



## **PUBLIC TRANSPARENCY REPORT**

**2024**

**Newton Investment Management**

Generated 25-11-2024

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented. The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Responsible investment at Newton Investment Management Group (Newton) has the following key aspects: integrating a consideration of relevant ESG factors as part of our research process in the majority\* of the assets that we manage, where these factors can have financially material implications, actively engaging with investee companies and voting proxies on behalf of clients with the aim of adding value and reducing risk, and offering clients appropriate solutions to meet their objectives. We engage in responsible investment because we believe that it is a key part of our efforts to unlock investment opportunities for our clients and help them meet their investment goals.

ESG integration: It is important to analyse factors that can potentially influence the long-term financial success of an issuer and can have a material financial impact on a client's investment. ESG issues are part of a large body of information available to investors to fully assess the investment merits of a security. Considering information from different angles can lead to informed decision-making. The longer the holding period, the more relevant this approach is likely to become, as negative externalities have a greater likelihood of becoming internalised, or risks are more likely to crystallise, both posing a potential risk to financial returns.

Active ownership: In our stewardship role, we are active owners on behalf of our clients, engaging with investee companies and voting on our clients' behalf, where our clients have delegated the voting authority to us. We define engagement, which is at the heart of our stewardship efforts, as the purposeful dialogue we have with our investee entities which helps us reduce risk and potentially add value for our clients. We focus on outcomes because we are guided by our responsibility to meet our clients' financial objectives.

Investment solutions: We offer dedicated solutions to clients wishing to invest to achieve improved long-term global outcomes for society and the environment, alongside financial returns.

Newton is a signatory/supporter of the following major industry principles and pledges:

- Signatory of Net Zero Asset Managers Initiative -- Newton has committed to aim for an interim target of 50% of financed emissions covered by credible transition plans by 2030, and 100% to be covered by 2040.
- UK Stewardship Code -- Signatory\*\*

- Investor Stewardship Group -- Endorser
- PRI – Member
- Taskforce for Climate-Related Financial Disclosures (TCFD)\*\* – Now a regulatory requirement for NIM
- Taskforce for Nature-Related Financial Disclosures (TNFD) – Supporter

'Newton' and/or 'Newton Investment Management' is a corporate brand which refers to the following group of affiliated companies: Newton Investment Management Limited (NIM), Newton Investment Management North America LLC (NIMNA) and Newton Investment Management Japan Limited (NIMJ). NIMJ was added as a PRI signatory under Newton Investment Management's membership of the PRI in October 2023. NIMJ continues to work closely with the Newton responsible investment team to incorporate the PRI principles in its processes. Work is ongoing to achieve consistency in the processes followed by NIMJ, NIM and NIMNA active equity asset classes. We will be able to share NIMJ's progress through the 2024 PRI reporting cycle in 2025.

Newton manages a variety of investment strategies. How ESG analysis is integrated into Newton's strategies depends on the asset classes and/or the particular strategy involved.

\*For the avoidance of doubt, Newton does not currently view certain types of investments, including cash, cash equivalents, currency positions, particular types of foreign direct investment and other non-issuer specific instruments, as presenting ESG risks and opportunities and believes it is not practicable to evaluate such risks and opportunities for certain other investments such as index-based exchange-traded funds (ETFs) and certain quantitative-driven strategies. In addition, not all equity holdings across all Newton portfolios have had ESG assessments; for example, certain equity holdings in portfolios that are managed by NIMNA or NIMJ, and which were originated prior to the integration with NIM to create Newton, have not had ESG assessments as this was not part of the security assessment process in place at the time of initial investment. Where ESG is considered, other attributes of an investment may outweigh ESG considerations when making investment decisions.

\*\*Applies to NIM and NIMNA only.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

Highlights from 2023:

Policy:

- Publication of stewardship principles and sustainability policy. In 2023, this policy was applicable to NIM and NIMNA, which at the time represented over 98% of the Newton Investment Management Group's assets under management. As NIMJ evolves and aligns its practices with those of the Group, we anticipate this policy will apply to NIMJ at a later date.

ESG integration (applies to NIM, NIMNA and NIMJ):

- Training sessions for members of the investment team with the aim of enhancing how and when to consider ESG factors within the investment analysis for an issuer. Topics covered included:

- ESG integration as part of the multidimensional research process
- How to integrate ESG risk metrics into fundamental assessments
- ESG terminology
- How ESG research helps to protect and create portfolio value
- Sector-specific materiality exercises
- Governance principles and best practices on minority shareholder rights

Stewardship:

- Launch of an outcomes-focused engagement strategy (applied to NIM and NIMNA in 2023 and we are working to extend this approach to NIMJ in 2024)

- Publication of Newton's governance principles and voting guidelines (applies to NIM, NIMNA and NIMJ)

- Publication of Newton's inaugural voting season report (applies to NIM, NIMNA and NIMJ)

Governance (in 2023 applied to NIM and NIMNA only):

- Training session on climate change for all NIM and NIMNA board members and Newton Executive Management Committee members covering the current climate risk landscape, including the UK regulatory requirements

- Enhanced oversight measures around our climate strategy by establishing the Board Climate Oversight Group and giving Newton's board the right tools to identify and adapt to climate risk within Newton's business

- Expanded the membership of the Sustainability Committee to include non-investment business areas – seeking to understand the impact of Newton's own operations and its own carbon/climate footprint

Innovation:

- Development of the sustainable theme alignment tool, which is a data tool that quantitatively estimates revenue alignment of issuers to sustainable themes defined by Newton – we expect this tool to enhance idea generation and the investment decision-making process for Newton's sustainable investment portfolios

- Further development of the Newton net zero score, which enables assessment of corporate transition plans and alignment to scenario pathways for net-zero-aligned mandates
- Rollout of the Newton net zero score for a UK net-zero-aligned equity mandate

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

We have outlined the following plans to advance our commitment to responsible investment:

- To continue to engage with clients to understand their evolving requirements.
- To further develop the use of the Newton net zero score to create customised solutions for clients where clients have a specific climate objective.
- To create a biodiversity framework, which would provide us with the data tools to be able to efficiently incorporate biodiversity risks, where financially material, into our research of an issuer. We acknowledge that there are limitations currently on the quality and the quantity of the data available in this space; however, we are monitoring this area closely.

### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Therese Niklasson

Position

Global Head of Sustainable Investment

Organisation's Name

Newton Investment Management

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2023

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 106,898,743,142.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

### Additional information on the exchange rate used: (Voluntary)

AUM converted from GBP using the following exchange rate: 1 GBP = USD 1.2748.

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>50-75%	0%
(B) Fixed income	>0-10%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>10-50%	0%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Listed equity: 95% of this AUM is in actively managed equity strategies (ESG factors are considered in investment decisions; we vote proxies); 5% is in quantitative multi-factor equity strategies (ESG factors do not play a part in investment decisions; we vote proxies).  
 Other: 56% of this AUM is in actively managed multi-asset strategies (ESG factors may be considered; we vote); 44% is in multi-asset solutions/quantitative strategies (ESG factors do not play a part in investment decisions).

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental >75%

(D) Other strategies >0-10%

**(D) Other strategies - Specify:**

Other = Multi-factor equity strategies that are quantitative in nature and do not incorporate ESG factors in investment decisions.

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >75%

(D) Active – corporate >10-50%

(E) Securitised 0%

(F) Private debt 0%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(4) >20 to 30%
(C) Fixed income – corporate	(2) >0 to 10%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(3) Fixed income - active	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

### (1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

### Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active	(11) >90 to <100%
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# ESG INCORPORATION

## INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(D) Listed equity - other strategies	<input type="radio"/>	<input checked="" type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Listed equity: 95% of this AUM is in actively managed equity strategies (ESG factors are considered in investment decisions; we vote proxies); 5% is in quantitative multi-factor equity strategies (ESG factors do not play a part in investment decisions; we vote proxies). Other: 56% of this AUM is in actively managed multi-asset strategies (ESG factors may be considered; we vote); 44% is in multi-asset solutions/quantitative strategies (ESG factors do not play a part in investment decisions).	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

**Describe how your organisation incorporates ESG factors into the following asset classes.**

Internally managed  
(C) Other

Of the "Other" AUM, 56% is in actively managed multi-asset strategies, where ESG factors are taken into consideration for equities and fixed income securities. 44% of the "other" AUM is in multi-asset solutions or quantitative strategies that do not incorporate ESG factors in investment decisions.

## ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

**Describe why your organisation does not currently incorporate ESG factors into your investment decisions and/or in the selection, appointment and/or monitoring of external investment managers.**

Internally managed  
(D) Listed equity – other strategies

Our other equities strategies are quantitatively managed. ESG data is not currently used as it does not provide additional insight to improve returns for our clients. We continue to do work in this area, focused on: 1) whether trends in factor scores, and 2) whether combinations of ESG factors with each other or other quantitative factors might be associated with positive returns. We have not yet discovered consistent enough relationships to merit inclusion in our quantitative equity investment processes, but work continues.

# ESG STRATEGIES

## LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

### Percentage out of total internally managed active listed equity

(A) Screening alone 0%

(B) Thematic alone 0%

(C) Integration alone >75%

(D) Screening and integration >0-10%

(E) Thematic and integration 0%

(F) Screening and thematic 0%

(G) All three approaches combined 0%

(H) None >0-10%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	>75%
(C) A combination of screening approaches	0%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Screening alone	0%	0%
(B) Thematic alone	0%	0%
(C) Integration alone	>50-75%	>50-75%
(D) Screening and integration	>10-50%	>10-50%
(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%

(G) All three approaches combined 0% 0%

(H) None 0% 0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	>75%	>75%
(C) A combination of screening approaches	0%	0%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>0-10%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

- (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

Specify:

Specific exclusions guidelines are only covered in our sustainable investment framework. Other responsible investment elements included in our stewardship and sustainability policy are: reporting, sustainable investment framework and corporate responsibility.

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

Our policy documents include our thinking on biodiversity; climate; pollution; product lifecycle; water; human rights; human capital management; tax; board leadership; capital management; related-party transactions; reporting and audit; executive pay; and transparency, accountability and shareholder rights.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

**(A) Overall approach to responsible investment**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(B) Guidelines on environmental factors**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(C) Guidelines on social factors**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(D) Guidelines on governance factors**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(E) Guidelines on sustainability outcomes**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.newtonim.com/uk-institutional/insights/articles/our-approach-to-engagement-2/>

**(M) Stewardship: Guidelines on overall political engagement**

Add link:

<https://www.newtonim.com/uk-institutional/insights/articles/our-approach-to-engagement-2/>

(N) **Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.newtonim.com/uk-institutional/insights/articles/our-approach-to-engagement-2/>

(O) **Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.newtonim.com/uk-institutional/special-document/governance-principles-and-voting-guidelines/>

(P) Other responsible investment aspects not listed here

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

(A) **Yes**

Elaborate:

"As a steward of clients' capital, Newton is committed to understand its clients' investment objectives and to develop products and solutions that are aligned with these requirements. Our purpose is to unlock investment opportunity in an increasingly complex world, so that our clients are able to achieve their investment goals in the vibrant world we all want to see." - Page 11, Newton sustainability and stewardship report 2023.

"As a steward of capital, Newton is committed to delivering attractive outcomes to its clients and to helping foster a healthy and vibrant world for all. This is our purpose and is centred on the responsible allocation, management and oversight of capital to create long-term value for beneficiaries and other stakeholders." - Page 3, Newton stewardship and sustainability policy.

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

(A) **Overall stewardship objectives**

(B) **Prioritisation of specific ESG factors to be advanced via stewardship activities**

(C) **Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts**

(D) **How different stewardship tools and activities are used across the organisation**

(E) **Approach to escalation in stewardship**

(F) **Approach to collaboration in stewardship**

(G) **Conflicts of interest related to stewardship**

(H) **How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa**

- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment  
 (B) Guidelines on environmental factors  
 (C) Guidelines on social factors  
 (D) Guidelines on governance factors

(5) >80% to 90%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

### AUM coverage

(A) Specific guidelines on climate change  
 (2) for a majority of our AUM

(B) Specific guidelines on human rights  
 (2) for a majority of our AUM

(C) Specific guidelines on other systematic sustainability issues  
 (2) for a majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

56% of the "Other" AUM is in actively managed multi-asset strategies, where our stewardship policies apply, and 44% is in multi-asset solutions or quantitative strategies that do not follow our stewardship policies (because of the asset classes in which they predominantly invest).

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

### What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

**(A) Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%**
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

A small minority of our clients retains the authority to vote.

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

### Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

(A) Board members, trustees, or equivalent

**(B) Senior executive-level staff, or equivalent**

Specify:

Therese Niklasson, global head of sustainable investment, member of the Newton Executive Management Committee. Therese is approved by the FCA to perform the SMF 18 (Other Overall Responsibility) function for the Newton business regulated by the FCA.

**(C) Investment committee, or equivalent**

Specify:

Sustainability Committee, which oversees all aspects of responsible investment

**(D) Head of department, or equivalent**

Specify department:

Therese Niklasson, global head of sustainable investment

(E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

**(2) Senior executive-level staff, investment committee, head of department, or equivalent**

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>

(M) Stewardship: Guidelines on (proxy) voting

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

Describe how you do this:

Political engagement, as defined by the PRI, is termed "advocacy" at Newton. Our sustainability committee has oversight of our advocacy initiatives, along with that of our broader sustainability initiatives. The broad governance process works as follows: new advocacy initiatives are submitted to the sustainability committee for approval, along with an explanation of how the initiative aligns with Newton's active ownership and/or sustainability priorities – which may be linked to the PRI principles. Once approved, updates are provided regularly, as necessary, to the sustainability committee.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

(A) Internal role(s)

Specify:

Newton's responsible investment team, Newton's research analysts, portfolio managers (excluding quantitative equity and quantitative multi-asset analysts and the multi-asset solutions team), with support from investment risk, operations and commercial functions.

(B) External investment managers, service providers, or other external partners or suppliers

Specify:

We use a range of external data providers:

- ISS Ethix & Proxy
- MSCI (including Carbon Delta)
- Bloomberg
- Vigeo Eiris
- Sustainalytics
- RepRisk
- CDP
- Equileap
- Factset Revere
- Sell-side research

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

**● (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

- **(1) KPIs are linked to compensation**
- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Therese Niklasson, our global head of sustainable investment and a member of the Newton Executive Management Committee, has responsible investment KPIs that are linked to compensation.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

**(2) Senior executive-level staff, investment committee, head of department or equivalent**

(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?**

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

<https://www.newtonim.com/uk-institutional/special-document/tcfd-disclosure-report/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://www.bnymellonim.com/documents/ie/en/intermediary/Annual-Report-and-Accounts-MGF-IE-en.pdf>

- (B) Disclosures against the European Union's Taxonomy

Link to example of public disclosures

<https://www.bnymellonim.com/documents/ie/en/intermediary/Prospectus-MGF-IE-en.pdf>

- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations
- (E) Disclosures against other international standards, frameworks or regulations
- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.newtonim.com/uk-institutional/special-document/responsible-investment-and-stewardship-annual-report/>

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

(B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

(C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

(A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services

(B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries

(C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact

(D) Exclusions based on our organisation's climate change commitments

(E) Other elements

(F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

(A) We incorporate ESG factors into our assessment of expected asset class risks and returns

(B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns

- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

**(1) Listed equity**

**(2) Fixed income**

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

For engagement across listed equity and corporate fixed income:

Identification and prioritisation: Our engagements are determined in partnership between the relevant investment team and stewardship team members. The stewardship team manages the overall engagement pipeline, which is built using several different drivers to our invested universe. Apart from the reactive engagements where a trigger event has taken place, the proactive pipeline is informed by looking at a combination of quantitative and qualitative factors, including the materiality of exposure (the size of the investment), the possibility of a headline risk to our client, and our perception of the financial materiality of the risk. This risk can either be issuer-specific and shorter-term in nature, or longer-term and more systemic. On this latter point, the thematic areas we focus on are debated with the investment teams, and we also consider feedback from clients. Identification and prioritisation are not exact sciences and the likelihood that we could have meaningful dialogue is a strong contributing factor to whether an engagement is progressed.

Setting objectives: In 2023, we launched an outcomes-based approach to engagement focusing on constructively challenging management and boards around financially material aspects where we believe it can result in improved outcomes for our clients. We set clear, outcome-focused objectives which can be evaluated over a suitable time horizon and can be linked back to a relevant investment thesis.

Monitoring: We look for change by the issuer over set timelines which are tailored to a specific objective. We believe this enhances both the issuer's and Newton's ability to remain focused on progress, while being conscious of how opportunities may evolve for the issuer. The objective status is updated after each engagement or relevant company reporting event. The stewardship team regularly reviews all in-flight objectives to ensure progress, and to determine where escalation may be needed if engagements are stalling. It also reports to the Newton Sustainability Committee at quarterly meetings.

For vote entitlements where we have been delegated vote authority by our clients:

All voting decisions are based on our voting guidelines. We have used the services of an independent voting service provider to translate these guidelines into explicit voting actions, forming a bespoke voting policy for Newton. This policy is applied to all our voteable holdings, enabling a universal approach to our voting while allowing us to deploy in-depth case-by-case analysis from the stewardship team for those issuers and/or proposals which merit greater focus owing to the materiality of our investment or the sensitivity of the issue at hand (e.g. shareholder resolutions, corporate action or related-party transactions). In these instances, communication with or input from the wider investment team may be sought, as well as, if relevant, dialogue with the company.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other

- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

We work closely with our parent company, The Bank of New York Mellon Corporation (BNY), and the other investment firms within BNY Investments, to be active participants in the debate around enhancements to financial systems and to influence that debate. This can be through helping to steer responses to industry consultations or helping to advance efforts to coordinate thought leadership and perspectives across BNY Investments. We regularly provide feedback to regulatory initiatives and consultations, both through trade associations and on a bilateral basis. Two examples from 2023 of Newton’s bilateral engagement through BNY Investments are our responses to the FCA’s consultation on Sustainability Disclosure Requirements and investment labels, and the European Commission’s targeted consultation on the Sustainable Finance Disclosure Regulation.

Additionally, through our advocacy efforts we participate in market and/or industry-level initiatives to influence the landscape and help shape the framework in which companies operate in a way which we believe to be in the best interests of our clients. These will often link to the themes on which we are engaging with companies and on which we believe progress will help address market-wide or systemic risks, such as the examples below in relation to governance standards, climate and diversity. Collective or collaborative action with other stakeholders can be an efficient and effective method to raise concerns or to influence outcomes. We work collectively with other like-minded investors as well as trade associations, government bodies and non-governmental organisations. Collective action may deal with specific company matters or broad industry concerns in an effort to develop best practice, raise awareness of an issue or enhance the effectiveness of engagement activities.

Examples from 2023 include the UK-based Newton entity providing feedback via the UK Investment Association on the FRC’s UK Corporate Governance Code Consultation. Newton was also part of the first group of investors extending their support to The Global Investor Commission on Mining 2030 (GMC), which is a collaborative investor-led initiative seeking to define a vision for a socially and environmentally responsible mining sector.

We will refrain from collaborating with others where there is a misalignment of interests in relation to the underlying investment or principles that are driving an initiative. Our participation in collaborative initiatives also aligns with the principles established by the PRI and the UK Stewardship Code.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?**

As an investment manager, we seek to deliver long-term value for our clients. However, achieving this objective involves more than just buying and selling securities; we are committed to being an active steward, which includes exercising the ownership rights afforded to investors and having outcome-based engagement with issuers. Our stewardship activity has the aim of protecting (reducing risks) and potentially enhancing long-term shareholder value.

As part of the investment life cycle, our investment teams have regular dialogue with issuers, allowing them to better understand how material risks and opportunities are being managed. Should there be a concern over certain aspects of the management of the business, the stewardship and investment teams at Newton partner for engagement, to constructively challenge management and boards around financially material decision making where we believe it can result in improved long-term financial outcomes for our clients. The investment and the stewardship team also jointly identify some topics that can potentially be relevant to investment analysis and our clients’ investments over varying timescales and these topics tend to form the focus areas for our engagement activity, although the teams are free to engage with issuers on any other topics that are deemed to be relevant to the investment case. In this way, our engagements are led or sponsored by the investment team, as those making the capital-allocation decisions are best placed to drive successful engagement outcomes. Engagements may be conducted by the investment team alone, while at other times the stewardship team leads our efforts, depending on the issue.

Our active approach to voting is also a core part of our efforts to protect and enhance the value of our clients’ investments. We have formulated voting guidelines which we seek to apply in line with local market practices and in the way we believe will be in the best long-term economic interests of our clients. We seek to support investor value creation by supporting proposals that are consistent with our corporate governance views and investment case.

Overall, it should be noted that as an active manager, we typically do not make our investment decisions based on one factor alone. In some cases, where our engagements fail and where the voting activity has not been effective, and we believe the issue to be critical to the underlying investment case, we may take the decision to divest – the ultimate sanction for an active manager.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

Our overall stewardship strategy is aimed at protecting (reducing risks) and potentially enhancing the long-term value of our clients' investments. We use three main stewardship tools: engagement with issuers, voting at shareholder meetings, and advocacy within the wider marketplace. Our stewardship activities are applied to equities and fixed income (both corporate and sovereign bonds, where applicable). Derivatives and cash instruments are not included in our stewardship approach.

We categorise the engagements that we undertake into three broad categories:

1. Strategic engagements are focused on issues which present a risk to the investment case. These could be more acute, like fraud allegations or other failures that have eroded value. Or these could be more subtle, such as business decisions that we as investors believe will be negative, strategically, over time.
2. Thematic engagements seek to address management of issues that are financially material through a more systemic lens, which may crystallise into idiosyncratic risks or opportunities over the medium or longer term. These may include plans to address negative externalities which we believe will affect the businesses over the long term. Often these are environmental in nature, where policy and regulations are continuously pushing for the costs to be internalised by companies.
3. Routine engagements pursue smaller improvements by companies which are likely to be achievable over the near term and which in many cases seek to align them with peers. These could be improvements around disclosures.

The driving force behind our approach to stewardship is prioritising outcomes. Central to our proposition is engagement with issuers through which we seek to reduce risk or unlock value in an investment. This is important to highlight as we do not see stewardship as being driven by numbers of engagements as chasing volume can lead to a large deployment of resource with little impact in changing how companies operate. We focus on quality, not quantity. In 2023, we launched an outcomes-based approach to engagement focusing on constructively challenging management and boards around financially material aspects where we believe it can result in improved outcomes for our clients. We set clear, outcome-focused objectives which can be evaluated over a suitable time horizon and can be linked back to a relevant investment thesis. We no longer include investment research calls, or dialogue seeking to better understand an issuer's approach to managing a given issue, in our engagement statistics. Our stewardship team and the investment team work closely together to identify some key topics that they understand to be critical to the investment case of many issuers or that they understand to be of importance to clients. The topics that they identified in 2023 were: climate and net zero, biodiversity, workforce engagement, supply chain oversight and human rights and board accountability.

Our stewardship team is responsible for executing the voting rights of our clients invested in equities, where they have authorised us to do so on their behalf, and in corporate bonds on the rare occasions where there is an opportunity to vote in formal bondholder meetings. In 2023, we published a refreshed standalone set of our governance principles and voting guidelines on our website at [newtonim.com/responsibleinvestment](https://newtonim.com/responsibleinvestment). We also publish our full voting record, including rationale for votes against management and on all shareholder proposals, on our website at [newtonim.com/responsibleinvestment](https://newtonim.com/responsibleinvestment). We endeavour to exercise voting rights in all markets. However, this may be hindered for reasons such as share blocking, where the underlying custodian company puts in place certain trading restrictions when voting rights have been exercised. We may also opt out of exercising voting rights if the entity or persons related to the entity are subject to economic sanctions. Another common barrier to voting is the requirement at market or company level for a power of attorney to be in place. In cases where our clients have not put these powers of attorney in place, we will not submit a vote. We use a third-party voting administrator to implement our bespoke voting policy. In cases where we recognise a potential material conflict of interest, we follow the voting recommendations of the proxy voting administrator.

In terms of advocacy, we work closely with BNY and participate in industry initiatives to contribute to the debate around enhancements to financial systems. When considering action and also when acting collectively on a specific issue of concern with a company, we exercise caution in order to avoid unintentionally being in receipt of material non-public information or breaching concert party or competition rules.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

**(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

**(C) Other**

Specify:

We do not engage in securities lending on behalf of our clients; this activity is at the discretion of individual clients. For certain funds that are managed by our parent company (BNY Mellon), and where Newton is appointed as investment manager or sub-advisor, the fund boards have entered into securities-lending programmes. The nature of our relationship has allowed us to agree a recommended list of restricted securities for the purposes of lending. This list is updated on a quarterly basis.

- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes

Add link(s):

<https://www.newtonim.com/uk-institutional/responsible-investment/voting/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company		
(C) We did not publicly or privately communicate the rationale, or we did not track this information	<input type="radio"/>	<input type="radio"/>
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	<input type="radio"/>	<input type="radio"/>

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://www.newtonim.com/uk-institutional/responsible-investment/voting/>

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one

(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal

(C) Publicly engaging the entity, e.g. signing an open letter

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

(F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

#### (H) Other - (1) Listed equity - Specify:

Other = writing private letters, attending extraordinary general meetings (EGMs) and speaking publicly on issues.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) **Not investing**
- (D) **Reducing exposure to the investee entity**
- (E) **Divesting**
- (F) Litigation
- (G) **Other**

Specify:

Engaging with an entity directly.

- o (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**Describe your approach to escalation for your SSA and/or private debt fixed income assets.**

(A) SSA - Approach to escalation

It is generally easier to escalate issues to sovereigns, supranationals and agencies (SSA) when they are amenable to them, such as at issuer roadshows or when they are presenting to the IMF. We also have a chance to ask questions on investor trips. Governments are answerable to the electorate, not directly to the market. Also, market participants are unable to bring in the leverage of shareholders as we can on the corporate side. It is prudent for sovereigns to keep investors on side, but if there are more pressing issues, governments in both developed and emerging markets may stray from the path if it is politically expedient.

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly
- (B) **Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI**

- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

We provided feedback on the Financial Reporting Council's (FRC) UK Corporate Governance Code Consultation through our membership of the Investment Association. Additionally, in conjunction with BNY Investments, we responded to the FCA's consultation on Sustainability Disclosure Requirements and investment labels and to the European Commission's targeted consultation on the Sustainable Finance Disclosure Regulation.

- (D) We engaged policy makers on our own initiative
- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions

Add link(s):

<https://www.newtonim.com/uk-institutional/special-document/stewardship-and-sustainability-policy/>

- (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://www.newtonim.com/uk-institutional/special-document/responsible-investment-and-stewardship-annual-report/>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Engagement on opportunities in/access to socially sustainable products or services

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Nestle

Engagement objective(s):

Encourage company to set health-based sales targets across its portfolio, and to commit to increasing its proportion of healthy sales, as part of our support of ShareAction's Healthy Markets initiative.

Investment relevance:

The impact of unhealthy foods and drinks is increasingly resulting in shifts in consumer behaviour and new regulation. We believe that it is important for companies to manage these risks and opportunities and to ensure that their business models and strategies are resilient as well as well-positioned to benefit from the expected changes in this area.

Engagement outcome:

Nestlé has publicly committed to report on product portfolio level healthiness and agreed to set a target for healthy sales.

Our engagement objectives have been achieved. We will continue to monitor the company's progress towards its stated targets.

(B) Example 2:

Title of stewardship activity:

Engagement on board accountability

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Scor

Engagement objective:

Ask the board chair to publicly recommit that he will not stand for re-election post the 2024 AGM which we believe will bring back assurance around the corporate governance.

Investment relevance:

The sudden departure of the CEO raised concerns that the board chair may be overly involved in day-to-day operations and that this was manifesting negatively on management's vision. This engagement objective was crucial for enhancing the board's corporate governance profile and reassuring the markets amid the unexpected leadership change. Continued governance uncertainty would be detrimental to the company and would result in us including a governance risk premium in our valuation.

Engagement outcome:

The board chair publicly recommitted to not extending his term beyond 2024, which is seen as beneficial for corporate governance and for reassuring investors. The engagement objective was achieved.

(C) Example 3:

Title of stewardship activity:

Engagement on board accountability and strategy

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland

(9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Greencoat UK Wind

Engagement objective(s):

(i) For improved alignment of management and board interests with those of existing long-term shareholders by:

- Adjusting net asset value (NAV) used for share issuances to be more reflective of prevailing market conditions
- Maintaining a one-year rolling management contract, rather than adopting a long-term fixed contract.

(ii) Address the share price discount to NAV by undertaking a share buyback programme.

Investment relevance:

The company is an investment trust that invests in onshore wind farms. It is the board's responsibility to represent the views of all shareholders, particularly in cases where management's incentives may create a misalignment of interests. We believed that the board's actions had caused a misalignment between the trust and its shareholders.

Related to this, Greencoat UK Wind's shares were trading at a discount to its net asset value for some time and we believed that the discount did not reflect the true value of the assets. Share buybacks are an efficient way to address this issue and reduce the discount.

Engagement outcome:

The trust announced a £100m share buyback programme and investors were pleased with this outcome as it reaffirmed the trust's operational strength. We believe our multi-year engagements with the trust on improving alignment with shareholders, and the objective we communicated explicitly to the board on the need to address the discount to NAV, contributed to this outcome.

We continue to monitor the NAV calculations and share issuances and we may reinitiate our engagement on alignment of management and board interests with shareholders in the case of renewed concerns.

(D) Example 4:

Title of stewardship activity:

Engagement on board accountability

(1) Led by

(1) Internally led

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Hipgnosis Songs Fund

Engagement objectives:

- (i) Provide investors with a two-year continuation vote instead of five years.
- (ii) Push for transparency around asset sale in addition to a market check process that would allow the trust to extract the highest price for the assets being sold.

Investment relevance:

The company, which is a holder of music rights, had proposed the sale of around 19% of its catalogue to a related party. This deal raised concerns about governance and a conflict of interest. In the absence of a transparent market check process, there may be potential destruction of shareholder value.

Engagement outcome:

We had several engagements with management to advocate for a reduced continuation vote. Based on management's response we escalated our engagement to board level, including a letter to the board chair. Shortly after our meeting with the board, the trust announced that it will put a continuation vote for shareholder approval in January 2026 instead of the original five-year term it had sought approval for.

In the end the asset sale did not proceed. This second objective remains at risk as we await the announcement of a new strategic proposal from the board.

(E) Example 5:

Title of stewardship activity:

Engagement on climate and net zero

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Goldman Sachs

Engagement objectives:

Strengthen the bank's transition framework and set additional sectoral targets.

Investment relevance:

As Goldman Sachs has considerable exposure to the fossil-fuel industry, encouraging it to strengthen its climate transition plan (including its client transition framework and setting targets for additional sectors) and monitoring its progress is important to ensure that the company remains on track to achieve its overall net-zero targets.

We believe that it is important for companies to manage their climate and transition risk and to ensure that their business models and strategies are both resilient to and positioned to benefit from the impacts of climate risk.

Progress to date:

Goldman Sachs announced enhanced reporting and the introduction of intensity-based targets for key sectors in 2022. We believe that our multi-year engagement efforts with it to solidify its net-zero approach and to set interim targets contributed to this progress. While we recognise these positive developments, we conveyed to Goldman Sachs the need for more transparency and for concrete commitments on its client transition framework, notably around its engagement and escalation approach.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

- (A) Yes, within our standard planning horizon  
 (B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Specifically as it pertains to the investments that Newton makes on behalf of clients and how it fulfils its fiduciary obligations, Newton must balance the achievement of returns for clients, taking into account the risks and opportunities occurring within the performance horizons specified by the clients (typically three years), with the views that Newton holds around risks and opportunities sitting outside those performance time horizons, including those related to climate change.

We continue to invest time and resources in climate data and application of the data to better understand climate risks and opportunities in order to improve our understanding of climate change, the transition to a low carbon economy and how they may affect individual securities. The global shift to a more energy-efficient future presents a range of investment opportunities across the value chain in many sectors. We explore these through our multidimensional research capability. It will also place unprecedented pressures on regions and sectors. Therefore, our approach is centred around understanding these shifts and integrating the analysis into our investment processes to help us make better investment decisions for our clients. Our investment process for the majority of our strategies is financially focussed, treating climate change as one source of risk and opportunity among many others.

Where clients want to consider explicit net zero alignment or emissions targets in their mandates, we have developed additional analysis analysing the existing client portfolio to understand how it aligns with net zero or client-specific emissions targets and the risks and opportunities arising from that alignment.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

As an active asset manager we are exposed to climate risk in two distinct but connected spheres. One sphere is as a business within a wider, multinational group, one with physical locations, staff and operations; the other sphere is as a business that creates investment strategies and acts as an investor on behalf of our clients with their own approaches and policies towards climate, investing in global enterprise, government debt and markets all of which will be exposed to climate risks in different ways.

As far as business strategy is concerned, as a subsidiary of BNY we are dependent on our parent for setting the majority of our operational climate strategy, such as our Scope 1 and 2 emissions, our usage of electricity, building efficiency, paper usage, etc. Newton is one influence among many group companies for these decisions.

Investment management is our sole business activity and our financial planning is rooted in the revenues we generate through investment management. Therefore our investment strategy and product planning are derived from our understanding of our clients' demands. The majority of the assets that we manage are linked to financial performance objectives, and over the time horizons we are generally held to account for performance, normally around three years, climate risks for individual securities may not be material drivers of market prices relative to other risks or drivers of the performance of portfolios. This is particularly the case considering the relative risks for securities against a benchmark or within a sector of similar companies. The most material climate change risks maybe be systemic in nature. It is therefore difficult for asset managers to balance protecting our client portfolios from these systemic risks with the commercial risks of underperforming strategic benchmarks over the time horizons our clients hold us to account. Our aim is to understand the material risks and opportunities that can have a financial impact on a client's investments, and climate change is one such factor. We are investing time and resources into improving our understanding of the risks and opportunities associated with climate change, so that we are able to take informed investment decisions that contribute to us meeting our clients' performance objectives.

From a product planning standpoint, we seek to offer our clients products that are relevant to their requirements or investment objectives. For clients who want to have their portfolios managed to specific net zero targets, we offer net zero-aligned portfolios managed as per the investment strategy agreed with the client. We use an internally developed Newton net zero tool to help narrow the investment universe for these portfolios as per the strategy agreed with the client. We also offer a range of sustainable strategies for clients who want to invest in a strategy that has environmental and/or social objectives in addition to a financial objective but who do not have specific net zero or emissions targets that they want Newton to follow for their portfolios.

At a house level, Newton became a member of the Net Zero Asset Managers initiative (NZAMi) in March 2021 and published its commitments in 2022. Our commitment relates to the financed emissions (Scope 1 and 2) of our actively managed equity and corporate bond portfolios, around 67% of Newton's assets overall. The commitment is that 50% of these financed emissions should come from companies with emissions reduction plans which are science-based by 2030 and 100% by 2040. Key highlights from our approach to meet our net zero targets are:

1. Focus on real-world decarbonisation where we research high-emitting companies or fossil fuel dependent industries in our portfolios and seek to engage with the high-emitting companies in our portfolios over the actions they can take to reduce their emissions in line with net zero.
2. Use engagement with companies to help them understand the need to disclose emissions and to decarbonise.
3. Exploring investment in solution providers (companies promoting the development and adoption of new systems and technology) specifically within our sustainable Investment framework as candidates for investment.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

**Which sectors are covered by your organisation’s strategy addressing high-emitting sectors?**

- (A) Coal
  - (B) Gas
  - (C) Oil
  - (D) Utilities
  - (E) Cement
  - (F) Steel
  - (G) Aviation
  - (H) Heavy duty road
  - (I) Light duty road
  - (J) Shipping
  - (K) Aluminium
  - (L) Agriculture, forestry, fishery
  - (M) Chemicals
  - (N) Construction and buildings
  - (O) Textile and leather
  - (P) Water
  - (Q) Other
- Specify:

High and medium-emitting sectors.

**Describe your strategy:**

Where clients have mandated net zero alignment, we explicitly screen companies in high and medium emitting sectors on net zero alignment. This results in portfolios only invested in high emitting companies where those companies have what we assess to be robust transition plans.

- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
  - (B) Yes, using the One Earth Climate Model scenario
  - (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
  - (D) Yes, using other scenarios
- Specify:

We have run transition scenarios on NIM and NIMNA holdings separately using orderly 1.5°C, disorderly 2°C and hothouse 3°C climate scenarios and Climate Value at Risk (CVaR) metrics to estimate the size of the risks. CVaR metrics estimate the loss or gain for companies and portfolios that may occur under different climate scenarios within a specified time horizon, though only applies to equity holdings. However, we have found significant issues with the conclusions of this analysis and we do not find these scenarios useful in our investment process.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

**(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

Our multidimensional research capability allows for various types of research, including thematic, investigative and responsible investment research, to inform the investment process. We believe this approach lends itself well to considering areas such as climate, where the potential impacts in the time horizons over which we invest must be integrated with other sources of risk and opportunity for our investment candidates and ultimate holdings. We seek to understand all material risks (including climate, where relevant) and factor these into the investment research and ultimate recommendation, where appropriate, before an investment decision is made. The responsible investment team assists the fundamental research by helping to identify where climate risks may be material, particularly in hard-to-abate sectors and sectors with a high degree of exposure to climate transition risks through their products, for instance fossil-fuel extraction and refining.

We do not consider the underlying company risks of our index investments where the investment process is dynamic and multi-asset in nature. Here, the investment process is more systematic and risk management is carried out at the market, not security, level.

(2) Describe how this process is integrated into your overall risk management

Global trends, such as climate change, which affect the underlying securities in the investment portfolios that we manage for our clients, are considered by our responsible investment team and global research analysts, who are economic, thematic and industry sector experts. Our responsible investment team supports the work of our governance committees and will periodically attend meetings to ensure that material ESG factors and risks affecting the investments we make on our clients' behalf are discussed and scrutinised.

Our multidimensional research capability is overseen by our Investment Oversight Committee (IOC) and Sustainability Committee (SC), which have input into strategic investment decision-making at board level. The IOC and SC also receive regular reporting from our investment risk team, which is responsible for considering the risk profiles of the portfolios that we manage for our clients and acts as a point of escalation for any controversial holdings and engagement challenges.

The investment risk team is independent from our investment managers, reporting to our chief risk officer (CRO). The CRO is a member of the Board Risk Committee and can highlight concerns where it is believed that portfolios are not appropriately positioned from a risk perspective (for example, against relevant benchmarks or on an absolute basis) or where it is believed that the investment process is not being applied appropriately. The responsible investment team also supports the investment process by delivering ESG-focused training on a periodic basis to our employees.

**(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

Where our clients want to actively manage these risks in their portfolios, we have developed a proprietary scoring methodology to assess the robustness of investee company transition plans, the Newton net zero score or NNZ. This process is currently used in one client portfolio, representing 0,34% of our AUM as at 31 December 2023. The NNZ combines measures of the strength of the company's net zero target; its past performance in meeting its targets; and the company's green products and governance. This allows us to categorise companies based on those we have assessed to have most alignment with net zero, those moderately aligned, and those with the least alignment. This methodology can be applied to any listed company and its debt, though achieving a high score requires companies to make comprehensive climate disclosures and set strong net zero targets. This approach adds an additional dimension to the investment discussion, enabling the constraint of investment universes to companies with robust plans to transition to net zero regardless of their current carbon intensity.

(2) Describe how this process is integrated into your overall risk management

This process is only integrated in portfolios where clients wish to align their portfolios to a specific transition target. In these portfolios, this assessment acts as a screen to enable clients to align their portfolios to their net zero targets by investing in real-world decarbonisation. Currently, it is being applied to one client portfolio.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?**

**(A) Exposure to physical risk**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-disclosure-report/>

**(B) Exposure to transition risk**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-disclosure-report/>

**(C) Internal carbon price**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - **(2) Metric or variable used and disclosed**
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-disclosure-report/>

**(D) Total carbon emissions**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-disclosure-report/>

**(E) Weighted average carbon intensity**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-disclosure-report/>

**(F) Avoided emissions**

- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed**
    - (3) Metric or variable used and disclosed, including methodology
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-d-disclosure-report/>

- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables
- (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

- (A) Scope 1 emissions**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - (2) Metric and methodology disclosed**
  - (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-d-disclosure-report/>

- (B) Scope 2 emissions**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - (2) Metric and methodology disclosed**
  - (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-d-disclosure-report/>

- (C) Scope 3 emissions (including financed emissions)**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - (2) Metric and methodology disclosed**
  - (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.newtonim.com/uk-institutional/special-document/tcf-d-disclosure-report/>

- (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives

- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2
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**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2
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**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2
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**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

**(D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities**

Specify:

Decided not to invest in the company in some portfolios after investigation

Explain how these activities were conducted:

First Quantum Minerals

ESG factors:

- Social:
  - o Operations in sensitive regions and human rights

Research Objective:

To assess the investment risk emerging from the environmental and social implications of the company's operations in Panama.

Context:

Initial research suggested: (1) the sensitivity of location; and (2) significant operational risk in the face of increasing social protests surrounding the award of the mining contract by the government. Extensive exploration activities were potentially already disrupting livelihoods of residents. Furthermore, copper mining poses a challenge to the Panama Canal and the rainforests for access to clean water, and the mining waste could pose a threat to the quality and safety of water resources. Our research indicated that the combined effect of these factors meant that the company faced a higher potential risk cumulatively compared to another mining company operating elsewhere.

Investment implications:

Some portfolio managers, after consideration, decided not to invest in First Quantum. The government cancelled the mining contract after significant protests. The stock price fell by 50% in Q2 2023. Taking into consideration our assessment of such risks prior to making the investment decision enabled some portfolio managers to avoid purchasing the stock and subsequent financial losses.

- o (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

**(A) Workers**

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology

- (9) Communication services
- (10) Utilities
- (11) Real estate

(B) Communities

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(C) Customers and end-users

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(D) Other stakeholder groups

Specify:

Supply chain workers

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

(A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

Our team assesses corporate disclosures to see how companies identify and manage their risks.

**(B) Media reports**

Provide further detail on how your organisation used these information sources:

The RI analysts and other members of the investment team may share timely news flow as part of the broader investment dialogue.

**(C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

On a formal basis, Newton is a member of Good Work Coalition and Investor Alliance for Human Rights, whom we work with to exchange information. We may also reach out to groups on an informal basis to seek specific information, where required.

**(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

Provide further detail on how your organisation used these information sources:

Country reports are used in our sovereign assessment process by our fixed income team. Data sources for our sovereign assessment process include those such as the World Bank, Transparency International's Corruption Perception Index, and Yale University's Environmental Performance Index. These sources help us in considering factors such as political stability, voice and accountability, regulatory quality, rule of law, and control of corruption, among others.

**(E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

The investment team has various ESG data subscriptions, including but not limited to: MSCI (including Carbon Delta), Bloomberg, ISS Ethix & Proxy, Vigeo Eiris, Sustainalytics, RepRisk, CDP, Equileap, Factset Revere, and sell-side research. We also pull data from publicly available sources and sources available through membership (Transition Pathway Initiative, Science Based Targets initiative, FAIRR, ClimateAction 100+).

We use this information in conjunction with our internal analysis to identify material responsible investment and sustainability issues for companies and governments.

**(F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

We use RepRisk to get this information, which may be used in conjunction with other analysis, to inform our view of a company/security.

**(G) Sell-side research**

Provide further detail on how your organisation used these information sources:

We use sell side research, as relevant, in conjunction with other analysis, to inform our view of a company or a security.

**(H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

On a formal basis, Newton is a member of Good Work Coalition and Investor Alliance for Human Rights, whom we work with to exchange information. We may also reach out to groups on an informal basis to seek specific information, where required.

**(I) Information provided directly by affected stakeholders or their representatives**

Provide further detail on how your organisation used these information sources:

We may speak to current/former employees and union representatives of companies as part of our information-gathering activities.

**(J) Social media analysis**

**(K) Other**

Specify:

Investigative research

Provide further detail on how your organisation used these information sources:

Our team of skilled 'investigative' researchers (comprising former investigative journalists) can equip our portfolio managers with differentiated views on key issues affecting investments that they consider. From talking to energy ministers to lawyers to peer journalists and academics, our investigative research team is a unique resource that can help give our investors a clearer picture on an investment case.

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

**(3) Active - fundamental**

(A) Yes, our investment process incorporates material governance factors

(2) for a majority of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(2) for a majority of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(2) for a majority of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

o

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

o

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

### (3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(3) for a minority of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

o

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

o

### **(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)**

We monitor and review the implications of changing ESG trends where relevant and where they are likely to have material financial implications on our clients' investments. Scenario planning can be a vital tool in making investment decisions but currently it is not a formal part of our process.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

**(2) Active - fundamental**

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(2) in a majority of cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(2) in a majority of cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(2) in a majority of cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

**(3) Active - fundamental**

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(2) in a majority of cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(2) in a majority of cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(2) in a majority of cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(3) in a minority of cases
(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process	o

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

CNH Industrial

Strategy: Newton Mobility Innovation

ESG factors:

- Governance:
  - o Board and leadership quality, skills, and experience
  - o Remuneration

Research objective:

To assess whether CNH industrial's governance structure enforces regulatory compliance and presents adequate checks and balances.

Context:

- CNH Industrial's governance structure involves a dual-chair system, which could be interpreted as being inconsistent with the regulations in its country of incorporation because of having a sole independent director as the chair of the board
- Assess the materiality of the governance profile of the company and its impact on the investment case

Our concerns extended to executive pay and independence. After speaking with the company's lead independent director and chair twice, we remained concerned about the potential for future risks. A governance structure that is not optimal to work in the interest of shareholders can lead to business decisions that are inconsistent with shareholder benefit and that can have potentially negative impact on the value of our clients' holdings in the company.

Investment implications:

The stock was sold from some strategies due to governance concerns, coupled with the identification of more compelling opportunities in the sector.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

**(3) Active - fundamental**

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(3) for a minority of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(3) for a minority of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(3) for a minority of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

o

# POST-INVESTMENT

## ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

### (2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

Trane

ESG factors:

- Environmental
  - o Opportunities in environmentally friendly products and services

Context:

Trane offers energy-efficient HVAC (heating, ventilation and air conditioning) solutions. As building owners and operators strive to meet their ESG and sustainability targets, they are investing in more efficient heating and cooling systems, which lead to less electricity usage, saving these building owners and operators energy costs as well as reducing their emissions. Increasingly stringent environmental regulations and standards applicable to buildings have also created demand for energy-efficient HVAC systems. This is positive for Trane's business model as it can lead to potentially higher revenues and a greater market share given Trane's market dominance in this space.

Investment implications:

We believe that Trane is well-positioned to benefit from environmental trends and regulations. Its strategic positioning in environmentally friendly products and services presents an investment opportunity, and therefore we bought holdings in Trane for some of our strategies.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# FIXED INCOME (FI)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process that includes scenario analyses		
(B) Yes, we have a formal process, but does it not include scenario analyses	(3) for a minority of our AUM	(3) for a minority of our AUM
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	○	○
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	○	○

**(B) Yes, we have a formal process, but it does not include scenario analyses - Specify: (Voluntary)**

We monitor and review the implications of changing ESG trends where relevant and where they are likely to have material financial implications on our clients' investments. Scenario planning can be a vital tool in making investment decisions but currently it is not a formal part of our process.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(1) for all of our AUM	(1) for all of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	<input type="checkbox"/>	<input type="checkbox"/>

(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

**(1) SSA**

**(2) Corporate**

(A) We incorporate it into the forecast of financial metrics or other quantitative assessments

(3) for a minority of our AUM

(3) for a minority of our AUM

(B) We make a qualitative assessment of how material ESG factors may evolve

(1) for all of our AUM

(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

	(1) SSA	(2) Corporate
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(3) for a minority of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(3) for a minority of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(3) for a minority of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(3) for a minority of our AUM
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways		
(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	o	o

# POST-INVESTMENT

## ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations	(3) for a minority of our AUM	(3) for a minority of our AUM
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(1) for all of our AUM	(1) for all of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(3) for a minority of our AUM	(3) for a minority of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process		
(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion	<input type="radio"/>	<input type="radio"/>
(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process	<input type="radio"/>	<input type="radio"/>

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

Trane Technologies

ESG factors:

- Environmental
  - o Opportunities in environmentally friendly products and services

Context:

Trane offers energy-efficient HVAC (heating, ventilation and air conditioning) solutions. As building owners and operators strive to meet their ESG and sustainability targets, they are investing in more efficient heating and cooling systems, which lead to less electricity usage, saving these building owners and operators energy costs as well as reducing their emissions. Increasingly stringent environmental regulations and standards applicable to buildings have also created demand for energy-efficient HVAC systems, with the replacement of existing equipment with more energy efficient products critical to lower carbon usage and emissions. This is positive for Trane's business model as it can lead to potentially higher revenues and a greater market share given Trane's market dominance in this space. The company's refrigeration business addresses the secular trends towards reducing food waste and focus on preservation of pharmaceuticals.

Investment implications:

We believe that Trane is well-positioned to benefit from environmental trends and regulations. Its strategic positioning in environmentally friendly products and services presents an investment opportunity, and therefore we bought holdings in Trane for some of our strategies.

This thematic tailwind, continued growth and resilience in cash generation and broad consideration of stakeholders, a positive governance point for bondholders, has resulted in a credit rating upgrade. This has led to favourable credit spread performance, which has been positive for bondholder returns.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

(A) Sustainability outcome #1

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

Financed emissions target

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

- (B) Sustainability outcome #2
- (C) Sustainability outcome #3
- (D) Sustainability outcome #4
- (E) Sustainability outcome #5
- (F) Sustainability outcome #6
- (G) Sustainability outcome #7
- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Financed emissions target					
(1) Target name	Financed emissions target					
(2) Baseline year	2021					
(3) Target to be met by	2030					
(4) Methodology	<p>Newton has aligned itself with the Science-Based Targets Initiative (SBTi). For AUM in actively managed equities and corporate bonds It has committed to aim for an interim target of 50% of financed emissions covered by credible transition plans by 2030, and 100% to be covered by 2040. This will be complemented by a suite of other measures around absolute and intensity-based emissions, alongside engagement and voting data. Currently 67% of our global AUM are part of our the Net Zero Asset Managers (NZAM) Initiative commitments. Cash, derivatives, multi-factor equity (quantitative), multi-asset solutions (quantitative), sovereign bonds and third-party funds are excluded due to a lack of methodology to implement at the moment.</p>					
(5) Metric used (if relevant)	Percentage of financed emissions					
(6) Absolute or intensity-based (if relevant)	(1) Absolute					
(7) Baseline level or amount (if relevant):	27					
(8) Target level or amount (if relevant)	50					
(9) Percentage of total AUM covered in your baseline year for target setting	67%					
(10) Do you also have a longer-term target for this?	(1) Yes					

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: Financed emissions target	Financed emissions target	2040	100

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

**(A1) Sustainability outcome #1:**

(A1) Sustainability outcome #1: Financed emissions target

Target name: Financed emissions target

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Financed emissions target
(1) Target name	Financed emissions target
(2) Target to be met by	2030
(3) Metric used (if relevant)	Percentage of financed emissions
(4) Current level or amount (if relevant)	34
(5) Other qualitative or quantitative progress	N/A
(6) Methodology for tracking progress	Science-Based Target initiative for financial institutions. Percentage of financed (Scope 3) emissions that have a Science-Based Target.

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders

- (B) Stewardship: engagement with external investment managers
- (C) Stewardship: engagement with policy makers
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders
- (D) Stewardship: engagement with other key stakeholders
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders
- (E) Capital allocation
  - (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Capital allocation activities used

(2) Explain through an example

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Financed emissions target

(1) Capital allocation activities used

(2) Sector allocation

(2) Explain through an example

Where our clients wish for their portfolios to be managed against a net-zero target or a specific emission-reduction target set by them, the NNZ score helps to narrow down the investment universe to target companies with the most credible/robust emission-reduction plans as determined by the NNZ score. This in effect creates a sector of those companies that are aligned to the transition and this sector is agnostic to current emissions levels. Currently, this score is used in one client portfolio, representing 0.34% of the Newton AUM as at 31 December 2023.

## STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

We use three main stewardship tools to help us meet our commitment to our clients: engagement with issuers, voting at shareholder meetings, and advocacy within the wider marketplace. All three of these stewardship tools help us in taking action on sustainability outcomes, including our efforts on preventing and mitigating actual and potential negative outcomes for our clients.

- **Engagement**

We emphasise purposeful dialogue with issuers to constructively challenge boards and management on financially material aspects of their decision making where we believe it can result in improved long-term financial outcomes for our clients.

We set clear and outcome-focused objectives which can be evaluated over a suitable time horizon and can be linked back to a relevant investment thesis. Our engagements are investment led or sponsored.

Further details can be found in our document outlining our approach to engagement, available on our website at [newtonim.com/responsibleinvestment](http://newtonim.com/responsibleinvestment).

- **Voting**

We vote on behalf of our clients where we have been authorised to do so.

We seek to make proxy voting decisions that are in the best long-term financial interests of our clients, and which seek to assist investor value creation by supporting proposals that are consistent with our corporate governance views and investment case.

Our active approach to voting means that our voting decisions reflect our investment rationale and take into consideration engagement activity, if any, and the company's approach to relevant codes, market practices and regulations.

These are applied to the company's unique situation, while also taking into account any explanations offered for why the company has adopted a certain position or policy.

Further details can be found in our governance principles and voting guidelines, available on our website at [newtonim.com/responsibleinvestment](http://newtonim.com/responsibleinvestment).

- **Advocacy**

We consider that advocacy is the most efficient approach to address issues that are market-wide or systemic in nature which present a risk of crystallizing into issuer-specific risks or opportunities over the medium or long term.

We are active participants in industry and market-level discussions and efforts to improve the operating framework for the companies we invest in as we seek to benefit our clients over the long term. Our advocacy efforts often link to the themes on which we are engaging with companies.

An example of our advocacy effort is provided in response to SO 11.

(2) Stewardship tools or activities used	(1) Engagement (2) (Proxy) voting at shareholder meetings
(3) Example	<p>Company name: Darling Ingredients</p> <p>ESG factors:</p> <ul style="list-style-type: none"> <li>• Social <ul style="list-style-type: none"> <li>o Human capital (safety, working conditions, employee engagement, diversity and inclusion)</li> </ul> </li> </ul> <p>Engagement objective(s):</p> <p>To influence the company to disclose:</p> <ul style="list-style-type: none"> <li>• Contractors' safety and performance data</li> </ul> <p>Discussion</p> <p>Relevance: The industry in which the company operates employs a large number of contract workers, and the operations are prone to injuries as well. The company currently provides only the employee safety data and does not cover the contractors.</p> <p>Key takeaways: The company acknowledged the importance of reporting of contractor safety data and acknowledged that the leading peers provide the disclosures on contractor safety performance.</p> <p>Progress to date: The company committed to provide these disclosures going forward. We will monitor the company's next sustainability report to check if adequate disclosures have been provided.</p>
<b>(B) Sustainability Outcome #1:</b>	
(B) Sustainability Outcome #1:	Financed emissions target
(1) Describe your approach	Our engagement approach here has been to have a purposeful dialogue with the company to add value or reduce risk.
(2) Stewardship tools or activities used	(1) Engagement

(3) Example

Barclays Bank

Engagement focus area:

- Environmental:
  - o Climate and net zero

Engagement objectives:

Strengthen disclosures on the key metrics used in its client transition framework  
Strengthen disclosures on its engagement process with clients on their transition

Discussion

Relevance: The Bank provides financing to clients across industries, many of which are high-emitting and facing long-term structural challenges.

Encouraging these clients to transition their businesses towards lower-carbon practices can enhance the clients' financial stability and in turn safeguard the Bank's loan book. Robust disclosures on the Bank's client engagement process, including details around its scoring methodology, is crucial in helping investors understand the effectiveness of the Bank's climate transition efforts, which will be key to it being able to maintain its loan book and hence a resilient operating model.

Progress to date:

The Bank has revised its client transition framework to incorporate sector specific qualitative and quantitative variables, including forward looking factors. It has conducted a sizeable number of counterparty assessments covering all high-emitting clients, including a deep dive into a subset of clients. It has also formulated criteria to prioritise clients for engagement. We are pleased to see progress by the Bank on its client transition framework, however we have provided further feedback that greater disclosure on specifics on its scoring methodology such as factor weights, sector-based material topics, and sector-wise score distribution would help investors better evaluate the effectiveness of the framework. Coupled with this, we have also shared our expectation for Barclays to disclose more around its engagement process with its client, including key topics of discussion, expectations around best-in-class practice, and its escalation process. Our feedback was received positively. We will continue to monitor the quality of the Bank's disclosures.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

- (A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

Our house-level climate engagement strategy seeks to support our investment team to enable informed investment decisions, while also contributing to real-world decarbonisation. We prioritise engagement using thresholds covering the following criteria:

- Contributions to our financed emissions
- Aggregate amount invested
- Ownership structure of a company or its willingness to engage, enabling meaningful engagement

Select from the list:

- 1
- 2
- 3
- 4

- (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.
- (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.
- (D) Other

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

Through our advocacy efforts, we participate in market and/or industry-level initiatives to influence the landscape to help shape the framework in which companies operate in a way that we believe to be in the best interests of our clients. These will often link to the themes on which we are engaging with companies, and on which we believe progress will help address market-wide or systemic risks.

(2) Engagement tools or activities used

(2) We responded to policy consultations

(3) Example(s) of policies engaged on

Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) Project

- Background: The ASCOR Project is a project led by asset owners, asset managers and investor networks to develop a free, publicly available, independent tool that assesses countries on climate change. We responded to a public consultation launched by the ASCOR Project to contribute to developing the framework further and to ensure that it is fit for purpose.
- Relevance: A one-size-fits-all approach can be challenging when assessing countries. We are supportive of the intent to develop a standard framework in this space.
- Outcome: In November 2023, the ASCOR Project released a methodology note on its framework incorporating feedback from the consultation to which Newton was a contributor. In December 2023, the Project published a report presenting the results of the first assessment of countries' climate risks for sovereign bond holders.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Financed emissions target

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

(1) Key stakeholders engaged	(6) External service providers (e.g. proxy advisers, investment consultants, data providers) (8) NGOs (9) Other key stakeholders	(1) Standard setters (3) Stock exchanges
(2) Provide further detail on your engagement	<p>Industry principles and pledges:</p> <ul style="list-style-type: none"> <li>- Principles for Responsible Investment: Member of this asset owner-led organisation that promotes responsible investment principles and helps administer members' specific responsible investment activities.</li> </ul> <p>Organisations and initiatives related to ESG matters along with the region where they apply:</p> <ul style="list-style-type: none"> <li>- 30% Club – Investor Group (UK): Member of Race Equity Working Group in the 30% Club, which is an investor group seeking to improve gender and racial diversity on boards.</li> <li>- Farm Animal Investment Risk and Return (FAIRR) (Global): Member of the technical advisory panel of this collective investor resource for research and engagement with animal agriculture.</li> <li>- Investment Association (UK): Member of Fixed Income Working Group and of Green Gilts Working Group. The former provides expert guidance to the Investment Association on</li> </ul>	

fixed income stewardship-related activities and policies, and the latter is a forum for Investment Association to discuss the UK government's green gilt initiatives.

- World Benchmarking Alliance (Global): Member of Just Transition Coalition Impact Committee, seeking to encourage world's largest companies to better disclose diversity policies, procedures and practices.

Collaborative initiatives:

- Global Investor Commission on Mining 2030 (Global): Member of this collaborative investor-led initiative seeking to define a vision for a socially and environmentally responsible mining sector overall by 2030.

- ShareAction Good Work Coalition (Global): Member of this ShareAction coalition focused on quality work, including a specific living wage campaign.

- Investor Alliance for Human Rights (Global): Member of this collective action platform for responsible investment that is grounded in respect for people's fundamental rights, providing frameworks and collaboration opportunities.

- Investor Coalition on Food Policy (UK): Member of this coalition established to provide input from investors into UK food policy. It followed the National Food Strategy recommendations and included a focus on mandatory nutrition reporting.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1:                      Financed emissions target

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(1) Key stakeholders engaged

(9) Other key stakeholders

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(2) Provide further detail on your engagement

Industry principles and pledges related to climate change:

-Net Zero Asset Managers Initiative (Global): Member of this industry pledge, where an international group of asset managers has committed to supporting the goal of net-zero greenhouse-gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius, and to supporting investing aligned with net-zero emissions by 2050 or sooner.

- Taskforce for Climate-Related Financial Disclosures: Supporter of this leading global framework for reporting of climate-related information.

This is now a regulatory requirement in the UK. Only NIM and NIMNA participate currently.

Organisations and initiatives related to climate change:

- Institutional Investors Group on Climate Change (IIGCC) (Europe): Member of Proxy Advisory Working Group.

The IIGCC works to mobilise capital for the low-carbon transition and to ensure resilience to the impacts of a changing climate by collaborating with business, policymakers and fellow investors.

Collaborative initiatives related to climate change:

- CDP (previously Carbon Disclosure Project) (Global): Supporter of the CDP. The CDP focuses investors, companies and cities on taking action to build a sustainable economy by measuring and understanding their environmental impact.
- Climate Action 100+ (Global): Signatory to this investor-led initiative, which seeks to ensure the world's largest corporate greenhouse-gas emitters take necessary action on climate change.
- Transition Pathway Initiative (Global): Supporter of this global, asset owner-led initiative which assesses companies' preparedness for the transition to a low-carbon economy.
- ShareAction Investor Decarbonisation Initiative (Global): Member of this initiative engaging the chemicals sector to push for rapid decarbonisation.
- Taskforce for Nature-Related Financial Disclosures (TNFD) Forum (Global): Member of this global multi-disciplinary consultative group of institutions that supports reporting and action on evolving nature-related risks.

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	Net Zero Asset Managers Initiative
(2) Indicate how your organisation contributed to this collaborative initiative	(I) Other
(3) Provide further detail on your participation in this collaborative initiative	<p>Newton is a member of this initiative, and is committed to supporting the goal of net-zero greenhouse-gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius,</p> <p>and to supporting investing aligned with net-zero emissions by 2050 or sooner. As part of our commitment, we have aligned ourselves with an independent methodology produced by the Science Based Targets initiative, and are committing to having having 50% of the financed emissions of the companies we invest in tied to credible transition plans by 2030, with the aim of reaching 100% by 2040.</p>

We will seek to meet these headline targets via a range of transparent measures around investments in climate 'solution providers', engagement with fossil-fuel companies to support their energy transition, and active stewardship activities.

While the 2030 and 2040 milestone targets might still seem some way off, we are making investment decisions today that we believe will aid our progress along the way, such as focusing on selective, well-managed opportunities around energy-transition metals like copper, EV infrastructure and supply chains, and clean energy.

Just because something is 'green' does not necessarily make it a good investment, but we expect to see a growing number of investment opportunities in the energy-transition area over the coming months and years. If a company is well managed, executes well and operates in a stable regulatory environment, we think it is more likely to offer greater green-growth opportunities in the future.

**(B) Initiative #2**

(1) Name of the initiative	World Benchmarking Alliance's Just Transition Benchmark, Collective Impact Coalition (CIC).
(2) Indicate how your organisation contributed to this collaborative initiative	(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (G) We were part of an advisory committee or similar
(3) Provide further detail on your participation in this collaborative initiative	Newton recognises the social impact of the transition to the low-carbon economy and the need for climate risk to be considered holistically. We cannot push for companies to accelerate their transition without encouraging them, together with governments, to address the societal risk as well. This is why in 2022 Newton joined the World Benchmarking Alliance's initiative on the just transition, becoming one of two founding investors for its Collective Impact Coalition (CIC). We are engaging collaboratively with one of the companies under this initiative to encourage it to develop and act on a Just Transition strategy.

**(C) Initiative #3**

(1) Name of the initiative	Global Investors Commission on Mining 2030 (GMC)
(2) Indicate how your organisation contributed to this collaborative initiative	(C) We publicly endorsed the initiative

(3) Provide further detail on your participation in this collaborative initiative

- Background: The Global Investor Commission on Mining 2030 (GMC) is a collaborative investor-led initiative seeking to define a vision for a socially and environmentally responsible mining sector. Newton was part of the first group of investors extending their support to the GMC. The GMC has more than 80 investor supporters representing US\$11 trillion in assets.
- Relevance: The mining sector is a critical enabler of the transition to a low-carbon world, and it is a sector that produces significant externalities on both the social and environmental fronts. These elements contribute to the materiality of this initiative. The management of tailings, and operations in conflict zones, are two examples of how these material externalities crystallise.
- Implementation: The GMC aims to work with the mining sector in defining socially and environmentally responsible practice by 2030. It also aims to develop the role of finance in realising this vision.

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**(D) Initiative #4**

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(1) Name of the initiative

ShareAction Investor Decarbonization Initiative, ClimateAction 100+

(2) Indicate how your organisation contributed to this collaborative initiative

(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)

(3) Provide further detail on your participation in this collaborative initiative

We are participating in some company engagements through the ShareAction Investor Decarbonization Initiative. We joined ClimateAction 100+ as supporting investors for two mining companies.

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# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
  - (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

#### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year