May	Audit quality – voted against the reappointment of Deloitte & Touche (first appointed 1997)	Passed (94.1%)
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%)

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)



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