



**PUBLIC TRANSPARENCY REPORT**

**2023**

**Longview Partners**

Generated 15-12-2023

# 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 2023 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

### 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 2023 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.

# Table of Contents

Module	Page
SENIOR LEADERSHIP STATEMENT (SLS)	4
ORGANISATIONAL OVERVIEW (OO)	7
POLICY, GOVERNANCE AND STRATEGY (PGS)	15
LISTED EQUITY (LE)	56
SUSTAINABILITY OUTCOMES (SO)	64
CONFIDENCE-BUILDING MEASURES (CBM)	66

# 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?

Longview Partners ("Longview") is a specialist asset management company, focused entirely on the management of Global Equity portfolios. Longview is a single strategy, independent, privately owned company with majority ownership by Northill Capital\* and the balance held by eleven working Members of Longview Partners LLP. Longview operates a simple, clearly defined business model principally for Institutional Clients.

At Longview, we take a long-term approach to investment and seek to invest in companies that can create long-term value for shareholders. Environmental, Social and Governance (ESG) considerations are embedded within the Quality assessment in our investment process because we believe that this is the right approach to investment: identifying high quality businesses that will deliver over the long-term.

Our culture is of fundamental importance to us at Longview. As a firm, we have a clear common purpose: to seek excellence in performance and client service, to be a sustainable business for the long-term and to nurture and protect our culture. We do this through consciously living by our values, which is a deliberate effort but critical for the preservation of our culture.

We are long-term owners of our own business and the values by which we live are equally relevant to Longview, as they are to our potential investments. Our culture is the common denominator to all that we do; our investment process, our approach to our clients, our staff and beyond, to our organisation's place in society. It is our culture that will enable Longview to be the sustainable business for the long-term that we want it to be. It is our values that guide our decision-making and our sense of what is important and what is right.

We believe ignoring ESG matters can create tail risk to investments. The positive impact of good governance on shareholder value is well understood and failures in governance are potentially a significant source of value destruction. Good corporate governance within a clear and transparent framework builds trust and predictability in a business. This has been a focus for Longview since our inception.

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

We believe that Longview's commitment to sustainability is best put into action by focusing on three areas:

#### Invest

We seek to invest responsibly and during our investment process, we consider sustainability risks and opportunities that may impact the long-term value creation of a business. We consider ESG factors during our analysis of Quality, which is one of our three investment criteria. We may seek to use our voice as owners, on behalf of our clients, to engage with portfolio companies on material issues.

#### Engage

As well as engaging with portfolio companies, we engage with our clients, our people, our industry and our broader community, as a way to learn, improve and share ideas. One of Longview's core values is a focus on continuous improvement and we remain open to ways that we can implement our investment process and approach to sustainability ever more effectively. We are a willing partner to like-minded organisations that promote similar sustainability values across our industry and also contribute our time to giving back to society.

#### Contribute

We recognise the importance of our clients' sustainability goals and do what we can to support them on their path to achieving them. We engage with our portfolio companies to understand the portfolio's carbon profile and our companies' climate transition plans. In our own operations, Longview seeks to understand our firm's environmental impact and promote diversity and inclusion.

\*Longview Partners (Guernsey) Limited is majority-owned by Northill Longview Holdings (Guernsey) Limited as part of the Northill Capital Group.

## 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

As a single-product firm, we focus our sustainability efforts and influence on significant issues where we seek to make an impact. During the reporting year, we selected climate change as one of our key sustainability themes. We believe it is important to keep track of our portfolio companies' progress to reduce greenhouse gas (GHG) emissions and efforts to help tackle this global systemic risk. For this purpose, we conduct a Climate Commitments Audit of our portfolio companies on an annual basis, to assess our portfolio companies' climate intentions across the portfolio. Importantly, in 2022, we also followed up on our findings by directly engaging with portfolio companies to seek more clarity on their climate plans or push for stronger commitments.

The results of our 2022 Climate Commitments Audit showed that commitments made by companies held in the portfolio have become more explicit one year on – although it is difficult to assess whether our engagements on their own have had a direct influence on the change. However, we do believe that stewardship in this area is key and when applied widely by the industry, it can encourage companies to make firmer climate commitments.

Throughout 2022, we progressed various chosen initiatives and achieved outcomes which we believe contributed towards Longview's sustainability journey. We have included some key examples here:

- We further evolved our approach to ESG integration and corporate sustainability
- We conducted 38 direct and thematic engagements with 16 portfolio companies; where thematic engagements included Climate Change and Modern Slavery.
- We voted 543 resolutions at 34 company meetings; where we were willing to challenge management in the interests of our clients where appropriate.
- We updated our ESG policies in-line with the evolving regulatory landscape and associated industry standards
- We developed new content for our website to better communicate our holistic approach to sustainability

We have also forged new partnerships and maintained existing relationships with organisations that promote similar sustainability values:

- We partnered with like-minded organisations to progress our work on TCFD and measure our operational carbon footprint
- We partnered with S&P Trucost to source TCFD-aligned carbon data and climate analytics for improved client reporting
- We became a co-signatory to the 'Global Investor Statement to Governments' for a consecutive year, led by the Investor Agenda, to address the climate crisis.
- We maintained our signatory status to the UK Stewardship Code; and our memberships with industry bodies such as the IA, IIGCC, amongst others.

As industry best practice and client demands evolve, we are committed to evolving too, aiming to ensure that long-term responsible stewardship remains in the forefront of our minds.

### Section 3. Next steps

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

Over the next two years, we will continue to monitor the progress of our on-going initiatives, remaining alert to the changing regulatory, investment and industry landscape; and prepared to evolve our approach where appropriate. We are currently exploring various collaborative initiatives focused on the sustainability issues most relevant to our portfolio companies. We will remain committed to helping tackle climate change by understanding and encouraging our portfolio companies to have credible climate transition plans. We are also committed to continue our focus on diversity and inclusion, through our D&I Committee; and through our engagements with portfolio companies. We will remain committed to serving our clients' needs and shall seek to remain effective stewards of their assets.

#### 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

Marina Lund

Position

CEO and Head of Institutional Clients, Partner

Organisation's Name

Longview Partners

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	2022

## 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

## 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\$ 15,847,342,755.00

(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



## 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	100%	0%
(B) Fixed income	0%	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	0%	0%
(J) Off-balance sheet	0%	0%

## 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 100%

(D) Other strategies 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 (1) 0%

## 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

(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 stewardship	<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 checked="" 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 (7) >50 to 60%

## 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 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



## 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 100%

(D) Screening and integration 0%

(E) Thematic and integration 0%

(F) Screening and thematic 0%

(G) All three approaches combined 0%

(H) None 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
- (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

## 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"/>

## 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:

Our use of third-party ESG data

- (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:

We describe our approach to Diversity and Inclusion in our ESG-related policies.

- (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.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

- (B) Guidelines on environmental factors

Add link:

<https://www.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

- (C) Guidelines on social factors

Add link:

<https://www.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

- (D) Guidelines on governance factors

Add link:

<https://www.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

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

Add link:

<https://www.longview-partners.com/media/iuedr3nl/longview-partners-uk-stewardship-code-2022-report-submission.pdf>

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



Add link:

<https://www.longview-partners.com/media/iuedr3nl/longview-partners-uk-stewardship-code-2022-report-submission.pdf>

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

Add link:

<https://www.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

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

Add link:

<https://www.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

**(J) Guidelines on exclusions**

Add link:

<https://www.longview-partners.com/media/iuedr3nl/longview-partners-uk-stewardship-code-2022-report-submission.pdf>

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

Add link:

<https://www.longview-partners.com/media/iuedr3nl/longview-partners-uk-stewardship-code-2022-report-submission.pdf>

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

Add link:

<https://www.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

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

Add link:

<https://www.longview-partners.com/media/iuedr3nl/longview-partners-uk-stewardship-code-2022-report-submission.pdf>

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

Add link:

<https://www.longview-partners.com/media/iuedr3nl/longview-partners-uk-stewardship-code-2022-report-submission.pdf>

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

Add link:

<https://www.longview-partners.com/media/in2jrsch/shareholder-activism-2022.pdf>

**(P) Other responsible investment aspects not listed here**

Add link:

<https://www.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

- (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:

In our policies, we describe how, on behalf of our clients, Longview has a duty to ensure that we invest in companies where directors run companies in line with shareholder interests and that these directors are fully accountable to the shareholders. As investors, we take a long-term approach to investment and seek to invest in companies that can create long-term value for shareholders. ESG factors and stewardship are embedded within the Quality assessment of our investment process because it is the right approach to investment: identifying enduring businesses which will deliver over the long-term.

(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	(7) 100%
(C) Guidelines on social factors	
(D) Guidelines on governance factors	

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 (1) for all of our AUM

(B) Specific guidelines on human rights (1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues (1) for all 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%**

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%

## 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:

CEO, CIO, Head of Research, Executive Committee

- (C) Investment committee, or equivalent
- (D) Head of department, or equivalent
- (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)?**

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

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:

Our Responsible Investment and Engagement Policy and our Shareholder Activism Policy ensure that our influence as an active investor is aligned with the positions espoused by organisations such as the Independent Investment Management Initiative (IIMI), the Investment Association (IA), the Pensions and Lifetime Savings Association (PLSA) or the Institutional Investors Group on Climate Change (IIGCC) of which we are members. These organisations engage regulators and policymakers on a wide range of topics relating to the investment industry in order to improve outcome for clients and ensure the stability, smooth functioning and transparency of the industry. The policies also ensure that our influence as an active investor is aligned with the way in which we express our commitment to the 6 Principles of the PRI. Our policies describe our approach as institutional investors and our belief that companies need to be managed in the interests of shareholders. On behalf of our clients, we have a duty to ensure that we invest in companies where directors run companies in line with shareholder interests and that these directors are fully accountable to the shareholders. We believe that companies with good corporate governance are more likely to be successful companies that deliver long-term value to their shareholders and it is in these companies that our investments are concentrated.

- (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:

The Executive Committee of Longview Partners LLP (ExCo) is accountable for ensuring that the approach taken by the organisation towards stewardship is adequate and appropriate. The CEO, CIO and Head of Research have day-to-day oversight for the effective stewardship of our clients' assets. The Research Team is responsible for the implementation of stewardship activities with portfolio companies and ensures that ESG analysis is integrated in a consistent manner.

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

(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 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

**(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Describe: (Voluntary)

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

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)

The compensation of our senior executive-level staff is set objectively by the Longview Partners Remuneration Committee, considering a variety of factors: the individual's performance, the demonstration of cultural alignment in their leadership and example, Longview's financial performance during the year, the individual's adherence to and observation of internal compliance policies and procedures (including the firm's Responsible Investment and Engagement Policy) and FCA SMCR and Conduct Rules and the external competitive environment. Research Analysts are rewarded based on the discipline and diligence with which they implement the investment process; and the value they bring to other analysts' work through the depth and quality of their interaction within the team. We believe that the disciplined implementation of the investment process will allow us to deliver sustainable returns for our clients over time and therefore support our efforts in meeting our stewardship obligations over the long-term.

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

## 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**

Explain why: (Voluntary)

We are currently preparing to publish our inaugural TCFD report by 30 June 2024 as mandated by the FCA for asset managers with less than USD 50 billion in AUM.

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.longview-partners.com/media/vgnh53z1/sustainable-finance-disclosure-regulation-sfdr-disclosures-2023.pdf>

- (B) Disclosures against the European Union's Taxonomy
- (C) Disclosures against the CFA's ESG Disclosures Standard

**(D) Disclosures against other international standards, frameworks or regulations**

Specify:

Longview Partners LLP (the "Firm") makes the below annual disclosure under obligations arising from Article 3g(1)(b) of the revised Shareholder Rights Directive (EU 2017/828) ("SRD") for the period up to 31 December 2022.

Link to example of public disclosures

<https://www.longview-partners.com/media/bixhmmxe/srd-ii-annual-disclosure-2023.pdf>

**(E) Disclosures against other international standards, frameworks or regulations**

Specify:

The UK Stewardship Code sets high standards for stewardship, with a focus on activities and outcomes with the aim of improving the opportunity for the delivery of sustainable long-term investment.

Link to example of public disclosures

<https://www.longview-partners.com/media/iuedr3nl/longview-partners-uk-stewardship-code-2022-report-submission.pdf>

- (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.longview-partners.com/media/iuedr3nl/longview-partners-uk-stewardship-code-2022-report-submission.pdf>  
<https://www.longview-partners.com/media/hvylvrh5/responsible-investment-and-engagement-policy-2022.pdf>

- (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

Specify:

For segregated mandates, we have the ability to exclude companies by applying guideline restrictions in accordance with clients' instructions.

- (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

(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?**

One key aspect of our approach to embedding ESG is that we do so through a lens of materiality. Materiality is the relevant impact of a sustainability factor, principally on a company's financial performance: on the ability of a business to create value in the short-, medium-, and long-term. Financial materiality is a key aspect; however, Longview also considers reputational, regulatory, legal and environmental impacts. Materiality also influences how we prioritise engagement with companies. As part of our engagement selection process, we consider Sustainalytics' ESG Risk Rating. This includes issues or controversies as identified by Sustainalytics as 'Most Significant Events in the Portfolio' which are labelled as 'Event Category 4 or 5' and alerts which are sent to our Research Team via the Sustainalytics platform when an issue is identified and documented. We take into consideration the materiality of any such issues as part of our Quality rating. We may also choose to engage with an investee company when material updates are made to its annual Sustainalytics Risk Ratings Report.

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

Specify:

Whilst we directly engage with issuers through a robust engagement model, we do not consider ourselves activist investors. We do, however, recognise the value of collaborative stewardship, especially regarding global systemic risks. For this purpose, we are currently exploring collaborative initiatives focused on the issues most relevant to our portfolio companies, to further support our commitment to sustainability.

- (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.**

Whilst we directly engage with issuers and are comfortable putting our views forward in portfolio company engagements through a robust engagement model, we do not consider ourselves activist investors. Historically, we have preferred discussing contentious issues on company meeting agendas and engaging with company management directly via one-on-one meetings, written correspondence, conference calls and proxy voting. We are also comfortable engaging with other influential investors to influence issuers regarding contentious issues in a direct manner and have done so in the past through written correspondence regarding capital allocation concerns. We do recognise the value of collaborative stewardship and the vital role it can play in achieving positive outcomes, especially when we are seeking to address global systemic risks. For this purpose, as mentioned in our Senior Leadership Statement, we are currently exploring collaborative initiatives focused on the issues most relevant to our portfolio companies, to further support our commitment to sustainability.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

**(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**

Select from the list:

- 1
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

**(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**

Select from the list:

- 2
- 5

**(D) Informal or unstructured collaborations with investors or other entities**

Select from the list:

- 4
- 5

**(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**

Select from the list:

- 3
- 5

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?**

**(A) Example(s) of measures taken when selecting external service providers:**

Third-party relationships are managed with regard to the four factors listed below. Such factors will be taken into consideration when setting the overall service criticality, which itself then determines whether an initial or ongoing review by Longview of the services provided should take place and if so, the extent of such a review:

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

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

(B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:

(C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:

Longview employs the services of the proxy voting adviser, Glass, Lewis & Co, a leading independent provider of corporate governance solutions to the financial services industry. Glass Lewis's policies are reviewed and signed off by the CIO annually. Glass Lewis provides structured reports which detail their research and recommendations on each resolution to be voted on for each company. Glass Lewis's report on each of the portfolio holdings is circulated to the Research Team for review. The Research Team uses the Glass Lewis research to assist its deliberations and decide on how to vote.

Voting recommendations are made by the lead analyst for that particular company, but then must be approved by either the CIO or Head of Research. If appropriate, the decision may be to vote against Glass Lewis's recommendations and/or against management. Where the decision has been taken to vote against either, we may contact Glass Lewis or the company to engage with them if timelines allow.

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

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?**



Once ESG matters are identified and prioritised according to our engagement selection process, we ensure that during the continual assessment of our investments, we have ongoing dialogue with the management of companies, in which we are invested or may be invested. Our research on portfolio holdings is regularly updated by the Research Team. We keep track of progress updates made on any ESG-related engagements in a systematic way via an Engagement Log. If, after discussions and monitoring, we believe management is failing to act in shareholders' interests, this will trigger our escalation process.

More specifically, if the monitoring process highlights that progress on a specific engagement objective is not being made within a reasonable timeframe and it is material to our Quality rating, Longview will contact the investee company to discuss the matter further. Longview will make clear our concerns, as well as our expected outcome. In most circumstances, this dialogue will be with the Chairperson, Lead Independent Director, CEO or CFO of the company. As part of our escalation process, if after discussions, we believe that management is failing to act in shareholders' interests, we may reduce our Quality rating to Q3 and sell our holding in order to minimise the risk of loss of shareholder value and protect our clients' interests. We are willing to challenge management to protect and enhance the interests of our clients and will exercise our right to vote against management, where appropriate.

## 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
- (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
  - (B) Yes, for the majority of (proxy) votes
  - (C) Yes, for a minority of (proxy) votes
- Add link(s):

<https://www.longview-partners.com/media/bixhmmxe/srd-ii-annual-disclosure-2023.pdf>

Explain why you only publicly disclose a minority of (proxy) voting decisions:

1) We share the details of significant votes made throughout the year as per the Shareholders Rights Directive II regulation within our Implementation of Engagement Policy disclosure which is available on our website or at the following link: <https://www.longview-partners.com/media/bixhmmxe/srd-ii-annual-disclosure-2023.pdf>

2) Proxy voting reports are provided on a quarterly basis to all clients on whose behalf we vote. These reports detail all votes cast during the period and provide an explanation in relation to any differences between Glass Lewis' and the portfolio company management's recommendations. For confidentiality purposes, we do not publicly disclose our voting records in full and therefore cannot provide a link to our voting records. However, we share the details of significant votes made throughout the year as mentioned above on our website. Longview defines a significant vote as one where we have voted against management; where more than 15% of total votes have been cast against management; or where we have voted against our proxy adviser's recommendation.

- (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	(3) for a minority of votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

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

<https://www.longview-partners.com/media/bixhmmxe/srd-ii-annual-disclosure-2023.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

## How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

In conjunction with Business Risk, our Operations Team conduct an annual check on a random sample of agenda items to ensure Glass Lewis stated policy has been implemented per the pre-advised market guidelines. This process involves selecting individual agenda items, seeing how they were voted and then cross referencing them back to the appropriate Glass Lewis policy. Operations also conduct a reconciliation to ensure that these votes are cast as expected.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, 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

## 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
- (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.longview-partners.com/sustainability/industry-collaboration-policies/>

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

Add link(s):

<https://www.longview-partners.com/media/a5wjqpqi/2022-global-investor-statement.pdf>

(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:

Longview Focus Theme for 2022: Addressing the Risks of Climate Change

(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.

#### Introduction

We believe it is important to keep track of our portfolio companies' progress to reduce greenhouse gas (GHG) emissions to help tackle the systemic risk of climate change. For this purpose, we initiated a Climate Commitments Audit of our portfolio companies at the end of 2021 to assess climate intentions of companies held across the portfolio. Importantly, we then followed up on our findings throughout 2022 by engaging with 13 portfolio companies where we requested more clarity on their climate plans or encouraged stronger commitments.

We plan to conduct this exercise on an annual basis to identify progress and change as we believe this is our fiduciary responsibility as stewards of our clients' capital. This example provides an overview of our methodology and an update on the outcome of our Climate Commitments Audit one year on, for 2022.

#### Methodology

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

#### Questions

1. Has the company made a Net Zero, or similar, commitment by 2050 (or earlier)?
2. Has the company made any commitment to reduce GHG/carbon emissions?
3. If the company has set emissions reduction targets, are they Science-Based?
4. Has the company published a credible plan to reach their goals with interim targets?
5. Are there any other climate intentions? If no, current commitments or plans?
6. Has the company met its earliest interim target? In what year? If not, when is their first target?

A traffic light colour system was used to visually represent the strongest and weakest commitments and to help prioritise engagements for 2023: Green is equivalent to 'meets requirement'; amber is mixed and red is equivalent to 'does not meet requirement'. Amber is used when there is insufficient information, or evidence of only partially meeting the requirement. The traffic light map was detailed in a report that was made available to our clients and investment consultants via Longview's client portal.

#### Results

For a second year in a row, we compare our results to the most recent analysis published by JUST Capital in 2021 on the disclosure of climate commitments made by companies in the Russell 1000. For their analysis, they collected data for 954 companies within the Russell 1000.

The results are compared to the Longview portfolio, as at 31 December 2022:

#### Net zero by 2050 (or better)

Russell 1000: 11%; Longview portfolio: 66%

#### SBTi

Russell 1000: 16%; Longview portfolio: 79%

#### Emissions reduction



Russell 1000: 43%; Longview portfolio: 90%

#### Effectiveness and Outcome of our Approach

Whilst Longview is encouraged by the existing commitments of our portfolio companies, we will continue engaging with companies to track progress of existing commitments or push for further action. The results of our 2022 Annual Audit show that climate commitments in the portfolio have improved one year on – although it is difficult to assess whether our engagements on their own have had a direct influence on the change. However, we do believe that stewardship in this area is key and when applied widely by the industry, it can encourage companies to make better climate commitments.

#### (B) Example 2:

Title of stewardship activity:

Direct Engagement : UK Consumer Discretionary Company

##### (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.

Longview conducted a series of calls with the company's leadership team in 2021 and early 2022 on the topic of executive remuneration. Longview had communicated to the company that it was unlikely to vote in favour of its new remuneration policy unless the wording reflected the importance of profit metrics as part of the annual incentive scheme for executives.

In May 2022, the revised remuneration policy was released, including the following two changes to the Annual Incentive Scheme: The company will ensure that at least 60% of future years' incentives will be based on financial metrics (up from 50% in the original proposal); and the company intends that "profit will be the predominant financial metric."

Through these engagements, we recognised that the company had taken positive steps to further align executive remuneration with shareholder interests and that our objective was achieved. As a direct result of this improvement, Longview voted in favour of the company's remuneration policy at the AGM in June 2022.

#### (C) Example 3:

Title of stewardship activity:

Case Study: Engagements with Sustainalytics throughout 2022

##### (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.

In 2022, we engaged with Sustainalytics on multiple occasions through video calls and email to address a range of topics, including their ESG risk rating methodology, the use of their reporting tools for Material ESG Issues (MEIs) in relation to modern slavery risks, and data discrepancies between their reports and our own engagement findings.

We have provided the outcomes of these discussions below.

**Methodology and Reporting**

Part of the analysis we conducted for our Modern Slavery Thematic Engagement included company-specific data provided by Sustainalytics that assessed the scope of social standards for suppliers for a sub-set of our portfolio companies. Ahead of using the data, we engaged with Sustainalytics for a deep-dive on their ESG risk rating methodology regarding the assessment of modern slavery risks.

Sustainalytics explained that they use five different MEIs that can be mapped onto modern slavery risks across subindustries to express the following considerations:

1. Human Rights (Supply Chain): Management of fundamental human rights across a company's supply chain.
2. Human Rights: Management of fundamental human rights within a company's own operations.
3. Human Capital: Management of risks related to scarcity of skilled labour and labour relations
4. Community Relations: Engagement with local communities (including Indigenous peoples)
5. ESG Integration: Considerations of environmental and social aspects into lending and/or investments by Financials

From a reporting perspective, it was useful to learn that granular data can also be accessed for each company for the specific indicators used to define each MEI. It was this feature that allowed us to report on the scope of social standards for suppliers for our portfolio companies.

Longview was pleased to see that Sustainalytics' tools were additive to our own findings, and that their services met our needs beyond our regular reporting requirements.

**Reported Data Discrepancy**

As part of our D&I Thematic Engagement, conducted in 2021 across our portfolio, we had engaged with a US Health Care company regarding its D&I initiatives. At the time, we were satisfied with their efforts which were also documented in their '2020 Sustainability and Corporate Social Responsibility Report' published in May 2021. However, we also recognised that Sustainalytics' ESG Risk Rating Report had not reflected the same initiatives, which we had assumed was due to a time lag.

In 2022, we followed up with Sustainalytics as the data discrepancy had still not been addressed. They confirmed that they were aware of the company's diversity initiatives and had assessed the company's programme to promote workforce diversity as strong, however, the company had still scored as an average performer on board structure and board/management quality and integrity compared to its peers. Regarding the lack of information on diversity programmes, Sustainalytics explained that only the most relevant Material ESG issues (MEI) that can have a significant financial effect on the enterprise value of the company were expanded upon in their report.

In this instance, the diversity programmes did not fall under any of the MEIs for this sub-industry. MEIs are evaluated and selected at the sub-industry level through a comprehensive consultation process based on quantitative data, corporate and expert views.

Whilst this engagement did not result in reconciling Sustainalytics' reporting with our own findings, Longview was able to gain additional insight into Sustainalytics' ESG risk rating methodology which will be useful for future data reporting requirements. The engagement also highlighted the benefit of our stewardship approach which values direct engagement with portfolio companies to gain additional insights into the issues or themes we deem to be significant.

(D) Example 4:

Title of stewardship activity:

Direct Engagement with US Health Care company

(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.

In September 2022, Longview held a meeting with the company's CEO to address the warning letter that they had received from the US Food and Drug Administration (FDA) in December 2021. The company was an existing holding at the time.

The company's primary diabetes product manufacturing facility was inspected by the FDA in July 2021. The inspection followed a product recall of two of the company's products. Following the inspection, the FDA issued a warning letter to the company. The warning letter outlined the FDA's concerns about the company's models for assessing risk, the adequacy of internal processes for investigating complaints about device performance and the timeliness and completeness of product recalls.

Longview questioned the company's CEO on the mistakes that the company made. The CEO explained that the given product division had been struggling for some time before he was appointed as CEO. Immediately after his appointment, he fired the Head of the product division. He admitted that the company's internal risk assessments were inadequate and the way that the company evaluated risk was wrong.

Longview asked about the actions being taken to clear the warning letter and ensure that risk was appropriately assessed. Since the warning letter was issued, the CEO has standardised risk management, improved internal reporting procedures and set up better communication and regular meetings with the FDA. At the time of the call, he believed the company was 92% the way through the remediation work to clear the FDA letter. The CEO noted that the company's risk assessment model has changed. Previously, the model only addressed the probability of an adverse event occurring. It was amended to factor in the effect of any negative health consequences in the event of an adverse event taking place.

Following the engagement, Longview continued to monitor updates regarding the FDA's warning letter being cleared and will re-engage where required. In terms of clarifying what corrective actions and process improvements the company had implemented, we believe that we achieved our objective.

(E) Example 5:

Title of stewardship activity:

(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.

## 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

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

We believe that poor management of environmental issues, including climate change, represents a risk for any company. Our consideration of climate-related risks is embedded within our bottom-up research process and considered as part of our Quality rating. We believe that a lack of consideration for the environment can negatively impact the growth of a business and its long and short term profitability. It is important to note that, structurally, our portfolio is likely to have low carbon risk relative to global benchmarks due to our philosophical lack of exposure to oil and gas, mining, metals, and deeply cyclical businesses. We are also aware of the potential risks to the long-term growth prospects for businesses supplying equipment to these companies and other heavy emitters. Clearly, there is also the potential to identify beneficiaries of the move towards a low carbon economy such as the electric vehicle ecosystem or manufacturers of energy efficient products.

(B) Yes, beyond our standard planning horizon

(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 part of our broader sustainability efforts, we continue to assess the climate-related risks and opportunities that are relevant to Longview's operations and strategy.

Longview's research team has developed an analysis framework to ensure consistency in our approach when analysing ESG considerations, including climate-related matters. The framework takes into account Materiality, Opportunity, Risk as well as Engagement (M.O.R.E). Our consideration of environmental risks, including climate change, is part of our analysis of the long-term growth and stability of businesses, and analysed during discussions on Quality, which is one of three investment criteria in our research process. We may also choose to engage with companies to seek comfort or clarity around a particular issue.

In addition to assessing climate-related risks within our M.O.R.E ESG Analysis, we believe it is important to keep track of our portfolio companies' commitments and targets to reduce their greenhouse gas (GHG) emissions to meet the goals of the Paris Agreement. With that in mind, in the past two years, we have conducted a climate commitment audit of our portfolio companies to assess climate intentions across the portfolio. We have also engaged with a subset of companies throughout 2022 to seek stronger commitments. We plan to continue conducting this exercise on an annual basis to identify progress and change. We also continue to explore ways in which we can identify investment opportunities which may arise from the transition to a lower carbon economy.

As part of Longview's Risk Strategy, we already monitor key ESG-related risks that the business faces in terms of client needs and expectations; regulatory requirements; or industry standards. We continuously evaluate how best to identify such risks and assess their impact on our business and financial planning.

And finally, in order to assess and describe the resilience of our investment strategy, we plan to conduct a portfolio scenario analysis using S&P Trucost, our carbon data provider, as per the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

- (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:

The Longview portfolio currently has zero direct exposure to fossil fuels, and no direct exposure to industries such as cement production, where carbon emissions are characteristically high and most difficult to abate.

Describe your strategy:

Longview seeks to consistently generate long-term alpha by investing in a concentrated portfolio of global equities. Our bottom-up approach invests in high quality companies with strong business fundamentals and attractive cash-based valuations. We take a long-term approach to investment and seek to invest in companies that can create long-term value for shareholders. Longview's investment strategy seeks to invest in predictable businesses and therefore is unlikely to invest in companies that are overly sensitive to unpredictable external factors (e.g. oil prices). This means that the portfolio is unlikely to hold companies exposed to fossil fuels, metals and mining companies and deep cyclical industrials.

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

**Provide a link(s) to your strategy(ies), if available**

<https://www.longview-partners.com/our-approach/investment-philosophy/>

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:

Longview uses the climate datasets developed by S&P Global Trucost which are based on the IPCC Shared Socioeconomic Pathway (SSP) and Representative Concentration Pathway (RCP) scenarios.

- (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

Assessing the significance of ESG-related risks and opportunities is part of our bottom-up research process and considered as part of our Quality rating. Our consideration of environmental risks, including climate change, is part of our analysis of long-term growth and stability, and analysed during discussions on Quality. We believe that poor management of such issues represents a risk for any company. We consider a wide variety of information when analysing companies. Analysts will generally start by reviewing primary sources of information released by both the company being analysed and its competitors. This includes annual and quarterly reports, presentations, conference call transcripts and a wide range of regulatory filings. In general, we will also meet with company management as part of initial due diligence and portfolio company monitoring.

As noted previously, structurally, our portfolio is likely to have low carbon risk relative to global benchmarks due to our lack of exposure to oil and gas, mining, metals and deeply cyclical businesses. We are also aware of the potential compromise of the long-term growth prospects for businesses supplying equipment to these companies and other heavy emitters of carbon gases.

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

- Sustainalytics – an external provider of ESG information and ratings.
- S&P Trucost – an external provider of TCFD-aligned carbon data and metrics.
- Glass Lewis – an external provider of proxy voting research and advice, including ESG research.
- FactSet – wide-ranging data aggregation.
- Data providers – from time to time we purchase data sets from third-party providers to supplement our understanding of a company or industry.
- Sell Side Research Providers – we subscribe to read-only research services from several sell side brokerage houses.
- Industry conferences.

On environmental and social matters, we believe that a lack of consideration for these issues can negatively impact the growth of a business and its long and short-term profitability. On governance, the key element of this analysis is the portfolio company's treatment of shareholders and its use of capital. We also take direction from clients as to whether it is deemed appropriate to own certain companies in their portfolio.

#### M.O.R.E. ESG Analysis

To ensure consistency in our approach when analysing ESG matters, Longview's Research Team has developed an analysis framework. The framework is used prior to investment and it is reflected upon during the company's holding period. The framework considers matters of Materiality, Opportunity, Risk and Engagement (M.O.R.E.).

#### M = Materiality

Materiality considers the significance of the impact of a sustainability matter. Sustainability matters may differ from one sector to another, but all our ESG analysis is conducted through the lens of materiality. Financial materiality is a key aspect as most issues will ultimately impact the financials of a company. However, Longview also considers reputational, regulatory, and legal impacts amongst others. Materiality is also a key determinant of our approach to engagement and prioritisation of it.

#### O = Opportunities

Initial company research should consider whether there are any identifiable, material E, S or G opportunities arising for the company.



## R = Risks

Initial company research should answer the following four questions:

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

## E = Engagement

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

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

Our approach to risk management focuses on the potential perceived risks faced by the firm and how they are managed and mitigated. Our aim is to ensure that the mitigation of known risks is appropriate and balanced with the needs and requirements of the business, and that previously unknown risks, where possible, are identified early, quantified and mitigated. Perceived risks fall in the following categories: investment, trading, regulatory, operational, technology and financial/strategic risks. Longview's Board has ultimate responsibility for our approach to risk management and determines the level of risk which Longview is prepared to assume in achieving its strategic objectives. The Board also oversees how the risks are managed, aiming to minimise their impact where possible. As part of Longview's Risk Strategy, we monitor key ESG-related risks, including climate-related risks, that the business faces in terms of client needs and expectations; regulatory requirements; or industry standards.

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

#### (1) Describe your process

Within our investment process, once ESG matters, including climate-related risks, are identified and prioritised, we ensure that we have ongoing dialogue with the management of companies, in which we are invested or may be invested. Our research on portfolio holdings is regularly updated by the Research Team. We also keep track of progress updates made on any ESG-related engagements in a systematic way via an Engagement Log.

We review the Engagement Log on a quarterly basis to check the progress made on ESG areas of concern previously raised. If, after discussions and monitoring, we believe management is failing to act in shareholders' interests, this will trigger our escalation process. More specifically, if the monitoring process highlights that progress on a specific engagement objective is not being made within a reasonable timeframe and it is material to our Quality rating, Longview will contact the investee company to discuss the matter further. Longview will make clear our concerns, as well as our expected outcome. In most circumstances, this dialogue will be with the Chairperson, Lead Independent Director, CEO or CFO of the company. As part of our escalation process, if after discussions, we believe that management is failing to act in shareholders' interests, we may reduce our Quality rating to Q3 and sell our holding in order to minimise the risk of loss of shareholder value and protect our clients' interests. We are also willing to challenge management to protect and enhance the interests of our clients and will exercise our right to vote against management, where appropriate.

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

Please see above regarding our approach to overall risk management.

- (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 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
- (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
- (C) Internal carbon price
- (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
- (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
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)**
  - (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
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables**
  - Specify:

Please note that the 'total carbon emissions' and 'weighted average carbon intensity' metrics above are disclosed to our clients and consultants, but not publically on our website. However, I am not able to choose the option for 'Metric or variable used and disclosed, including methodology', without providing a link for (D) and (E) above.

(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
- (K) Our organisation did not use or 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 disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

- (A) Scope 1 emissions
- (B) Scope 2 emissions
- (C) Scope 3 emissions (including financed emissions)
- (D) Our organisation did not 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 irremediable 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
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**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
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**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
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**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

Explain how these activities were conducted:

In 2022, we focused on the human rights issue of modern slavery as one of our key sustainability themes and engaged with a cohort of our portfolio companies to understand how they are addressing the risks of modern slavery in their operations and global supply chains. Longview's slavery and human trafficking statement sets out our ongoing commitment as a responsible business to helping ensure that modern slavery and human trafficking is eradicated. By focusing on modern slavery and directly engaging with companies on this issue throughout 2022, we sought to reinforce our commitment and contribute towards the United Nations' Sustainable Development Goal 8 (SDG 8) addressing decent work and economic growth.

Methodology

Longview used a three-step approach to assess the risk of modern slavery in its portfolio. We selected to engage with companies across a broad range of sectors instead of focusing on a specific sector or sub-industry for the following reasons:

- Through our research, we identified that there was already a lot of work being conducted on high-risk sectors and geographies. In our engagements, we also found that companies in higher-risk sectors tend to have more comprehensive risk frameworks, leaving the global supply chains of some companies more exposed. We believe that no industry is immune to this issue.
- We wanted to define a generalist approach for how we can engage going forward on modern slavery across the Longview portfolio, regardless of a company's sector or geography.

#### Our Three-step Approach

1. We conducted a high-level risk assessment on each of our portfolio companies based on their geographic and industry exposure, using Prevalence of Modern Slavery by Country figures as provided by the Global Slavery Index (2018) and Global Estimates of Modern Slavery Report (2022).
2. We analysed company-specific data provided by Sustainalytics, our external ESG-data provider, to assess the scope of social standards for suppliers for a sub-set of our portfolio companies;
3. We engaged with 30% of our portfolio companies (10 companies) to assess how they identify, assess, mitigate and act on the risks or instances of modern slavery in their operations and supply chain. The selected subset was representative across various sectors and geographies.

The full results of our three-step approach and our detailed engagement findings are detailed in a report that has been made available to our clients and investment consultants via Longview's client portal.

#### Effectiveness and Outcome of our Approach

Our thematic engagement on modern slavery has allowed us to assess our portfolio's exposure to modern slavery risk while establishing a reference framework that can be used for future engagements with our portfolio companies. Going forward, Longview may engage with a different cohort of companies, in a specific sub-industry, or with companies where modern slavery issues have been identified; or with newly purchased portfolio companies.

In our engagements, we learned that engaging on modern slavery is a nascent effort for some companies; while others already have established frameworks in place to begin addressing the risks more effectively. Overall, we were encouraged by the quality of responses and the willingness of most companies to engage with Longview on this issue and share information.

It is clear that the global community can only make progress if companies have the right incentives in place to identify failings related to modern slavery practices. We believe that investor-led engagements may be an effective incentive. However, it is also important for investors to create room for companies to be honest about their failings and then follow-up to ensure that the appropriate remediation has taken place. In other words, companies need to feel comfortable 'disclosing without shaming.' This is critical if responsible investors and companies are to work together on addressing this human rights crisis.

- (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
- (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

(C) Customers and end-users

(D) Other stakeholder groups

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:

We used publicly available information from company websites, Corporate Social Responsibility (CSR), ESG or sustainability reports during our research to inform our thematic engagements with portfolio companies on Modern Slavery. For more details pertaining to our thematic engagement on Modern Slavery, please refer to our previous response provided in this questionnaire.

**(B) Media reports**

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

In 2022, Longview's Compliance Team added an adverse media module to their KYC6 monitor, an application by Acuris Risk Intelligence. This new module helps us identify criminal activity in connection with modern slavery risks relevant to Longview's portfolio companies and is complementary to the modern slavery data or media reports that we already sourced through Sustainalytics, our external ESG-data provider.

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

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

We used the 2018 Estimated Prevalence of Modern Slavery by Country figures as provided by the Global Slavery Index, which can be found at <https://www.globallslaveryindex.org/2018/methodology/prevalence/> in our research and portfolio risk assessment. We also used the Global Estimates of Modern Slavery: Forced Labour and Forced Marriage report, Geneva, 2022.

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

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

We used the International Labour Organisation's (ILO) Global Estimates of Modern Slavery: Forced Labour and Forced Marriage report, Geneva, 2022, in our research and our portfolio risk assessment.

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

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

We analysed company-specific data provided by Sustainalytics, our external ESG-data provider, to assess the scope of social standards for suppliers for a sub-set of our portfolio companies;

**(F) Human rights violation alerts**

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

Please see (B) above.

- (G) Sell-side research
- (H) Investor networks or other investors
- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

## 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	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(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
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

(1) for all 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

## 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

(1) in all cases

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

(1) in all 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

(1) in all 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

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(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

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(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

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(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

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(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

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(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

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## 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.

Longview conducted a series of calls with the leadership team of a UK consumer discretionary company in our portfolio, in 2021 and early 2022 on the topic of executive remuneration. Longview had communicated to the company that it was unlikely to vote in favour of its new remuneration policy unless the wording reflected the importance of profit metrics as part of the annual incentive scheme for executives.

In May 2022, the revised remuneration policy was released, including the following two changes to the Annual Incentive Scheme: The company will ensure that at least 60% of future years' incentives will be based on financial metrics (up from 50% in the original proposal); and the company intends that "profit will be the predominant financial metric."

Through these engagements, we recognised that the company had taken positive steps to further align executive remuneration with shareholder interests and that our objective was achieved. As a direct result of this improvement, Longview voted in favour of the company's remuneration policy at the AGM in June 2022.

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

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

(1) for all of our AUM

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

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

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

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

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

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

○

# 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

Addressing the Risks of Modern Slavery

(4) Number of targets set for this outcome

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

(B) Sustainability outcome #2

(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

Addressing the Risks of Climate Change

(4) Number of targets set for this outcome

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

(C) Sustainability outcome #3

(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

Diversity and Inclusion

(4) Number of targets set for this outcome

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

- (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

## 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

## THIRD-PARTY EXTERNAL ASSURANCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 2	CORE	OO 21, CBM 1	N/A	PUBLIC	Third-party external assurance	6

For which responsible investment processes and/or data did your organisation conduct third-party external assurance?

- (A) Policy, governance and strategy
- (C) Listed equity
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited
- (C) Listed equity
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited

## 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