Longview Partners UK Stewardship Code Report on Calendar Year 2023

Submitted April 2024

Statement of Compliance and Disclosure

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

We set out below how Longview applies the Principles of the UK Stewardship Code for asset managers and note that Longview will continue to improve and evolve elements of its approach to stewardship as necessary.

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

Longview is a specialist 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[1] and the balance held by ten working Members of Longview. Longview operates a simple, clearly defined business model principally for institutional clients. Business strategy is determined by the Board of Directors of Longview Partners (Guernsey) Limited (LPG), based upon information from key executives where necessary.

Purpose and Culture

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

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

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

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

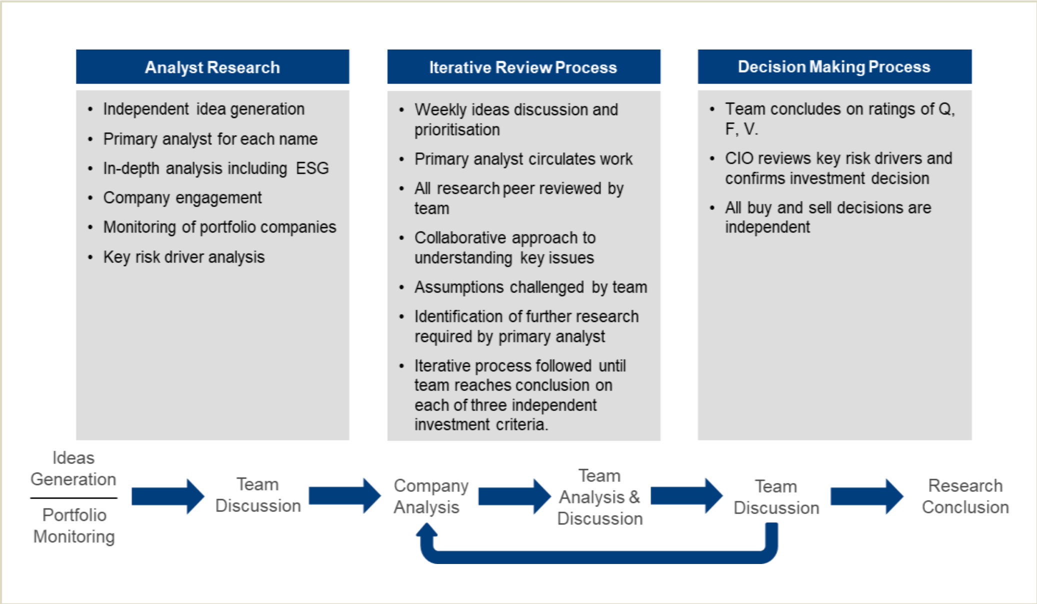
The positive impact of good governance on shareholder value is well understood and failures in governance are potentially a significant source of value destruction. Good corporate governance within a clear and transparent framework builds trust and predictability in a business. This has been a focus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

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

Investment Beliefs

Longview seeks to consistently generate alpha through investing in a concentrated portfolio of global equities. Our bottom-up approach invests in high quality companies with strong business fundamentals and attractive cash-based valuations. We strive to invest in predictable businesses and to avoid investing in companies that are highly exposed to exogenous factors. We consider the diversification of common business drivers within the portfolio to avoid excessive risk concentration. The following diagram shows the decision-making process that our Research Team follows. It is the iterative application of this process that we believe will help us to deliver sustainable returns for our clients and their beneficiaries.

Decision Making Process (Figure 1)



The key market anomaly that Longview seeks to exploit is the difference between perceived quality and actual quality, as we believe that there are many quality misperceptions when analysing individual companies. It is the exploitation of this anomaly that we believe can lead to outperform the benchmark by 3% per annum gross of fees, over rolling 3-year periods, adding value for our clients and their beneficiaries.

Below is an example of a Buy Note released by one of our Research Analysts for a Financials stock that was purchased in 2023. The extract demonstrates one of the outcomes of the decision-making process and is indicative of the quality attributes that we find attractive in a company. Further details on the investment criteria for Quality are described in Figure 2. The company name in the following example has been withheld to preserve the anonymity of Longview's holdings.

Example Buy Note Extract (2023) – US Health Care Company

The company is a leading player in the global life sciences industry. It manufactures and distributes scientific instrumentation and related consumables as well as providing outsourced drug manufacturing and clinical trial services. Over the last ten years, the company has increased its focus on the pharmaceutical and biotech industry, from which it now derives over half of revenues, with the remainder from a diverse range of end-markets including other healthcare customers, governmental and academic research, food safety, water quality and semiconductor research.

The company holds leading positions across a diverse range of niche markets. Scale is a key competitive advantage with its breadth and depth of capabilities making it an important partner for its customers and placing it in a unique position to cross-sell its services. Scale also brings the opportunity to outspend smaller peers on research & development. Despite some Covid-related volatility in revenues, the company is a predictable business with over 80% of revenues being recurring and significant diversity of revenues by end-market, product and geography. It earns high and sustainable returns on capital supported by high barriers to entry and scale advantages.

Whilst the short-term outlook includes a decline in Covid-related revenues, the business continues to benefit from durable underlying growth tailwinds including ageing populations, the growing prevalence of biologic drugs and the increased outsourcing of drug manufacturing and clinical trials. The company typically spends two thirds of free cash flow on bolt-on acquisitions that expand its capabilities and strengthen its competitive position and has proven to be a disciplined acquiror over the last decade and more. Excess cashflow is returned to shareholders through a combination of buybacks and dividends. We have rated the company Quality 1 and Fundamentals 2 (Figure 2 below includes further information on our investment criteria).

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

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

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

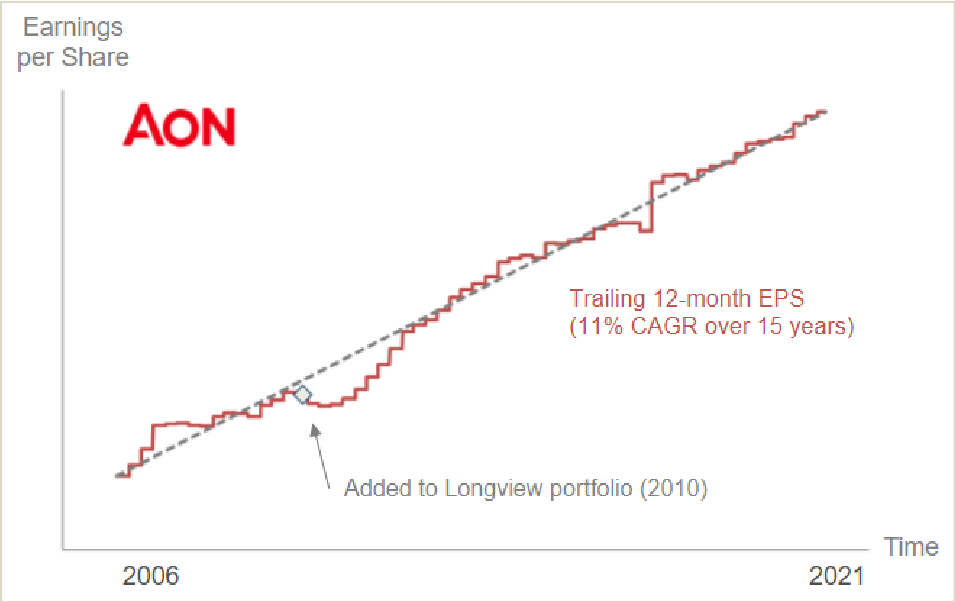
Investment Criteria for Quality (Figure 2)

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

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

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

Differentiated Approach to Quality – Aon (Figure 3)



Serving our Clients and their Beneficiaries

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

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

Case study (2023): Building and maintaining long-term client relationships (US State Fund)

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

Since inception, the mandate outperformed its benchmark by 2.69% on an annualised net-of-fees basis, as at 31 December 2023, passing on this benefit to retirees who had chosen a career in public service. Over the years, in line with Longview's commitment to regular communication and transparency, we met with the investment staff representing the Fund two to three times per year to update them on the portfolio and discuss their questions or concerns. We also regularly presented to the Fund's Trustees which included beneficiaries of the Plan.

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

Case study (2023): Achieving carbon neutrality in our operations with Carbon Neutral Britain

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

In June 2023, Longview achieved Carbon Neutral Certification[2] in its operations, meeting all of Carbon Neutral Britain's Certification™ standards. This covered measuring, calculating, and offsetting carbon emissions within the Scope 1, 2, and 3 GHG emissions boundary from January 1, 2022, to December 31, 2022, using the ISO 14064 and GHG Protocol Emissions Standard principles of relevance, completeness, consistency, transparency and accuracy. This assessment will be an annual practice going forward as part of our ongoing commitment to sustainability.

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

The projects in the above two funds have been selected by Carbon Neutral Britain based on both their direct and indirect impact around the world - not just in offsetting, which is one of the key reasons why Longview selected to partner with them in this initiative. Indirect impact may include projects supporting education, employment and clean water, as well as having a net positive impact on the local wildlife and ecology (e.g. tackling improved biodiversity and mixed reforestation in Costa Rica; and hydro power in the Andes Mountains in Chile).

2 Longview Partners LLP was certified in June 2023 as a Carbon Neutral Business by Carbon Neutral Britain Ltd (carbonneutralbritain.org). This certification verifies that the firm has met all Carbon Neutral Britain Certification™ standards in measuring, calculating and carbon offsetting organisational carbon emissions within the Scope 1, 2 and 3 GHG emissions boundary during the period of 1st January 2022 to 31st December 2022. Compensation was paid by the firm for the services provided by Carbon Neutral Britain Ltd and carbon credits were purchased to offset the measured carbon emissions.

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

Diversity and Inclusion

Longview's culture is one of openness and discipline, and we embrace it in everything that we do. We believe that our people are our firm and our firm are our people. Human capital management is of critical importance to Longview; and we are blessed with long tenure amongst our staff. Matters such as Diversity and Inclusion (D&I) are increasingly important to us and we are committed to taking such initiatives forwards over the next three to five years.

In 2023, we achieved various outcomes which are aligned with our three corporate sustainability pillars – Our Environment, Our Community and Our People, as summarised in the table below. We believe these outcomes contribute towards Longview's holistic stewardship approach.

Our Environment	Our Community	Our People
• **Longview is certified carbon neutral in its operations** • In our London offices, electricity is sourced 100% from renewable schemes • **Partnership with Carbon Neutral Britain through its Climate and Woodland Funds; supporting offset projects with social and economic benefits.** • Member of IIGCC for investor collaboration on climate change • Publishing our inaugural TCFD Report in June 2024	• **Active member of the Diversity Project to promote diversity and inclusion in the industry** • **Lead meaningful engagements in the community with an emphasis on education and mentoring: (e.g. Longview's Partnership with Mosaic)** • **Annual internship programme including candidates from #10,000BlackInterns; and GAIN (Girls are Investors).** • Charitable support: Matched-funding programme	• **Firm-wide internal and external Sustainability Training provided annually** • Diversity & Inclusion Committee established in February 2021; Longview's Framework for Action. • Longview's learning culture • **Continue to focus on expanding the candidate pool in recruitment** • **Longview's culture audit** • Longview's engagement survey: we continue to nurture our culture by maintaining psychological safety and accountability.

Note: Outcomes achieved in 2023 or where related work has continued on in 2023, are identified in bold.

Our Environment:

- As described in the case study above, in 2023, we became a carbon neutral business and we offset our total carbon emissions through internationally certified carbon offsetting projects around the world within two of Carbon Neutral Britain's funds – the Climate Fund™ and Woodland Fund™.
- The projects have been selected by Carbon Neutral Britain based on both their direct and indirect impact around the world; which may include projects supporting education, employment and clean water, as well as having a net positive impact on the local wildlife and ecology.

Our Community:

- Strengthened our Internship Programme by developing more comprehensive sessions. Our Internship Programme includes candidates through Girls Are Investors (GAIN), a charity set up by investment professionals to improve gender diversity in the asset management industry; and candidates from the industry initiative #10,000Blackinterns.
- Talent pool support for two diversity-focused recruitment firms: Women Returners; and _nology.

- Continued to participate in mentoring programmes at secondary schools through Mosaic (a Prince's Trust organisation)
- Engaged with clients and partners on Diversity & Inclusion (D&I), held speaking engagements on D&I at industry conferences and exchanged best practices with our partners.

Our People:

- Delivered our annual internal sustainability training, consistent with previous years. The training is compulsory for the Research and Client Services Teams; and available to the entre firm. In 2023, we also conducted external training, as described in further detail under Principle 2.
- Conducted a firm-wide Culture Audit[3] to assess the firm's culture; this was conducted by an Independent External Compliance Consultant.
- Improved parental leave policies, benchmarked against our peers.

In 2022, our Diversity & Inclusion (D&I) Committee introduced our Framework for Action to assess the firm's diversity and ensure that a continued inclusive environment persists. Previously, in 2021, we had engaged with portfolio companies to push for increased workforce disclosure and to understand intentions around diversity amongst management roles. Since then, this thematic Engagement has served as a reference framework in our ongoing work to assess the need for engagement with portfolio companies on their D&I commitments and initiatives. In fact, in 2023, we engaged with five companies on their D&I initiatives and reported our findings to our clients.

Longview also supports the Diversity Project whose aim is to create a diverse and inclusive investment industry. Marina Lund, CEO and Partner of Longview Partners, is a member of the Diversity Project's Advisory Board and Katie Moran, Research Analyst, Partner, is a member of the Steering Committee. Marina also leads one of the Diversity Project's Pathway Programme five focus themes on 'how to be a good investor'. The objective of the programme is to foster female portfolio manager talent by giving women selected by their firms the best opportunity to progress and succeed in the industry.

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

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

Governance

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

Ultimately, the ExCo is accountable for ensuring that the approach taken by the organisation towards stewardship is adequate and appropriate. In 2023, the Longview Partners UK Board reviewed Longview's sustainability strategy detailing our approach to ESG integration, stewardship and corporate responsibility. Longview also maintains a detailed Framework document which sets out the criteria and expectations around all matters of stewardship, the integration of ESG analysis and engagement. The document guides the Research Team in the implementation of stewardship activities with portfolio companies and ensures that ESG analysis is integrated in a consistent manner. It is also reviewed and approved by the Board and the ExCo on an annual basis.

Longview's Head of Sustainability works closely with the Research and Institutional Clients Teams on ESG considerations and the developing requirements of our clients. For additional governance around key topics,

3 The "Culture Audit" was conducted by an external compliance consultant in Q2 2023, in accordance with a written Terms of Reference agreed at the outset. No materials conflicts of interest in the context of this business relationship have been identified. A monetary fee was paid by the firm for the work conducted by the consultant.

Longview's CIO, Head of Research, Head of Sustainability and the Institutional Clients Team hold an ESG Review on a quarterly basis to review stewardship and ESG-related activities. The Head of Sustainability also attends the weekly Research Meeting where Longview's CIO, Head of Research and Research Analysts discuss on-going company research. The Institutional Clients Team is responsible for the maintenance of stewardship and ESG-related policies.

Firm-wide internal sustainability training is provided annually and is compulsory for the Research and Client Services Teams. The training is provided by the Head of Sustainability and Institutional Clients Team with input from the CIO and Head of Research, and involves briefings on emerging issues and trends, regulatory developments and Longview's ESG activity and engagements with companies. The training also comprises key topics raised through our interactions with clients and consultants and relevant industry research and/or content available through the UN-Principles for Responsible Investment (UNPRI), Institutional Investors Group on Climate Change (IIGCC) and other associations. In 2023, an external firm-wide sustainability training was also provided by specialist ESG consultants addressing the sustainability policy landscape globally and company-specific case-studies.

In 2023, the Head of Sustainability and members of the Institutional Clients Team received external knowledge, analysis and one-on-one sessions and deep-dives from Sustainalytics on their ESG risk rating methodology and the use of their reporting tools; and from S&P Trucost on various climate analytics. More details about these providers and their ESG-related services are provided under Principle 8. The Head of Sustainability and members of the Institutional Clients Team have also attended various conferences and webinars provided by organisations such as the UNPRI, Morningstar, Carbon Trust, Callan Institute, S&P Global, Carnegie Mellon University and INSEAD Business School covering a range of topics – from industry-wide sustainability themes to more specific topics such as Responsible AI.

Longview also maintains an Engagement Log, managed by the Institutional Clients Team, which monitors outcomes and co-ordinates quarterly reporting to clients. Please refer to our Engagement Log extract under Principle 9 for further information. Longview is proud of a track record that demonstrates a lack of breaches surrounding conflicts of interest in relation to stewardship and we are confident that this is an indication of the strength of our governance structure.

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

In-line with our culture of continuous improvement, several of the initiatives detailed in this report (summarised in the list below), were new for 2023. We believe that these improvements have increased the effectiveness of our governance around stewardship matters.

- Longview's culture audit
- Achieving carbon neutrality across our offices
- Thematic engagements with portfolio companies on Access to Health Care; and Data Ethics & AI
- Continued climate stewardship through our Climate Commitments Audit
- Revised ESG Framework with details on Longview's ESG Factors
- Joining ATNI's collaborative initiative and becoming signatory to their Investor Expectations on Diets, Nutrition and Health
- External sustainability training in addition to our annual internal sustainability training
- Partnership with the Carbon Trust on our upcoming TCFD disclosure

Additional governance:

- ESG Audit
- External Compliance Review

Resources

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

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

Regarding gender diversity, 42% of staff are female, and the role of Longview CEO and Head of Institutional Clients is held by Marina Lund. Marina is a Partner, was co-CEO from 2014 – 2019 and CEO since 2019. She has been with Longview since 2007 and in the financial services industry for over 30 years. In addition, one of the firm's Senior Managers, Emma Davies, is Longview's CFO, Member of the ExCo and Partner. Kate Campbell, Managing Director and Finance Director, is also a member of the Executive Committee of Longview Partners (Guernsey) Limited and a director of the Board.

In 2021, Marina established the Diversity & Inclusion (D&I) Committee, mentioned under Principle 1, which aims to recognise the benefits of different and varied perspectives, and to recognise that diversity and inclusion are critical components in the creation of a trusting and committed workplace, which is fundamental to Longview's culture. The group recommends firm-wide objectives for improvement, with the aim of promoting good D&I practices within Longview, which means Longview and its stakeholders benefit from inclusive decision-making through a diverse workforce.

Service Providers

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

Since 2020, Longview has engaged Sustainalytics for specific third-party ESG reporting provided to our Research Team. The Research Team uses primary source material in analysing businesses and uses ESG information and independent assessments from Sustainalytics and Glass Lewis to supplement their ESG work. Both provide company-level data, research and analysis which cover a variety of ESG themes.

Since 2022, we have engaged S&P Trucost to source more comprehensive carbon data and metrics that are aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Structurally, in line with our investment philosophy, our portfolio is expected to have low carbon emissions and intensity relative to global benchmarks due to our lack of exposure to oil and gas, mining, metals and deeply cyclical businesses. However, we believe it is important to develop a better understanding of the climate risks associated with our holdings, while having access to the appropriate data sets and reporting capabilities. More information is provided on S&P Trucost's services under Principle 8.

In December 2022, we engaged Carbon Neutral Britain to measure our operational carbon emissions as described under Principle 1. We have used Carbon Neutral Britain's findings to report on Longview's operational greenhouse gas (GHG) emissions, throughout 2023, in our preparations for TCFD disclosure. This report is due to be published in June 2024.

Incentive Structure

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

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

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

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

Effectiveness and Outcomes of Stewardship

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

Governance	Effectiveness and/or improvement
LPU Annual Policy Review	When appointing Directors of Longview Partners UK Board (LPU), consideration is given to their expertise in areas that complement the Executive Committee (ExCo) of Longview Partners LLP. This governance structure encourages the ExCo to leverage the calibre of the individuals on the LPU Board to provide review and knowledge of key areas; and facilitate challenge and debate. In 2023, the review of key Longview documents by LPU directors, included but was not limited to Longview's: • UK Stewardship Code • ESG-related Policies • Compliance Manual and Annual Report • Internal Capital and Risk Assessment regulatory document (ICARA)
Ongoing monitoring via our Engagement Log	In 2023, our Engagement Log helped us effectively track 19 separate engagements with 15 different portfolio companies (as shown in Figure 9 under Principle 9). This includes our thematic engagements on Access to Health Care; and Data Ethics & AI. The Log enabled us to successfully follow-up with companies and either achieve the intended outcome, keep track of any progress or escalate a specific issue. This growing database is a key source of input for the Research Team on engagements for their updated assessment of a company's Quality and for monitoring specific issues for an upcoming proxy-voting decision. Please see Figure 8 under Principle 9 for an extract from our Engagement Log.
Compliance monitoring	Longview is proud of a track record that demonstrates a lack of breaches surrounding conflicts of interest in relation to stewardship and we believe that this is an indication of the effectiveness of our governance structure.

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

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

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

- Brokers: broker selection and payment of commission to brokers;
- Research providers: provider selection and payment for research;
- Dealing and Investment Decisions: allocation of aggregated client orders, dealing errors;
- Staff: personal account dealing undertaken by members of staff;
- Staff: gifts, entertainment or inducements offered or received by Longview and its staff;
- Staff: outside business interests must not affect the ability of a member of staff to make judgements or decisions in the best interests of Longview and its clients;

- Staff: political contributions or charitable donations to persons or in relation to persons who are in positions to influence decisions to retain Longview;
- Research: Longview votes with its own interests which may conflict with the interests of clients.

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

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

Applying our Conflicts of Interest Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

The CIO is responsible for investment risk management. Key risks at the company level are discussed in every research meeting and Risk Clusters are reviewed by the Research Team on a consistent basis. The risk management function works closely with both Research and Trading, and risk management principles are incorporated within the entire investment process. Generally, we assess Risk Clusters across sectors as the same business risks may be relevant to a variety of sectors or sub-industries. Below, we provide examples of Risk Clusters added in 2023. We believe this demonstrates the effectiveness of our approach in identifying and addressing market-wide and systemic risks in a systematic way through our Key Risk Drivers Framework and the implementation of our research process.

Case Study 1: Additional Risk Clusters – Supply Chain Disruption and Lower Obesity

In 2023, the Research Team integrated two newly identified Risk Clusters into our Key Risk Drivers Framework, which were assessed to be relevant to our portfolio companies. In addition to focusing on the impact of these risks on each company, our Framework also highlighted the aggregate exposure of the portfolio to these risks and enabled us to consider how the portfolio as a whole might be impacted.

Supply Chain Disruption

Seeks to capture exposure to selling/distributing physical goods. We have assessed companies which derive their competitive advantage from their supply chain as well as companies that we consider to be at higher risk from disruption to their supply chain. The companies with more options or control over their supply chain but which sell physical goods are also assessed in the Framework.

Lower Obesity

Seeks to capture exposure to a decline in the incidence of obesity, primarily in the United States. The current key driver of this is GLP-1 (Glucagon-like peptide-1) drugs, however, it could also encompass other technologies focused on lower obesity.

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

Case Study 2: Applying our thematic engagement on Modern Slavery – one year on

Background

In 2022, we had focused on the systemic risk 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 such risks in their operations and global supply chains. Our thematic engagement 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.

Throughout 2023, we applied our framework to engage with a newly purchased US based consumer staples company. The company employs a significant number of low-wage workers and was addressing workplace safety concerns, both of which are potential high-risk areas for modern slavery concerns.

Direct engagement with US Consumer Staples Company

In November 2023, Longview held a call with the company's Chief People Officer, General Counsel and VP of Corporate and Social Responsibility amongst other participants. The purpose of the call was to discuss the company's methods for evaluating modern slavery risks and their workplace safety measures. In the extract below, we have only included the details of our discussion on modern slavery.

The company described their risk-based approach which encompasses factory audits, workplace safety evaluations and facility inspections. They have auditing procedures in place for direct import merchandise to ensure workplace safety and fairness; while prohibiting forced labour and child labour, amongst other unethical practices. They have different and more stringent procedures for their international direct import vendors, including annual workplace assessments conducted by a third-party auditor which must take place before the contract is signed. The company's audits also consider the country of origin of direct import merchandise. They have a Human Rights Risk Assessment and Supply Chain Transparency Disclosure which describe their policy on sourcing safe and quality products from vendors and manufacturers around the world.

The company explained that they aimed to influence workplace improvements in their supply chain, requesting corrective action plans when issues were identified and that US-based national brands were not held to the same testing thresholds compared to international suppliers, largely due to their consistently higher performance in audits. For private labels, where the company is not the importer of record, vendors must also complete risk-based assessments to determine which products should be included in the auditing programme. Their Global Compliance Department oversees the audit programme, assessing relevant risk factors and implementing necessary mitigation procedures.

They also have a training programme that helps employees detect policy violations and ensure product safety in their supply chain. We asked the company about any identified modern slavery instances in their operations and supply chain, and the General Counsel confirmed that they have not had any serious violations during her tenure. She had been General Counsel since 2015. In terms of remediation procedures, the company terminates the contract and discontinues any future engagement with the vendor. They also report any potential criminal cases to the authorities. They would take action if any instances of modern slavery were identified or if their ethical standards are violated. She did mention two failed workplace conditions assessments, resulting in contract terminations.

Effectiveness and Outcome of our Approach

Through this engagement, we were able to achieve our objective of assessing the company's modern slavery standards in relation to the cohort of companies we had previously assessed in 2022. We recognised that the company had good standards of practice, although their approach was not as comprehensive as some other companies in the portfolio. That being said, we continue to believe that investor-led engagements are an effective incentive for companies to tackle the systemic risk of modern slavery. Going forward, we will engage with companies on potential high-risk areas while creating room for them to be honest about their failings and ensuring that the appropriate remediation has taken place.

Longview Focus Theme for 2023: Addressing the Risks of Climate Change

We believe it is important to keep track of our portfolio companies' progress to reduce greenhouse gas (GHG) emissions to help tackle the systemic risk of climate change. For this purpose, we initiated a Climate Commitments Audit of our portfolio companies at the end of 2021 to assess climate intentions across the portfolio. Importantly, we then followed up on our findings throughout 2022 and 2023 by engaging with 17 portfolio companies where we requested more clarity on climate plans or pushed for stronger commitments.

We plan to continue conducting this exercise 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 for 2023.

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.

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 2024: 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 is detailed in a report that can be made available to our clients and investment consultants upon request.

Results

The Longview portfolio currently has zero direct exposure to fossil fuels, and no direct exposure to industries such as cement production, where carbon emissions are characteristically high and most difficult to abate. We compared our results to the most recent research published by MSCI, global provider of financial indices, on the disclosure of climate commitments made by the 4,458 companies in the MSCI ACWI IMI, based in G20-member countries.

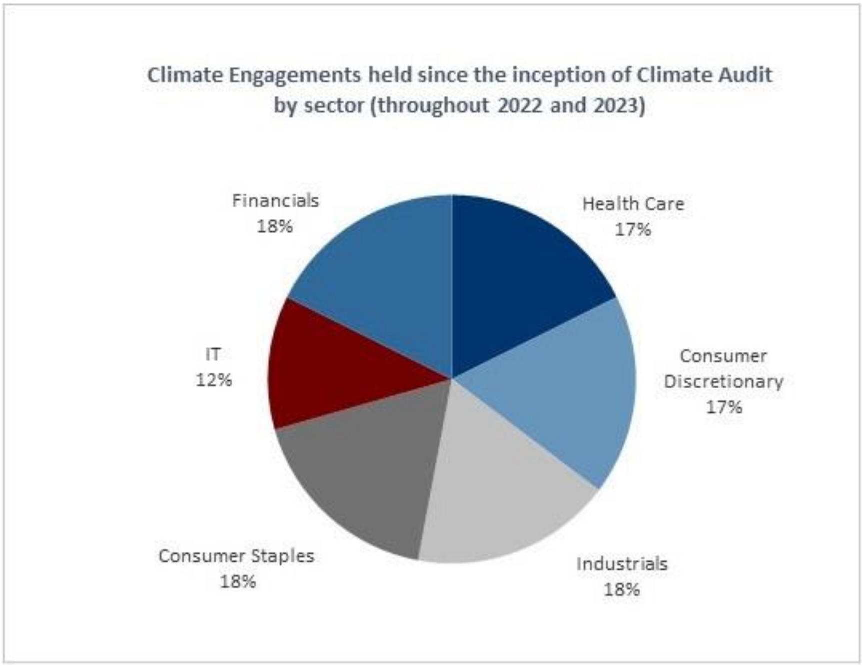
The results are compared to the Longview portfolio, as at 31 December 2023:

	Longview Portfolio	MSCI ACWI IMI
Net zero target	76%	34%
Carbon emissions reduction target	93%	49%

Note: Climate Commitments for MSCI ACWI IMI provided by MSCI ESG Research and CDP, as of May 31, 2023 (MSCI's Net-Zero Tracker).

Below is a snapshot of the engagements held since the inception of our climate audit in December 2021.

Addressing the Risks of Climate Change (continued from the previous page)



Note: A total of 17 engagements were held. There may be multiple engagements with one company.

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 2023 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.

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

In terms of a well-functioning financial system, Longview recognises and adapts to new regulation designed to protect the smooth functioning of the market. An example of this pertains to our preparations for the accelerated US T+1 settlement cycle which comes into effect in 2024. Following the adoption of the rule amendments by the SEC in February 2023, Longview established an internal working group. Led by Longview's COO, this brought together representatives from our Trading, Compliance, Operations, Technology, and Relationship Management teams to assess the potential impacts to our clients and our management of their portfolios.

Our initial impact analysis across the trade lifecycle highlighted areas that required further investigation, especially within our trade, booking and matching, and FX processes. To this effect, Longview engaged with industry participants, including the Depository Trust and Clearing Corporation (DTCC) and client-appointed custodians, to discuss the processes affected by the change and implement the testing required. We tested various scenarios across the end-to-end execution life cycle in a T+1 environment. These collaborations have allowed us to evaluate and develop solutions to enhance our process and procedures to accommodate the new settlement cycle.

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

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

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

Industry Bodies and Affiliations

Longview has been a signatory to the UK Stewardship Code since 2011 and has been supportive of the FRC's efforts to widen the scope of and improve engagement with the UK Stewardship Code across the industry. During 2019, Longview participated in consultations with the FRC regarding the update to its UK Stewardship Code. Our intention was to help the Council gather information to ensure that the Code is as beneficial and effective as possible.

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

Longview is also a member of several other industry bodies which have varying roles to ensure that aspects of the overall financial system function well and that systemic risks are highlighted, understood and addressed. These include:

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

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

Another example is the Independent Investment Management Initiative (IIMI), a think-tank that offers an independent, expert voice in the debate over the future of financial regulation, of which Longview is a member. Over the years, the IIMI has engaged with members of the UK government, HM Treasury, the FCA and the European Commission to name a few, in order to maintain, improve and promote a well-functioning financial system. In 2023, members of the Institutional Clients and Operations teams participated in events aimed at fostering collaboration and knowledge sharing amongst IIMI members; and Longview's Head of Sustainability liaised with IIMI for guidance on external sustainability training.

We are also comfortable engaging with other influential investors on contentious issues in a direct manner if we believe that management was failing to act in shareholders' interests, and we have done so in the past through written correspondence regarding capital allocation concerns. In one such instance, we did share the response that we received from another influential investor we engaged with, which was in support of Longview's position, with the portfolio company's management team. This effort was part of our multi-pronged approach of engaging with the company regarding their planned acquisition. We describe our approach to collaborative engagement in more detail and provide examples for 2023 under Principle 10, including more information on becoming a signatory with ATNI, listed above.

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

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

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

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

Given its size, Longview does not have an internal audit department. However, Longview is subject to two separate annual external audits; being Longview's financial audit and ISAE 3402 Report on internal controls. In line with our culture of continuous improvement, Longview is always seeking to improve its processes and policies and ensure they are fit for purpose. As outlined in Principle 2, one improvement made in 2023 was the introduction of an external sustainability training, in addition to the annual firm-wide internal training provided in previous years. Whilst evaluating the effectiveness of our training initiatives, we recognised that incorporating an external perspective would be helpful in mapping out the global sustainability policy landscape more comprehensively and exploring different methods of assessing ESG risks.

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

Case Study 1: How our review and assurance have led to the continuous improvement of stewardship policies and processes

ESG Audit and Annual Policies Review

In 2023, we updated our stewardship and ESG-related policies and tools to address recommendations from our Compliance Team following an ESG Audit which they conducted in addition to the ongoing CMP Programme described above. The audit aimed to gain a comprehensive understanding of Longview's integration of ESG and stewardship within its investment process and its corporate social responsibility.

More specifically, the audit considered client outcomes, reviewed how Longview has been supporting clients in achieving their long-term ESG objectives; and assessed relevant internal and external documentation, marketing materials and the use of ESG-related tools to define the boundaries of the firm's approach. In terms of outcomes, the audit ensured that Longview was effectively managing its regulatory risk in the context of the above areas. Longview has a dominant compliance culture and we seek to identify and mitigate any potential regulatory risk; it was through this lens that this holistic assessment was conducted. Lastly, the audit also outlined a comprehensive set of observations and recommendations aimed at fortifying Longview's ESG approach, including amendments to some of our policies. A few examples are listed below.

- ESG Framework was updated to provide more information on the ESG factors that Longview's Research Team may consider in their assessment of ESG risks and opportunities. As a reminder, the ESG Framework sets out the criteria and expectations around all matters of stewardship, the integration of ESG analysis and engagement.
- Responsible Investment and Engagement Policy was updated to reflect the enhancements above.
- Engagement Log was amended to include a new column for "Completed Outcome" to track these more systemically.

The policies above were also updated to reflect feedback received from the Board and ExCo's annual policy review. Specifically, the amendments made for 2023 introduced language in our Responsible Investment and Engagement policy around our approach to assessing social risks in the investment process based on insights we had gained in our Modern Slavery thematic engagement. We believe that the implemented amendments clarified our stewardship approach and related policies even further.

The updated policies and ESG Framework are sent to clients, prospects and consultants regularly throughout the course of the year to address questions on our stewardship approach. By maintaining a high level of accuracy and accountability in our polices, we ensure that they are enabling effective stewardship.

Case Study 2: How our review and assurance have led to the continuous improvement of stewardship policies and processes

Quarterly ESG Reviews and Weekly Research Meetings

As mentioned under Principle 2, Longview's CIO, Head of Research, Head of Sustainability and the Institutional Clients Team hold an ESG Review on a quarterly basis to review ongoing stewardship activities, ESG risks and controversies flagged by our data providers, amongst other sustainability matters. The Head of Sustainability also attends the weekly Research Meeting. In the past year, the discussions and debates held in these reviews have identified the following improvements:

• New Security Check-list was amended to include a task for Compliance to verify that the MORE ESG Analysis, as described under Principle 7, has been carried out before a new stock is added the portfolio.
• Addition of a functionality on the Research Team Workspace to track ESG engagements held with companies in a more centralised way.
• The need to engage with a portfolio company on a human rights issue that had also been raised by clients in prior months. Details on the engagement and outcome are described under Principle 9.

External Assurance

1) Compliance Review and Culture Audit

As mentioned above, our policies are reviewed and edited externally by our third-party compliance consultants, Judd Advisory, when updates have been made that require an external review; or if any regulatory or legislative changes need to be addressed.

In addition to the above process, in 2023, we engaged an independent external compliance consultant, Business Chameleon, to conduct a comprehensive compliance review aimed at gaining a broad oversight of our compliance framework structure and how the senior management team engages with compliance and regulation. The outcomes of this review were also valuable in gathering the relevant indicators of Longview's existing culture.

The framework of the review was categorised into three areas: Key Findings, Observations & Recommendations and Summary & Next Steps. To this end, a wide range of documentation was reviewed in the areas of governance, Senior Managers and Certification Regime (SMCR), risk and compliance. The following are some examples of the policies reviewed:

- Conflicts Of Interest
- Breaches
- AML & Financial Crime
- Cyber Security
- Diversity & Inclusion
- Compliance Monitoring

In conjunction with the above, Business Chameleon conducted an audit of Longview's culture. The audit was held over a period of five months to provide an assessment of the firm's alignment with the FCA's 4 Drivers of Culture. The review encompassed numerous visits with a broad range of staff members at various levels. These visits served to gather insights into Longview and its culture. In addition to providing an opportunity for Longview's senior management team to explore key opportunities for development and build on staff engagement, the audit yielded the following outcomes:

- We identified and documented positive indicators of our culture.
- We uncovered opportunities for development and growth.
- We facilitated an open discussion and sharing of findings in a firm-wide forum, led by Longview's CEO.

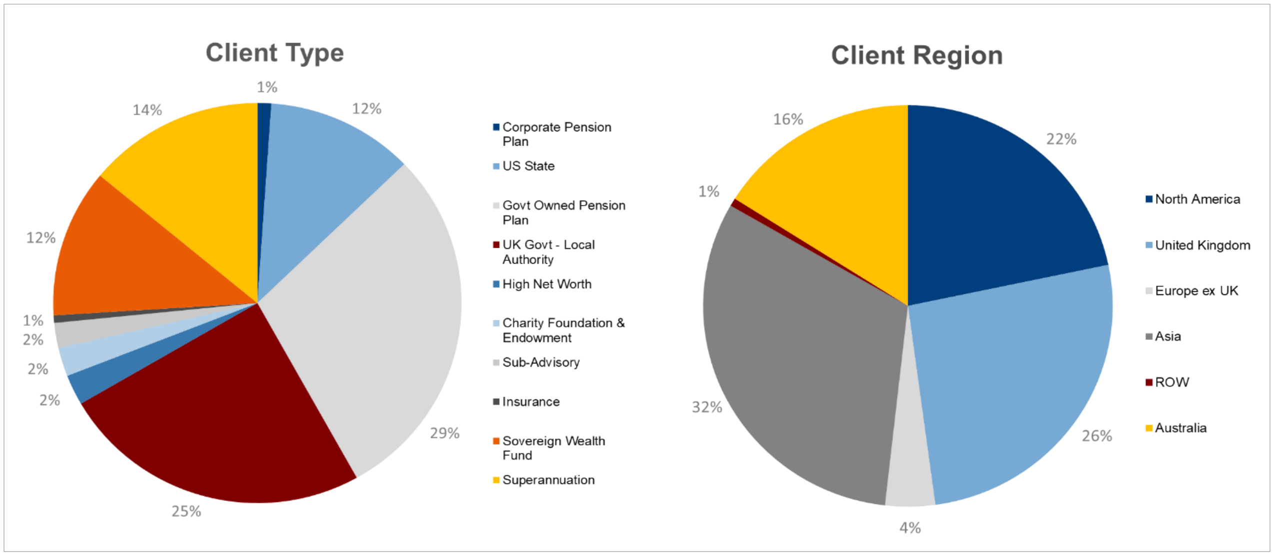
Case Study 2: How our review and assurance have led to the continuous improvement of stewardship policies and processes (continued from previous page)
Lastly, we were pleased to observe that the themes of: belonging, people, quality of outputs, client focus, the firm's values and the sense of team – were identified as part of the audit's findings. *2) TCFD Gap Analysis Review of our disclosures, processes and policies* Another example where Longview sought external advice, in 2023, related to our preparations for TCFD disclosure. We engaged the Carbon Trust, a provider of climate solutions, to conduct a gap analysis review aimed at assessing Longview's current disclosure readiness and maturity against TCFD's four thematic areas and 11 underlying recommendations. The Carbon Trust focused on several activities in their assessment, including: • Review of Longview's existing public disclosures and internal procedure documents aligned to the TCFD pillars • Readiness review to identify gaps to be addressed for disclosure in line with TCFD • Summary of prioritisation of future changes and a roadmap for future action The outcome of this review has already assisted us in considering and integrating a set of key findings in our reporting and processes for TCFD disclosure. It has also enabled us to outline priority recommendations and actions within the framework of a comprehensive three-year roadmap aimed at future TCFD-aligned reporting.

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

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

As previously mentioned, we are long-term investors and our clients typically have correspondingly long-term investment time horizons of three to five years. In fact, many of our clients have remained invested in Longview for longer time periods. As at 31st December 2023, AUM was USD 17,807 million. The Global Equity Strategy is the firm's single product offering and sole focus. Please see Figure 4 for a breakdown of our client base by type and geography for this sole strategy.

Longview Partners: Client Base as at 31st December 2023 (Figure 4)



Note: Percentages may not add up to 100 due to rounding.

Our Approach to Client Relationships

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

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

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

Client Reporting and Communication

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

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

Clients are also provided with a quarterly Portfolio Carbon Report, issued using data from S&P Trucost, which provides information on the portfolio's position with regards to the transition towards a lower carbon economy. The report provides key carbon emission metrics for the portfolio versus the benchmark with the view to offering useful insights about the environmental impact of our investment approach. As a result of our clients' growing climate data requirements for TCFD alignment, net zero commitments and other obligations, we had selected to partner with S&P Trucost in 2022, and we continued to build on our partnership with them throughout 2023 to use their tools effectively and learn more about the reporting capabilities of their climate analytics, which is detailed further under Principle 8. These reporting capabilities have been valuable in helping us address the climate questions of our clients and prospects throughout the year and in preparing for our TCFD disclosure. We provide, in Figure 5, an example of the metrics provided in our Portfolio Carbon Report. We believe this improved report has addressed in a better way the climate data needs of our clients and their beneficiaries throughout the year.

Extract of Portfolio Carbon Report (Figure 5)

Longview Partners: Carbon Report Q4 2023

S&P Global

Overview

Longview Partners' Carbon Report provides key carbon emission metrics for the Global Equity Representative Account versus the benchmark (MSCI World) with the view of providing useful insights about the portfolio's environmental impact. The report presents data at the company, sectoral and portfolio level as provided by S&P Trucost.

	No. Of Companies	Total Apportioned Carbon Emissions (tCO2e)*	Carbon/Value Invested (tCO2e/$m)	Carbon Intensity (WACI) (tCO2e/$m)
Longview Portfolio	30	603	6.0	14.3
Benchmark	1,479	4,008	40.1	100.9
Difference (% Below Benchmark)	-	**85%**	**85%**	**86%**

**For representative $100m investment.*

Longview Partners Portfolio

As a reminder, Longview's Global Equity 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, which are heavy users of energy and significant emitters of greenhouse gases.

As a result, the carbon intensity and carbon footprint of the Longview portfolio are substantially lower than those of the benchmark, a by-product of our investment philosophy since inception.

Apportioned Emissions
This report displays CO2 emissions data for the portfolio apportioned by each company's Enterprise Value Including Cash (EVIC). EVIC is defined as the sum of the market capitalisation of ordinary shares at fiscal year-end, the market capitalisation of preferred shares at fiscal year-end, and the book values of total debt and minorities' interests.

Carbon to Value Invested
Carbon to Value Invested represents total carbon emissions (apportioned by EVIC) normalised by the value of holdings in the portfolio or benchmark on a given date, expressed in tCO2e/USDm invested. This gives an indication of the emissions impact of the portfolio per USDm invested and allows for like-for-like comparisons across differently sized portfolios.

Weighted Average Carbon Intensity (WACI)
Weighted average carbon intensity (WACI) is a measure of carbon emissions normalised by revenues. Since revenues are a relevant comparison point across all issuers, the metric can be used for portfolio decomposition and attribution analyses across sectors and asset classes. WACI is expressed in tCO2e/USDm revenue.

Source: S&P Trucost. Longview Partners Portfolio Carbon Report, 31 December 2023.

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

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

Throughout 2023, Longview has regularly maintained its website with the aim of providing timely information on who we are and what clients can expect from working with us. In assessing the effectiveness of our client communication, our website is one of the ways we have chosen to improve our approach. The website hosts a variety of timely videos and content providing greater detail on our people and our culture, as well as our investment philosophy and process. The sections explaining our approach to sustainability, diversity and inclusion, and giving back to the community provide extensive information on our holistic stewardship approach which we believe is important to communicate to our clients and their beneficiaries. We also include interviews with staff members detailing their experience of working for Longview; this provides an insight into our firm culture.

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

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

Additional Reporting

In order to better respond to client questions on diversity and inclusion, Longview had previously partnered with Fabric3, a data analytics firm which focuses on diversity analytics for investment managers. Fabric3's approach to diversity aligned well with that of Longview's. Their approach involved taking the widest view of diversity and understanding it in all of its forms. Fabric3's methodology breaks diversity categories into 'hardware – physical/visible diversity', 'software – experiential/acquired diversity' and 'operating system – cognitive/neurodiversity'. Fabric3's survey data enabled us to profile the firm and understand our diversity metrics which has helped to inform our Diversity & Inclusion Framework for Action. In 2023, we began providing an annual update on our D&I initiatives. This update along with our Framework are available to clients upon request in order to address their questions regarding Longview's D&I approach and initiatives. In the UK, we also communicate on diversity an inclusion through the Asset Owner Diversity Charter (AODC) Questionnaire, also provided to clients upon request.

In addition, Longview provides data on the firm's most significant votes under obligations from the Shareholder Rights Directive (SRDII). This information is provided annually, in line with the regulation, and on an ad hoc basis, when requested. Longview defines a significant vote as one where we have voted against management, or where >15% of total votes were made against management or withheld; or where we voted against our proxy adviser's recommendation. We have applied this chosen approach consistently when providing the data. Please see the table below for specific details and commentary on individual votes. Note that the data shows a sample of the significant votes made in 2023.

Category	Description	Vote Cast Against/For Proposal	Commentary	Reason for Vote Significance
Board Related	Election of Directors	Against	Affiliate/Insider on compensation committee	Longview has voted against management
Board Related	Election of Directors	For	Longview agreed with the proposal and engaged with the company on their disclosure of clinical trials in Russia.	Longview has voted against Glass Lewis' recommendation
Changes to Company Statutes	Adoption of Federal Forum Provision	Against	Amendment is not in best interests of shareholders	Longview has voted against management
Compensation	Amendment to the 2021 Stock Plan	Against	Pace of historical grants; Excessive cost compared to enterprise value	Longview has voted against management and >15% of total votes were against management or withheld
Compensation	Advisory Vote on Executive Compensation	Against	Excessive compensation	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Compensation	Shareholder Proposal Regarding Severance Approval Policy	For	Shareholders should be consulted before the company enters into severance agreements that provide benefits exceeding 2.99 times salary and bonus	Longview has voted against management and >15% of total votes were against management or withheld

SHP: Compensation	Shareholder Proposal Regarding Severance Approval Policy	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
SHP: Governance	Shareholder Proposal Regarding Right to Call Special Meetings	For	A 10% threshold for calling a special meeting is appropriate	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Governance	Shareholder Proposal Regarding Independent Chair	For	An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Risks of Developing Military Weapons	For	Additional disclosure could help shareholders understand financial and reputational risks from the company's work with the military	Longview has voted against management and >15% of total votes were against management or withheld
SHP: Social	Shareholder Proposal Regarding Board Oversight of Staffing and Patient Safety	Against	Longview voted in line with Glass Lewis Policy	>15% of total votes were against management or withheld
SHP: Misc	Shareholder Proposal Regarding Report on Tax Transparency	For	Additional disclosure could help mitigate regulatory and reputational risks	Longview has voted against management and >15% of total votes were against management or withheld

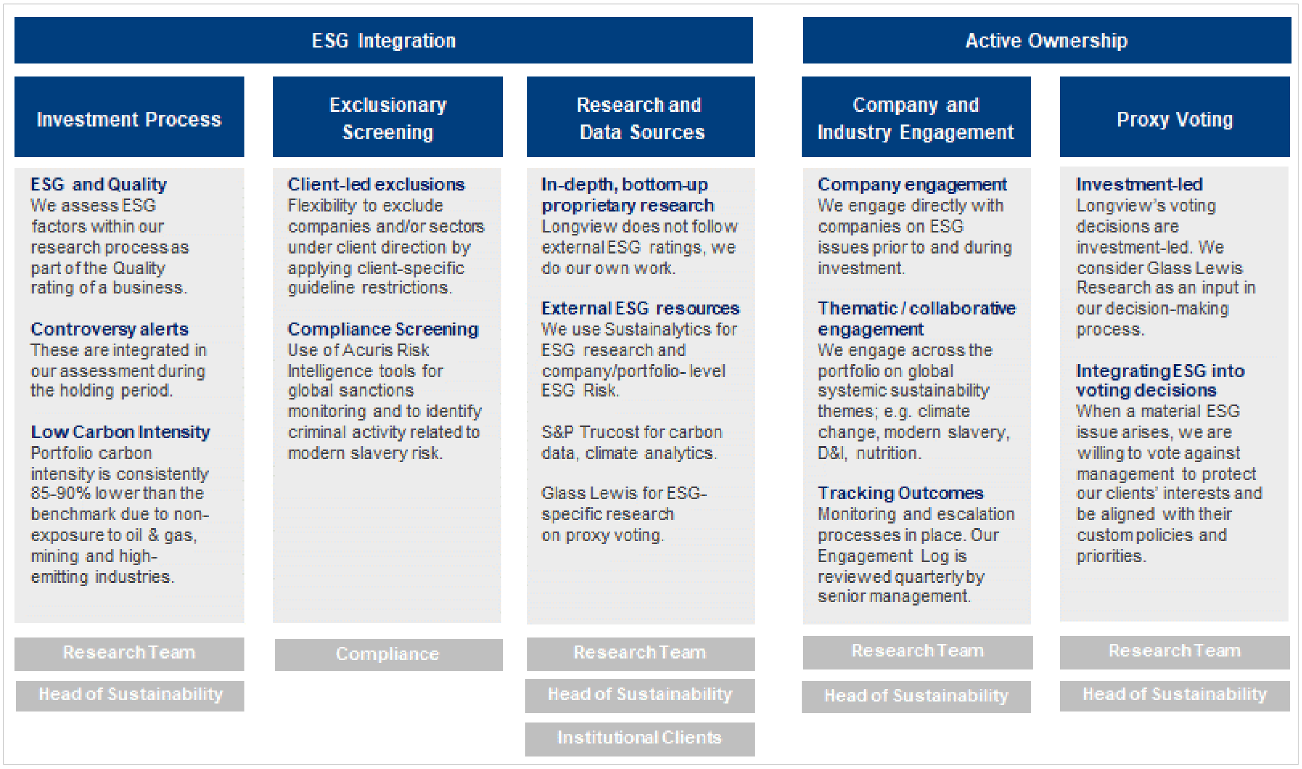
Principle 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

As outlined in Principle 2, at Longview, we take a long-term approach to investment and seek to invest in companies that can create long-term sustainable value. We recognise the importance of an assessment of ESG factors when considering a potential investment or an existing holding.

Our approach to ESG is integrated across our firm and different teams within Longview work together to ensure the effective implementation of our ESG Framework. The key components of the Framework and the responsibilities of each team are set out in Figure 6 below. Given our Global Equity Strategy is the firm's single product offering and sole focus, we only have one integrated approach to ESG and stewardship that we apply across all sectors and geographies for our client accounts.

For review of our Responsible Investment and Engagement Policy, it is available on our website here or at the following link: https://www.longview-partners.com/media/yuxnitto/responsible-investment-and-engagement-policy-2023.pdf.

Longview Partners - ESG Framework (Figure 6)



ESG Integration

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

We consider a wide variety of information when analysing companies. Analysts will generally start by reviewing primary sources of information released by both the company being analysed and its competitors. This includes annual and quarterly reports, presentations, conference call transcripts and a wide range of regulatory filings. In general, we will also meet with company management as part of initial due diligence and portfolio company monitoring.

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

- Sustainalytics – an external provider of ESG information and ratings.
- S&P Trucost – an external provider of TCFD-aligned carbon data, metrics and climate analytics.
- Glass Lewis – an external provider of proxy voting research and advice.
- 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.
- Expert Networks – firms that facilitate the exchange of information between industry experts and investment professionals.
- Industry conferences.

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

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

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

Environmental	Social	Governance
How does a company manage its operations in consideration of climate change and other environmental issues? (Using Sustainalytics and Longview's proprietary research) • Greenhouse gas emissions • Energy efficiency • Environmental impact of products and services • Impact on biodiversity • Emissions, effluents and waste • Natural resource use We also use S&P Trucost's climate toolkit to assess climate-related risks across the portfolio.	How does a company manage its workforce, supply chains and impact on the communities where it operates? • Human rights • Labour conditions including health & safety and modern slavery practices in a company's operations and supply-chain • Diversity and inclusion • Data privacy and security • Corporate culture which may impact a company's relationships with its employees, community and other stakeholders.	Are high standards of corporate governance being applied within a clear and transparent framework? • Governance structures (board structure, composition and diversity) • Executive compensation • Management's framework for capital allocation • Interests of minority shareholders

O = Opportunities
Initial company research should consider the following question:

Are there any identifiable, material E, S or G opportunities arising for the company?
R = Risks
Initial company research should answer the following four questions:

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.

The following are examples of ESG considerations and analysis undertaken:

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

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

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

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

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

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

One example of the above considerations is our thematic engagement on the human rights issue of modern slavery. We engaged with a cohort of our portfolio companies to understand how they are addressing the risks of modern slavery in their operations and global supply chains. We selected to engage with companies across a broad range of sectors as we wanted to define a generalist approach for how we can engage on modern slavery across the Longview portfolio going forward, regardless of a company's sector or geography. Also, we believe that no industry is immune to this issue.

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

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

Governance

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

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

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

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

Direct Engagement: US Consumer Staples (Environmental)
In March 2023, Longview held a video conference call with members of the company's senior management team. We discussed various sustainability matters including changes to the company's executive compensation programme, their climate commitments and Diversity, Equity and Inclusion (DEI) initiatives. This summary only contains information related to our discussion regarding the company's climate commitments. Longview referenced the annual climate commitment audit of the portfolio. Our audit revealed that the company had not set a net zero target, although their carbon emissions reduction goals were aligned to the Science Based Targets Initiative (SBTi). Longview asked about their approach to making future climate commitments. The company explained that that the feasibility of a net zero objective depended on the electrification of their fleet. At the time, they had a science-based climate goal to electrify 35% of their U.S. fleet by 2030. However, management needed to be comfortable with the technology driving this electrification as the range of electric trucks could not accommodate the routes they needed to achieve. The cost per truck was high however they recognised that the technology was constantly improving and that overtime costs should decrease. In the meantime, management were open to feedback from subject matter experts and were working with partners in the field. The company explained that they wanted to ensure that their climate goals could be achieved by the leadership team of this generation. Longview reiterated its commitment to tracking portfolio companies' progress on climate and that we will continue to monitor the company's plans and follow up as appropriate.

Direct Engagement: US Consumer Discretionary Company (Social)
In January 2023, Longview spoke to the company's Chief People Officer and Investment Relations Director about the company's approach for identifying and assessing modern slavery risks in their operations and supply chain. On the call, the company explained that they monitor human rights risks in their supply chain and have rigorous standards for their suppliers. They share information on their assessment of modern slavery risk in their Annual Report and Modern Slavery Statement, and they have a Human Rights Working Group with representatives from around the organisation. Their supply chain is wide and varied however regardless of geography, they rely on the same standards; which they believe is important to embed within the culture of the company. The company explained that they do not engage workers in seasonal supply chains such as farming and field work; however their supply chain does include factories working with textile and agriculture. They have a new Supplier Ethical Data Exchange (Sedex), which has been trialled in some countries enabling suppliers to sign up; and it has been used as an auditing mechanism. They confirmed that it is possible to suspend suppliers for certain violations; however, in some industries, they are also mindful that employees can be negatively affected if a supplier gets suspended; they think about the broader effects of such decisions. The company prioritises the highest modern slavery risk areas. For example, in the UK, they have engaged with retail supermarkets which they deemed to be vulnerable. Other risk areas are migrant worker agencies, migrant labour, especially in countries like Nepal, or agents and sub-agents which subject workers to onerous loans. They do not work with agents or sub-agents suspected of engaging in these practices. They hold an educational annual event for suppliers and given the complexity of modern slavery issues, they also rely on external experts, to supplement their internal knowledge. They explained that migrant workers in the United Arab Emirates (UAE) are another high-risk area; where the company has been working on process improvements with recruitment agents to mitigate potential issues. The company shared information on their Speak Up programme for which 13,000 employees have received training; and their hotline which is available 24/7. They also have procedures for addressing grievances where they consider the seriousness of the case and whether it involves one individual or a collective. Sometimes they refer the case to the authorities. In other cases, they compensate individuals such they are not out of pocket.

Direct Engagement: US Consumer Discretionary Company (Social) – continued form previous page
Finally, Longview sought additional details regarding an issue flagged by our ESG data provider regarding migrant workers employed by one of the company's businesses over concerns of health and safety issues at London Bridge Hospital during the pandemic. The claim was that workers were falling ill and being required to isolate without receiving any compensation. The company followed up by email to address our questions, explaining that the issue had involved cleaners who had requested a pay rise to match the London Living Wage. The company had worked with their client to agree the pay changes and they agreed to the pay increase and a bonus. Later in the year, in line with the annual inflationary pay review, they were awarded a further pay increase. The company confirmed that they had fully investigated the health and safety claims made via the union and found no evidence of the breaches. Their HSE and Infection Control Leads had also carried out a full audit of processes at the hospital and confirmed that HSE requirements had been met. They explained that their cleaning and hygiene processes were regularly audited in partnership with the hospital and they meet on a regular basis in order to maintain an open and honest dialogue. In terms of outcomes, we believe that this engagement provided us with many insights into the company's practices and preparedness in identifying and assessing modern slavey risks. It was also important for us to obtain the company's response regarding the issues flagged above. These findings are examples of the types of social considerations that may be considered in our assessment of the company's Quality, as described under Principle 1.

Direct Engagement : US Financials Company (Governance)
In April 2023, Longview spoke to the company's General Counsel, Head of Corporate Social Responsibility, and Director of Investor Relations at their request to discuss a shareholder proposal for an Independent Board Chair which the company opposes. The company believed that opposing the proposal ensured the Board retained the flexibility to combine the role where appropriate. They have expanded the responsibilities of the Lead Independent Director and cited the benefit of a stable management and Board set-up over periods of heightened uncertainty. Longview asked about any circumstances that would prompt the Board to reassess the need to have an Independent Chair and suggested that an Independent Chair would be additive to the overall Board structure, emphasising that the appointed individual should be able to help the company navigate through uncertain times. Longview voted in support of the shareholder proposal.

Additional ESG Integration Matters (Proxy-Voting)

Lastly, as discussed in Principle 2, on behalf of our institutional clients, we employ the services of the proxy voting adviser Glass, Lewis & Co, a leading independent provider of corporate governance solutions to the financial services industry. Glass Lewis covers ESG-specific information in their proxy voting analysis.

Glass Lewis fulfils two functions. Firstly, as a purely operational process, ensuring the voting instructions provided by Longview are implemented across client accounts. Secondly, Glass Lewis uses publicly available sources of information such as stock exchanges, regulators and company filings to provide research and analysis and make voting recommendations.

Glass Lewis provides structured reports which detail their research and recommendations on each resolution to be voted on. Longview's Research Team uses the Glass Lewis research to inform its decision-making process. If appropriate, the decision may be to vote against Glass Lewis's recommendations and/or against management. Where the decision has been taken to vote against either, we may contact Glass Lewis or the company to engage with them if timelines allow. We include further details on how we monitor Glass Lewis as a service provider under Principle 8.

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

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

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

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

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

We believe Glass Lewis's well researched and independent analysis on governance complements Longview's stock selection process. We advocate the exercising of votes, and where necessary, objective and informed intervention in line with our Shareholder Activism Policy, available on our website here or at the following link: https://www.longview-partners.com/media/5wrhzy0a/shareholder-activism-policy-2023.pdf.

Glass Lewis's policies are reviewed by the CIO and Head of Sustainability, and signed off by the CIO annually. Glass Lewis provides structured reports which detail their research and recommendations on each resolution to be voted on for each company. The Research Team uses the Glass Lewis research to inform their decision-making process. Voting recommendations are made by the lead analyst for that particular company, 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. Please see below an example of how we have engaged with Glass Lewis in 2023 as part of our monitoring process.

Proxy-Voting Provider Service Review for 2023
In November 2023, Longview held its annual due diligence meeting with Glass Lewis as part of our monitoring process. The purpose of the meeting was for Glass Lewis to provide an operational review and discuss notable updates on various topics, including research and policy, regulatory developments, technology changes, sustainability and key trends and takeaways for the 2023 proxy season. On key trends for 2023, Glass Lewis reported that significant diversity milestones had been achieved in Europe, with both the average European blue-chip and FTSE 350 company boards surpassing the gender diversity threshold of 40%. Also, two-thirds of FTSE 350 boards now have at least one woman in a senior role. We were encouraged to see these milestones reached as board diversity was a topic we had engaged with Glass Lewis on in recent years. In the United States, Glass Lewis continued to see a rise in shareholder proposals, however, there was lower support with an average for these resolutions dropping from 31% in 2022 to 23% in 2023. Glass Lewis has implemented several enhancements to its platform. These included the integration of controversy alerts as a filter; and the introduction of a “Counted” status for North American meetings, which confirms to shareholders that votes have been received and “counted” by the issuer. Glass Lewis also shared the outcomes of their Proxy Season Feedback Survey, which was distributed to all their clients, achieving a participation rate of 37%. Globally, they received an ‘excellent’ client services score and a ‘good’ proxy paper score using the Customer Satisfaction (CSAT) Scores methodology. Overall, we were pleased with our engagement as it provided us with a helpful scorecard for the year and insight into Glass Lewis’ road map for 2023/2024. We will continue to engage with them throughout the year on any action items that were agreed upon as a result of this review.

Sustainalytics

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

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

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

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

Case Study: Engagements with Sustainalytics throughout 2023

In 2023, we engaged with Sustainalytics on multiple occasions to address a range of topics, including their ESG risk rating methodology and data discrepancies between their reports and our proprietary research and engagement findings. We have provided the details and outcome of one such engagement, focusing on data discrepancies regarding one of our Financials holdings. These discussions, which include our engagement with Sustainalytics and the company in question, are outlined below.

Reported Data Discrepancy

In November 2023, we engaged with Sustainalytics regarding their ESG report for an existing US Financials holding, in which they referenced the company as having ‘average’ risk management of their product governance. Sustainalytics stated in its report that the company ‘does not conduct risk assessments during the product development stage, and has not established managerial responsibility for responsible product offering, which are seen as areas of improvement’.

In contrast, through our own research, we had noted that the company’s 10-K report did explain that the company may invest significant time and resources into the expansion of existing or creation of new compliance and risk management systems with respect to new products or markets; given that developing and providing new products and services, including those relating to digital assets, increased the company’s operational risk exposures.

Given the discrepancy in the findings above, we asked Sustainalytics to clarify whether their ESG report did reflect information contained in the company’s 10-K report. We explained that given the importance of risk assessments addressing product quality for the financials industry, we believed that such disclosures made public in 10-K filings should be given due consideration in ESG risk rating research. In addition, we also engaged with the company to gain further insights into their risk assessments for new products. They validated and elaborated on the 10-K disclosure mentioned above. They also mentioned their intention to engage with Sustainalytics on this matter to offer their feedback.

In their response, Sustainalytics confirmed that, in this case, the 10-K had not been considered in their assessment as it did not fulfil the requirements of their research methodology where they had looked specifically for social impact risk assessments conducted during the new product development phase. This was to verify whether such products and services fulfilled the needs of consumers before they were launched. They explained that the initial feedback period had been in August 2023 and that the company had not provided feedback on such risk assessments at the time. They expressed openness to receiving the company’s comments once the feedback period reopened; and they committed to analysing any relevant information and investigating further.

Whilst this engagement did not result in reconciling Sustainalytics' reporting with our own findings, Longview did bring attention to the discrepancy to both Sustainalytics and the company. Additional feedback from the company may help resolve this issue, as Sustainalytics has committed to conducting further investigation upon receipt of such feedback. In addition to this, Longview gained additional insight into Sustainalytics' ESG risk rating methodology, which will serve as valuable context when reviewing future findings for similar risk assessments. The engagement underscored the benefit of Longview’s stewardship approach, which values direct engagement with portfolio companies to gain additional insights into the issues or themes we deem to be significant.

S&P Trucost

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

We use S&P Trucost’s data to supplement our assessment of environmental risks and provide reporting on carbon metrics to our clients, as described under Principle 6. In 2023, we engaged with S&P Global on multiple occasions to address a range of topics, including the use of their reporting tools for our Carbon Profile Report provided to clients on a quarterly basis and to delve deeper into some of their more specialised climate analytics modules. We have provided the details and outcome of one such engagement below.

Case Study: Implementing Climate-related Scenario Analysis for our Global Equity Strategy

In July 2023, Longview held a deep-dive session with S&P Global on the use of their Carbon Earnings At Risk (CEAR) and Physical Risk analytics as we investigated potential additional reporting resources for our Research Team in their assessment of climate risks across the portfolio; and in preparation for our upcoming TCFD disclosure.

Transition Risks

S&P Global explained that in quantifying climate-related transition risks, Trucost's CEAR analytics evaluate the potential earnings at risk associated with the portfolio's Scope 1 and 2 emissions. When assessing such risks under a certain carbon price scenario, Trucost's methodology does not only rely on the future carbon price already assumed to be embedded in current regulations and the costs of a business. They take into account the additional costs, identified as the Carbon Price Risk Premium, which reflects the additional financial cost paid due to potential future pricing or tax increases.

We discussed useful metrics that can be used for this analysis, such as the portfolio's EBITDA (Earnings before interest, tax, depreciation and amortisation) at risk and EBITDA margin reduction for various carbon price scenarios against the benchmark. For example, as at 31 December 2023, this analysis showed that a share of 1.17% of the EBITDA of the average company in Longview's portfolio was at risk to high carbon pricing increases in 2030, against the average MSCI World constituent with 6.06%.

Physical Risks

To evaluate the resilience of Longview's Global Equity portfolio, S&P Global explained that Trucost's dataset captures a company's exposure to physical risks from climate change at the company and asset level by providing a risk score; and assesses the financial impact of these risks. Their analysis makes use of four future climate change scenarios (high, medium-high, medium, low) and covers eight climate change physical hazards: coastal flood, fluvial flood, extreme heat, extreme cold, tropical cyclone, wildfire, water stress and drought. Their climate change scenarios are as follows:

- High: Low mitigation scenario in which total greenhouse gas emissions triple by 2075 and global average temperatures rise by 3.3-5.7 °C by 2100.

- Medium-High: Limited mitigation scenario in which total greenhouse gas emissions double by 2100 and global average temperatures rise by 2.8-4.6 °C by 2100.

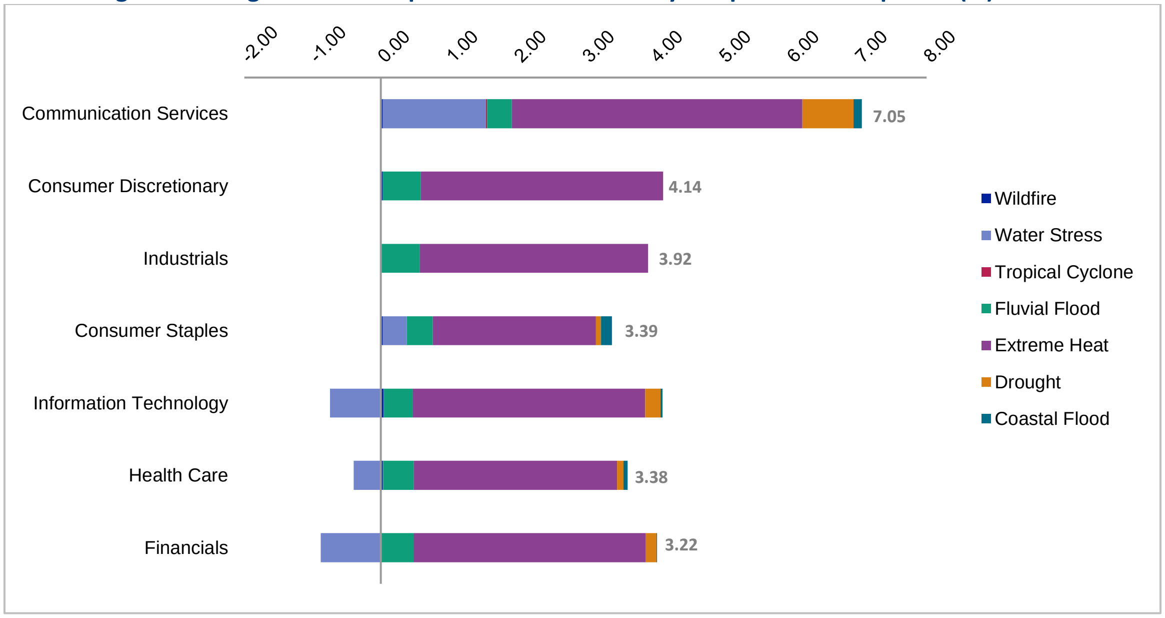
- Medium: Strong mitigation scenario in which total greenhouse gas emissions stabilise at current levels until 2050 and then decline to 2100. This scenario is expected to result in global average temperatures rising by 2.1-3.5 °C by 2100.

- Low: Aggressive mitigation scenario in which total greenhouse gas emission reduce to net zero by 2050, resulting in global average temperatures.

As at 31 December 2023, the analysis showed, as in the chart below, how climate affects sectors across Longview's Global Equity Portfolio differently; although extreme heat represents the largest share of financial impact for most sectors in the 2050s. According to this analysis, the communication services sector in Longview's portfolio would face the most financial impact: 7.05% per annum of real asset values in the 2050s.

Case Study: Implementing Climate-related Scenario Analysis for our Global Equity Strategy (continued from previous page)

Weighted average financial impact on assets owned by our portfolio companies (%) in 2050s



Source: S&P Trucost; Benchmark is MSCI World. Data as at 31 December 2023. Financial impact is first calculated at the asset level and represents the sum of financial costs arising from exposure to climate hazards for an asset, expressed as a percentage of the typical replacement value for a given asset type. Financial impact at the company level is then calculated as the weighted average of the asset-level financial impact for all known assets owned by a company and its subsidiaries. Financial impact at the sector level is calculated as the market capitalization-weighted average of financial impact of all companies in the sector.

From a reporting perspective, it was useful to learn about Trucost's methodology and how their climate toolkit and datasets can be used to quantify climate-related transition and physical risks across the portfolio. These features have allowed to address questions from clients and prospects regarding the climate impact of our holdings more comprehensively; to assess our portfolio's climate impact in-line with TCFD recommendations and explore new reporting tools that may be useful for our Research Team. Longview was pleased to work with S&P Global on all of the above and see that their services met our needs beyond our regular reporting requirements. We consider this type of in-depth engagement and training with our service providers as key in serving the best interests of our clients and supporting our efforts in meeting our stewardship obligations over the longer-term.

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

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

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

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

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

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

Engagement Log – Extract of Example Entry

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

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

We evaluate the effectiveness of company management on these issues and if past, current or anticipated future behaviour is judged to be a risk, our concern will be reflected in our Quality rating.

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

Thematic Engagements
In addition to company engagements, we undertake thematic engagements across several companies or even the entire portfolio. As a single-product firm, we focus our efforts on the areas where we believe we can make an impact. In 2023, we held follow-up engagements with portfolio companies on the theme of Modern Slavery; and climate as part of our Annual Climate Commitments Audit, both described under Principle 4. Throughout the year, we also engaged on the theme of Access to Health Care across several health care companies in the portfolio; and on the Ethics of Data and AI for a cohort of companies with exposure to issues around data privacy and security, amongst other relevant risks related to the use of data and AI-enabled applications.

Engagement Methods and Documentation

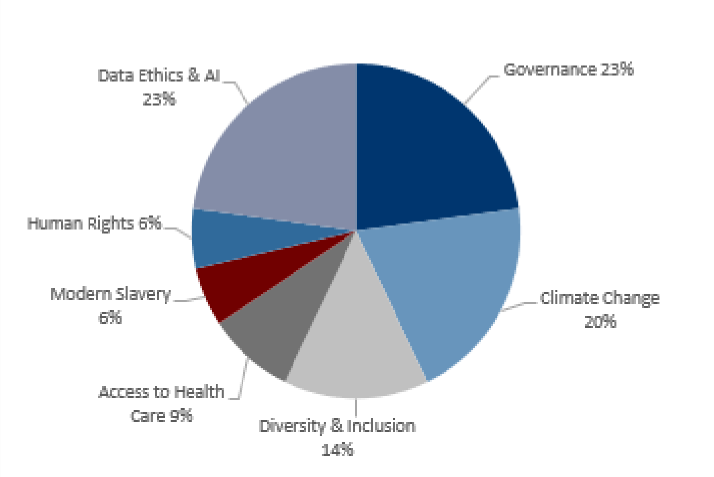
We typically engage with companies through one of the methods listed below:

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

Over time, we have been able to make use of all these methods to conduct our engagement activities although most such interactions have tended to be through one-on-one meetings, phone and video conference calls. We may also engage collaboratively, as mentioned under Principles 4 and 10, if Longview believes it can help to maintain or enhance the value of assets. Our company engagements are documented and provided to our clients on a quarterly basis detailing the issues raised, subsequent follow-ups and outcomes. Below is a snapshot of the engagements we held in the 12 months to December 2023.

2023 Engagements by Topic (Figure 9)

19 Engagements (direct and thematic)	**15** Entities engaged



Note: One engagement may include multiple topics.

The following three examples provide insight into some of the engagement activities that we have undertaken in 2023, including details on the types of outcomes that we have achieved. In the third example, we provide a recent update to an engagement held the prior year, to demonstrate the effectiveness of our engagement monitoring process and Engagement Log overtime.

Case Study 1: Direct Engagement with US Consumer Discretionary Company
In December 2023, Longview met with the company's CFO and Head of Investor Relations for a detailed discussion on various aspects of the business. We also raised concerns about the company's inclusion in the United Nations 'High Commissioner for Human Rights Report' regarding listed properties in the Occupied Palestinian Territories. The report, which is updated on an annual basis, has referenced the company since its first publication in February 2020. In light of the recent conflict in Israel and Palestine, we asked the company about its approach to assessing the risks associated with their listings in Israeli settlements in the Occupied Palestinian Territories. Our aim was to better understand how they are addressing these risks and the human rights concerns raised by their inclusion in the UN's Report. The company had first addressed this issue in its Human Rights Statement in April 2022 by affirming that it will conduct due diligence on listings located in conflict-affected areas. In our meeting, the company clarified that in practice, they investigated potential human rights violations in connection with their accommodations in the Occupied Palestinian Territories on a case-by-case basis. If they deemed an accommodation to be located in a conflict-affected area, they disclosed this information to their customers. They explained that their process has resulted in certain listings not being made available in some conflict zones around the world. The company acknowledged having considered delisting their accommodations in the West Bank. However, at the time, they believed that such action could have had negative ramifications. They maintained that as long as their due diligence showed that a property was legitimate and not involved in a crime, that it can contribute to travel being a force for good. They explained that the company seeks to be neutral on this issue and that they consider it important for their reputation not to be taking sides. Their accommodations in the West Bank represented less than 0.01% of their total room nights. The company regularly assessed the risk of being involved in conflict zones, considering the risk of human rights violations and potential impact on their reputation. They said that as long as they do not find evidence of human rights abuses in their due diligence process, they believed that the best solution was to have the right disclosures for their customers to make their own choices. Longview intends to closely monitor the company's management of this issue, while some concerns persist, and we will continue our conversation with them on their listings in conflict zones around the world. Along with details of the engagement's outcome, Longview has recorded in its Engagement Log the status as 'some progress – continue to monitor' as we plan to re-engage with the company going forward.

Case Study 2: Direct Engagement with US Health Care Company
In December 2023, Longview held a conference call with the company's General Counsel, Assistant General Counsel, Head of Investor Relations and the Chair of the Nominating and Governance Committee of the Board of Directors. The objective of the engagement was to get more clarity and share our view on the company's public disclosure of its Russian operations. At the company's 2023 annual general meeting, our proxy-voting provider had recommended voting against the re-election as a director of the chair of the Nominating and Governance Committee because the company's 'public disclosure regarding its response to the Russian invasion of Ukraine appears to be abnormally Limited.' Longview was aware that whilst the company had not reported their actions in an official filing, the CEO had publicly stated that the company would continue with ongoing clinical trials in Russia but would not engage in new patient recruitment or initiate new trials in Russia. Longview believed this to be an appropriate course of action given the health implications for Russian patients from discontinuing existing trials. As such, Longview supported management's recommendation to vote for the re-election of the chair of the Nominating and Governance Committee as a director. Longview also engaged with the company to encourage them to provide a more comprehensive written disclosure regarding their limited operations in Russia, either as a separate disclosure or in a quarterly filing. The call was a follow up to the email engagement on the subject earlier in the year. During the call, the company had detailed their response at the time of the invasion and noted that Russia constituted a small fraction of their business. The final decision making for trial locations rested with the trial sponsor, but the company had not pursued any new operations in Russia since the outbreak of hostilities. Management confirmed that they had continued with pre-existing clinical trials in Russia given the potential impact on patients from discontinuing a trial and the ethical implications of such an action. The company confirmed their commitment to address investors' concerns by offering more disclosure on this subject in the near future. Longview was satisfied with the company's planned course of action and following the engagement, we continued to monitor their public filings to ensure that the updated disclosure would meet our expectations. Along with details of the engagement's outcome, Longview recorded in its Engagement Log the status as 'some progress – continue to monitor'.

Case Study 3: Direct Engagement with US Health Care company
This is an update to an engagement Longview had held with the company in 2022 regarding a warning letter they had received from the US Food and Drug Administration (FDA). The warning letter had outlined the FDA's concerns about the company's primary diabetes manufacturing facility, specifically regarding their models for assessing risk and their internal processes for investigating complaints. Longview had questioned the company about the actions being taken to clear the warning letter and ensure that risk was appropriately assessed. At the time of the engagement, the company believed that they were 92% the way through the remediation work to clear the FDA letter. Throughout 2023, Longview continued to monitor updates regarding the FDA's warning, until it was eventually cleared in April 2023. Only then, was Longview satisfied that the overall objective of the engagement was achieved: first in clarifying what corrective actions the company had implemented in 2022; and then ensuring the improvements had addressed the FDA's concerns by 2023. As per our monitoring process, we updated the Engagement Log accordingly and recorded the status as 'Objective Achieved'.

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

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

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

We do, however, recognise the value of collaborative stewardship and the vital role it can play in achieving positive outcomes, especially when we are seeking to address global systemic risks, as described under Principle 4. To that effect, in 2023, we have explored joining various collaborative initiatives relevant to our portfolio companies and engaged with the organisations listed below to evaluate the potential for collaboration.

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

ShareAction: As a registered UK charity, they work to promote responsible investment and aim to improve corporate behaviour on environmental, social and governance issues. They set ambitious standards for responsible investment and use their AGM activism programme to hold company boards and executives to account, while advocating for financial regulation in the UK and EU, amongst other initiatives. Further information at: https://shareaction.org/

Spring: This is a PRI stewardship initiative for nature, convening investors to use their influence to halt and reverse global biodiversity loss by 2030. Spring aims to address the systemic risk of nature loss to societies and long-term portfolio value creation by enhancing corporate practices on forest loss and land degradation. The initiative's Investor Working Group will initially engage with the following 40 companies, https://www.unpri.org/investment-tools/stewardship/spring/companies; with additional companies for engagement to be released later in 2024.

Case Study: Becoming a signatory to ATNI's Investor Expectations on Diets, Nutrition and Health

In 2023, we selected to join the Access to Nutrition Initiative (ATNI). ATNI's Investors in Nutrition and Health (AINH) are signatories to the Investor Expectations on Diets, Nutrition and Health, which outline the business case for investing in nutrition, including the burden that poor diets place on health systems globally and acknowledge responsible investors' role in driving progress for nutrition and health.

By assessing and ranking the world's largest manufacturers and retailers on their nutrition-related commitments, practices and performance globally, ATNI aims to encourage companies to:

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

Our participation will enable Longview to join collaborative engagements with the companies assessed in ATNI's Indices; and gain access to ATNI's Investor Portal, which houses a comprehensive database of nutrition information, news and reports relevant for investors. More specifically, ATNI's flagship publication, The Global Index, assesses the world's largest food and beverage manufacturers. It was first published in 2014; and the fifth edition is being prepared for launch in 2024.

The updated list of the investor signatories that have signed up to ATNI's Investor Expectations on Diets, Nutrition and Health with a combined USD 20 trillion AUM, as at September 2023, can be found here or at the following link: https://accesstonutrition.org/investor-signatories/. As a signatory, we aim to engage through ATNI's platform when applicable to our portfolio companies and when valuable in informing our research on our key sustainability themes. Our aim will be to influence issuers on global sustainability issues that can benefit from our participation.

Case Study: Collaborating with UK Local Government Pension Scheme (LGPS) on the theme of Human Rights

We collaborated with our client's Responsible Investment Manager to address their questions regarding the exposure of an existing portfolio holding, a US consumer discretionary company, to Israeli settlements in the Occupied Palestinian Territories. We had previously held a call with the company to discuss their approach to assessing human rights risks associated with their listings, as outlined in Principle 9. However, our client was interested in a deeper understanding of the company's approach. Whilst this was not a formal collaborative initiative, pooling our research and resources with our client contributed to a more comprehensive and informative engagement with the company. The engagement involved multiple interactions, including one in-person meeting and follow-up emails, to address our combined questions and requests for clarification. Our collaboration resulted in the following engagements:

- On 5 December 2023: Longview questioned the company's inclusion in the UN Human Rights Report; and its approach to assessing the risks associated with their listings in Israeli settlements in the Occupied Palestinian Territories. The meeting was held with the company's CFO and Investment Relations representative.
- On 19 December 2023: Longview reached out to the company by email with additional questions on the labelling of conflict-affected areas; the background information for this was provided by our client. The aim was to understand the listing methodology used for the company's online platform.
- On 22 December 2023: Following the company's response, we sought further clarification by email on the location of listings in the Occupied Palestinian Territories, based on questions and maps provided by our client.

Although the company was responsive and provided the insights recorded under Principle 9, Longview intends to closely monitor their management of this issue while some concerns persist. Lastly, in addition to nurturing a closer relationship with our client and understanding their ESG priorities more holistically, this engagement enabled us to exchange knowledge and gather information and resources with an institutional client deeply committed to human rights, which we believe supports our stewardship approach.

Another way we have joined efforts with other investors in previous years was by becoming a co-signatory to the 'Global Investor Statement to Governments on the Climate Crisis' in 2021 and 2022, coordinated by the Investor Agenda. This network brings together a regionally diverse body of global investors to urge governments to implement specific priority policy actions that will enable them to invest the trillions needed to respond to the climate crisis. The most recent statement was issued in 2022 and signed by 602 investors representing almost USD $42 trillion in assets under management. A copy of the letter is available on our website here or at the following link: https://www.longview-partners.com/media/a5wjqpoi/2022-global-investor-statement.pdf.

The Investor Agenda did not renew its statement in 2023 as it assesses the optimal course of action going forward. Nevertheless, we continue to monitor their agenda and will consider lending our support to similar future initiatives as we have done previously. Whilst we recognise that this call to action was aimed at governments, not issuers, we are always seeking more ways in which we can partner with our institutional client base, through our discussions on responsible investment and company-specific engagements, other investors or stakeholders to influence issuers on the global issues that can benefit from our participation.

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

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

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

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

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

We are willing to challenge management to protect and enhance the interests of our clients and will exercise our right to vote against management, where appropriate. As discussed in Principle 6, we share the details of significant votes made throughout the year as per the Shareholder Rights Directive II (SRD II) regulation within our Shareholder Rights Directive Annual Disclosure which is available on our website here or at this link: https://www.longview-partners.com/media/nhdfnjr1/srd-ii-annual-disclosure-2024.pdf.

Longview defines a significant vote as any of the following:

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

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

We describe below one example which triggered our escalation process in 2023. In this case, the Research Team exercised its stewardship responsibility by taking this step when we believed the issue in question was not addressed in a reasonable time frame.

Direct Engagement with US Healthcare Company
In September 2023, Longview met with the CEO of the company and representatives from their Investor Relations team for an update on operational performance, capital allocation and governance. Longview questioned the CEO about the letter we had written to him and the Board in December 2022 outlining our concerns about the company's proposed spin-off of its Patient Monitoring and Respiratory Intervention businesses. We had wanted to better understand how the transaction would benefit shareholders as we were concerned it was driven by the desire to sell a slower growing business at any price. The engagement relating to our concerns about the spin-off, originally initiated in December 2022, was escalated in the first quarter of 2023 as we had not received the requested acknowledgement that the CEO or Board had in fact received our letter or been made aware of our views. We had also offered to hold a call with an independent director on the Board. As per our escalation process, we followed-up with the company to ensure the letter was reviewed as intended. Unfortunately, the only feedback received was from the company's Investor Relations Team re-iterating the rationale for the company's decision. In the meeting, the CEO confirmed that he had reviewed our letter and explained that he valued Longview's feedback. He explained how the decision to pursue the spin-off was driven by strategic capital allocation; that the patient monitoring business would have required extended investment with uncertain prospects for growth which could have compromised the company's ability to invest elsewhere. Whilst the company continued to explore the option of selling the businesses, their primary course of action remained the spin-off. Following this meeting, Longview remained unconvinced about whether this action would create value for shareholders and continued to monitor updates regarding the spin-off throughout the year. *As of the writing of this report, the company had decided against pursuing the original spin-off and planned to only exit its ventilator business.*

Principle 12: Signatories actively exercise their rights and responsibilities.

Longview is committed to active ownership through proxy voting. Longview's voting decisions are made by our Research Team. The decision making-process is investment-led; our research analysts use proprietary research, in-depth discussions with company management and external research and recommendations from our proxy voting provider to inform their decisions.

Voting policy

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

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

Glass Lewis votes on our clients' behalf at all relevant company meetings. We monitor the service provided by Glass Lewis to ensure that our clients are benefiting from a proxy voting service held to high standards. Annually, we conduct a service review with Glass Lewis, as described in our engagement example under Principle 8. The CIO and Head of Sustainability review their voting policy on an annual basis. Our policy on the exercise of voting rights on behalf of our clients, class actions and conflicts of interests is outlined in our Shareholder Activism Policy which is publicly available on our website here or at https://www.longview-partners.com/media/5wrhzy0a/shareholder-activism-policy-2023.pdf. Our single product focus means that we only have one voting policy which we apply across our investment strategy, assets and geographies.

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

Stock lending

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

Voting records

Proxy voting reports are provided on a quarterly basis to all clients on whose behalf we vote. These reports detail all votes cast during the period and provide an explanation in relation to any differences between the votes cast and the portfolio company management's recommendations. For confidentiality purposes and to protect the anonymity of portfolio holdings, we do not publicly disclose our voting records in full and therefore cannot provide a link to our voting records. However, we share the details of significant votes made throughout the year, as per SRD II regulation, within our Implementation of Engagement Policy disclosure, which is available on our website here or at the following link: https://www.longview-partners.com/media/nhdfnjr1/srd-ii-annual-disclosure-2024.pdf. Under Principle 6, we also share specific details and commentary on a sample of significant votes for 2023.

Proportion of shares

In 2023, we voted 509 resolutions at 30 company meetings. As an illustration of our voting activity, the charts in Figures 10 and 11, provide a breakdown of the number of proposals that were voted in the past year and how the votes were cast by issue in our Global Equity Fund.

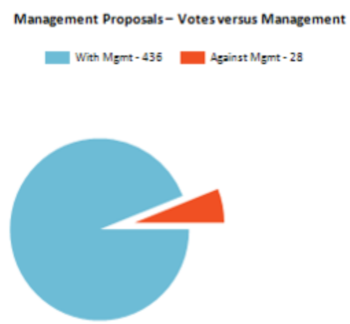
Proposal Statistics Report for Calendar Year 2023 (Figure 10)

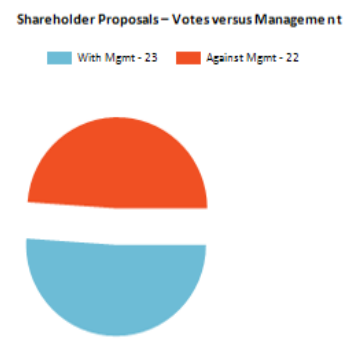
Proposal Statistics Report

From 1/1/2023 to 12/31/2023

	Mgmt Proposals	SHP Proposals	Total Proposals
For	416	22	438
Against	25	23	48
Abstain	1	0	1
1 Year	22	0	22
2 Years	0	0	0
3 Years	0	0	0
Mixed	0	0	0
Take No Action	0	0	0
Unvoted	0	0	0
Totals	464	45	509

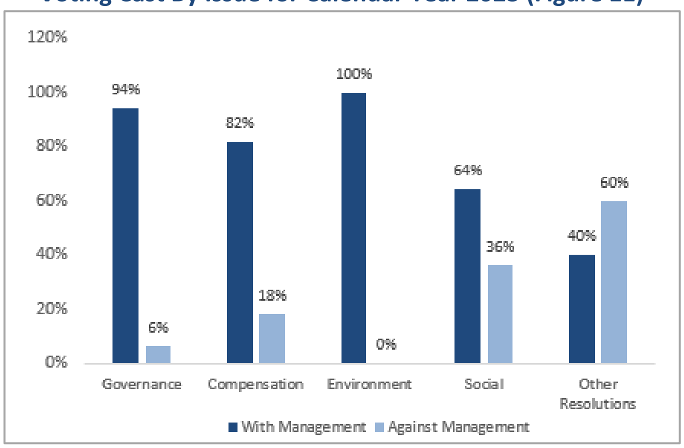
	Mgmt Proposals	SHP Proposals	Total Proposals
With Management	436	23	459
Against Management	28	22	50
N/A	0	0	0
Mixed	0	0	0
Take No Action	0	0	0
Unvoted	0	0	0
Totals	464	45	509





Source: Data provided by Glass Lewis as at 31 December 2023.

Voting Cast By Issue for Calendar Year 2023 (Figure 11)



Source: Data provided by Glass Lewis as at 31 December 2023.

In addition, the following table highlights examples of voting decisions made in 2023, including the rationale for each decision and the resolution's final outcome. Five votes were made against Glass Lewis's recommendation in the past year.

Examples of Voting Decisions for Calendar Year 2023 (Figure 12):

	Company Sector	Filed By	Meeting Date	Proposal Description	Mgmt Vote	Glass Lewis	Longview Decision	Voting Rationale & Significance	Outcome
1	**Financials**	Shareholder	17/05/2023	Shareholder Proposal Regarding Independent Chair	Against	For	For	An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda.	Votes For: 31% Votes Against: 69%
2	**Communication Services**	Shareholder	02/06/2023	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	Against	Against	For	Longview believes that additional disclosures on human rights issues will provide shareholders with greater transparency and understanding of the company's operations in countries of significant human rights concern.	Votes For: 13% Votes Against: 86% Other*: 1%
3	**Health Care**	Management	18/04/2023	Election of Director	For	Against	For	Longview voted for the proposal, against Glass Lewis, as the company had disclosed in their conference calls that they are continuing clinical trials in Russia based on ethical considerations. Instead of voting against this proposal, we engaged with the company directly to encourage them to more fully disclose their stance above.	Votes For: 90% Votes Against: 10%
4	**Financials**	Management	02/05/2023	Advisory Vote on Executive Compensation	For	Against	Against	Concerning pay practices; Grants are excessive.	Votes For: 53% Votes Against: 45% Other*: 1.3%
5	**Health Care**	Management	23/05/2023	Election of Director	For	Against	Against	Insufficient board gender diversity.	Votes For: 71% Votes Against: 29%

Other includes abstentions and withheld votes.

In the table above, we included the outcomes of resolutions that we have voted on in 2023. In the first row, we voted against management, in-line with our proxy voting provider's recommendation. Whilst the shareholder resolution did not ultimately secure majority support, we consider the outcome significant. Importantly, we believe that our vote reinforced our stance in favour of an independent chair, which we had already communicated to the company during our engagement, as described under Principle 7.

In the second row, we voted against management and against our proxy voting provider's recommendation as we believed that additional disclosures would be in the interest of shareholders and reinforce our thematic focus on human rights. In the third row, we voted for management and against our proxy voting provider's recommendation as we believed that engagement on this topic would be more effective in achieving a positive outcome, as described under Principle 9.

In the fourth row, our decision was to vote against management, in support of our proxy voting provider's recommendation. We were pleased to see that the resolution received 45% support from shareholders, sending a clear signal to management on concerning pay practices. And lastly, in the final row, we voted against management, in-line with our proxy voting provider's recommendation, consistent with our support for board gender diversity.

Monitoring Process

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

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

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

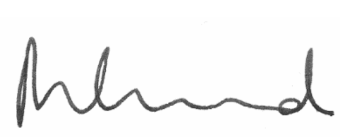
Concluding Statement

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

Declaration:

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

Signed:



Marina Lund, CEO and Head of Institutional Clients, Partner