

LONGVIEW PARTNERS



UK Stewardship Code Report

For the year ending 31 December 2024

Submitted April 2025

Contents

Statement of Compliance and Disclosure	4
Purpose and governance	6
Principle 1: Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.	6
Principle 2: Signatories' governance, resources and incentives support stewardship.	14
Principle 3: Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.	20
Principle 4: Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.	23
Principle 5: Signatories review their policies, assure their processes and assess the effectiveness of their activities.	30
Investment approach	33
Principle 6: Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.	33
Principle 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.	39
Principle 8: Signatories monitor and hold to account managers and/or services providers.	47
Engagement	52
Principle 9: Signatories engage with issuers to maintain or enhance the value of assets.	52
Principle 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.	58
Principle 11: Signatories, where necessary, escalate stewardship activities to influence issuers.	62
Exercising rights and responsibilities	64
Principle 12: Signatories actively exercise their rights and responsibilities.	64

Statement of Compliance and Disclosure

LONGVIEW

PARTNERS

Statement of Compliance and Disclosure

The UK Stewardship Code sets high standards for stewardship, with a focus on activities and outcomes with the aim of improving the opportunity for the delivery of sustainable long-term investment. Longview Partners LLP (“Longview” or “we”) recognise the Financial Reporting Council’s (“FRC”) definition of stewardship: ‘Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.’

In this report, we explain how Longview applies the Principles of the UK Stewardship Code for asset managers and note that Longview will continue to improve and evolve elements of its approach to stewardship as necessary.

About Longview Partners

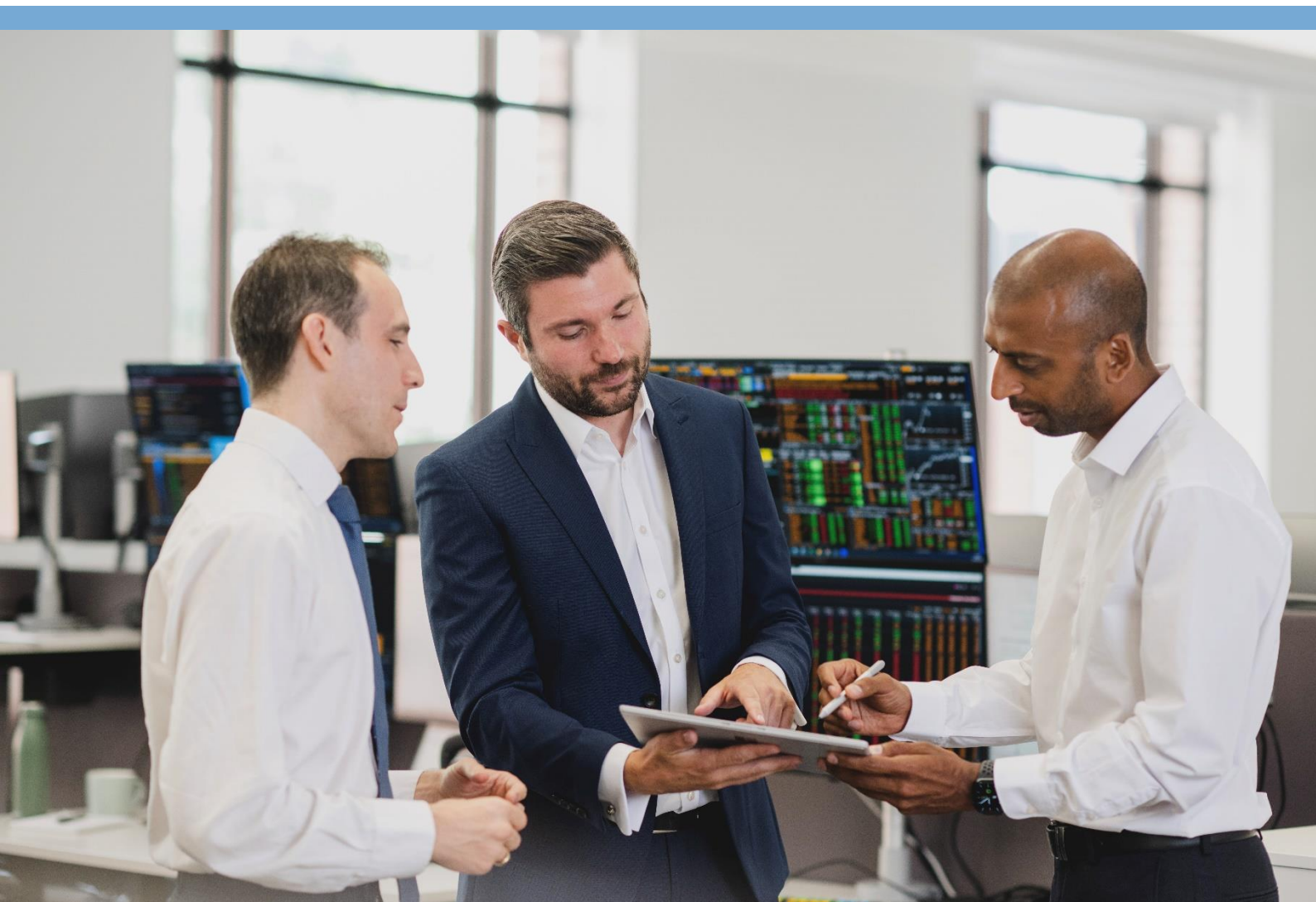
Longview Partners is a specialist investment management company, focused entirely on the management of global equity portfolios. The firm was founded in 2001, is based in London, and authorised and regulated by the UK Financial Conduct Authority. Its client base is almost entirely institutional with clients in North America, the UK, Europe, Australia and Asia.

At Longview, as institutional investors, we take a long-term approach to investment and seek to invest in companies that can create long-term value for shareholders. We are long-term owners of our own business, and we have a clear common purpose: to seek excellence in performance and client service, to be a sustainable business for the long-term and to nurture and protect our culture.

We are one team whose interests are aligned with our clients. Our culture is based on integrity, honesty, and mutual respect, within a framework of transparency and objectivity. Underlying all that we do is a dedication to precision and accuracy and an over-arching belief in continuous improvement. Our culture is the common denominator to all that we do; our investment process, our approach to our clients, our staff and beyond, to our organisation’s place in society.

We believe the best way we can help clients achieve positive outcomes for their underlying beneficiaries is by implementing our discretionary investment management process with discipline, consistency, and in a cost-effective manner within our cultural framework. We believe that Longview exists at the optimal intersection point between culture, performance, talent management and purpose. Longview is an organisation where individuals come together to strive for the benefit of one common good. This provides a fertile ground for innovation, collaboration and optimisation. We believe this leads to a sustainable and aligned business.

Principle 1



Purpose and governance

Principle 1: Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Longview is a specialist investment management company focused entirely on the management of global equity portfolios. Longview is a single strategy, independent, privately owned company with majority ownership by Northhill Capital¹ and the balance held by eleven working Members of Longview. We operate a simple, clearly defined business model principally for institutional clients. The firm's business strategy is determined by the Board of Directors of Longview Partners (Guernsey) Limited (LPG), based upon information from key executives where necessary.

Purpose and Culture

At Longview, as institutional investors, we take a long-term approach to investment and seek to invest in companies that can create long-term sustainable value for shareholders. As a firm, we have a clear common purpose: to seek excellence in performance and client service, and to be a sustainable business for the long-term and nurture and protect our culture. We do this through consciously living by our values, which is a deliberate effort but critical for the preservation of our culture. Our culture is of fundamental importance to us at Longview.

Our culture is the common denominator to all that we do; our investment process, our approach to our clients, our staff and beyond, to our organisation's place in society. It has been nurtured for over 20 years by all those who have worked at Longview and is something that we speak about widely and are proud of. In fact, it is our culture that will enable Longview to be the sustainable business that we want it to be for the long-term. It is our values that guide our decision-making and our sense of what is important and what is right. Environmental, Social, Governance (ESG) considerations, along with our stewardship responsibilities, are embedded within our investment process because we believe it is the right approach to investment: identifying sustainable businesses which will deliver over the long-term.

The culture of Longview is dominated by its collegiate spirit. We share a common approach based on integrity, honesty and common sense, within a framework of transparency and consistent objectivity. Underlying all that we do is a dedication to detail and a culture of precision and accuracy. A demand for transparency and the highest standards of excellence, with a focus on communication, encourages all employees and members to seek to achieve the highest possible objectives in their personal and professional goals. All employees and members of Longview are dedicated to the success of our global equity strategy which we believe powerfully aligns the interests of all staff with a positive outcome for our clients.

The positive impact of good governance on shareholder value is well understood and failures in governance are potentially a significant source of value destruction. Good corporate governance within a clear and transparent framework builds trust and predictability in a business. This has been a focus for Longview since our inception.

One key aspect of our approach to ESG integration and stewardship is that we do so through a lens of materiality. Materiality is the relevance of an ESG factor, principally on a company's financial performance: on the ability of a business to create value in the short, medium and long-term. Clearly these factors may differ from one sector to another. Financial materiality is a key aspect; however, Longview also considers reputational, regulatory, legal and environmental impacts. Materiality also influences how we prioritise engagement with companies. We do not engage with every company on every issue. We focus on those that are most severe or potentially damaging, or where the company response has been inadequate, or those issues that Longview or our clients believe to be most important.

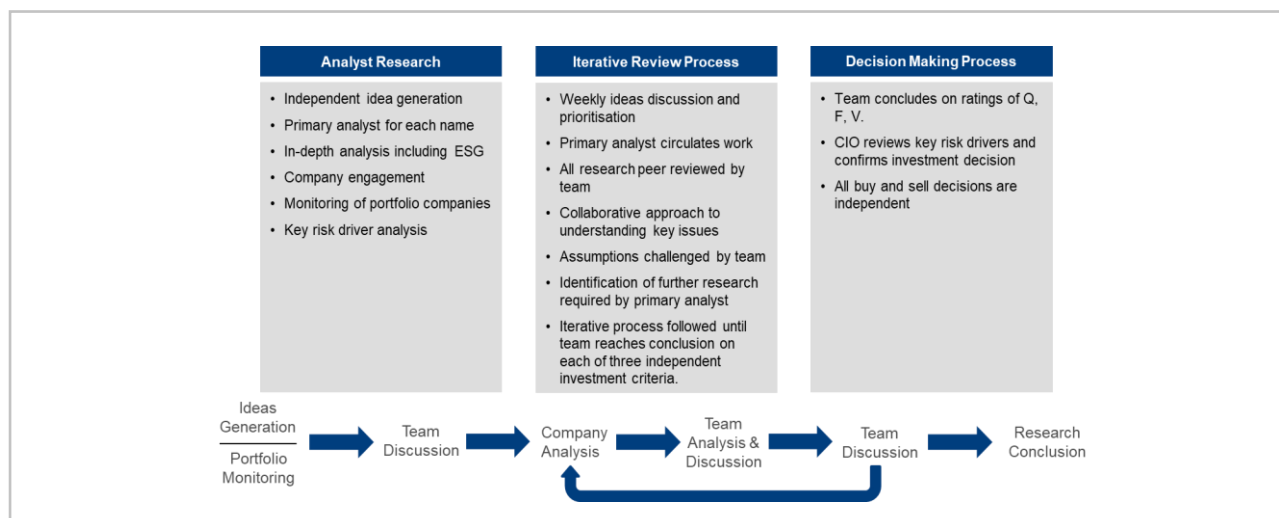
Investment Beliefs

Longview seeks to consistently generate alpha through investing in a concentrated portfolio of global equities. Our bottom-up approach invests in high quality companies with strong business fundamentals and attractive cash-based valuations. We strive to invest in predictable businesses and to avoid investing in companies that are highly exposed to exogenous factors. We consider the diversification of common business drivers within the portfolio to avoid excessive risk

¹ Longview Partners (Guernsey) Limited is majority-owned by Northhill Longview Holdings (Guernsey) Limited as part of the Northhill Capital Group.

concentration. The following diagram shows the decision-making process of our Research Team. It is the iterative application of this process that we believe will help us to deliver sustainable returns for our clients and their beneficiaries.

Figure 1: Investment Process – Iterative Research Process



The key market anomaly that Longview seeks to exploit is the difference between perceived quality and actual quality, as we believe that there are many quality misperceptions when analysing individual companies. It is the exploitation of this anomaly that we believe can add long-term value for our clients and their beneficiaries.

Below is an example of a company Buy Note released by one of our Research Analysts for a Consumer Discretionary stock we purchased in 2024. The extract demonstrates one of the outcomes of the decision-making process and is indicative of the quality attributes that we find attractive in a company. Further details on the investment criteria for Quality are described in Figure 2. The company name in the following example has been withheld to preserve the anonymity of Longview's holdings.

Buy Note Extract (2024): US Consumer Discretionary Company

The company designs and markets sportswear including shoes, clothing and equipment and has since grown into one of the world's largest sportswear companies. Historically, the company sold its products through third-party wholesalers but through the 2010s, it increasingly shifted towards a direct-to-consumer model both online and through its own physical stores. This shift accelerated due to Covid-19 and brought several benefits to the company including a greater share of the industry profit pool, better information on its end customers and higher margins. In fiscal year 2023, direct-to consumer accounted for 44% of sales.

The company operates in a highly fragmented market with revenues over double that of its next largest competitor. Its greater scale is a key competitive advantage which enables the company to meaningfully outspend its peers in advertising and endorsement contracts, helping maintain and reinforce the appeal of its brand which in turn helps the company to continue gaining market share.

The company's scale advantages and capital light business model, where all manufacturing is outsourced, sustain high and consistent returns on capital. Demand for sportswear has increased over recent decades and there continue to be several growth opportunities from the ongoing move to direct-to-consumer, increasing participation in sports, particularly amongst women, and emerging markets. The business is predictable but in the short term is moderately sensitive to changes in consumer spending. The company has a straightforward approach to capital allocation which is focused on dividends and share repurchases, with over 100% of free cash flow being returned to shareholders in this way over the last 10 years, and the company runs with minimal net debt.

We have rated the company Quality 1 and Fundamentals 2 (Figure 2 below includes further information on our investment criteria).

Note: The company name has been withheld to preserve the anonymity of Longview's holdings.

The analysis of ESG factors is part of our research process when considering the Quality rating of a business. This enables us to identify companies that we believe will generate long-term sustainable returns. At Longview, we have an integrated approach to evaluating ESG risks and opportunities. On environmental and social matters, we believe that a lack of consideration for these issues can negatively impact the growth of a business and its long and short-term value. On governance, the key element of this analysis is the company's treatment of shareholders and its use of capital. Our reporting under Principle 7 includes additional information on our approach to ESG and responsible investing.

We believe that companies that show good stewardship have the potential to deliver enhanced and sustainable value for shareholders and therefore may be accretive investments for our clients. We implement our process in a disciplined and rigorous manner, consistently over time and we believe this consistency in implementation will continue to deliver for our clients and their beneficiaries, as it has been able to do in the past.

In Figure 2 below, we show the investment criteria that we consider when analysing the Quality of a company, a key part of this being our views on the sustainability of returns. We rate the Quality of companies as Q1 (excellent), Q2 (good) or Q3 (fail). If a company is rated Q3, then it cannot be included in the portfolio. If an existing portfolio company is downgraded to Q3, it will be divested from the portfolio.

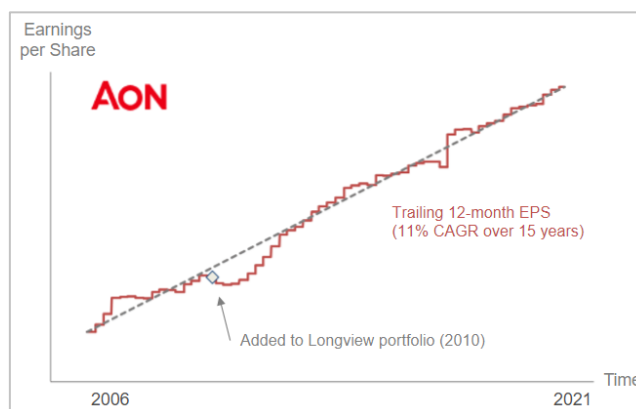
Figure 2: Investment Criteria for Quality

Quality			
All companies are scored 1 (Excellent), 2 (Good) or 3 (Fail)			
Sustainably High Returns	Predictability	Opportunity to Grow	Capital Allocation
- Industry structure - Competitive advantages - ESG analysis	- Stable industry structure - Predictable revenues - Limited economic sensitivity and exposure to exogenous risk	- Identifiable growth opportunities - Ability to compound value	- Management approach and incentives - Focus on long-term returns - Opportunity to reinvest capital - Governance

At Longview, a company with strong, stable and recurring cash-flows, amongst other investment criteria, is considered a high-quality company. Quite often, the market tends to misunderstand the stability of the cash-flows of certain businesses and as a result perceives these companies to be of lesser quality than we believe them to actually be.

Our investment in Aon, an advisory, insurance broking and solutions company, over the years is an ideal example of the outcome of our assessment of quality as it incorporates many of the characteristics that we look for in a high-quality company. We believe that one of the ways in which we effectively serve the interests of our clients and their beneficiaries is by implementing our investment process in a consistent manner, and investing in high-quality companies, such as Aon, that outperform in the long-term.

Figure 3: Differentiated Approach to Quality – Aon plc



Note: This chart is for illustrative purposes only and does not represent an investment recommendation. This example is presented with a time lag for confidentiality purposes and should not be interpreted as indicative of current holdings.

Serving our Clients and their Beneficiaries

We focus on serving the best interests of our clients by delivering performance, client service and good stewardship. As long-term investors, we look for a philosophical alignment with our clients, in terms of their investment objectives and time-horizon. We believe that the long-standing relationships that we have built and retained over the years across our global and diversified client base, as demonstrated by client type and geography under Principle 6, has validated and reinforced the effectiveness of our approach to investment and stewardship.

In line with our culture of self-improvement, we work closely with our clients and endeavour to accommodate client-specific requirements where possible while taking feedback onboard. The following case studies are such examples. Please note that the name of our client has been withheld to preserve their anonymity.

Case Study 1: Building and maintaining long-term client relationships | US State Fund

The Fund is responsible for administering retirement and defined contribution benefits for state, local government, and public education employees in a US state. Longview began managing the relationship over thirteen years ago and has added value to the mandate since its inception while fostering a close relationship with the client over time.

Since inception, the mandate outperformed its benchmark by 2.01% on an annualised net-of-fees basis, as at 31 December 2024, passing on this benefit to retirees who had chosen a career in public service. Over the years, in line with Longview's commitment to regular communication and transparency, we met with the investment staff representing the Fund two to three times per year to update them on the portfolio and discuss their questions or concerns. We also regularly presented to the Fund's Trustees which included beneficiaries of the Plan.

Over the length of this relationship, we have worked with the Fund to understand the demands of their pension plans and address specific requirements where possible. The lack of breaches in relation to this mandate throughout the period has further demonstrated how Longview's focus on serving the best interests of our clients by delivering performance, client service and good stewardship has been effective. In an effort to ensure continuous improvement in serving our clients, Longview maintains an open dialogue on all matters through its approach to client relationships; and reporting and communication, all of which are detailed under Principle 6.

Case Study 2: Achieving carbon neutrality in our operations with Carbon Neutral Britain

In our own operations, we seek to hold ourselves to the same sustainability standards that we expect from the companies in which we invest. Our climate action in our own operations is shaped by our ambition to contribute to the transition to a more sustainable economy; and in response to the evolving climate requirements and expectations of our clients and their beneficiaries.

In August 2024, Longview achieved Carbon Neutral Certification² in its operations for a second consecutive year, meeting Carbon Neutral Britain's Certification™ standards. This covered measuring, calculating, and offsetting carbon emissions within the Scope 1, 2, and 3 greenhouse gas (GHG) emissions boundary from January 1, 2023, to December 31, 2023, using the ISO 14064 and GHG Protocol Emissions Standard principles of relevance, completeness, consistency, transparency and accuracy. This assessment will continue to be an annual practice going forward as part of our ongoing commitment to sustainability.

Through this certification, Longview has offset its total carbon emissions through internationally certified carbon offsetting projects around the world, within two of Carbon Neutral Britain's funds – the Climate Fund™ and Woodland Fund™. The Woodland Fund™ has 10% of its budget spent on sustainable projects in Britain.

The projects in these two funds have been selected by Carbon Neutral Britain based on both their direct and indirect impact around the world – not just in offsetting, which is one of the key reasons Longview chose to partner with them on this initiative. Indirect impact may include projects supporting education, employment and clean water, as well as

² Longview Partners was certified in August 2024 as a Carbon Neutral Business by Carbon Neutral Britain Ltd (carbonneutralbritain.org). This certification verifies that the firm has met all Carbon Neutral Britain Certification™ standards in measuring, calculating and carbon offsetting organisational carbon emissions within the Scope 1, 2 and 3 GHG emissions boundary during the period of 1st January 2023 to 31st December 2023. Compensation was paid by the firm for the services provided by Carbon Neutral Britain Ltd and carbon credits were purchased to offset the measured carbon emissions.

having a net positive impact on the local wildlife and ecology (e.g. tackling improved biodiversity and mixed reforestation in Costa Rica; and hydro power in the Andes Mountains in Chile).

One of the most important beliefs that we have is the importance of consistency and transparency in everything we do. To Longview, it is critical that our clients understand our process and that we continue to focus on delivering superior outcomes for them. We seek to evolve our investment process to ever improve our implementation. We maintain a firm commitment to serving our clients' needs, being effective stewards of their assets and supporting their beneficiaries, but we recognise that we can continue to strive to do this better.

Corporate Responsibility In our own operations, we hold ourselves to the same sustainability standards that we expect from the companies in which we invest. In 2024, we achieved various outcomes which are aligned with our three corporate sustainability pillars – Our Environment, Our Community and Our People – as outlined in Figure 4 below. We believe these outcomes contribute towards Longview's holistic stewardship approach. We also provide further details about these outcomes in the next section under our Corporate Responsibility Pillars.

Figure 4: Longview's Corporate Sustainability Pillars



Note: Outcomes achieved in 2024 or where related work has continued on in 2024, are identified in bold.

Corporate Responsibility Pillars

Our Environment

- Longview published its inaugural Task Force on Climate-related Financial Disclosures (TCFD) Report in 2024 to provide a holistic overview of our efforts to understand and manage our climate-related risks and opportunities cross three main areas of our business – through serving our clients, in our investment portfolio, and in our operations.
- As described in the case study above, in 2024, we maintained our status as a carbon neutral business across our operations for the second consecutive year by offsetting our total carbon emissions through internationally certified projects within two of Carbon Neutral Britain's funds—the Climate Fund™ and the Woodland Fund™.
- Longview has signed on to the 2024 Global Investor Statement to Governments on the Climate Crisis, coordinated by the Investors Agenda for a third year. This network brings together a regionally diverse body of global investors to urge governments to implement specific priority policy actions that will enable them to invest the trillions needed to respond to the climate crisis.

Our Community

- In the last four years, Longview has supported GAIN (Girls are INvestors) by mentoring and participating in presentations at schools and universities. GAIN is a charity set up by investment professionals to improve gender diversity in the asset management industry. Longview believes that targeting gender diversity and social mobility at school and university level is important to build the talent pipeline for the future. Since 2022, Longview has further supported the initiative by offering paid work experience to GAIN candidates through our Summer Internship Programme.

- Longview is a participant in the #10000BlackInterns initiative which aims to address the chronic underrepresentation of Black people in the investment management industry. In 2024, Longview continued its support for this initiative by providing paid work experience to young Black talent in the UK through our Summer Internship Programme.
- Longview also considers not only gender and ethnicity but also the influence of individuals' socio-economic backgrounds. We determined that opportunities exist for us as a firm to educate and mentor students about the financial services industry and have partnered with the Mosaic charity (a King's Trust Organisation), for the last three years, as mentors in less privileged schools.
- In line with our commitment to broadening the candidate pool and promoting open hiring practices, we also work with two diversity-focused recruitment firms for relevant roles: Women Returners; and _nology. Women Returners is a purpose-led consulting, coaching and network organisation which specialises exclusively in enabling the return to work of professionals after an extended career break; and _nology selects candidates from diverse talent pools focusing on mindset and capability rather than past experience and prepares them for roles within technology.
- In 2024, we continued to engage with clients and partners on Diversity, Equity & Inclusion (DEI), held speaking engagements on DEI at industry conferences and exchanged best practices with our partners.

Our People

- We delivered our annual internal sustainability training, consistent with previous years. The training is compulsory for the Research and Client Services Teams; and available to the entire firm. In 2024, we also conducted external training for the second consecutive year, as described under Principle 2.
- Our Diversity, Equity and Inclusion (DEI) Committee promotes DEI best practices and sets firm-wide goals for continuous improvement, Longview aims to create a trusting and committed workplace where every individual feels valued and motivated to remain and grow.
- We continued to focus on expanding the candidate pool in recruitment; Longview works with a specialist executive search firm that is committed to promoting equal career opportunities and diversity, through the principles outlined in the section below.

Equal Opportunities and Diversity

Longview's culture is one of openness and discipline, and we embrace it in everything that we do. We believe that our people are our firm, and our firm are our people. Human capital management is of critical importance to Longview; and we are blessed with long tenure amongst our staff. We have always valued open and transparent communication and believe everyone has a voice of equal value which has been the bedrock of the inclusive culture that Longview has today. Longview recognises the value of diversity, where we believe differences bring alternative ideas, perspectives and concepts to discussions. This perspective is reflected in Longview's Equality, Diversity and Inclusion. In the UK, we also communicate on diversity, equity and inclusion through the Asset Owner Diversity Charter (AODC) Questionnaire, provided to clients upon request.

Longview works hard to promote equal opportunities to all partners and staff. To further understand the inclusiveness of our culture, we conducted an Employee Engagement Survey in 2022, which measured individual perceptions of inclusion at multiple levels. The survey focused on topics such as belonging, role models and mentors, and psychological safety within the organisation. Amongst other positives, the survey found that common words resonating with people at Longview included 'collaboration', 'respect' and 'innovation'. No barriers were identified that prevent underrepresented groups from applying to or being awarded promotions.

Prior to conducting this engagement survey, we also carried out research into the diversity of the firm and the wider industry to identify gaps in representation and select the most effective interventions. It was important for us to understand Longview's diversity in an anonymous and confidential manner to protect employee information. To achieve this, Longview partnered with Fabric3, a data analytics firm specialising in diversity analytics for investment managers. Fabric3's approach to diversity aligns closely with Longview's, taking the broadest view of diversity and seeking to understand it in all its forms. Their methodology categorises diversity into 'hardware' (physical/visible diversity), 'software' (experiential/acquired diversity), and 'operating system' (cognitive/neurodiversity). Using data from Fabric3's survey, we were able to profile our firm and gain an understanding of Longview's diversity metrics.

As an outcome of the research above, Longview reviewed information from our specialist executive search partner to analyse and understand the breadth of the candidate pool for investment roles. Longview is committed to accessing the widest pool of potential candidates for each role and the successful candidate will be the best individual for that role irrespective of background, gender, ethnicity or any other characteristic. In addition, we believe we can have more impact across the industry and in our community through active engagement and mentoring, as outlined in initiatives under Our Community pillar above.

Longview works with a specialist executive search firm that is committed to promoting equal career opportunities and diversity, through the following principles:

- Ensuring that role criteria are broad where possible to widen the applicant pool
- Encouraging hiring managers to avoid recruiting in their own image
- Highlighting the availability of flexible working options to candidates during the search process
- Including diverse interviewers on recruitment panels
- Allowing flexibility in the timelines of recruitment mandates to attract diverse candidates
- Focusing not only on recruiting for specific roles but being strategic and building 'bench strength'
- Providing education and support to managers, particularly those with limited interview experience
- Assessing candidates for their potential, not just their past performance
- Considering candidates with less traditional or linear career paths (e.g. returners)

In addition to the above, Longview continues to support The Diversity Project, with Marina Lund, CEO, Partner, as an advisory committee member. The initiative's aim is to create a diverse and inclusive investment industry with the talent to deliver the best possible results for clients, to reflect society and address diversity in its broadest sense spanning: gender, ethnicity, socio-economic background, degree discipline, LGBTI+, neurodiversity, mental health, military veterans and disability. Addressing diversity in its broadest sense aligns with Longview's aim and purpose.

We believe that our collaborative, inclusive and open culture is a key reason why Longview has successfully retained talented people over time. Through the efforts outlined above and the founding of our Diversity, Equity and Inclusion (DEI) Committee, which promotes DEI best practices and sets firm-wide goals for continuous improvement, Longview aims to create a trusting and committed workplace where every individual feels valued and motivated to remain and grow.

Principle 2



Principle 2: Signatories' governance, resources and incentives support stewardship.

Longview maintains a flat hierarchical structure. For a company of our focus, combined with the strength of our culture, we believe this integrated approach is optimal for ensuring effective stewardship.

Governance

The CEO, CIO and Head of Research have day-to-day oversight for the effective stewardship of our clients' assets within Longview. Stewardship and ESG-related policies are formally reviewed and approved by the Board of Longview Partners (Guernsey) Limited ("Board"); and the Executive Committee (ExCo) of Longview Partners (LLP) on an annual basis.

Ultimately, the ExCo is accountable for ensuring that the approach taken by the organisation towards stewardship is adequate and appropriate. In 2024, the Longview Partners UK Board reviewed Longview's sustainability strategy detailing our approach to ESG integration, stewardship and corporate responsibility. Longview also maintains a detailed framework document which sets out the criteria and expectations around all matters of stewardship, the integration of ESG analysis and engagement. The framework guides the Research Team in the implementation of stewardship activities with portfolio companies and ensures that ESG analysis is integrated in a consistent manner. It is also reviewed and approved by the Board and the ExCo on an annual basis. In 2024, the Head of Sustainability also provided an annual sustainability update to the Risk Audit and Compliance Committee (RACC) of LPG.

Longview's Head of Sustainability works with the Research Team and Institutional Clients Team on the integration of ESG factors in the investment process, company engagements, and the developing requirements of our clients. The Head of Sustainability is integrated in the Investment Team's weekly research meetings where Longview's CIO, Head of Research and Research Analysts discuss on-going company research. In these meetings, ESG issues may be flagged and discussed; and any required next steps are determined. The Head of Sustainability maintains ongoing one-on-one discussions with the primary Research Analyst to address specific ESG risks and collaborates on targeted ESG engagements and company discussions. The cooperation is typically structured as follows:

- The primary Research Analyst and/or Head of Sustainability contacts the company seeking clarity on ESG matters as part of our ongoing dialogue with management, in accordance with our engagement selection process.
- The primary Research Analyst and/or Head of Sustainability attends engagement discussions between Longview and portfolio companies on ESG matters.
- In partnership with Longview's CIO, Head of Research, and Institutional Clients Team, the Head of Sustainability suggests thematic opportunities for engagement and engages with relevant portfolio companies; with the primary Research Analyst joining when possible.
- The Head of Sustainability and/or Research Team may suggest engagement escalation when necessary, including additional engagements or through proxy voting.

For additional governance around key topics, Longview's CIO, Head of Research, Head of Sustainability and the Institutional Clients Team conduct an ESG Review on a quarterly basis to review ESG risk, stewardship-related activities and on-going sustainability initiatives; and to discuss, prioritise or escalate engagements. The effectiveness and outcomes of Longview's engagements with our portfolio companies are tracked through an Engagement Log managed by the Institutional Clients Team. The Institutional Clients Team is also responsible for the maintenance of stewardship and ESG policies.

Our Engagement Log helps us effectively track our engagements with portfolio companies, including our thematic engagements, and either achieve the intended outcome, keep track of any progress or escalate a specific issue. This growing database is a key source of input for the Research Team on engagements for their updated assessment of a company's Quality and for monitoring specific issues for an upcoming proxy-voting decision. In addition to this, the Research Team maintains a comprehensive Research Database which contains the notes and models produced by the team along with their Quality, Fundamentals and Valuation ratings and team conclusions on these criteria, including their ESG assessment. Both the Head of Sustainability and Institutional Clients Team can access this comprehensive database, enabling effective information-sharing across teams. Please refer to our Engagement Log extract under Principle 9 for further information.

Firm-wide internal sustainability training is provided annually and is compulsory for the Research and Client Services Teams. The training is provided by the Head of Sustainability and Institutional Clients Team with input from the CIO and Head of Research, and involves briefings on emerging issues and trends, regulatory developments and Longview's ESG activity and engagements with companies. The training also comprises key topics raised through our interactions with clients and consultants and relevant industry research and/or content available through the UN-Principles for Responsible Investment (UNPRI), Institutional Investors Group on Climate Change (IIGCC) and other associations. In 2024, an external firm-wide sustainability training was also provided by specialist ESG consultants addressing the sustainability policy landscape in the US, Europe and UK. The training also addressed global nature and biodiversity issues.

In 2024, the Head of Sustainability and members of the Institutional Clients Team received external knowledge, analysis and one-on-one sessions and deep dives from Sustainalytics on their ESG risk rating methodology and the use of their reporting tools; and from S&P Trucost on various climate analytics. More details about these providers and their ESG-related services are provided under Principle 8. The Head of Sustainability and members of the Institutional Clients Team have also attended various conferences, webinars, one-on-one sessions provided by organisations such as the Institutional Investors Group on Climate Change (IIGCC), IIMI, MSCI and the Access to Nutrition Initiative (ATNI) covering a range of topics – from industry-wide sustainability themes to more specific topics such as Impact Metrics.

Longview is proud of a track record that demonstrates a lack of breaches surrounding conflicts of interest in relation to stewardship and we are confident that this is an indication of the strength of our governance structure.

We also believe that good governance extends beyond our own internal governance structures and should be upheld through our research process and our engagements with companies. As long-term investors, we encourage high standards of corporate governance when we meet with the senior management of a portfolio company. In meetings with portfolio companies, we will discuss strategy and corporate responsibility issues with company board directors and executives, as we believe that these factors affect the potential for a portfolio company to deliver long-term, sustainable value to shareholders. Our Research Team evaluates the effectiveness of companies' management on these issues and whether a company's past, current or anticipated behaviour has the potential to adversely affect its future sustainability.

In-line with our culture of continuous improvement, several of the initiatives detailed in this report (summarised in the list below), were either newly introduced or reaffirmed in 2024 due to their continued value. We believe that many of these efforts and improvements have increased the effectiveness of our governance around stewardship matters.

- Published our inaugural TCFD Report in June 2024
- Continued climate stewardship through our Climate Commitments Audit
- Achieved carbon neutrality across our offices for the second consecutive year
- Engaged on thematic issues with portfolio companies focusing on Access to Health Care, Data Privacy & Security, and Artificial Intelligence (AI), Modern Slavery, and Climate Change.
- Evaluated methodologies for making a Net Zero commitment and validated potential targets in collaboration with the Institutional Investors Group on Climate Change (IIGCC)
- Launched an SFDR Article 8 Luxembourg-based UCITS Fund³ that implements Longview's global equities strategy, while promoting environmental and social characteristics
- Partnered with specialist ESG consultants to provide firm-wide external sustainability training in addition to Longview's annual internal sustainability training for the second consecutive year.

Resources

Longview's research professionals are solely focused on analysing businesses from a bottom-up, fundamental perspective. The Research Team is comprised of our CIO, Head of Research, six experienced Research Analysts. All of Longview's Research Analysts are generalists. We believe this ensures lateral thinking and encourages an open mind. This allows the analysts to work as a team, having the ability to challenge each other or to offer different perspectives to understanding and analysing a company's business model. The Research Team operates within a culture of precision, accuracy and a framework of transparency. Longview's Research Analysts are highly experienced investment professionals with an average of 14 years' experience in the investment industry and an average tenure of over eight years at Longview. We believe the retention of experienced analysts who hold a deep understanding of our investment process is key to delivering long-term, sustainable returns which serve the best interests of our clients and support our efforts in meeting our stewardship obligations over the longer-term.

³ SFDR: EU Sustainable Finance Disclosure Regulation standardises sustainability disclosures for financial market participants; UCITS: Undertakings for Collective Investment in Transferable Securities, the EU framework governing investment funds.

Longview has always been an equal opportunity employer and is a strong advocate of diversity in broad terms. As a firm, we believe that cognitive diversity is critical to fostering good debate and high-quality decisions within the investment team and wider organisation. Longview seeks to attract and retain high standards of talent. As a firm we are non-discriminatory in our efforts to do so and remain open-minded and endeavour to recruit from as wide a talent pool as possible. For more information on our commitment to Equal Opportunities and Diversity, please refer to Principle 1.

We are committed to creating an inclusive workplace, which is reflected by the number of leadership and senior roles held by women at Longview. The role of Longview CEO and Head of Institutional Clients is held by Marina Lund. Marina is a Partner, was co-CEO from 2014 – 2019 and CEO since 2019. She has been with Longview since 2007 and in the financial services industry for over 30 years. In addition, one of the firm's Senior Managers, Emma Davies, is Longview's CFO, Member of the ExCo and Partner. Kate Campbell, Managing Director and Finance Director, is also a member of the Executive Committee of Longview Partners (Guernsey) Limited and a director of the Board.

Service Providers

On behalf of our institutional clients, we employ the services of the proxy voting adviser, Glass, Lewis & Co, a leading independent provider of corporate governance solutions to the financial services industry. Glass Lewis fulfils two functions. Firstly, as a purely operational process, they ensure the voting instructions provided by Longview are implemented across client accounts. Secondly, Glass Lewis uses publicly available sources of information such as stock exchanges, regulators and company filings to provide research and analysis and make voting recommendations. Glass Lewis covers ESG-specific research in their proxy voting analysis. The CIO and Head of Sustainability review Glass Lewis' voting policy on an annual basis and Longview conducts an annual service review of their services, described in our engagement under Principle 8. More information is provided about Glass Lewis' scope of services under Principles 7, 8 and 12.

Since 2020, Longview has engaged Sustainalytics for specific third-party ESG reporting provided to our Research Team. The Research Team uses primary source material in analysing businesses and uses ESG information and independent assessments from Sustainalytics and Glass Lewis to supplement their ESG work. Both provide company-level data, research and analysis which cover a variety of ESG themes. Sustainalytics' reports may be used by the Research Team in assessing and monitoring ESG areas of concern; and supporting ESG discussions with portfolio companies. Sustainalytics generates portfolio-wide metrics which may flag wider ESG issues and provides controversial event indicators and historical indicator-level data.

Since 2022, we have engaged S&P Trucost to source more comprehensive carbon data and metrics that are aligned with TCFD recommendations. 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. However, we believe it is important to develop a better understanding of the climate risks associated with our holdings, while having access to the appropriate data sets and reporting capabilities. More information is provided on S&P Trucost's services under Principle 8.

Since 2022, we have engaged Carbon Neutral Britain to measure our operational carbon emissions as described under Principle 1. We have used Carbon Neutral Britain's findings to report on Longview's operational GHG emissions in our TCFD disclosure, published in June 2024.

The Research Team can also source information from the following external information providers. The providers described above, are also included in the list by way of summary.

- FactSet: Wide-ranging data aggregation, including Portfolio Analytics for analysing portfolio performance and risk.
- Data providers: From time to time, we purchase data sets from third-party providers to supplement our understanding of a company or industry (e.g. SNL Financial)
- Sell-Side Research Providers: We subscribe to research services from several sell side brokerage houses. This is used to assist in building our understanding of a business and for access to historic data sources rather than for opinion.
- Independent Research Providers: We currently subscribe to Gartner Research.
- Artificial Intelligence (AI) tools: As part of the investment due diligence process, we use a range of tools including OpenAI, Gemini, NotebookLM and Perplexity to help source and analyse publicly available information on companies
- Expert Networks: These include Tegus, AlphaSights and ThirdBridge with a mix of expert calls and access to wider transcript libraries.
- Sustainalytics: An external provider of ESG data, research, ratings and monitoring tools covering areas such as for UN Global Compact, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights

(UNGPs) violations. Additionally, Sustainalytics' Product Involvement Research is used to identify the appropriate exclusions of companies with weapons involvement, in line with requirements.

- S&P Global Trucost: An external provider of greenhouse gas (GHG) emissions data, TCFD-aligned metrics and climate analytics.
- Glass Lewis: An external provider of proxy voting research and recommendations.
- Industry conferences.

Incentive Structure

As a result of our single product focus and team approach and culture, the incentive structure of Longview is clearly aligned to the outcomes that we generate for our clients. Longview pays a combination of fixed and variable compensation to its staff. Our approach to remuneration is structured and analytical. In addition to the individual's performance, the criteria considered include the individual's contribution to their team, the firm as a whole and the preservation of Longview's culture.

Fixed compensation is set deliberately conservatively. Variable compensation is intended to be the largest portion of the overall compensation structure and is paid annually, with part deferral of a component for all staff. It is set objectively, considering a variety of factors: the individual's performance, Longview's financial performance during the year, the individual's adherence to and observation of internal compliance policies and procedures (including the firm's Responsible Investment and Engagement Policy) and FCA Conduct Rules, the external competitive environment, and the message to be conveyed. Research Analysts are rewarded based on the discipline and diligence with which they implement the investment process; and the value they bring to other analysts' work through the depth and quality of their interaction within the team. We believe that the disciplined implementation of the investment process will allow us to deliver sustainable returns for our clients over time and therefore support our efforts in meeting our stewardship obligations over the long-term.

Compensation is determined by Longview's Remuneration Committee ("RemCo"). RemCo is comprised of two Non-Executive Directors: the Group Managing Partner, Investments of B-FLEXION who is a Non-Executive Director of the Longview Partners (UK) Limited Board; and a Non-Executive Director of the Longview Partners (Guernsey) Limited Board who represents the other shareholders group.

We are clear in our belief that better sustainable investment outcomes are most likely generated by companies that engage in better stewardship. Our incentive structure is aligned to investing in such businesses to drive better long-term performance outcomes for our clients. As a single product firm, compensation is closely tied to the success of the business both from a profit and fair market value perspective. All staff participate in equity ownership at some level, whether real or phantom, ensuring they are incentivised to participate in the long-term success of the organisation.

Effectiveness and Outcomes of Stewardship

The following table provides further examples on how governance at Longview has been effective in supporting our stewardship approach over the past year. We will continue monitoring our efforts to identify further improvements where possible.

Governance	Effectiveness and/or improvement
LPU Annual Policy Review	When appointing Directors of Longview Partners UK Board (LPU), consideration is given to their expertise in areas that complement the Executive Committee (ExCo) of Longview Partners LLP. This governance structure encourages the ExCo to leverage the calibre of the individuals on the LPU Board to provide review and knowledge of key areas; and facilitate challenge and debate. In 2024, the review of key Longview documents by LPU directors, included but was not limited to Longview's: – UK Stewardship Code – ESG-related Policies – Compliance Manual and Annual Report – Internal Capital and Risk Assessment regulatory document (ICARA)

Ongoing monitoring via our Engagement Log	In 2024, our Engagement Log helped us effectively track 16 separate engagements with 12 different portfolio companies (as shown in Figure 10 under Principle 9). This includes our thematic engagements on Access to Health Care; Data Privacy & Security, and AI; Modern Slavery; and Climate Change. The Log enabled us to successfully follow-up with companies and either achieve the intended outcome, keep track of any progress or escalate a specific issue. This growing database is a key source of input for the Research Team on engagements for their updated assessment of a company's Quality and for monitoring specific issues for an upcoming proxy-voting decision. Please see Figure 9 under Principle 9 for an extract from our Engagement Log. We have also explored ways to enhance our Engagement Log to improve data analysis. One potential enhancement is the inclusion of labels to support analysis through Power BI, Microsoft's data analytics and visualisation tool. This would enable us to identify trends across portfolio companies, such as recurring themes or challenges. Over time, this insight could help inform our engagement priorities and ensure our efforts remain aligned with emerging issues.
Compliance monitoring	Longview is proud of a track record that demonstrates a lack of breaches surrounding conflicts of interest in relation to stewardship and we believe this to be an indication of the effectiveness of our governance structure.
Commitment to clear and fair sustainability communications	In May 2024, Longview conducted an anti-greenwashing review of its website and marketing communications. This review aimed to ensure compliance with the Environmental, Social and Governance sourcebook (ESG) 4.3.1R, which requires firms to accurately represent the sustainability characteristics of their products and services. According to this rule, all references to sustainability must be consistent with actual attributes of the product or service and must be fair, clear, and not misleading. Following the review, the necessary updates were made to ensure all communications aligned with the regulatory requirements.

Principle 3



Principle 3: Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Longview is very aware and sensitive to all potential conflicts of interest as outlined in our Conflicts of Interest Policy which is disclosed separately on our website [here](#) or at the following link: <https://www.longview-partners.com/media/mtydla0o/conflicts-of-interest-policy.pdf>. The identification, prevention and appropriate management of conflicts of interests is central to Longview's aim of treating clients fairly and is essential to our role as stewards of client assets. Our Conflicts of Interest Policy details the systems and controls that we have implemented to achieve this goal.

Examples of where conflicts of interest exist or may potentially arise include, but are not limited to, the following:

- Brokers: broker selection and payment of commission to brokers;
- Research providers: provider selection and payment for research;
- Dealing and Investment Decisions: allocation of aggregated client orders, dealing errors;
- Staff: personal account dealing undertaken by members of staff;
- Staff: gifts, entertainment or inducements offered or received by Longview and its staff;
- Staff: outside business interests must not affect the ability of a member of staff to make judgements or decisions in the best interests of Longview and its clients;
- Staff: political contributions or charitable donations to persons or in relation to persons who are in positions to influence decisions to retain Longview;
- Research: Longview votes with its own interests which may conflict with the interests of clients.

Longview has a policy for each of the above areas. For example, to address the potential voting conflict, we have a Shareholder Activism policy, which is disclosed separately on our website [here](#) or at the following link: <https://www.longview-partners.com/media/tquhshpp/shareholder-activism-2024.pdf>.

Longview does not have an historic example of an actual conflict of interest arising in relation to a stewardship matter. We recognise that a potential conflict could arise if Longview deemed the stock of a company that was also a client, or closely linked to a client (such as the pension scheme of the company), investible. Our clients often prohibit investment in the securities of the parent or related entity as part of their investment guidelines, thus removing the potential for conflict.

From a stewardship perspective, a potential conflict of interest might arise in relation to a potential or actual investment in a company: that is also a significant client; where any staff member of Longview is also a director of that company; in which we have a strategic relationship; which distributes Longview's products; which is a significant supplier; or any other company which may be relevant from time to time.

Applying our Conflicts of Interest Policy

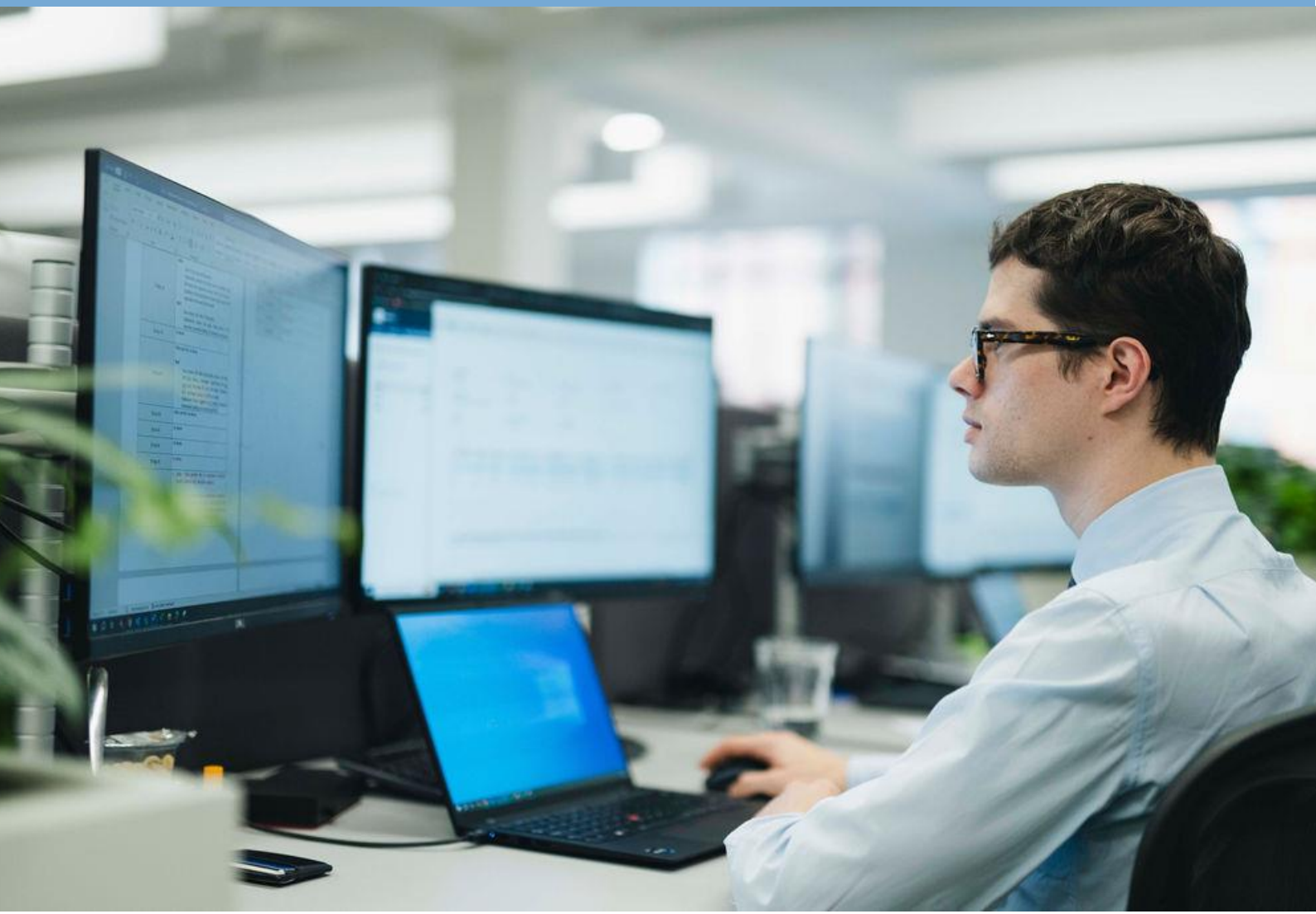
If a potential conflict arises at a portfolio company meeting, the Research Team would raise the issue with the CIO and the London Compliance Team in the first instance. Staff should not agree to become an insider or be given potentially inside information without prior approval from the CIO and prompt notification to Compliance. It is our strong preference not to be made an insider, as this restricts our ability to trade. If we agree to become an insider, the stock will be immediately placed on our banned list which will prevent any trading in that name. Staff coming into possession of potential inside information must not communicate this information to anyone, whether internal or external to Longview, except for Compliance. Once this information becomes public, the Compliance Team would remove the name from the banned list and the trading restriction would be lifted. Alternatively, the Institutional Clients Team may become aware of a conflict, and this would be raised directly with the CEO and Compliance Team.

Longview pays due regard to the interests of clients and aims to treat them fairly at all times. Longview has implemented systems and controls to identify, prevent and manage conflicts of interest. Longview manages conflicts of interest fairly, both between itself and its clients and between two or more clients. Longview's staff must at all times take all appropriate steps to identify conflicts between Longview and its clients or between two clients. In addition, Longview's staff must take all appropriate steps to identify other conflicts of interest. If a member of staff perceives there to be a potential conflict of interest, they should notify the Compliance Team immediately. Compliance keeps a log of all conflicts and potential conflicts, how they are managed and mitigated.

Longview has assessed potential conflicts of interest with regard to ESG and stewardship and has concluded that none currently apply. An example of an identified conflict might be in relation to voting and engagement. Hypothetically, if a non-executive director of the Board has a business relationship, either directly or indirectly, with associate companies in which we have a shareholding, this could lead to a potential conflict of interest. This would be managed through the disclosure of outside business interests, which is required at the commencement of the appointment of the director and annually thereafter. An information barrier has been established between the Research Team and the Board, both in relation to investment decisions and voting and engagement intentions, to ensure information is only shared post-event and in-line with client reporting. The Longview Compliance Team monitors conflicts of interest on a quarterly basis.

On an annual basis, our Compliance Teams based in London and Guernsey review the Conflicts of Interest Policy and make the necessary updates. The policy is also reviewed and approved by the Executive Committee (ExCo) of Longview Partners (LLP) and the Board. The frequency of this review would alter if material changes were to occur prior to the scheduled annual review.

Principle 4



Principle 4: Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Within our Research function, through our in-depth analysis of a company, we assess the risks that may be impacting the business from a global perspective. Longview uses its Key Risk Drivers Framework to identify and track the portfolio's exposure to such risks, which can include exposure to energy prices, inflation and government spending, as examples. The Framework allows us to assess the commonality of these risks amongst portfolio companies, and this is how we quantify overall exposure to market-wide and systemic factors. For ESG risks, Longview uses the M.O.R.E. ESG Analysis which encompasses Materiality, Opportunity, Risk and Engagement, as detailed under Principle 7.

Market-wide risks relevant to our portfolio companies include, but are not limited to, the following categories which can be added or removed over time:

- Lower for Longer Interest Rates / Deflation
- Rising Inflation
- Credit Deterioration
- Slowing Emerging Markets
- GDP Growth
- Geopolitical Risk

Systemic risks relevant to our portfolio companies include, but are not limited to, the following categories which can be added or removed over time:

- Slowing Industrial Production / Infrastructure Spending
- Worsening Consumer Spending
- Deteriorating IT Spending
- Social Distancing
- ESG risks (through the M.O.R.E. ESG Analysis)

At Longview, we strive to invest in predictable companies and to avoid investing in companies that are overly sensitive to external forces and exogenous factors beyond management control, since we view these factors as risks rather than opportunities. Our investment style is not to try to exploit any geopolitical or macroeconomic trends but to protect our clients' portfolios from being exposed to those that we can identify.

While there is inherent risk in building a concentrated portfolio, we ensure diversification by managing the Risk Clusters in that portfolio. We see Risk Clusters as the portfolio's aggregated exposure to the market-wide and systemic risks identified above and we seek to ensure that the exposure to such Risk Clusters is minimised. We believe that by investing in predictable businesses within a well-diversified portfolio, risk to the portfolio is mitigated. However, there are always unforeseen risks. The COVID-19 crisis in 2020 was such an experience. Consequently, we added social distancing as a Risk Cluster to our Key Risk Drivers Framework later in 2020 which has allowed us to assess and limit the aggregate exposure in the portfolio to this previously unforeseen global risk.

As we reviewed companies across the portfolio in the context of the updated Key Risk Drivers Framework and as we researched new companies that may have passed our research process, we have avoided owning more companies which are exposed to social distancing. In terms of assessing the effectiveness of our approach, we believe that we were able to identify and address this additional risk exposure effectively and in a systematic way. One risk that is challenging to minimise is that of exposure to GDP. As an equity manager, this is a difficult risk to avoid completely, although we seek to invest in companies where the variability of outcome is minimised. As mentioned above, risks can be added or removed from the Risk Clusters overtime.

The CIO is responsible for investment risk management. Key risks at the company level are discussed in every research meeting and Risk Clusters are reviewed by the Research Team on a consistent basis. The risk management function works closely with both Research and Trading, and risk management principles are incorporated within the entire investment process. Generally, we assess Risk Clusters across sectors as the same business risks may be relevant to a variety of sectors or sub-industries. Below, we provide examples of Risk Clusters added in 2024. We believe this demonstrates the

effectiveness of our approach in identifying and addressing market-wide and systemic risks in a systematic way through our Key Risk Drivers Framework and the implementation of our research process.

Case Study 1: Identifying new risk clusters

Weaker Enterprise Software Spending | Lower Consumer Brand Spending | Disruption from AI

In 2024, the Research Team integrated three newly identified Risk Clusters into the Key Risk Drivers Framework, after considering their potential impacts on portfolio companies. In addition to focusing on the impact of these risks on each company, our Framework also highlighted the aggregate exposure of the portfolio to these risks and enabled us to consider how the portfolio as a whole might be impacted.

Weaker Enterprise Software Spending

Seeks to capture exposure to companies reliant on enterprise software spending of various kinds. We have assessed providers whose business and growth depends on enterprise IT budgets, as well as businesses that may be at higher risk due to reduced software investment. Companies with diversified revenue streams but still exposed to enterprise software trends are included in the Framework.

Lower Consumer Brand Spending

Seeks to capture exposure to companies reliant on consumer spending on particular brands. We have assessed companies whose revenue and revenue growth depends on discretionary consumer purchases where the particular consumer brand is an important differentiator.

Disruption from AI

Seeks to capture exposure to companies impacted by artificial intelligence (AI) driven disruption. We have assessed companies at risk of substitution, disruption from automation, shifting competitive dynamics, or other revenue and margin pressures due to AI adoption, as well as those slower to integrate AI into their operations.

As previously mentioned, we seek to own high quality companies with strong competitive positions. We look for companies with characteristics such as sustainably high returns, predictability, the opportunity to grow and strong capital allocation. This means that our portfolio companies tend to hold strong competitive positions, placing them in a better position to minimise the impact of the risks above.

Case Study 2: Applying our Modern Slavery Framework | Engaging with a US Consumer Staples Company

Background

Through previous thematic engagements on modern slavery as a key systemic risk, Longview developed a reference framework to guide its engagement with portfolio companies that have direct or indirect exposure to these risks. Our engagements provided insight into how companies address modern slavery challenges in their operations and global supply chains. This framework now helps us assess and manage these risks more effectively.

Throughout 2024, we applied our framework to engage with an existing holding, a US-based Consumer Staples company, regarding modern slavery risks in its supply chain. This engagement was prompted by specific issues identified by Longview's ESG data provider, Sustainalytics; in addition to concerns raised by a Canadian client regarding a shareholder resolution they were involved in through a collaborative organisation. The resolution intended to highlight forced labour issues within the company's supply chain in both the US and Canada. The client engagement is discussed in more detail under Principle 10.

Direct Engagement with a US Consumer Staples Company

In August 2024, Longview held a video conference call with the company's VP of Sustainability and Head of Investor Relations to delve into the company's approach to assessing modern slavery risks in its supply chain, amongst other sustainability themes. This call followed earlier engagements in the year, during which we raised concerns about alleged forced labour issues involving two of the company's suppliers, which had been flagged by Sustainalytics. Longview also highlighted the findings of the 2023 US Department of Labour (DOL) investigation, which had uncovered forced labour abuses at Exclusive Poultry, a California-based supplier.

In the engagement, the company first acknowledged the alarming discoveries of modern slavery across the industry and confirmed that the company was investigating the allegations related to the two suppliers we had flagged: Nekkanti Sea Foods, a major Indian shrimp exporter to the US; and Dalian Haiqing Food, which had been linked to North Korean migrant workers in Chinese seafood factories. The company had already suspended production with both suppliers, and were actively reviewing the company's human rights policy, supplier code of conduct and auditing practices. They were also engaging with peers and coalition groups to align their approach with best practices with the aim of addressing similar issues more effectively in the future.

We enquired about the shareholder resolution brought to our attention by our client, which was intended to be proposed at the next Annual General Meeting (AGM). The resolution called for the company to publish a report detailing the findings of an independent Human Rights Impact Assessment, examining the actual and potential human rights impacts on migrant workers within its supply chain in the US and Canada. We asked the company for its position on the resolution. The company confirmed that, following the DOL investigation, they had expanded the scope of their risk assessment and auditing processes to include the US and Canada, which they believed addressed the concerns raised by the resolution.

The company shared that they had recently implemented significant changes, extending the auditing window from 30 to 90 days and adopting the Sedex (Supplier Ethical Data Exchange) system to enhance risk assessment across the supply chain. This was particularly relevant to the seafood sector, where supply chains often involve five to seven suppliers.

Importantly, the company acknowledged that their processes had not identified these issues, and that the suppliers in question were suspended only after the allegations became public. Longview requested further details regarding the company's general approach to assessing modern slavery risks and tracking progress. The company explained that, with over 10,000 suppliers in the supply chain, they conducted third-party risk assessments for company-brand approved suppliers located in high-risk regions. Their practices aligned with the Corporate Sustainability Reporting Directive (CSRD) in Europe, which mandates disclosures on the impact of the company's operations on employees and workers across the supply chain. Their auditing procedures included measures such as conducting direct interviews with workers and ensuring helplines were easily accessible in break rooms. The company's Modern Slavery Act Transparency Statement provided further details on their risk assessment procedures and supplier code of conduct.

Effectiveness and Outcome of our Approach

Through this engagement, we achieved our objective of engaging with the company on the forced labour issues identified with two of its suppliers, while also evaluating the company's modern slavery standards against our framework and the companies previously assessed in the portfolio. We recognised that while the company had improved its standards of practice, its approach remained less comprehensive than that of some other companies in the portfolio. We intend to continue monitoring the company's progress in mitigating and addressing forced labour issues and will re-engage as needed. We continue to believe that investor-led engagements are an effective incentive for companies to tackle the global systemic risk of modern slavery. More broadly across the portfolio, we will continue to engage with companies on potential high-risk areas while creating room for them to be honest about their failings and ensuring that the appropriate remediation has taken place.

Note: The company name has been withheld to preserve the anonymity of Longview's holdings.

Longview Focus Theme for 2024: Addressing the Risks of Climate Change

Background

We believe it is important to keep track of our portfolio companies' progress to reduce greenhouse gas (GHG) emissions to help tackle the systemic risk of climate change. For this purpose, we initiated a Climate Commitments Audit of our portfolio companies at the end of 2021 to assess climate intentions across the portfolio. Since then, we have followed up on our findings by engaging with 22 portfolio companies throughout 2022, 2023 and 2024. Either to request greater clarity on their climate plans or to encourage better commitments.

We plan to continue conducting this exercise to assess progress and change, as we believe this is our fiduciary responsibility as stewards of our clients' capital. This example provides an overview of our methodology and an update on the outcome of our Climate Commitments Audit for 2024.

Methodology

We used publicly available information from company websites, Corporate Social Responsibility (CSR), ESG or sustainability reports, the Science-Based Targets Initiative (SBTi) amongst other sources, to answer the four questions listed below. Using the information available at the time, Longview made an overall assessment of each company's position. Longview recognises that commitments and available information will continue to evolve over time. Our questions were the following:

- Has the company made a Net Zero, or similar, commitment by 2050 (or earlier)?
- Has the company made any commitment to reduce GHG/carbon emissions?
- If the company has set emissions reduction targets, are they Science-Based?
- Has the company published a credible plan to reach their goals with interim targets?

A traffic light colour system was used to visually represent the strongest and weakest climate commitments and help prioritise engagements for 2025: Green is equivalent to 'meets requirement'; amber is equivalent to 'partially meets requirement' and red is equivalent to 'does not meet requirement'. The traffic light map is used in our portfolio presentations as a visual update on our audit to our clients and prospects.

Results

The Longview portfolio currently has zero direct exposure to fossil fuels, and no direct exposure to industries such as cement production, where carbon emissions are characteristically high and most difficult to abate. We compared our results to the most recent research published by MSCI, global provider of financial indices, on the disclosure of climate commitments made by the listed companies represented in the MSCI ACWI Investable Market Index (IMI)⁴.

The results are compared to the Longview portfolio, as at 31 December 2024:

	Longview	MSCI ACWI IMI
Net zero target	86%	41%
Carbon emissions reduction target ⁵	100%	58%

Note: Climate targets for MSCI ACWI IMI provided by MSCI Sustainability Institute Net-Zero Tracker; data as at 30 September 2024;

Effectiveness and Outcome of our Approach

While Longview is encouraged by the existing climate commitments of our portfolio companies, we will continue engaging with them to monitor progress and outcomes. The results of our 2024 Annual Audit showed that climate commitments across the portfolio have improved one year on – although it is difficult to assess whether our engagements on their own have had a direct influence on the change. We also acknowledge the broader political and regulatory shifts, particularly in the US, which have recently contributed to a retreat from public climate commitments and a more cautious stance amongst investors globally. As a result, asset managers are increasingly navigating conflicting pressures across different markets. Nonetheless, we believe that companies and investors will continue to consider climate issues that are material to the long-term sustainability of their business. In this context, we believe that effective stewardship, when applied across the industry, can help encourage stronger climate commitments from companies.

One of the greatest risks to a well-functioning financial system is a lack of transparency and misleading behaviour. Culturally, Longview promotes and insists upon open and transparent behaviour, and that is part of the cultural essence of all staff. Longview appreciates the importance of risk and compliance and supports a strong control framework where culture and governance drive behaviour; this produces outcomes that are likely to benefit everyone. Longview has no tolerance of poor practices and strives to create a culture where individuals at all levels are accountable for their actions and take personal responsibility. Longview fosters a diverse and open environment where staff feel empowered to speak out when they see bad behaviours. Staff take behavioural cues from the Heads of Departments and Senior Managers, which is why Longview sets this tone from the top.

⁴ Listed companies are represented by the MSCI ACWI Investable Market Index (IMI), which captures large-, mid- and small-cap listed companies across 23 developed markets and 24 emerging market countries. With 8,799 constituents, the index covers approximately 99% of the global equity investment opportunity set, as of Sept. 30, 2024.

⁵ For this category, we compare Longview's results, which track the percentage of companies that have set carbon emission reduction targets, with MSCI's ESG Research, which measures the percentage of listed companies that have published a climate commitment.

Longview recognises the importance of adapting to regulatory changes that support well-functioning financial markets. A key example was our preparation in 2023 for the accelerated US T+1 settlement cycle, which came into effect in 2024. Following the SEC's adoption of the rule amendments in February 2023, we established an internal working group, led by our COO, bringing together representatives from our Trading, Compliance, Operations, Technology, and Relationship Management teams. The group assessed the potential impacts on our clients and our management of their portfolios.

Our initial analysis across the trade lifecycle identified key areas requiring further investigation, particularly within our trade, booking and matching, and FX processes. To address these, we engaged with industry participants, including the Depository Trust and Clearing Corporation (DTCC) and client-appointed custodians, to discuss affected processes and implement the required testing. These collaborative efforts enabled us to refine our operational framework and successfully transition to the new settlement cycle.

Following our implementation in 2024, we closely monitored its impact and identified opportunities to improve our cash management processes. One key adjustment involved engaging with our Australian clients to explore a more efficient approach to handling excess cash. Specifically, we proposed holding the excess cash in USD rather than in their base currency, AUD, an adjustment that improved liquidity management and reduced the risk of overdrafts when executing trades up to the US market close. While targeted, this measure aligned with our commitment to continuous improvement and adapting to market changes, which we believe improved both the effectiveness of our approach and client outcomes.

In line with Longview's Code of Ethics' standards of business conduct, Longview understands that it has a duty to clients with respect to the advice and management services provided. Longview approaches a client's affairs with the same prudence used in the management of its own affairs, places the interests of the client before its own, and does not withhold material information from a client that would affect the client's investment decision.

Longview pays due regard to the interests of clients and aims to always treat them fairly. Longview has implemented systems and controls to identify, prevent and manage conflicts of interest, as mentioned under Principle 3. Longview manages conflicts of interest fairly, both between itself and its clients and between two or more clients. It is the duty of every member of staff to always place the interest of clients first. All staff members receive annual compliance training to remind them of this duty and their reporting obligations.

Longview's Research Team uses best endeavours to have an influential and supportive relationship with an investee company and regular dialogue with senior management. This enables us to monitor the company's progress and prospects, and we encourage such behaviour with all the companies' investors.

Industry Bodies and Affiliations

Longview has been a signatory to the UK Stewardship Code since 2011 and has actively supported the FRC's efforts to improve engagement with the UK Stewardship Code across the industry. In 2024, Longview's Head of Sustainability contributed to the IIGCC's response to the FRC's consultation on proposed revisions to the UK Stewardship Code, serving as a member of the IIGCC Stewardship Code Working Group. The group, which convened multiple times to discuss its response and recommendations, comprised a diverse range of asset owners and managers, ensuring broad stakeholder representation from across the investment community.

The IIGCC is the European membership body for investor collaboration on climate change. The organisation has developed several workstreams to collaborate with stakeholders, represent members on the global stage, produce reports and guides for best practice initiatives and strengthen the contribution investors make in helping to realise a low carbon future. We believe that by joining the IIGCC, we have aligned ourselves with other like-minded investors that promote good stewardship on climate change. The IIGCC also develops policy and best practice for investors and may create future collaborative engagement opportunities for Longview.

Longview has also been a signatory to UN-Principles for Responsible Investment (UNPRI) since 2010. Being a signatory has enabled us to reflect and report in a formal and standardised way on how we consider important aspects of ESG in our investment process.

In addition to the affiliations above, Longview is also a member of several other industry bodies that play various roles in supporting the effective functioning of the financial system and ensuring that systemic risks are highlighted, understood and addressed. These include:

- The Independent Investment Management Initiative (IIMI)
- The Investment Association (The IA)
- Pensions and Lifetime Savings Association (PLSA)
- Access to Nutrition Initiative (ATNI)

The Independent Investment Management Initiative (IIMI) is a think-tank that offers an independent, expert voice in the debate over the future of financial regulation. Over the years, the IIMI has engaged with members of the UK government, HM Treasury, the FCA and the European Commission to name a few, in order to maintain, improve and promote a well-functioning financial system. In 2024, Longview's Chief Operating Officer (COO) and members of the Institutional Clients and Operations teams participated in events aimed at fostering collaboration and knowledge sharing amongst IIMI members.

The IA is the UK's trade body for investment managers and investment management firms. They represent the interests of their members to policymakers and regulators, while also helping to communicate the role and value of the industry to the broader public.

The PLSA represents pension schemes that together provide a retirement income to more than 30 million savers in the UK and invest more than £1.3 trillion in the UK and abroad. Their members also include asset managers, consultants, and others who play an influential role in people's financial futures.

ATNI is a not-for-profit organisation that evaluates the world's largest food and beverage companies on their nutrition-related policies, practices, and disclosures. They provide investors with the data they need to engage with investee companies on nutrition practices. More information about becoming an ATNI signatory is provided under Principle 10.

We are also comfortable engaging with other influential investors on contentious issues in a direct manner if we believe that management was failing to act in shareholders' interests, and we have done so in the past through written correspondence regarding capital allocation concerns. In one such instance, we did share the response that we received from another influential investor we engaged with, which was in support of Longview's position, with the portfolio company's management team. This effort was part of our multi-pronged approach of engaging with the company regarding their planned acquisition. We describe our approach to collaborative engagement in more detail and provide examples for 2024 under Principle 10.

Principle 5



Principle 5: Signatories review their policies, assure their processes and assess the effectiveness of their activities.

All Longview policies are reviewed internally on an annual basis or following any material changes or regulatory developments made known to Longview via communication from the regulators, lawyers or external compliance consultants. Additionally, all group policies are subject to review and approval by the Executive Committee (ExCo) of Longview Partners LLP and the Board, as applicable. It is the responsibility of the CEO to monitor and assess the technical competence of Senior Managers; and both the CEO and the relevant Senior Manager for Certified Staff. More specifically, our Compliance Teams based in London and Guernsey review all policies and make the necessary updates.

The policies are also reviewed and edited externally by third-party compliance consultants, Judd Advisory, when updates have been made that require an external review. The frequency of our reviews would alter if material changes were to occur prior to the scheduled annual review. The external third-party review helps evaluate and support our conclusion that the policies enable effective stewardship. It also ensures the policies are in line with rules and regulations, including the UK Stewardship Code's standards and requirements.

Longview's Board members and ExCo members are dedicated professionals with a wide breadth of knowledge and experience. Their expertise enables an effective and comprehensive review of Longview's policies when applicable. Furthermore, Longview's experienced and dedicated Compliance Teams review all relevant communications and compliance reporting to ensure that they are fair, clear and not misleading, which is in line with FCA and SEC rules. Our Compliance Teams monitor the effectiveness of policies and procedures within their Compliance Monitoring Programme (CMP). The CMP covers all aspects of the regulatory framework applying to Longview. It represents a programme of areas and topics that have been compiled by adopting a proportionate risk-based approach taking into account Longview's business operations, procedures and controls. It is designed to facilitate Longview's monitoring of its adherence to the FCA and GFSC regulatory framework and SEC rules and regulations as they apply to Longview's business, in conjunction with Longview's Compliance Manual, Policies and Procedures.

Given its size, Longview does not have an internal audit department. However, Longview is subject to two separate annual external audits; being Longview's financial audit and ISAE 3402 Report on internal controls. In line with our culture of continuous improvement, Longview is always seeking to improve its processes and policies and ensure they are fit for purpose. As outlined in Principle 2, one improvement introduced in 2023, and continued in 2024 to further enhance our approach, was the addition of external sustainability training, which complements the annual firm-wide internal training provided in previous years. In evaluating the effectiveness of our training initiatives, we recognised that incorporating an external perspective would provide a more comprehensive understanding of the global sustainability policy landscape.

The following case study provides examples of how the review of our policies and processes has been effective in supporting our stewardship approach in the past year. We will continue to monitor our efforts to assess effectiveness or the need for further improvements.

Case Study 1: How our review has led to the improvement of our compliance training

Longview provides mandatory annual training for all staff members in relation to their regulatory responsibilities and reporting obligations. We conduct annual training on a number of subjects which include but are not limited to anti-bribery, anti-money laundering, conflicts of interest, code of ethics, gifts, entertainment and inducements, market abuse, outside business interests, political contributions and charitable donations and the Senior Managers and Certification Regime (SM&CR).

Since 2021, Longview had used an online training provider, alongside face-to-face training. However, following a review of the service provided, we decided to seek an alternative provider for our compliance training modules in 2024. We trialled three reputable, market-leading training providers, considering: module detail and quality (including regulatory detail), size of module library, quality of customer service, price, customisation, innovation, and user experience. The review concluded with the selection and approval of a new training provider.

Amongst various attributes, the selected provider offered a unique feature not available from the others – the ability to customise training modules. We found this to be a significant advantage, allowing us to tailor each module to reflect the firm's internal policies with ease and at no additional cost. All modules provided were interactive and included engaging questions. The content is updated annually or in response to material regulation changes, and numerous references are

made to relevant regulatory guidance. At the end of each training module, staff are required to provide a mandatory affirmation confirming their understanding of the material.

The training provider gives access to a comprehensive content library that covers all the necessary compliance training requirements. They also offer the flexibility to create training bespoke training modules on any topic deemed appropriate. We reviewed and customised the mandatory modules to ensure alignment with Longview's business and policies.

In line with our commitment to continuous improvement, this review allowed us to improve the quality of our compliance training modules and ensure that our approach remain fit for purpose and responsive to regulatory developments. By re-evaluating the quality and relevance of our training, we believe that we strengthened our internal processes and assessed the effectiveness of our activities in supporting staff engagement, regulatory compliance, and alignment with policies.

Case Study 2: How our review has led to the improvement of our policies and processes

Annual Review of ESG Policies

In 2024, we reviewed our ESG-related policies as part of our annual policy review, focusing on the implementation of ESG integration and stewardship activities. The aim was to evaluate the relevance, clarity, and effectiveness of the existing policies, ensuring they provide a robust framework for our Research Team to address ESG and stewardship issues, while also supporting our clients' long-term ESG goals. The following policies were reviewed:

- ESG Framework which sets out the criteria and expectations around the integration of ESG analysis, stewardship activities and engagement.
- Responsible Investment and Engagement Policy
- Shareholder Activism Policy
- Shareholder Rights Directive II Policy
- Shareholder Rights Directive Annual Disclosure
- Sustainable Finance Disclosure Regulation ("SFDR") Policy

The review confirmed the effectiveness of our existing policies, with no structural changes required. Some updates were made to improve the clarity of the language. We regularly share the updated policies and ESG Framework with clients, prospects and consultants regularly throughout the year to ensure transparency and address questions related to our stewardship approach. Additionally, our policies are publicly available on our website. By maintaining clarity, accuracy and accountability, we ensured that our policies effectively support our stewardship efforts and better serve our clients.

Quarterly ESG Reviews and Weekly Research Meetings

As mentioned under Principle 2, Longview's CIO, Head of Research, Head of Sustainability and the Institutional Clients Team hold an ESG Review on a quarterly basis to review ongoing stewardship activities, ESG risks and controversies flagged by our data providers, amongst other sustainability matters. The Head of Sustainability also attends the weekly research meetings where Longview's CIO, Head of Research and Research Analysts discuss on-going company research. In the past year, we have identified and discussed the following improvements and topics in our quarterly ESG Reviews:

- The consolidation of ESG research by company into a single, accessible location for ongoing review by the Head of Sustainability and Compliance, with the research updated or validated on an annual basis.
- Followed up on controversy alerts identified by Sustainalytics as 'Most Significant Events in the Portfolio', labelled as 'Event Category 4 or 5' as per our ESG Framework.
- Identified the need to engage with a US health care portfolio company regarding investigations by the US Department of Justice. Further details on this upcoming engagement are described under Principle 9.
- Deep dive on the Net Zero Investment Framework (NZIF) and discussion of potential net zero targets with Longview's CIO and Head of Research.

These regular discussions enable us to monitor the effectiveness of our ESG approach and stewardship activities. By identifying areas for improvement, addressing existing or emerging risks in the portfolio, and prioritising our engagements, we ensure our approach remains responsive, aligned with best practices, and effective in implementing our ESG policies.

Principle 6



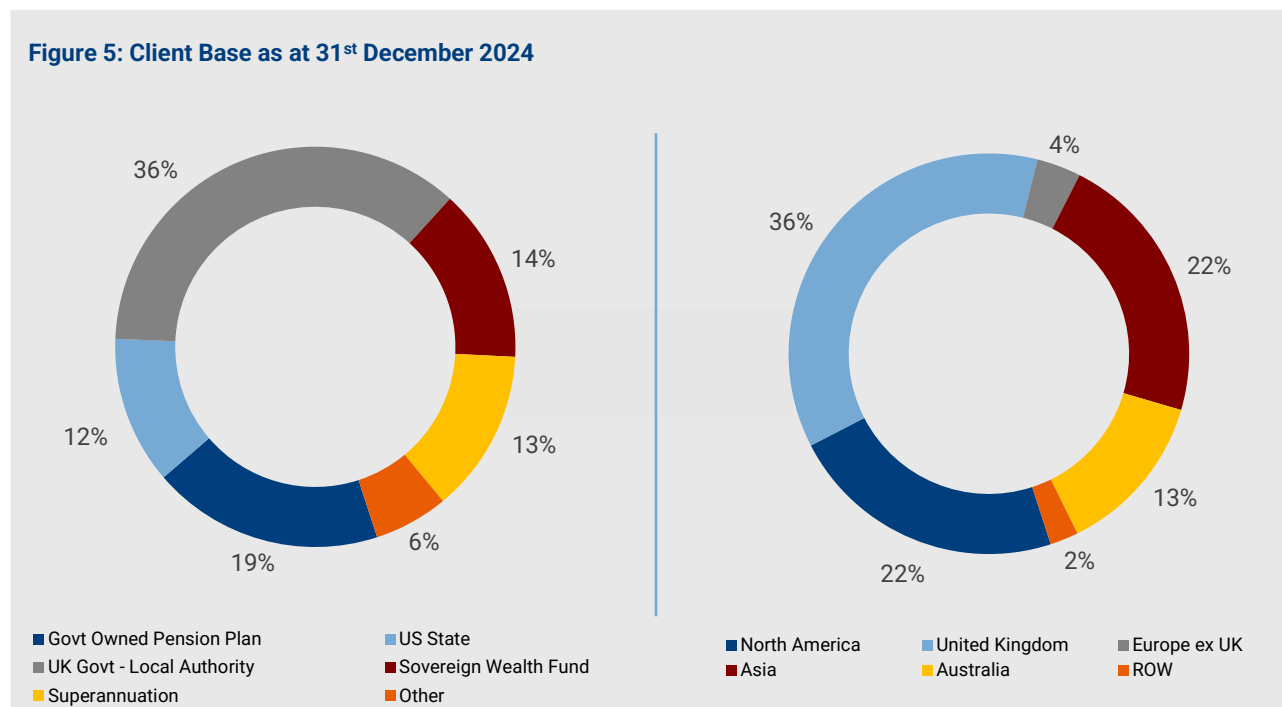
Investment approach

Principle 6: Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Longview provides investment management services on a discretionary basis to professional clients, almost all of whom are institutional. Investment management services are provided to government-owned funds, insurance companies, pension plans of UK local authorities, US States, superannuation schemes, charities, foundations and endowments, and high net-worth investors. Longview offers its portfolio management services to sophisticated and experienced investors through both separately managed accounts and its Luxembourg-domiciled long-only SICAV Fund.

As previously mentioned, we are long-term investors, and our clients typically have correspondingly long-term investment time horizons of three to five years. In fact, many of our clients have remained invested in Longview for longer time periods. As at 31st December 2024, AUM was USD 16,213 million. The Global Equity Strategy is the firm's single product offering and sole focus. Please see Figure 5 for a breakdown of our client base by type and geography for this sole strategy.

Figure 5: Client Base as at 31st December 2024



Note: Other includes Charity, Foundations & Endowments, Insurance and Pooled Vehicles.

Our Approach to Client Relationships

At Longview, good stewardship is important to us and our relationships with our clients. Longview believes it has a responsibility towards its clients to exercise their rights to the best of our ability. With all of our clients, we promote an open dialogue on all matters, including stewardship. At Longview, our culture is one of transparency and openness, and our clients appreciate our approach.

The process of understanding our clients' needs starts prior to contracting with them, where we take time to understand each client's expectations and ensure that our clients understand the Longview investment process clearly, including Longview's approach to stewardship. If it is established that there is a philosophical alignment and Longview is appointed to manage assets, we work closely with the client throughout contract negotiations and endeavour to accommodate any client-specific requirements where possible. For example, we have been able to incorporate specific responsible investing restrictions via client-provided restricted lists. As part of the onboarding process, investment restrictions are reviewed by

the Compliance Team and communicated more broadly internally by the Client Services Team before any trading can begin in the portfolio.

Longview endeavours to foster close relationships with clients through regular and consistent communication, which enables Longview to keep abreast of our clients' evolving needs and preferences. Transparency is central to how we manage our relationships. For all clients, we believe in the team approach to client service where Client Relationship Management is overseen by Marina Lund (CEO and Head of Institutional Clients) and is supported by dedicated teams in both London and Guernsey. In addition, there are multiple additional lines of communication available to all clients, including the CIO and members of the Research Team.

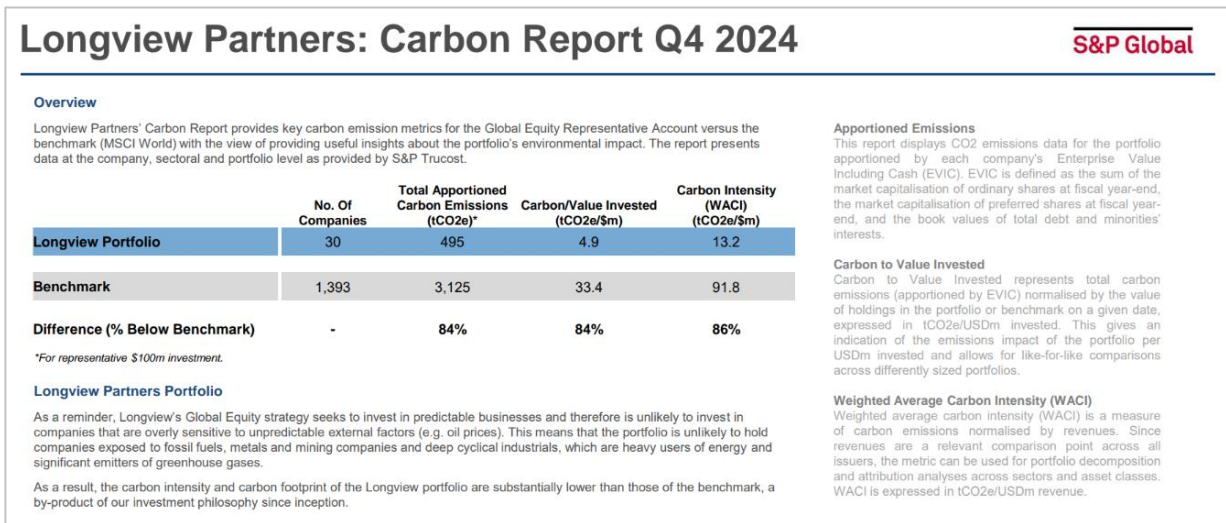
Client Reporting and Communication

We disseminate reporting and meet with our clients regularly. Meetings may be in person or virtual, with more regular conference calls should this be appropriate. The purpose of these meetings is broad but in general, meetings enable us to update clients on the portfolio, but also provide clients with an opportunity to discuss issues they have, so that we may respond appropriately. These discussions and the feedback we receive are one of the ways we are constantly evaluating the effectiveness of our approach to clients.

At Longview, we provide each client with a monthly portfolio report, within 10 business days of the end of each month, and a more detailed client report on a quarterly basis, within 15 business days of the end of the quarter. These reports include performance, performance attribution and holdings information. We also respond to ad hoc information requests that we receive from clients throughout the quarter. In addition, on a quarterly basis, we share a qualitative report which includes a market commentary on the previous quarter, a portfolio review and our investment outlook. Company engagements addressing ESG matters are documented and the most significant of these are provided to clients on a quarterly basis. The write-ups detail the issues raised and the purpose of the discussion, the company response and outcome, and, where applicable, any follow-up or ongoing monitoring required.

Clients are also provided with a quarterly Portfolio Carbon Report, generated using data from 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 a result of our clients' growing climate data requirements for TCFD alignment, net zero commitments and other obligations, we selected to partner with S&P Trucost in 2022, and we continued to build on our partnership with them since then to use their tools effectively and learn more about the reporting capabilities of their climate analytics, which we have detailed further under Principle 8. These reporting capabilities have been valuable in helping us address the climate questions of our clients and prospects throughout 2024 and in preparing for our annual TCFD disclosure. We provide, in Figure 6, an example of the metrics provided in our Portfolio Carbon Report. We believe this report has addressed in an effective way the climate data needs of our clients and their beneficiaries throughout the year.

Figure 6: Extract of Portfolio Carbon Report



Source: S&P Trucost. Longview Partners Portfolio Carbon Report, 31 December 2024.

Proxy voting reports are also provided on a quarterly basis to all clients on whose behalf we vote. These reports detail all votes cast during the period and provide an explanation in relation to any differences between the voting instruction and the company management's recommendations. Glass Lewis evaluates publicly available information and provides research and voting recommendations; however, the Longview Research Team assesses each vote and instructs a voting decision to Glass Lewis, which may be against their recommendation. Glass Lewis then oversees the execution of that decision across client portfolios. In addition to the regular proxy voting reports, Longview provides voting and engagement data to satisfy the regulatory requirements of clients, for example, by completing PLSA templates upon request.

Longview has a client portal through which our clients can access all the reporting noted above, in addition to valuable information about the firm, the strategy, the people, policies and other documents to allow client self-service and develop a greater understanding of Longview.

Throughout 2024, Longview has regularly maintained its website with the aim of providing timely information on who we are and what clients can expect from working with us. In assessing the effectiveness of our client communication, our website is one of the ways we continually improve our approach. The website hosts a variety of timely videos and content providing greater detail on our people and our culture, as well as our investment philosophy and process. The sections explaining our approach to sustainability, diversity, equity and inclusion, and giving back to the community provide extensive information on our holistic stewardship approach which we believe is important to communicate to our clients and their beneficiaries. We also include interviews with staff members detailing their experience of working for Longview; this provides an insight into our firm culture.

Longview believes that by working transparently with our clients, we have the opportunity to consider feedback which can lead to improvements in our reporting and client service proposition. As previously outlined in Principle 2, we began using Sustainalytics in 2020 as an additional ESG-research input for our investment team. At the time, the system was onboarded in part as a result of feedback received from a sub-set of our clients. The system enables our Research Analysts to review company-specific ESG data and analytics on stocks within Longview's portfolio and across the broader investment universe. The research reports provided by Sustainalytics are used as a supplement to the proprietary research that we produce during the investment research process.

Lastly, the nature of regular or ad hoc client requests that we receive is another gauge that we use to assess the effectiveness of our client reporting and communication. To that effect, the Institutional Clients Team holds a daily Task Meeting where reporting and ad hoc requests are prioritised. This regular daily assessment of our clients' requests and requirements allows us to frequently assess the effectiveness of our overall client approach; to take prompt action when necessary or introduce longer term improvements.

Case Study 1: Addressing the needs of our clients and beneficiaries

In 2024, we established an Article 8 UCITS-compliant fund⁶ as part of our Luxembourg-domiciled, long-only SICAV. This new fund implements Longview's sole global equity strategy and promotes both environmental and social characteristics. The fund was created in response to the growing demand for Article 8 Funds under the Sustainable Finance Disclosure Regulation (SFDR). In response to evolving client priorities around ESG, including the divergence in expectations across regions, we introduced this Article 8 equivalent to our existing strategy, providing some clients and their beneficiaries with an approach better aligned with their sustainability requirements. We believe this reflects our commitment to addressing the needs of our clients and prospects by supporting their ESG priorities and long-term goals.

Specifically, the fund promotes the environmental characteristic of mitigating climate change by excluding companies in the Energy sector, including those involved in fossil fuel-related activities, as well as companies in certain energy-intensive sectors and industries, such as Construction Materials, Metals & Mining, and Utilities.

The fund also promotes social characteristics related to human rights by excluding companies that violate the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights (UNGPs), as well as those involved in weapons (such as anti-personnel mines, controversial, biological, chemical, cluster, or nuclear weapons amongst others), tobacco production, and those subject to EU or UN sanctions. The fund does not have a designated reference benchmark for achieving its environmental or social characteristics, nor does it set a target for sustainable investments.

⁶ SFDR: EU Sustainable Finance Disclosure Regulation standardises sustainability disclosures for financial market participants; UCITS: Undertakings for Collective Investment in Transferable Securities, the EU framework governing investment funds.

Case Study 2: Supporting the Net Zero objectives of our clients and their beneficiaries

In 2024, Longview assessed the adoption of the Net Zero Investment Framework (NZIF)⁷ for setting targets on case-by-case basis for client portfolios where there was a preference for alignment with net zero objectives. In response to the demand for such alignment from our UK clients, we engaged with the Institutional Investors Group on Climate Change (IIGCC) to evaluate NZIF and assess its alignment with our global equity approach.

NZIF is the most widely used guide by investors for setting net zero targets and producing related net zero strategies and transition plans. It provides guidance on aligning portfolios with the goal of achieving net zero greenhouse gas emissions by 2050, in line with the objectives of the Paris Agreement.

The framework outlines methods for setting decarbonisation targets and assessing portfolio alignment. Importantly, it emphasises active ownership and engagement with companies to encourage credible net zero transition plans. We believe this is well aligned with Longview's stewardship approach due to our existing focus on direct engagement with companies through our Climate Commitments Audit.

Going forward, Longview can apply this framework on a case-by-case basis for clients seeking to establish net zero targets for their portfolios. We believe that our adoption of NZIF reflects our commitment to addressing client needs by offering a framework that supports our clients' climate goals of reducing carbon footprints, mitigating climate change risks, and driving long-term environmental impact.

Additional Reporting

Longview also provides data on the firm's most significant votes under obligations from the Shareholder Rights Directive (SRDII). This information is provided annually, in line with the regulation, and on an ad hoc basis, when requested. Longview defines a significant vote as one where we have voted against management, or where >15% of total votes were made against management or withheld; or where we voted against our proxy adviser's recommendation. We have applied this chosen approach consistently when providing the data. The table below includes specific details and commentary on individual votes. Please note that the data shows a sample of the significant votes made in 2024 and the company names have been withheld to preserve the anonymity of Longview's holdings.

Voting Category	Proposal Description	Vote Cast	Commentary	Reason for Significance
Audit/Financials	Ratification of Auditor	For	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
Board Related	Election of Directors	For	Longview believes continual director change is not conducive to long-term shareholder value.	Longview has voted against Glass Lewis' recommendation
Board Related	Election of Directors	For	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
Board Related	Special Auditors Report on Regulated Agreements	Against	Longview voted in line with Glass Lewis Policy	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Shareholder Proposal Regarding Severance Approval Policy	For	Longview voted in line with Glass Lewis Policy	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	2023 Remuneration of Chair and CEO	Against	Longview voted in line with Glass Lewis Policy	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Advisory Vote on Executive Compensation	Against	Longview voted in line with Glass Lewis Policy	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Environment	Shareholder Proposal Regarding Report on Sustainability Targets and Strategy	For	Longview voted in line with Glass Lewis Policy	Longview has voted against management

⁷ Further information on NZIF can be obtained at the following link: <https://www.iigcc.org/net-zero-investment-framework>

SHP: Environment	Shareholder Proposal Regarding Lobbying Activity Alignment with Net Zero Emissions Target	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
SHP: Governance	Shareholder Proposal Regarding Amendment to Committee Charter to Require Oversight of AI	For	Longview voted in line with Glass Lewis Policy	Longview has voted against management
SHP: Social	Shareholder Proposal Regarding Targets and Report on Child Safety Impacts	For	Setting specific targets enables shareholders to better assess the company's progress on this issue.	Longview has voted against management and against Glass Lewis' recommendation
SHP: Social	Shareholder Proposal Regarding Report on Political Expenditures and Values Congruency	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld

Principle 7



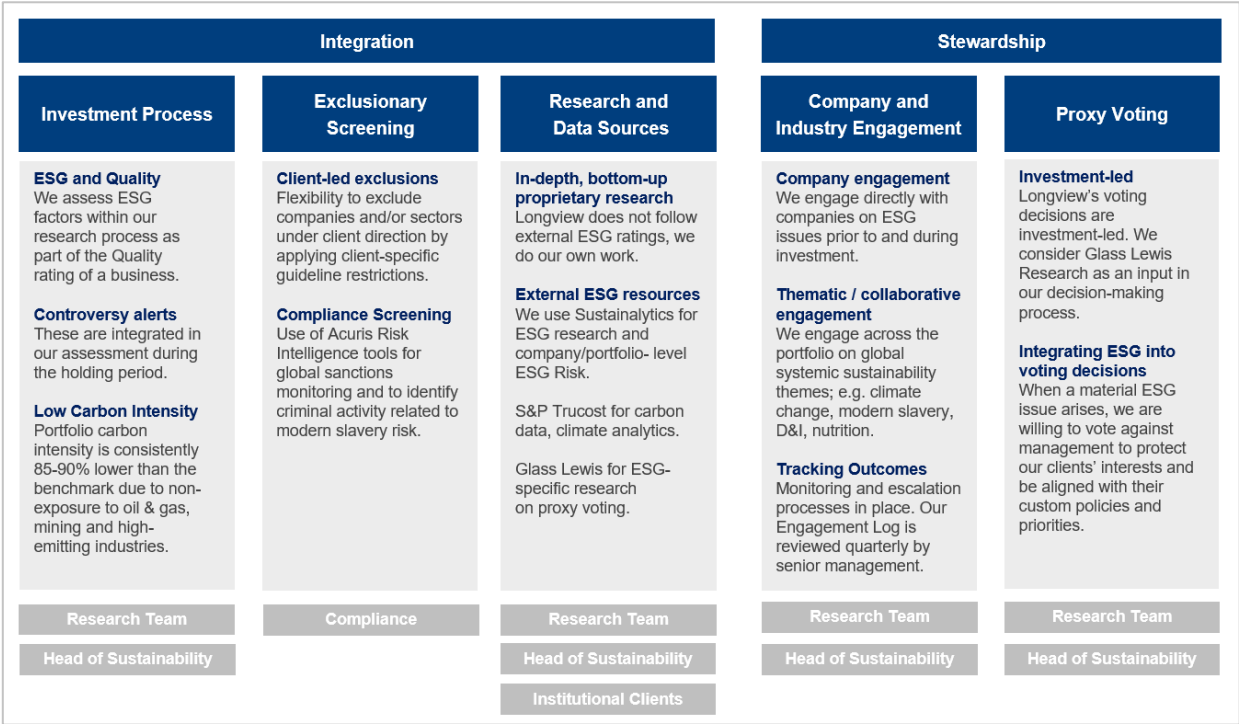
Principle 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

As outlined in Principle 2, at Longview, 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 ESG factors when considering a potential investment or an existing holding.

Our approach to ESG is integrated across our firm and different teams within Longview work together to ensure the effective implementation of our ESG Framework. The key components of the Framework and the responsibilities of each team are set out in Figure 7 below. Given our Global Equity Strategy is the firm’s single product offering and sole focus, we only have one integrated approach to ESG and stewardship that we apply across all sectors and geographies for our client accounts.

For review of our Responsible Investment and Engagement Policy, it is available on our website [here](#) or at the following link: <https://www.longview-partners.com/media/0bvbvq20/responsible-investment-and-engagement-policy-2024.pdf>.

Figure 7: ESG Framework



ESG Integration

Assessing the significance of ESG-related risks and opportunities is part of our bottom-up research process and considered as part of our Quality rating, the details of which are outlined in Principle 1. If an investment does not meet our Quality criteria, we will not invest. Similarly, if we perceive that the quality of an existing holding has fallen below our Quality threshold, we will sell our position and this is clearly communicated to clients in our Request for Information (RFI) documents, marketing presentations and during client meetings. 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.

We consider a wide variety of information when analysing companies. Analysts will generally start by reviewing primary sources of information released by both the company being analysed and its competitors. This includes annual and

quarterly reports, presentations, conference call transcripts and a wide range of regulatory filings. In general, we will also meet with company management as part of initial due diligence and portfolio company monitoring.

Our Research Team may meet with company management during the process to understand their strategy, cash deployment, industry dynamics and approach to ESG factors rather than short-term performance expectations. Analysts also access other external information from providers such as, but not limited to:

- FactSet: Wide-ranging data aggregation, including Portfolio Analytics for analysing portfolio performance and risk.
- Data providers: From time to time, we purchase data sets from third-party providers to supplement our understanding of a company or industry (e.g. SNL Financial).
- Sell-Side Research Providers: We subscribe to research services from several sell side brokerage houses. This is used to assist in building our understanding of a business and for access to historic data sources rather than for opinion.
- Independent Research Providers: We currently subscribe to Gartner Research.
- Artificial Intelligence (AI) tools: As part of the investment due diligence process, we use a range of tools including OpenAI, Gemini, NotebookLM and Perplexity to help source and analyse publicly available information on companies.
- Expert Networks: These include Tegus, AlphaSights and ThirdBridge, with a mix of expert calls and access to wider transcript libraries.
- Sustainalytics: An external provider of ESG data, research, ratings and monitoring tools covering areas such as for UN Global Compact, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights (UNGPs) violations. Additionally, Sustainalytics' Product Involvement Research is used to identify the appropriate exclusions of companies with weapons involvement, in line with requirements.
- S&P Global Trucost: An external provider of greenhouse gas (GHG) emissions data, TCFD-aligned metrics and climate analytics.
- Glass Lewis: An external provider of proxy voting research and recommendations.
- Industry conferences.

The Research Team uses primary source material in analysing businesses and may use ESG information and independent assessments from the providers above to supplement their own ESG work.

M.O.R.E. ESG Analysis

To ensure consistency in our approach when analysing ESG matters, Longview's Research Team has developed an analysis framework which is used during initial company research; and throughout the holding period when material ESG issues are noted or as part of a company's Quality review. The framework considers matters of Materiality, Opportunity, Risk and Engagement (M.O.R.E).

M = Materiality

Materiality considers the significance of the impact of ESG factors. These are the ESG considerations which we believe are most likely to be material for our portfolio companies or impact their ability to generate sustainably high returns on capital. Materiality may differ from one sector to another, or one company to another, but all our ESG analysis is conducted through the lens of materiality. 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. Materiality is also a key determinant of our approach to and prioritisation of engagements. The ESG factors considered by Longview's Research Team may include:

Figure 8: ESG Factors

Environmental	Social	Governance
How does a company manage its operations in consideration of climate change and other environmental issues? (Using Sustainalytics and Longview's proprietary research) - Greenhouse gas emissions - Energy efficiency - Environmental impact of products and services - Impact on biodiversity - Emissions, effluents and waste - Natural resource use As part of our annual Task Force on Climate-related Financial Disclosures (TCFD) reporting, we leverage S&P Trucost's climate tools, including Carbon Earnings at Risk (CEAR), Paris Alignment, and Financial Value at Risk, to evaluate the exposure of our portfolio companies to climate transition and physical risks..	How does a company manage its workforce, supply chains and impact on the communities where it operates? - Human rights - Labour conditions including health & safety and modern slavery practices in a company's operations and supply-chain - Diversity and inclusion - Data privacy and security - Corporate culture which may impact a company's relationships with its employees, community and other stakeholders.	Are high standards of corporate governance being applied within a clear and transparent framework? - Governance structures (board structure, composition and diversity) - Executive compensation - Management's framework for capital allocation - Interests of minority shareholders

O = Opportunities

Initial company research should consider the following question:

Are there any identifiable, material E, S or G opportunities arising for the company?

R = Risks

Initial company research should answer the following four questions:

- Minority Shareholders:** Is there any reason, ESG-related or otherwise, to be concerned that the company may not be acting in the interests of minority shareholders?
- Historic ESG Issues:** Has the company experienced material ESG issues in the past and what action was taken in response?
- Long-Term Value Creation:** Do we perceive any ESG risks that would affect the company's ability to create long-term value for shareholders in the future?
- Sustainalytics:** Are there any material issues raised by Sustainalytics and/or stakeholders?

E = Engagement

If any issues are raised and deemed material, either prior to or during the holding period, Longview may choose to engage with the company. It may be necessary to seek comfort or clarity around a particular issue for the Research Team to confirm the Quality rating. All engagements are recorded in our Engagement Log and where necessary discussed in a quarterly ESG Review.

The following are examples of ESG considerations and analysis undertaken:

Environmental

Poor management of environmental issues, including climate change, represents a risk for any company. As noted previously, structurally, our portfolio is likely to have low carbon risk relative to global benchmarks due to our lack of exposure to oil and gas, mining, metals, and deeply cyclical businesses. We are also aware of the potential risks to the long-term growth prospects for businesses supplying equipment to these companies and other heavy emitters. However, clearly there is also the potential to identify beneficiaries of the move towards a low carbon economy such as the electric vehicle ecosystem or manufacturers of energy efficient products.

We conduct a climate commitment audit on the Longview portfolio on an annual basis. We began conducting this audit in 2021 by accessing publicly available information from the Carbon Disclosure Project, company websites and Corporate Social Responsibility, ESG or Sustainability reports, amongst other sources, to answer four key questions, which are listed below, about each portfolio company:

1. Has the company made a Net Zero, or similar, commitment by 2050 (or earlier)?
2. Has the company made any commitment to reduce GHG/carbon emissions?
3. If the company has set emissions reduction targets, are they Science-Based?
4. Has the company published a credible plan to reach their goals with interim targets?

This audit enables us to assess the climate position of companies in the portfolio and engage more meaningfully when needed to either clarify existing targets and transition plans or push for further action.

Social

The S in ESG is a broad category. Not only does it encompass human rights, labour conditions including modern slavery and child labour, and other negative health and safety factors, but also diversity and inclusion.

Social considerations hold relevance for the company's workforce, management team and supply chain; and for the company's impact on the communities where it operates. Much of the analysis of workforce management at the company and within its supply chain is considered during our Quality discussions. In addition, Sustainalytics may highlight further issues on which we may choose to engage with company management or investor relations team.

One example of the above considerations is our thematic engagement on the human rights issue of modern slavery. We engaged with a cohort of our portfolio companies to understand how they are addressing the risks of modern slavery in their operations and global supply chains. We 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 going forward, regardless of a company's sector or geography. Also, 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 sub-set 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.

Our Diversity, Equity & Inclusion (DEI) Committee also 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.

Governance

Governance is a key component of our Quality rating and encompasses, amongst other things, governance structures, remuneration and management's framework for capital allocation. We expect governance structures to ensure high standards of management oversight and to protect the interests of minority shareholders. We expect remuneration to be proportionate and fair, and for management incentives to be well-aligned with shareholders and focused on the long-term health of the business. We expect management to give due consideration to all capital allocation options with a view to maximising long-term shareholder value.

Governance forms a significant part of our regular interactions with companies through a combination of management and board level discussions, proxy voting and, where necessary, escalation through private correspondence, calls and meetings.

Information gathered through our stewardship efforts during our discussions on Quality are reflected in our analysis of that criteria. We monitor our holdings to ensure that they continue to meet our Quality requirements, but should a company no longer pass our Quality criteria, we will sell our position. We believe that monitoring the quality of our investments, while integrating the ESG considerations discussed above, serves the best interests of our clients.

As described in Principle 1, we believe that high quality companies with strong business fundamentals and attractive cash-based valuations are more likely to be successful businesses that deliver sustainable, long-term value to their shareholders. Below are three examples of how we have monitored the Quality of our holdings through our stewardship activities and how we believe our decisions have best served our clients and their beneficiaries. We have provided one example for each of the E, S and G pillars. Please note that the company names have been withheld to preserve the anonymity of Longview's holdings.

Case Study 1: Direct Engagement with Existing Holding | US Consumer Staples Company (Environmental)

In August 2024, Longview held a video conference call with the company's VP of Sustainability and Head of Investor Relations to delve into various sustainability themes and receive an update on the company's deforestation strategy. Earlier in the year, we requested information regarding the company's exposure to palm oil, given the commodity's link to increased deforestation risks.

On the call, Longview enquired into the company's progress in promoting and sourcing certified sustainable palm oil throughout its supply chain. The company had confirmed that while palm oil is used as an ingredient in the products the company distributes, it is not a manufacturer, except for one of its divisions, which produces soaps and lotions. The company is a member of the Roundtable for Sustainable Palm Oil (RSPO), which sets global standards for sustainable palm oil production, and it reports annually to the RSPO's Annual Communication of Progress (ACOP) as part of its commitment.

The company explained that they are working with suppliers on the adoption of sustainable palm oil across the supply chain. They verify certifications, though traceability remains a significant challenge, making it difficult to monitor compliance across the entire chain. The company also identifies suppliers that have yet to transition. In their 2023 ACOP disclosure, the company stated that the use of certified sustainable palm oil is a requirement in their product specifications and mandatory for their private label products. As their data capabilities improve, they expect to provide more precise information on volumes in future reports and anticipate reporting increased figures.

Longview requested an update on the company's European Union (EU) deforestation policy, which the company had previously mentioned was being developed, alongside plans to broaden oversight through a global policy. The company confirmed that progress was being made, and that further details will be provided in their upcoming Sustainability Report.

Longview also enquired about the company's stance regarding the Science-Based Targets Initiative's (SBTi) new FLAG (Forest, Land and Agriculture) Guidance. This framework supports companies in land-intensive sectors in setting science-based emissions reduction targets, considering the environmental impact of land use, deforestation, land degradation, and agricultural practices. The company is currently assessing the guidelines, acknowledging the challenges they present for food distributors and working with external experts to address them.

Longview will continue to monitor the company's progress in the areas they indicated they are developing, specifically:

- The adoption of sustainable palm oil across the supply chain
- The implementation of their EU deforestation policy and the expansion of their global policy
- The evaluation of the SBTi's new FLAG Guidance and its impact on food distributors

Following the publication of the company's 2024 Sustainability Report, we noted an update indicating that they are working to meet the EU's deforestation requirements under the EU Deforestation Regulation, by collaborating with their EU-based subsidiaries and engaging with suppliers to support adherence to deforestation-free commodities.

Case Study 2: Direct Engagement with Existing Holding | US Health Care Company (Social)

In August 2024, Longview held a video conference with the company's VP of Corporate Social Responsibility and Sustainability, along with their Senior Director of Investor Relations, to discuss the company's approach to advancing health equity and its initiatives aimed at addressing disparities within its global health supply chain.

During the discussion, Longview focused on how the company's efforts are integrated within its broader business and enquired into the access strategies used to address inequities in access and services. This engagement was held as part of Longview's efforts to gather information on the theme of health equity across all health care companies in the portfolio.

The company explained that advancing health equity is part of its innovation strategy, which remains a strategic priority. Their Global Access Programme, which drew attention during COVID-19, is one of the ways they integrate their health equity initiatives, focusing on reduced pricing, capacity building, training, and upstream factors such as economic status, education, and access to care – all of which they believe may influence health outcomes.

The company's Chief Scientific Officer, who leads the company's innovation strategy, is also responsible for next-generation training. In this context, the company collaborates with colleagues in Science, Technology, Engineering, and Mathematics (STEM) to build local capacity as they believe that a locally driven approach would be most effective to realise their mission of making the world healthier, cleaner, and safer. They believe that advancing innovation is best achieved through local solutions.

Longview asked the company to outline their access strategies and how they identify and prioritise the health challenges they seek to address. Specifically, we enquired whether they align their efforts with the United Nations Sustainable Development Goals (SDGs), particularly SDG 3.3, which targets ending epidemics such as AIDS, tuberculosis, malaria, and other communicable diseases.

The company explained that the health challenges they address often arise from within the business. The executive team, including the VP of Corporate Social Responsibility and Sustainability, and Chief Scientific Officer, review relevant cases to determine their alignment with the company's broader commitment to advancing health equity for customers. An example aligned with the SDGs is the company's HIV drug resistance genotyping kit, launched under the Global Access Programme. This product, designed to determine the best course of HIV treatment more effectively, was sold at a significantly reduced price to customers in low- and middle-income countries. In this instance, their sub-Saharan Africa team identified its alignment with the relevant SDG target. The company also detailed their efforts to enhance diversity in clinical trials following the acquisition of a global clinical research services provider for the biopharma and biotech sectors.

Longview enquired about how the initiatives are led and whether oversight is provided by the Board and leadership team. The company explained that their approach is decentralised, with various groups across the business implementing the relevant access strategy. Customers may engage with different areas of the business in this manner, and a business case for health equity initiatives could arise from these interactions.

Oversight of the company's Corporate Social Responsibility strategy, including health equity initiatives, lies with the Board's Nominating and Corporate Governance Committee, with the executive team engaging with the committee throughout the year. The company also noted that the Bioethics Committee and the Science and Technology Committee may play a role in these initiatives in the future.

Longview also asked for implementation examples. The company highlighted their involvement with the mRNA vaccine technology hub in Rwanda, which is part of the World Health Organisation's (WHO) efforts to build vaccine production capacity in low- and middle-income countries. The company has equipped a facility in Rwanda to support regional manufacturing of mRNA and paediatric vaccines, as part of their broader strategy to help the region prepare for future pandemics. The company also mentioned their work in establishing a Centre of Excellence in South Africa, which will serve as a training facility offering hands-on experience for students in STEM and professionals in the field. The Centre aims to build connections between local institutions and global networks, supporting capacity building across the region.

The company explained that to launch such efforts, they may start by partnering with universities, which allows them to tap into an existing pool of professionals as part of their capacity-building efforts. They also collaborate with key long-term stakeholders, such as the Ministries of Health in the countries they operate, which provide an important element of sustainability. They take the time to understand their objectives, emphasising the importance of these initiatives having a long-term impact.

Longview also asked how the company measures the progress and success of their health equity initiatives, and whether leaders were incentivised to implement these efforts. The company acknowledged that their targets and metrics are not yet reported externally. As for incentives, they believe it is still early days. While the commercial teams have incentive programmes linked to customer engagement, which may include health equity-related efforts, these programmes do not specifically target health equity.

More broadly, the company recognised that they are at the beginning of this journey. When Longview asked how they track these initiatives internally to assess their effectiveness, they explained that they monitor factors such as staff training, attrition, conversion rates, and the impact of their capacity-building programmes on the community. In clinical trials, they track recruitment and retention rates of underrepresented populations, as well as the reach of specific products or their expansion into new markets. The company also noted their involvement in several consortia working to develop meaningful metrics for measuring the impact of health equity initiatives.

The engagement provided Longview with valuable insight into the company's approach to health equity, including how it is embedded into their strategic priorities and across the business. The recent social media backlash over policies perceived as limiting access to care highlighted the importance of engaging on these issues, as companies may face

reputational risks and broader implications for the US health care industry. While the company shared notable examples of their access strategies, it acknowledged that they are still in the early stages of formalising and measuring the impact of their initiatives. Longview will continue to monitor progress and engage as needed to assess the effectiveness of their efforts.

Case Study 3: Direct Engagement with Existing Holding | US Financials Company (Governance)

In October 2024, Longview held a video conference call with the company's General Counsel and Secretary, Head of Corporate Social Responsibility, Head of Investor Relations and Associate General Counsel to receive an update on governance and other sustainability themes.

The company shared insights from a recently held client forum, which was described as a successful event focused on showcasing products and fostering deep engagement. Longview was interested in understanding any key concerns top of mind for the company. The company explained that the CEO is discouraging any 'victory laps', noting that while cybersecurity remains a top priority, the primary focus is on business execution.

The company also provided an update on recent board appointments. They appointed three new directors, each with significant experience as CEOs of large organisations. Two of the new members bring valuable technology expertise. The directors have integrated well, bringing the board to 10 members – within its historical range of 10 to 11. Once the appointments are fully established, the Nominating Committee may consider an additional board member.

Longview enquired about whether the company's position on appointing an independent chair has changed and whether the board dynamics allowed for sufficient challenge. The company explained that the expectations from the last proxy season had been shared with the committee. They believe there is a healthy level of tension between the CEO and directors. The Lead Director who has served on the board for 14 years plays an active role, and the company has undertaken significant board refreshment. They believe the board dynamic to be effective and reflects a strong mix of skills and perspectives.

Longview will continue to monitor the company's position on appointing an independent chair, emphasising it would enhance oversight and promote a pro-shareholder agenda. We will continue to engage with the company on governance and other sustainability developments.

Principle 8



Principle 8: Signatories monitor and hold to account managers and/or services providers.

Longview outsources several services to third-party providers. We take care to ensure that third-party service providers can provide a high-quality service, within their agreed contractual terms, and are managed to the standards and care expected of a provider. We believe it is Longview's responsibility to ensure that the quality of our third-party providers is of the utmost integrity. Third-party relationships are managed with regard to the four factors listed below. Such factors will be taken into consideration when setting the overall service criticality, which itself then determines whether an initial or ongoing review by Longview of the services provided should take place and if so, the extent of such a review:

- the criticality of the service to Longview;
- the provider's control environment and security of Longview data (if appropriate);
- Longview's ability to run the system or service independently in the event of an issue with the service provider; and
- the service provider's product and its financial stability.

For any third-party provider where it is determined that a review is appropriate, such a review and its findings will be documented. Given that the assessment of each service provider is risk-weighted, the extent and timing of the review, which is based on an assessment of the criteria listed above, will vary for each provider. Each service provider has a Longview staff member who is, in the view of the Executive Committee (ExCo) of Longview Partners (LLP), best placed to oversee the responsibility for that relationship. The ExCo, as applicable, has ultimate oversight of these relationships.

Proxy voting

As discussed under Principle 7, Longview employs the services of the proxy voting adviser, Glass, Lewis & Co, a leading independent provider of corporate governance solutions to the financial services industry.

We believe Glass Lewis's well researched and independent analysis on governance complements Longview's stock selection process. We advocate the exercising of votes, and where necessary, objective and informed intervention in line with our Shareholder Activism Policy, available on our website [here](https://www.longview-partners.com/media/tquhshpp/shareholder-activism-2024.pdf) or at the following link: <https://www.longview-partners.com/media/tquhshpp/shareholder-activism-2024.pdf>.

Glass Lewis's policies are reviewed by the CIO and Head of Sustainability, and signed off by the CIO annually. Glass Lewis provides structured reports which detail their research and recommendations on each resolution to be voted on for each company. The Research Team uses the Glass Lewis research to inform their decision-making process. Voting recommendations are made by the lead analyst for that particular company, and must be approved by either the CIO or Head of Research. If appropriate, the decision may be to vote against Glass Lewis's recommendations and/or against management. Where the decision has been taken to vote against either, we may contact Glass Lewis or the company to engage with them if timelines allow.

In conjunction with Business Risk, our Operations Team conduct an annual check on a random sample of agenda items to ensure Glass Lewis stated policy has been implemented per the pre-advised market guidelines. This process involves selecting individual agenda items, seeing how they were voted and then cross referencing them back to the appropriate Glass Lewis policy. Operations also conduct a reconciliation to ensure that these votes are cast as expected. Glass Lewis' policy is Longview's policy except for any client-specific policy arrangements. Please see below an example of how we have engaged with Glass Lewis in 2024 as part of our monitoring process.

Case Study: Proxy-Voting Provider Service Review for 2023

In December 2024, Longview held its annual due diligence meeting with Glass Lewis as part of our monitoring process. The purpose of the meeting was for Glass Lewis to provide an operational review and discuss notable updates on various topics, including research and policy, regulatory developments, technology changes, sustainability and key trends and takeaways for the 2024 proxy season. The meeting was attended by a member of Longview's Operations team and the Head of Sustainability, in person at Glass Lewis's offices.

Regarding key 2024 trends, Glass Lewis reported that the number of proposals, including their support levels, stabilised after significant growth in the number of shareholder proposals. Glass Lewis continued to support a significant number of director elections for US companies, recommending in favour of approximately 86% of directors in the 2024 season where the largest driver of against recommendations was insufficient board gender diversity. On compensation,

shareholder support for executive pay practices in the US was at its highest level since the start of the COVID-19 pandemic.

Europe led the way on board-level gender diversity with over 40% of board positions at large- and medium-sized companies being held by women. Increases to CEO pay and total opportunity were consistently up across Europe, with an increasing number of companies, particularly in the UK, citing competition for talent with their US peers. On shareholder rights, recent legal and listing rules changes in the UK have removed some important shareholder protections to try to make the market more appealing to companies.

On the research side, Glass Lewis have added the following new features in their proxy papers:

- ‘For your Attention’ Flags which alert readers to proposals with highly contextual analysis;
- ‘Director Intel Analysis’ for North American and European companies which highlights previous concerns from a director’s track record on other boards that have led to negative voting recommendations from Glass Lewis; amongst other factors.

Glass Lewis also shared the outcomes of their Proxy Season Feedback Survey, which was distributed to all their clients, achieving a participation rate of 43%. Globally, they received an ‘excellent’ client services score and an ‘excellent’ proxy paper score using the Customer Satisfaction (CSAT) Scores methodology. Overall, we were pleased with our engagement as it provided us with a helpful scorecard for the year and insight into Glass Lewis’s road map for 2025. We will continue to engage with Glass Lewis throughout the year as needed.

Sustainalytics

As previously mentioned under Principle 2, we subscribe to Sustainalytics, a leading external ESG data provider, as an additional source of company-specific ESG analysis. Sustainalytics’ reports are an additional source of insight for our Research Team to use in assessing and monitoring ESG areas of concern; and provide research to support our ESG discussions with companies. Sustainalytics also generates portfolio-wide metrics which may flag wider ESG issues. The platform offers information and data which cover a variety of ESG themes, including management, corporate governance and controversial event indicators together with historical indicator-level data.

Oversight of our relationship with Sustainalytics is governed by our Third-Party Vendor Oversight Policy. As part of our management of this relationship, we would consider the criteria below to evaluate their system and services at the end of the contractual year. These criteria would also be applicable to other service providers mentioned in this report.

- Have there been any issues or errors during the period?
- Are the materials of sufficient clarity and quality for our clients?
- How responsive have they been in addressing questions or resolving issues?
- Have we received the required training?
- Is an onsite process review meeting required?

We also have a dedicated Sustainalytics client adviser, whose responsibilities include managing Longview’s training and ongoing support. Since engaging Sustainalytics in 2020, we have received a combination of training sessions on the use of their Global Access Platform and one-on-one sessions on the use of their reporting tools or regarding new offerings.

Case Study 1: Engaging with Sustainalytics on their ESG Risk Rating Methodology and additional tools

In 2024, we engaged with Sustainalytics on several occasions to discuss a range of topics, including their ESG risk rating methodology. As part of these engagements, we evaluated and tested a number of ESG tools to identify those best suited to support the implementation of specific exclusionary criteria, in line with the social characteristics defined for Longview’s Article 8 Fund, as outlined in Principle 6.

We compared Sustainalytics’ offerings with those of another leading industry provider to ensure we selected the most appropriate solutions. Sustainalytics was ultimately chosen due to several factors, including the high quality and readability of their reports and their strong alignment with our existing ESG toolkit. As a result of this evaluation, we have selected Sustainalytics’ solutions to implement the following exclusionary criteria:

- Weapons Involvement – Exclusion of companies involved in the production of anti-personnel mines, controversial, biological, chemical, cluster, or nuclear weapons, among others, based on Sustainalytics’ Product Involvement Research.

► Human Rights and Corporate Responsibility Violations – Exclusion of companies found to be in breach of the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, or the UN Guiding Principles on Business and Human Rights (UNGPs). These exclusions will be informed by Sustainalytics' Global Standards Screening, Longview's proprietary analysis, or a combination of both.

Our engagements with Sustainalytics supported our selection process and deepened our understanding of their ESG risk rating methodology, a core part of the ESG research we use as an additional input in our ESG integration. We believe these discussions reflect our stewardship approach, which values active engagement with providers and the continual improvement of our resources to better serve our clients.

S&P Trucost

Longview engages S&P Trucost to source comprehensive and TCFD-aligned carbon data and metrics through its Climate and Environmental Analytics offerings. S&P Trucost's environmental and climate data includes greenhouse emissions (scopes 1, 2 and 3), and assesses company-level alignment with the Paris Agreement by examining the adequacy of emissions reductions over time.

We use S&P Trucost's data to supplement our assessment of environmental risks and provide reporting on carbon metrics to our clients, as described under Principle 6. In 2024, we engaged with S&P Global on multiple occasions to address a range of topics, including the use of their reporting tools for our Carbon Profile Report provided to clients on a quarterly basis and to delve deeper into some of their more specialised climate analytics modules. We have provided the details and outcome of one such engagement below.

Case Study 2: Engaging with S&P Global on their Net Zero Toolkit

In 2024, Longview hosted a deep dive session with S&P Global to explore the use of their net zero toolkit, as we assessed potential reporting tools for tracking progress under the Net Zero Investment Framework (NZIF). We had determined that NZIF could be implemented for client portfolios on a case-by-case basis, as outlined under Principle 6.

During the session, S&P Global presented their solution, which does provide the necessary NZIF-aligned data. Our objective was to identify a tool capable of assessing portfolio companies' alignment with NZIF across the following categories: 'Achieving Net Zero,' 'Aligned,' 'Aligning,' and 'Not Aligned', as outlined in the figure below. S&P Global's subject matter experts provided a demo and walked us through their methodology in detail, explaining the key features of their approach. However, they explained that their data is only available on an annual basis and delivered as a static report, which falls short of our requirements for a more dynamic and frequently updated tool. Over the course of our due diligence, we compared their offering with that of another leading provider, whose solution was more interactive, flexible and responsive to our needs.

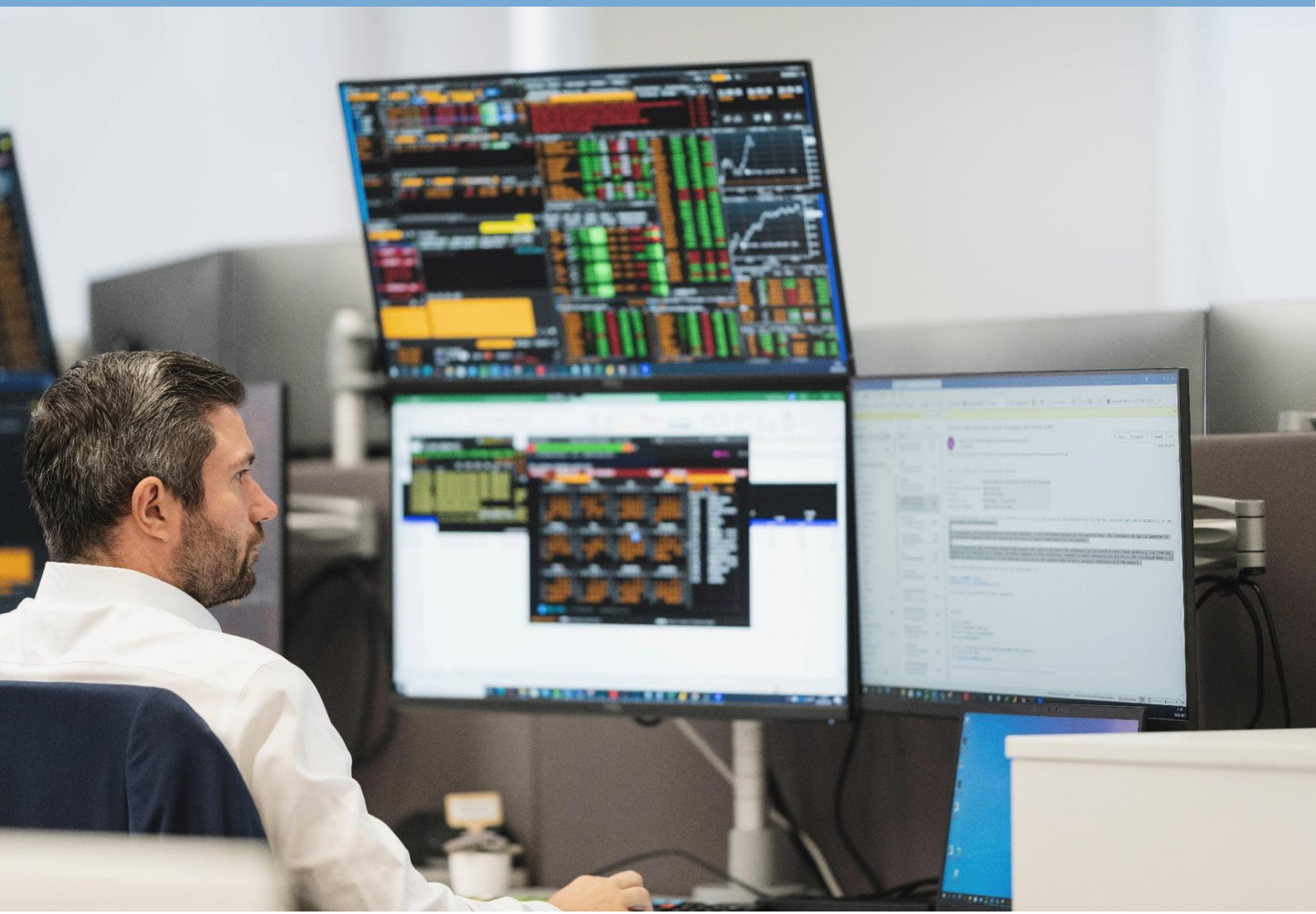
Criteria underpinning alignment assessment				
Key ✓ Green ticks represent when a criterion is required to be fulfilled for a particular alignment category to be obtained.				
Criteria	Committed to aligning	Aligning to a net zero pathway	Aligned to a net zero pathway	Achieving net zero
Asset with emissions intensity required by the sector and regional pathway for 2050 and whose operational model will maintain this performance.				✓
Emissions performance: Current absolute or emissions intensity is at least equal to a relevant net zero pathway. ⁹⁵			✓	✓
* Capital allocation alignment: A clear demonstration that capital expenditures are consistent with a relevant net zero pathway.			✓	✓
* Decarbonisation plan: A quantified set of measures exists to achieve short and medium term science-based targets by reducing GHGs and increasing green revenues, when relevant.		✓	✓	✓
Disclosure: Disclosure of operational scope 1, 2 and material scope 3 emissions.		✓	✓	✓
Targets: Short and medium term science-based targets to reduce GHG emissions.		✓	✓	✓
Ambition: A long term goal consistent with the global goal of achieving net zero by 2050.	✓	✓	✓	✓

* Additional alignment criteria that a corporate within a high impact material sector needs to meet.

Source: IIGCC NZIF 2.0, Asset Level Assessment and Targets

From a reporting perspective, the session offered valuable insights into S&P Global's approach and how their toolkit could support alignment with the Net Zero Investment Framework (NZIF). While their current solution did not fully meet our requirements, the engagement enabled us to better understand the available options and clarify what would be most effective for our client reporting. We also shared our feedback with their team, which was taken onboard as their offering continues to be developed. We view this type of detailed engagement with service providers as integral to fulfilling our stewardship responsibilities, ensuring we have the right resources in place, and continuing to meet the evolving needs of our clients.

Principle 9



Engagement

Principle 9: Signatories engage with issuers to maintain or enhance the value of assets.

Longview engages with companies on matters of stewardship and ESG as part of our overall investment research and our assessment of a company's Quality rating.

Engagement Selection Process

The CIO, Head of Research, Head of Sustainability and the Institutional Clients Team meet quarterly to discuss and prioritise engagements as part of our internal ESG Review meeting.

We focus our ESG engagement efforts on companies where we have identified significant ESG issues in our proprietary research process. A key part of the selection process is materiality. This can be in terms of the potential impact on the value or reputation of the business, the potential to impact our assessment of Quality, or in the eyes of our clients.

As mentioned previously, we subscribe to Sustainalytics as an additional source of information on company-specific ESG analysis. The platform assists our Research Team in assessing and monitoring ESG areas of concern and provides research to support our ESG discussions with companies. Sustainalytics' analysis covers a variety of ESG themes, including management, corporate governance and controversial event indicators with historical indicator-level data. We use S&P Trucost to supplement our assessment of climate risks, as described under Principle 8.

As part of our engagement selection process, we consider Sustainalytics' ESG Risk Rating. This includes issues or controversies as identified by Sustainalytics as 'Most Significant Events in the Portfolio', which are labelled as 'Event Category 4 or 5', and alerts, which are sent to our Research Team via the Sustainalytics platform when an issue is identified and documented. We take into consideration the materiality of any such issues as part of our Quality rating. We may also choose to engage with an investee company when material updates are made to its annual Sustainalytics Risk Ratings Report. In every case, we make sure that the objective of our engagement is clear and documented as the following extract from our Engagement Log demonstrates.

Figure 9: Engagement Log – Extract of Example Entry

Date	Company Name	What is the issue?	What is the Research Team's objective?	What was the outcome?	Status of the engagement	Next Steps	Completed Outcome
-	Financials	Discuss a shareholder proposal for an Independent Board Chair which the company opposes.	Enquire into company's rationale for opposing the shareholder resolution and explain why Longview supports having an Independent Board Chair.	The company believed that opposing the proposal would ensure the Board retains the flexibility to combine the role where appropriate. Longview suggested that an Independent Chair would be additive to the overall Board structure and that the appointed individual should be able to help the company navigate through uncertain times.	Objective achieved; Longview voted in support of shareholder proposal.	Monitor company's stance	Yes

Direct Engagements with Portfolio Companies

Where appropriate, we will contact a company seeking clarity or to discuss contentious issues as part of our ongoing dialogue with management. If we are meeting with management, we discuss strategy and general corporate responsibility as well as specific issues that may affect a company's ability to create value for their shareholders. Such issues may include capital allocation, remuneration, finance, reputation and litigation risks, climate change, energy efficiency, human rights, labour rights, and other material ESG issues.

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.

We believe that having a clear and systematic engagement model is key to an effective implementation of our integrated approach to ESG, as described in Principle 1, where we assess risks and opportunities as part of our bottom-up research process. Our engagement selection process is fully aligned with the robust nature of our research process and reflects the transparency embedded in our culture and in our approach to stewardship as described in Principle 6. Our single product focus means that we only have one engagement model which we apply across our investment strategy. There are no differences in the process we apply based on client type or geography.

Thematic Engagements

In addition to company engagements, we undertake thematic engagements across several companies or even the entire portfolio. As a single-product 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, both described under Principle 4. 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 AI for a cohort of companies.

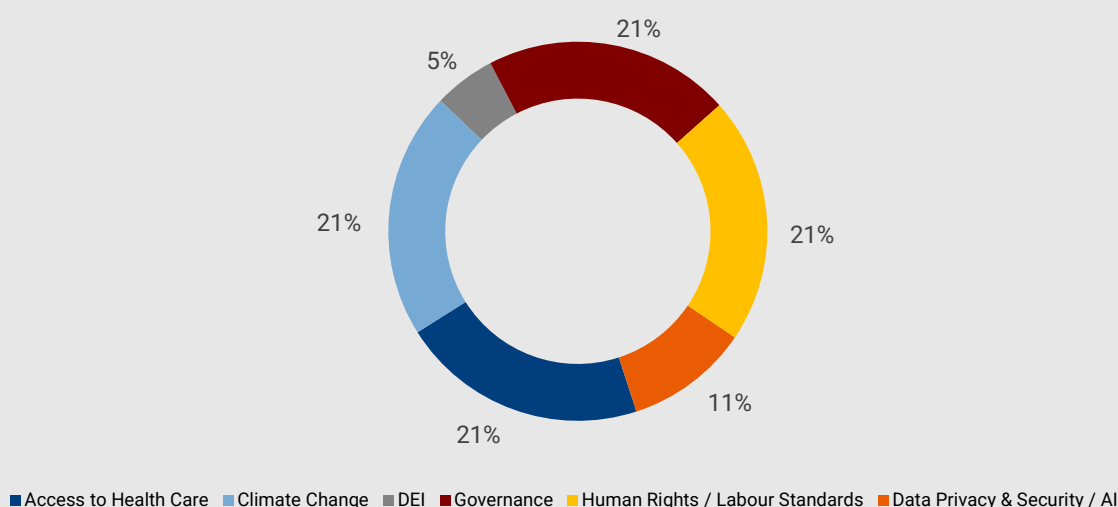
Engagement Methods and Documentation

We typically engage with companies through one of the methods listed below:

- One-on-one meetings with companies (e.g. CEO, CFO, Chairman, members of the board, investor relations, or executives from specialist areas including sustainability)
- Written correspondence (including emails)
- Phone and video conference calls (company engagements are documented and a subset of these is provided to clients on a quarterly basis)
- Proxy voting

Over time, we have been able to make use of all these methods to conduct our engagement activities although most such interactions have tended to be through one-on-one meetings, phone and video conference calls. We may also engage collaboratively, as mentioned under Principles 4 and 10, if Longview believes it can help to maintain or enhance the value of assets. Our company engagements are documented and provided to our clients on a quarterly basis detailing the issues raised, subsequent follow-ups and outcomes. Below is a snapshot of the engagements we held in the 12 months to December 2024. We held 16 engagements, both direct and thematic, with 12 different entities.

Figure 10: Engagements by topic as at 31 December 2024



Note: One engagement may include multiple topics.

The following three examples provide insight into some of the engagement activities that we have undertaken in 2024, including details on the types of outcomes that we have achieved. In the third example, we demonstrate the effectiveness of our engagement monitoring process and Engagement Log in tracking progress and re-engaging over time. Our engagement monitoring process is described in more detail under Principle 11. The company names in these examples have been withheld to preserve the anonymity of Longview's holdings.

Case Study 1: Direct Engagement with an Existing Holding | US Consumer Staples Company

In October 2024, Longview held a call with the company's General Counsel, Senior VP and Corporate Secretary, VP of Corporate Social Responsibility and Philanthropy, and VP of Investor Relations to discuss governance, workplace safety, and other sustainability themes.

The company provided an update on recent changes to the board and explained its approach to long-term executive compensation. Longview reiterated its views regarding the importance of aligning management and shareholders' interests, as well as increasing disclosure on executive compensation metrics. For example, long-term targets are typically disclosed only after they have been achieved.

Longview enquired about the company's progress in improving their labour standards. We have been closely monitoring the company's efforts to enhance workplace safety and address the citations and penalties from the US Occupational Safety and Health Administration (OSHA), while engaging in multiple discussions with the company since November 2023. The company stated that they were pleased to have this largely behind them, noting that the settlement reached with the Department of Labour in July 2024 formalised practices already in place.

The company noted that penalties were significantly reduced from \$21 million to \$12 million, with several violations resolved. OSHA had raised concerns about blocked fire exits and other safety-related matters most of which have now been addressed. The company had also conducted an independent third-party audit of the company's workforce safety policies and practices which had been commissioned in response to a shareholder proposal at the 2023 Annual General Meeting (AGM). They have seen fewer notices of violation through the course of 2023.

The company confirmed that injury and incident rates were at or below industry averages for both their distribution centers and stores, although there was a slight uptick in 2023 for distribution centers. Longview enquired about specific measures that have been implemented to improve safety. In addition to reducing inventory levels, these included adding members to safety and risk management teams and ensuring stores had the adequate staffing levels. Longview enquired about compliance with OSHA's thresholds, and the company confirmed that they have met the required levels; noting that falling below them would result in severe penalties.

Longview intends to continue monitoring the company's workplace safety improvements. Along with details of the engagement's outcome, Longview has recorded in its Engagement Log the status as 'some progress – continue to monitor' as we plan to re-engage with the company going forward.

Case Study 2: Direct engagement with an Existing Holding | US Health Care Company

In June 2024, Longview held a call with the company's management and investor relations teams, including their Deputy General Counsel and VP of Sustainability and ESG, to enquire about the cybersecurity attack that the company had experienced, disrupting healthcare systems across the United States.

In February 2024, cybercriminals hacked into a subsidiary of the company using compromised credentials and extracted patients' Protected Health Information (PHI) and Personally Identifiable Information (PII). A ransomware attack was subsequently launched, encrypting the systems and blocking access. The affected subsidiary plays a critical role in facilitating the exchange of information, claims, and payments among physicians, pharmacists, health plans, and government entities.

The cyberattack prompted the company to disconnect the targeted systems, successfully preventing malware from spreading to the broader health network. However, this left thousands of pharmacies and healthcare providers unable to process insurance claims or fill prescriptions for several weeks.

On the call, Longview enquired about the company's response to the cyberattack. The company detailed their daily engagement with stakeholders and outlined efforts to restore operations. They engaged a leading cybersecurity firm to conduct a thorough review and strengthen the company's cybersecurity measures and practices. The company also confirmed that it had paid the ransom. When Longview asked about the root cause of the breach, the company explained that the targeted server, scheduled to be retired within weeks, lacked Multi-Factor Authentication (MFA) due to an outdated policy that allowed certain exceptions.

Longview enquired about board oversight during this period. The company stated that the management team held weekly calls with the board to provide updates on response efforts. The Audit and Finance Committee, responsible for cybersecurity and data protection oversight, escalated issues to the full board and received guidance from the recently hired cybersecurity firm. They confirmed that MFA had been implemented across all systems as part of the response.

Longview requested details about previous breaches that the company may have experienced. The company explained that the company faced intrusions into its systems every 70 seconds, although most are considered immaterial. The company has a legal obligation to issue breach notifications under the Health Insurance Portability and Accountability Act (HIPAA). Longview also enquired about the investigation initiated by the US Department of Health and Human Services (HHS), which focused on determining if there was a breach of PHI and whether adequate steps were taken to protect patient data under HIPAA. The company confirmed that they were working with regulators.

Through this period, the company had facilitated over \$6.5 billion in accelerated payments and provided no-interest, no-fee loans to thousands of providers as part of its response, as of April 2024. By 7th March, 99% of pre-incident pharmacies were able to process claims. Medical claims were nearly back to normal levels in May, with systems being restored or providers switching to alternative submission methods, and payment processing at around 86% of pre-incident levels.

Following the engagement, Longview continued to monitor the company's response, as well as related regulatory and legal developments. At the time of writing of this report, we had confirmed a follow-up ESG engagement with the company, which will address the aftermath of the cyberattack and the recently announced investigations by the US Department of Justice.

Case Study 3: Engagement with a Consumer Staples Company | Tracking Progress through our Monitoring Process

This is an update to an engagement held with the company in June 2024 with the Head of Investor Relations to discuss various areas of the business. On the call, it was agreed that Longview will schedule a separate call with the company's Vice President of Corporate Social Responsibility and Philanthropy for a broader conversation on the company's climate initiatives.

Longview's Climate Commitments Audit previously found that while the company had set emissions reduction targets, it was unclear if they aimed for net zero emissions and whether the targets were science-based (i.e. aligned with frameworks like the Science-Based Targets Initiative). In line with our audit's goal to seek clarity on such issues, we planned to follow up with the company on the call, which was scheduled for October 2024.

► Following our call in June 2024, as per our monitoring process, we updated the status of our engagement in the Engagement Log as 'Some progress – continue to monitor'.

On our follow-up call in October 2024, Longview enquired into the company's climate targets. While the company had not committed to a net zero goal, they developed a strategy to reduce Scope 1 and Scope 2 emissions by 15% by 2026, and 30% by 2031 (from a 2020 baseline). For Scope 3, they explained that they are collaborating closely with major vendors and are encouraged by the progress being made. Their approach prioritises sustainability for the long term and is aligned with the Science-based Targets Initiative (SBTi) framework, which serves as a guide rather than a formal commitment. Longview will continue to monitor the company's progress on climate and will re-engage as appropriate.

► As per our monitoring process, we updated our climate commitments findings and maintained the status of our engagement in the Engagement Log as 'Some progress – continue to monitor'.

Principle 10



Principle 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.

As mentioned in Principle 4, Longview has been a signatory to the UK Stewardship Code since 2011 and has been supportive of the FRC's efforts to improve engagement with the UK Stewardship Code across the industry. Longview has also been a signatory to UN-Principles for Responsible Investment (UNPRI) since 2010. Being a signatory has enabled us to reflect and report in a formal and standardised way on how we consider important aspects of ESG in our investment process.

While we directly engage with issuers and are comfortable putting our views forward in portfolio company engagements through a robust engagement model, as described under Principle 9, we do not consider ourselves activist investors. In the first instance, we prefer discussing contentious issues on company meeting agendas and engaging with company management directly via one-on-one meetings, written correspondence, conference calls and proxy voting. We are also comfortable engaging with other influential investors to influence issuers regarding contentious issues in a direct manner if we believe that management was failing to act in shareholders' interests, and we have done so in the past through written correspondence regarding capital allocation concerns.

We do, however, recognise the value of collaborative stewardship and the vital role it can play in achieving positive outcomes, especially when we are seeking to address global systemic risks, as described under Principle 4. To that effect, over time, we have explored joining various collaborative initiatives relevant to our portfolio companies and engaged with the organisations listed below to evaluate the potential for collaboration.

Collaborative Initiatives

Spring

This is a PRI stewardship initiative for nature, convening investors to use their influence to halt and reverse global biodiversity loss by 2030. Spring aims to address the systemic risk of nature loss to societies and long-term portfolio value creation by enhancing corporate practices on forest loss and land degradation.

In February 2024, the initiative released a first list of 40 engagement focus companies, followed by a second list of 20 companies in June 2024. Additional companies may be added over time. The full lists can be viewed here or at this link: https://dwtyzx6upklss.cloudfront.net/Uploads/i/m/z/spring_company_list_26062024_470905.pdf

While none of Longview's portfolio companies were included in the above lists, we will continue to monitor updates and engage if any of our holdings are added in the future. Spring's selection methodology aims to identify the companies that exert influence in policy arenas that affect forest loss and land degradation in priority geographies. Focus companies were selected using a three-step process which involved:

- Selecting priority geographies based on priority regions for avoided deforestation and active or emerging deforestation fronts;
- Identifying policy arenas (regional, national and international) that shape deforestation drivers;
- Selecting focus companies based on their level of influence in the selected policy arenas.

Access to Nutrition Initiative (ATNI)

In 2023, we selected to join the Access to Nutrition Initiative (ATNI). ATNI's Investors in Nutrition and Health (AINH) are signatories to the Investor Expectations on Diets, Nutrition and Health, which outline the business case for investing in nutrition, including the burden that poor diets place on health systems globally and acknowledge responsible investors' role in driving progress for nutrition and health. By assessing and ranking the world's largest manufacturers and retailers on their nutrition-related commitments, practices and performance globally, ATNI aims to encourage companies to:

- Increase consumer access to nutritious and affordable foods and beverages through actions related to product formulation, pricing and distribution; and
- Responsibly exercise their influence on consumer choice and behaviour through actions in areas such as marketing, labelling and promoting healthy diets and active lifestyles.

Our participation will enable Longview to join collaborative engagements with the companies assessed in ATNI's Indices; and gain access to ATNI's Investor Portal, which houses a comprehensive database of nutrition information, news and reports relevant for investors. More specifically, ATNI's flagship publication, The Global Index, assesses the world's largest

food and beverage manufacturers. It was first published in 2014; and the fifth edition was launched in 2024 and assesses how the world's largest food and beverage (F&B) manufacturers are contributing to addressing malnutrition in all its forms. The full report including the list of companies assessed can be found [here](#) or at this link: https://accesstonutrition.org/app/uploads/2024/11/ATNi_GI_full_report_022025.pdf

While none of Longview's portfolio companies were included in the fifth edition of the Global Index, we will continue to monitor updates and engage if any of our holdings are added in the future.

The investor signatories that have signed up to ATNI's Investor Expectations on Diets, Nutrition and Health with a combined USD 21 trillion AUM, can be found [here](#) or at the following link: <https://accesstonutrition.org/investor-signatories/>. As a signatory, we aim to engage through ATNI's platform when applicable to our portfolio companies and when valuable in informing our research on our key sustainability themes. Our aim will be to influence issuers on global sustainability issues that can benefit from our participation.

Access to Medicine Foundation

Established in 2003 by Dutch entrepreneur Wim Leereveld, their aim is to stimulate the pharmaceutical industry to do more for the billions of people lacking access to medicine. Every two years, the Foundation publishes the Access to Medicine Index, which evaluates and compares 20 of the world's largest research based pharmaceutical companies according to their efforts to improve access to their products in low- and middle-income countries (LMICs). They produce independent research and data-driven insights that can help with investors with company research and collaborative engagements. They also have a specialist team on hand to offer tailored advice and facilitate collaboration. Further details on their initiatives can be found [here](#) or at: <https://accesstomedicinefoundation.org/>

ShareAction

As a registered UK charity, they work to promote responsible investment and aim to improve corporate behaviour on environmental, social and governance issues. They set ambitious standards for responsible investment and use their AGM activism programme to hold company boards and executives to account, while advocating for financial regulation in the UK and EU, amongst other initiatives. Further details on their initiatives can be found [here](#) or at: <https://shareaction.org/>

Case Study 1: 2024 Global Investor Statement to Governments on the Climate Crisis

In September 2024, Longview became a co-signatory to the 2024 Global Investor Statement to Governments on the Climate Crisis for the third year, having signed it in 2021, 2022. The Investor Agenda⁸ had paused its activities in 2023 to evaluate the most effective way forward. The Statement, coordinated by the Investor Agenda, aims to unify investor and financial sector voices to call for comprehensive action on the climate crisis.

The 2024 Global Investor Statement was released ahead of Climate Week (NYC) in September and in anticipation of the 29th Climate Change Conference (COP29) which was held in Baku, Azerbaijan, in November 2024. It was showcased alongside broader climate action initiatives from the global investor community.

A copy of the letter can be viewed through [here](#) or at this link:

<https://www.longview-partners.com/media/ca2e3s2a/2024-global-investor-statement.pdf>

The 2024 Statement was the most comprehensive to date, urging governments to increase their climate ambitions in alignment with the goal of limiting global temperature rise to 1.5°C. To achieve these objectives, the Statement called for a whole-of-government approach across five key policy areas:

1. Enacting economy-wide public policies
2. Implementing sectoral strategies, especially in high-emitting sectors
3. Addressing nature, water and biodiversity-related challenges contributing to and stemming from the climate crisis.
4. Mandating climate-related disclosures across the financial system.
5. Facilitating further private investment into climate mitigation, resilience, and adaptation activities in emerging markets and developing economies.

⁸ The founding partners of The Investor Agenda are seven major groups working with investors: Asia Investor Group on Climate Change, CDP, Ceres, Investor Group on Climate Change, Institutional Investors Group on Climate Change, Principles for Responsible Investment and UNEP Finance Initiative.

We believe that joining other investors in such collaborative efforts is an important part of addressing the global systemic risks posed by climate change. Longview's climate stewardship at the portfolio level engages with companies to monitor their progress in reducing greenhouse gas (GHG) emissions. We see supporting initiatives like the Global Investor Statement as an effective way to contribute to the industry's efforts in the transition towards a low-carbon economy.

Case Study 2: Collaborating with Canadian Foundation on Modern Slavery Risk

In June 2024, Longview held a client engagement with a Canadian Foundation regarding their concerns about forced labour issues in the supply chain of a US Consumer Staples company in the portfolio.

The client explained that they are part of a shareholder collaborative organisation working with Canadian foundations and charities on ESG engagements, voting, and shareholder resolutions. They informed us that the collaborative organisation had drafted a shareholder resolution, which they, along with approximately 20 other asset owners, were considering signing. This resolution called on the company to publish a human rights impact assessment on migrant workers in its supply chain, following previous engagements with the company and a report from the US Department of Labour highlighting modern slavery practices in the company's supply chain in both the US and Canada.

We reassured the client that we would engage with the company directly to enquire into these issues. Longview also shared with the client the concerns we had identified through Sustainalytics, which reported forced labour issues within the company's supply chain, specifically in factories located in China and India. Longview subsequently reached out to the company and held an engagement in August, the details of which are documented under Principle 4.

Longview is committed to working closely with our clients on the ESG issues they believe to be most important, and we are supportive of such collaboration to help influence issuers through our stewardship efforts. In this case, the engagement not only gave us the opportunity to address the specific issue raised by our client directly with the company, but also deepened our understanding of our client's ESG priorities. It also enabled us to strengthen our relationship with an institutional client committed to human rights – an outcome that we believe reinforces and enhances our stewardship approach.

Principle 11



Principle 11: Signatories, where necessary, escalate stewardship activities to influence issuers.

Once ESG matters are identified and prioritised as per the engagement selection process described in Principle 9, we ensure that during the continual assessment of our investments, we have ongoing dialogue with the management of companies, in which we are invested or may be invested. Our research on portfolio holdings is regularly updated by the Research Team. We keep track of progress updates made on any ESG-related engagements in a systematic way via an Engagement Log, from which we have included an extract under Principle 9.

Monitoring Process

We keep track of all our engagements in the Engagement Log, which we review on a quarterly basis to check the progress made on ESG areas of concern previously raised. Longview's Head of Sustainability and the Institutional Clients Team manage the Engagement Log and meet with the CIO and Head of Research quarterly to discuss and prioritise engagement activity. The outcome for each engagement is clearly documented in the Log. We strive to be clear about the progress made against each objective and identify next steps, where appropriate, which may trigger our escalation process. If there are progress updates on engagements held, we aim to update our clients accordingly. We assign the following labels to the status of our engagements when they are updated in the Engagement Log:

- Objective achieved
- Some progress
- Some progress – continue to monitor
- No progress – no further monitoring needed
- No progress – escalation needed

If, after discussions and monitoring, we believe management is failing to act in shareholders' interests, this will trigger our escalation process. More specifically, if the monitoring process highlights that progress on a specific engagement objective is not being made within a reasonable timeframe and it is material to our Quality rating, Longview will contact the investee company to discuss the matter further. Longview will make clear our concerns, as well as our expected outcome. In most circumstances, this dialogue will be with the Chairperson, Lead Independent Director, CEO or CFO of the company.

We are willing to challenge management to protect and enhance the interests of our clients and will exercise our right to vote against management, where appropriate. As discussed in Principle 6, we share the details of significant votes made throughout the year as per the Shareholder Rights Directive II (SRD II) regulation within our Shareholder Rights Directive Annual Disclosure which is available on our website [here](https://www.longview-partners.com/media/w1te2ruy/srd-ii-annual-disclosure-2025.pdf) or at this link: <https://www.longview-partners.com/media/w1te2ruy/srd-ii-annual-disclosure-2025.pdf>

Longview defines a significant vote as any of the following:

- Where we have voted against management
- Where >15% of total votes have been cast against management or withheld
- Where we have voted against our proxy adviser's recommendation

As part of our escalation process, if after discussions, we believe that management is failing to act in shareholders' interests, we may reduce our Quality rating to Q3 and sell our holding in order to minimise the risk of loss of shareholder value and protect our clients' interests. Again, in line with our single product focus, we only have one monitoring and escalation process that we apply across our investment strategy, assets and geographies.

We are pleased to report that, in 2024, no stewardship activities warranted escalation. Longview is proud of its track record which highlights the responsiveness of issuers in addressing our questions, concerns or requests for engagement. We have been able to engage with our portfolio companies effectively, as per our engagement selection process, without the need to trigger our escalation process in 2024. As a significant shareholder in the companies we invest in, we are generally able to engage meaningfully with our portfolio companies. That being said, we remain committed to acting in the best interests of our clients should the need for escalation arise in the future.

Principle 12



Exercising rights and responsibilities

Principle 12: Signatories actively exercise their rights and responsibilities.

Longview is committed to active ownership through 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 to inform their decisions.

Voting policy

As described under Principle 2, on behalf of our institutional clients, we employ the services of the proxy voting adviser, Glass, Lewis & Co, a leading independent provider of corporate governance solutions to the financial services industry. We believe Glass Lewis's expert and independent analysis complements Longview's stock selection process.

Glass Lewis fulfils two functions. Firstly, as a purely operational process, ensuring the voting instructions provided by Longview are implemented across client accounts. Secondly, Glass Lewis uses publicly available sources of information such as stock exchanges, regulators and company filings to provide research and analysis and make voting recommendations. Glass Lewis also provides ESG-specific information in their proxy voting analysis. Glass Lewis provides structured reports which detail their research and recommendations on each resolution to be voted on. The Research Team uses the Glass Lewis research to inform its decision-making process. If appropriate, the decision may be to vote against Glass Lewis's recommendations and/or against management. Where the decision has been taken to vote against either, we may contact Glass Lewis or the company to engage with them if timelines allow.

Glass Lewis votes on our clients' behalf at all relevant company meetings. We monitor the service provided by Glass Lewis to ensure that our clients are benefiting from a proxy voting service held to high standards. Annually, we conduct a service review with Glass Lewis, as described in our engagement example under Principle 8. The CIO and Head of Sustainability review their voting policy on an annual basis. Our policy on the exercise of voting rights on behalf of our clients, class actions and conflicts of interests is outlined in our Shareholder Activism Policy which is publicly available on our website [here](#) or at <https://www.longview-partners.com/media/tquhshpp/shareholder-activism-2024.pdf>. Our single product focus means that we only have one voting policy which we apply across our investment strategy, assets and geographies.

Segregated account clients that instruct Longview to vote on their behalf have the absolute discretion to override any house policy vote. In this event, they may have a custom policy that enables votes on their holdings to be cast in-line with their specific requirements. Pooled fund clients, invested in our Luxembourg-domiciled long-only SICAV Fund, are unable to override house policy votes due to the nature of their investment vehicle. Segregated clients may also instruct their own votes directly with their custodian. Again, pooled fund clients are unable to cast direct votes due to the nature of their investment vehicle.

Stock lending

Longview does not participate in stock lending on behalf of our clients. Clients may have their own lending arrangements directly with their custodian or a third-party agent. In such instances where Longview has authority to vote on the client's behalf, we will cast votes for all stocks not on loan in line with our house policy. Longview may make a request for clients to arrange for the recall of their shares on loan in order to vote on a particularly material issue.

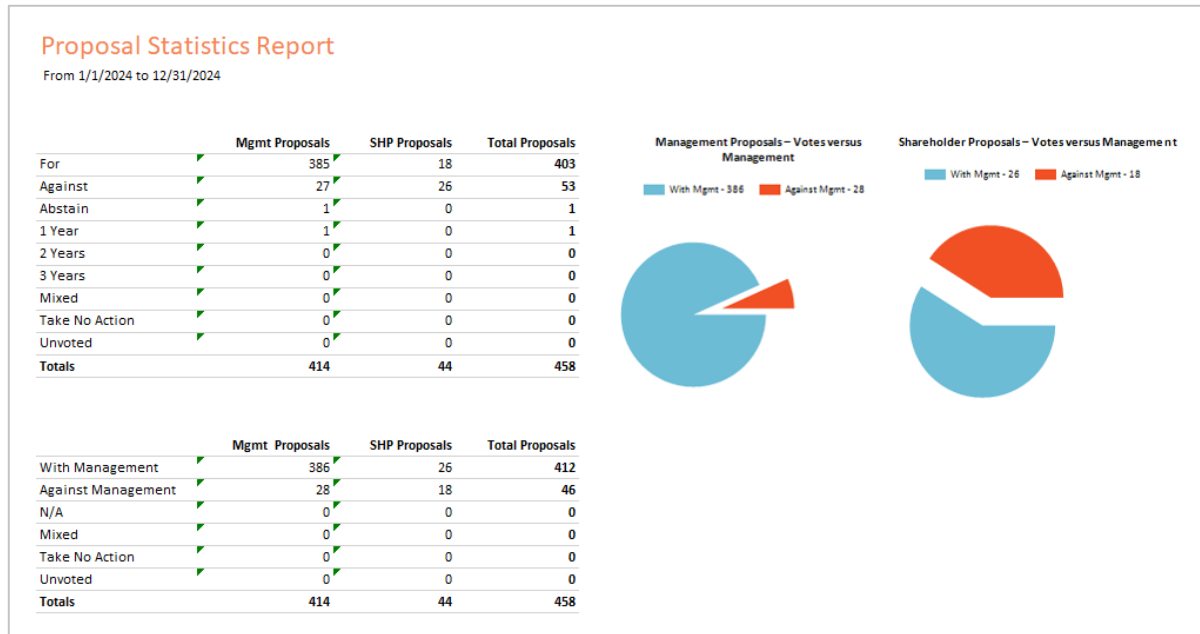
Voting records

Proxy voting reports are provided on a quarterly basis to all clients on whose behalf we vote. These reports detail all votes cast during the period and provide an explanation in relation to any differences between the votes cast and the portfolio company management's recommendations. For confidentiality purposes and to protect the anonymity of portfolio holdings, we do not publicly disclose our voting records in full and therefore cannot provide a link to our voting records. However, we share the details of significant votes made throughout the year, as per SRD II regulation, within our Implementation of Engagement Policy disclosure, which is available on our website [here](#) or at the following link: <https://www.longview-partners.com/media/w1te2ruy/srd-ii-annual-disclosure-2025.pdf>. Under Principle 6, we also share specific details and commentary on a sample of significant votes for 2024.

Proportion of shares

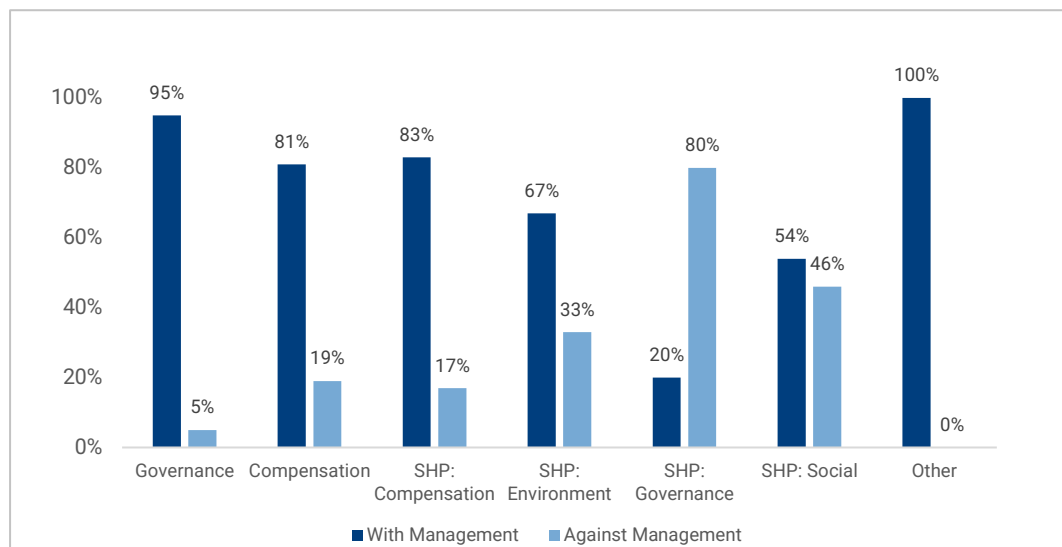
In 2024, we voted 458 resolutions at 31 company meetings. As an illustration of our voting activity, the charts in Figures 11 and 12, provide a breakdown of the number of proposals that were voted in the past year and how the votes were cast by issue in our Global Equity Fund.

Figure 11: Proposal Statistics Report for Calendar Year 2024



Note: Source: Data provided by Glass Lewis as at 31 December 2024.

Figure 12: Voting Cast By Issue for Calendar Year 2024



In addition, the following table highlights examples of voting decisions made in 2024, including the rationale for each decision and the resolution's final outcome. Six votes were made against Glass Lewis's recommendation in the past year.

Figure 13: Examples of Voting Decisions for Calendar Year 2024

Company Sector	Filed By	Meeting Date	Proposal Description	Mgmt Vote	Glass Lewis	Longview Decision	Voting Rationale & Significance	Outcome
1 Financials	Shareholder	09/04/2024	Shareholder Proposal Regarding Lobbying Report	Against	For	For	Increased disclosure would allow shareholders to better assess risks presented by the company's lobbying activities.	For 38% Against 61% *Other: 1%
2 Health Care	Management	16/04/2024	Advisory Vote on Executive Compensation	For	Against	Against	Concerning pay practices	For 84% Against 16%
3 Consumer Discretionary	Management	18/04/2024	2023 Remuneration of Chair and CEO	For	Against	Against	Equity awards to major shareholder; Insufficient response to shareholder dissent and poor overall compensation disclosure	For 83% Against 17%
4 Comms Services	Shareholder	07/06/2024	Shareholder Proposal Regarding Targets and Report on Child Safety Impacts	Against	Against	For	Setting specific targets would allow shareholders to better assess the company's progress in addressing this issue.	For 14% Against 85% *Other: 1%
5 Consumer Discretionary	Management	10/09/2024	Election of directors	For	Withhold	For	Director appointments should be based on individual merit, and frequent turnover is not in shareholders' long-term interest.	For 60% Withheld 40%

*Other includes abstentions and withheld votes.

For the examples in the table above, we have included the outcomes of the resolutions that we voted on in 2024. In the first row, we voted against management, in line with our proxy voting provider's recommendation. While the shareholder resolution did not ultimately secure majority support, we consider the outcome to be significant. The resolution called for increased transparency around the company's lobbying activities, a topic of growing importance to investors seeking to assess alignment between a company's public commitments and its political spending.

In the fourth row, we voted against both management and our proxy voting provider's recommendation. While the company discloses numerous informative metrics on efforts to combat child exploitation, they are presented in absolute terms, making it difficult to assess progress in content moderation over time. We believe that setting clear, measurable targets would enable shareholders to more effectively evaluate the company's performance on this critical issue. .

In the fifth row, we voted for management and against our proxy voting provider's recommendation. While Glass Lewis recommended withholding votes as a protest against the company's dual-class share structure, which is a concern that we share, we recognise that meaningful change would require the consent of the Class A shareholders. We believe that director appointments should be evaluated on individual merit, and that frequent board turnover may not serve the long-term interests of shareholders.

Monitoring Process

The process and procedures around the monitoring of our proxy voting provider's services are described under Principle 8.

During the Research Team's Quality assessment of a company, voting rights are considered in determining which share line we wish to purchase. The Longview portfolio currently only owns common and preferred shares. As agreed with clients prior to their account opening and stipulated in their Investment Management Agreement (IMA), Longview engages Glass Lewis to cast all instructed voting rights at portfolio company meetings.

Share ownership monitoring occurs on a daily basis, where Longview reconciles positions held in the client's custodian account and notifies these holdings to Glass Lewis. During the voting process, Glass Lewis reconciles the votable shares on the distributor platform against the positions reported by Longview, thus ensuring all available votes are cast in accordance with the designated voting policy.

Concluding Statement

In line with Longview's culture of continuous improvement, Longview will continue to assess the effectiveness of its approach to stewardship and is committed to improving as necessary. As industry best practice and client demands evolve, Longview is committed to evolving too, aiming to ensure the long-term responsible stewardship mentality remains at the heart of the firm.

Declaration:

This Report has been reviewed and approved by the Executive Committee of Longview Partners LLP.

Signed:

A handwritten signature in black ink, appearing to read 'Marina Lund', is positioned above the printed name.

Marina Lund, CEO and Head of Institutional Clients, Partner

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