

Sustainable Finance Disclosure Regulation (SFDR)

No consideration of adverse impacts of investments decisions on sustainability factors (Article 4 Regulation (EU) 2019/2088)

Longview does not consider the adverse impacts (a defined process as mapped out in the SFDR) of its investment decisions on sustainability factors.

Whilst Longview supports the objectives of SFDR with respect to the transparency of due diligence policies and reporting against relevant quantitative metrics in respect of portfolio investments, it has chosen not to consider these impacts at this time, predominantly due to the lack of readily available data with which to meet these obligations. Although it is not yet certain when Longview may consider the adverse sustainability impacts as mapped out in the SFDR, this statement outlines how we consider the adverse impacts of our investment decisions in relation to the indicators listed in Table 1 of Annex 1 of Regulation (EU) 2022/1288.

For a more holistic overview of our sustainability approach, we recommend referring to Longview's Responsible Investment and Stewardship policies, available on our website; and our thematic engagements which can be provided upon request.

This statement covers the reference period from 1 January to 31 December 2024.

Longview's ESG Investment Beliefs

Longview takes a long-term approach to investment and seeks to invest in companies that can create sustainable value for shareholders. Environmental, Social and Governance (ESG) considerations with a stewardship mentality are embedded within our investment process. This is because we believe that it is important to consider sustainability matters when analysing the quality of a company. When analysing the quality of the companies in which Longview invests, ESG considerations are not Longview's sole focus and the impact of ESG factors on performance is not separately measured.

One key aspect of our approach to ESG is that we do so through a lens of materiality. Materiality considers the significance of the impact of ESG considerations which may differ from one sector to another. Financial materiality is a key aspect as most issues will ultimately impact the financials of a company. However, Longview also considers reputational, regulatory, and legal impacts amongst others. Our in-depth proprietary research process does not follow external ESG risk ratings. We use external ESG and carbon data providers to supplement our own research.

Longview's Approach

GHG emissions

Structurally, in line with our investment philosophy, our portfolio is expected to have low carbon emissions and intensity relative to global benchmarks due to our lack of exposure to oil and gas, mining, metals and deeply cyclical

businesses. Typically, the carbon intensity of Longview's Global Equity Portfolio is around 80-90% lower than that of the MSCI World Index. As at 31 December 2024, the Longview portfolio has zero direct exposure to fossil fuels and no direct exposure to industries such as cement production, where carbon emissions are characteristically high.

We use Sustainalytics, an external ESG data provider, in addition to our proprietary research to assess ESG risks, including those related to climate change. Sustainalytics enables our Research team to obtain company specific ESG data on stocks within Longview's portfolio and broader investment universe. We also use S&P Global's Trucost climate analytics toolkit to source comprehensive carbon data and metrics as we believe it is important to develop a thorough understanding of the climate risks associated with our holdings, while having access to the appropriate data sets and enhanced reporting capabilities.

In 2024, we published our first Task Force on Climate-Related Financial Disclosures Report to comply with the climate reporting requirements mandated by the UK's Financial Conduct Authority. The report aimed to provide a holistic overview of our efforts to understand and manage our climate-related risks and opportunities across Longview. We also evaluated the resilience of the Longview Global Equity Portfolio for various climate-related scenarios by quantifying the impacts of climate transition and physical risks on our portfolio where possible, using data from our external provider, S&P Trucost. We intend to further integrate our understanding of climate risks and opportunities, including working with our clients to support their climate-related goals and engaging with our portfolio companies to drive positive climate outcomes.

We also believe it is important to keep track of our portfolio companies' progress to reduce GHG emissions. For this purpose, we conduct a Climate Commitments Audit across the portfolio on a regular basis to assess our portfolio companies' climate intentions; and we directly engage with companies for which we need to seek clarity on their climate plans or encourage better commitments. We consider our approach to climate stewardship a valuable component in our efforts to mitigate climate-related risks within the portfolio.

We publish a quarterly Portfolio Carbon Report using S&P Trucost, which provides information on the portfolio's position with regards to the transition towards a lower carbon economy. The report provides key carbon emission metrics for the portfolio versus the benchmark with the view to offering useful insights about the environmental impact of our investment approach.

As non-shareholders in the most polluting companies, we are unable to influence them directly or through voting. However, as an asset manager with a global client base, we embrace our duty to help tackle climate change and support the UK's transition to net zero emissions. To that effect, we are members of the Institutional Investors Group on Climate Change (IIGCC). We believe that by joining the IIGCC, we have aligned ourselves with other likeminded investors that promote good stewardship on climate change.

United Nations Global Compact Principles

We do not screen companies for UN Global Compact violations; however, we do use the adverse media module of the KYC6 Monitor (an application by Acuris Risk Intelligence) to help identify criminal activity in connection with modern slavery risks relevant to Longview's portfolio companies. This is complementary to the modern slavery related data sourced by our external ESG-data provider, Sustainalytics. This tool also allows us to conduct global sanctions monitoring.

Through thematic engagements on modern slavery held in previous years, Longview developed a reference framework to guide its engagement with portfolio companies that have direct or indirect exposure to these risks. We had selected to engage with companies across a broad range of sectors as we wanted to define a generalist approach for how we can engage on modern slavery across the Longview portfolio, regardless of a company's sector or geography, as we believe that no industry is immune to this issue.

We conducted a high-level risk assessment on each of our portfolio companies based on their geographic and industry exposure; we then analysed company-specific data provided by Sustainalytics to assess the scope of social standards for suppliers for a subset of our portfolio companies; and lastly, we engaged with 30% of our portfolio companies (10 companies) to assess how they identify, assess, mitigate and act on the risks or instances of modern slavery in their operations and supply chain.

In 2024, we applied this framework to engage with some of our existing holdings on modern slavery risks in their supply chains. The engagements provided insight into how these companies are addressing related challenges in their operations and global supply chains. The framework continues to support our efforts to assess and manage these risks more effectively.

Board gender diversity

Our Diversity, Equity & Inclusion (DEI) Committee has the ability to engage with companies in the portfolio, as appropriate, to understand their approach to diversity and inclusion and clarify our expectations as shareholders. Equally for Longview, attracting and retaining talent is fundamental to the sustainability of the firm and the hiring process is detailed and rigorous. Longview works diligently with various specialist search and recruitment firms to ensure we source the best quality candidates with the appropriate skill sets for each of the roles we seek. We aim to ensure our access to a broad and diverse pool of quality candidates. Longview also supports the Diversity Project whose aim is to create a diverse and inclusive investment industry.

Longview's Stewardship

Engagement policy

We engage with companies on ESG matters as part of our overall investment research and our assessment of a company's Quality rating. Where appropriate, we may contact a company seeking clarity or to discuss contentious issues as part of our ongoing dialogue with senior management. If we are meeting with senior management, we may discuss strategy and general corporate responsibility as well as specific ESG factors which we believe are most likely to be material for our portfolio companies or impact their ability to generate sustainably high returns on capital. We evaluate the effectiveness of company management on these issues and if past, current or anticipated future behaviour is judged to be a risk, our concern will be reflected in our Quality rating.

Thematic Engagements

In addition to company engagements, we may undertake thematic engagements across several companies or even the entire portfolio. As a single-strategy firm, we focus our efforts on the areas where we believe we can make an impact. In 2024, we held engagements with portfolio companies on the theme of Modern Slavery; and climate as part of our Annual Climate Commitments Audit. Throughout the year, we also engaged on the theme of Access to Health Care across several health care companies in the portfolio; and on Data Privacy & Security, and Artificial Intelligence (AI) for a cohort of companies.

Proxy Voting

Longview's voting decisions are made by our Research team. The decision-making process is investment-led: our research analysts use proprietary research, in-depth discussions with company management and external research and recommendations from our proxy-voting provider, Glass Lewis, to inform their decisions.

Where Longview becomes aware of governance or material ESG issues or has concerns that the company's management is not acting in shareholders' interests, we may challenge management in an attempt to protect and enhance the interests of our clients and will exercise our right to vote against management.

References to International Standards

Longview has been a signatory to the UK Stewardship Code since 2011; and a signatory to the UN-Principles for Responsible Investment (UNPRI) since 2010. Longview is also a member of several other industry bodies which have varying roles to ensure that aspects of the overall financial system function well and that systemic risks are highlighted, understood and addressed. These include:

- The Investment Association (The IA)
- The Independent Investment Management Initiative (IIMI)
- Pensions and Lifetime Savings Association (PLSA)
- Institutional Investors Group on Climate Change (IIGCC)
- Access to Nutrition Initiative (ATNI)

Statement on our policies on the integration of sustainability risk in investment decision-making processes (Article 3 Regulation (EU) 2019/2088):

At Longview Partners, we seek to generate alpha through investing in a concentrated portfolio of global companies on a consistent basis. Our bottom-up approach invests in high quality companies with strong business fundamentals and attractive cash-based valuations. We strive to invest in predictable companies and avoid investing in companies that are sensitive to external forces beyond their control, such as macroeconomic factors. Within our investment process we are focused on diversification therefore avoiding concentrated exposure to common business drivers. We take a long-term approach to investment and seek to invest in companies that can create long-term sustainable value. We recognise the importance of an assessment of Environmental, Social and Governance (ESG) factors when considering a potential investment or an existing holding. Assessing the significance of ESG-related risks and opportunities, as defined by Longview, is embedded within our bottom-up research process and considered as part of our Quality rating. When analysing the quality of the companies in which Longview invests, ESG considerations are not Longview's sole focus and the impact of ESG factors on performance is not separately measured.

For more detailed information on how sustainability risks are embedded into our investment decision-making process please refer to our Responsible Investment and Engagement Policy, available on our website.

Remuneration Policy (Article 5 Regulation (EU) 2019/2088):

Longview has reviewed its Remuneration Policy in accordance with the requirements of Article 5 of SFDR to ensure consistency with the Firm's integration of sustainability risks. The relevant details incorporated in that respect are featured below:

Central to Longview's Remuneration policy is the promotion of sound and effective risk management and this has now been extended beyond financial risks to encompass sustainability risks. In summary, relevant individuals who are involved in implementing and/or overseeing Longview's Responsible Investment and Engagement Policy will be assessed in this respect as part of the determination of variable remuneration awards by reference to their overall performance. Longview does not have any quantitative sustainability-focused performance targets at either a portfolio or asset level and therefore this is a qualitative assessment in respect of adherence to the Firm's internal procedures for integration of sustainability risk.

Further, another key aspect of Longview's Remuneration policy is with respect to avoiding creating an environment which rewards or encourages excessive risk-taking. Again, this principle has been extended beyond financial risk to incorporate sustainability risks and for those individuals who have a role in ensuring or overseeing that the Firm's Responsible Investment and Engagement policy is adhered to, this is factored into decisions in respect of variable remuneration awards.

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