

# Annual Review 2023



Stewart Investors

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# Executive summary

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We welcome you to explore our review of the sustainable investment<sup>1</sup> activities across Stewart Investors in 2023. In addition, this year, where regulation allows, we will provide portfolio, fund or strategy level data reports on our website.

Our investment philosophy is to invest over the long term in high-quality companies that contribute to, and benefit from, sustainable development. We cherish and follow this philosophy at all times. We define sustainability as improving human development outcomes within the environmental limits of our planet. In our view, this is a more encompassing concept than ESG because it considers the utility and purpose of a company's product or services rather than just detailing the externalities of its operations from one quarter to the next. We hope this report illustrates how we have applied this investment philosophy and how it relates to targets and commitments we have made and our approach to engagement, and the strategic research partnerships and collaborations we are building.

Some highlights for us over the year include the momentum that built in our collaborative engagement on conflict minerals in the semiconductor supply chain, and in our partnership with the Waste and Resources Action Programme (WRAP) to tackle plastic waste in India. On a less positive note, during the year, we changed data providers for carbon emission reporting, which has resulted in multiple discrepancies and made it necessary for us to do company-by-company verification checks. This has been hugely time consuming and, coupled with evolving regulatory requirements, has unfortunately meant we were not able to progress some of our engagements on issues such as climate and smallholder farmers as much as we would have liked. Other disappointments for the year were that we were not able to make enhancements to our [Portfolio Explorer](#) or spend enough time focusing on the consolidation and update of policies relating to environmental and social factors such as climate, biodiversity, water and diversity, equity, and inclusion.

We thank you for your continued interest and support and, as always, welcome your feedback on this report and all that we do.

<sup>1</sup> Investing which takes account of sustainable development issues, such as environmental issues, social issues and corporate governance concerns.





# Investment philosophy and commitments

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We aim to generate strong long-term, risk-adjusted returns by investing globally in the shares of high-quality companies that contribute to, and benefit from, sustainable development. We believe companies with these attributes are particularly well positioned to generate long-term returns and deliver positive social and environmental outcomes. Our first sustainability strategy was launched in 2005, but our sustainable investment journey started in 1988 through our listed equity investments in the Asia Pacific region, which continues to be on the frontline of multiple sustainable development challenges, while also holding the key to many of the solutions. We now manage equity portfolios investing in Asia (including and excluding Japan), Emerging Markets, Europe (including and excluding the UK), the Indian Subcontinent, and Worldwide.

Over recent years, we have set targets and commitments on issues we believe are important for a sustainable economy and the companies in which we invest. These targets and commitments reflect our drive to improve the articulation of what we do and the standards we uphold. They include:

- > [Climate change statement](#)
- > [Diversity statement](#)
- > [Our position on harmful and controversial products and services](#)
- > [Proxy voting policy and guidelines](#)

Our commitments reflect the application of our investment philosophy, our [Hippocratic Oath](#), and the way we manage our business. Across all our activities we strive to:

- > allocate capital to high-quality companies that are contributing to a more sustainable future
- > use our influence as investors to encourage companies to take positive actions through (direct and collaborative) engagement, proxy voting and policy advocacy
- > continue to evolve our approach as a firm
- > report transparently and regularly on our successes and mistakes as an employer, as an investor, and within our communities.



# Sustainability

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Assessing a company's sustainability positioning and the quality of its people, franchise, and financials, lies at the heart of our process. We use rigorous bottom-up analysis (analysing individual companies rather than countries or sectors) to assess the sustainability positioning, supplemented by third-party frameworks and external research.

Two of these frameworks are our human development pillars, adapted with reference to the United Nations Human Development Index<sup>2</sup> and Project Drawdown's<sup>3</sup> catalogue of climate change solutions.

All investee companies contribute to improving human development (positive social outcomes), while many also contribute to climate change solutions (positive environmental outcomes).

Our focus is on whether companies are making a positive meaningful contribution to sustainable development via these frameworks. Where investee companies do contribute, we classify them as either making a direct<sup>4</sup> or an enabling<sup>5</sup> contribution depending on their involvement.

<sup>2</sup> The Human Development Index (HDI) is a broad measure of human development created for the UN inspired by economist Amartya Sen and his concept of 'development as freedom.' It includes metrics related to income, education, and health.

<sup>3</sup> Any reference to Project Drawdown climate solutions is to the solutions [here](#). It is not to be read as implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors Sustainability Assessment framework.

<sup>4</sup> A direct link is when a company's goods or services are the main way that a positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

<sup>5</sup> An enabling link is when a company's goods or services enable other companies to contribute to a positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).



## Human development pillars – positive social outcomes

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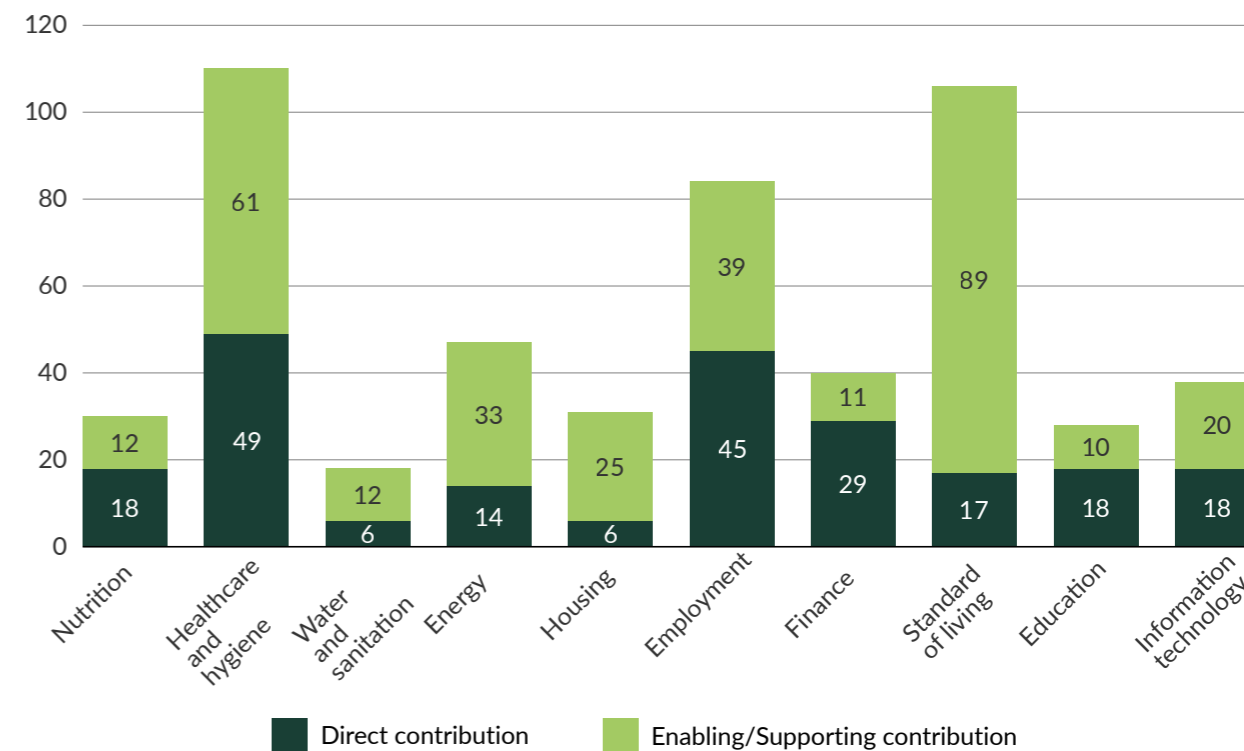
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Adapted from the three components of the UN Human Development Index (income, education and health), we have determined 10 pillars within four broad themes that encapsulate the essence of human development and can be mapped to companies. Each investee company must contribute tangibly to at least one of the pillars.

- > **Health and well-being** – improved access to and affordability of nutrition, healthcare, hygiene, water and sanitation
- > **Physical infrastructure** – improved access to and affordability of energy and housing
- > **Economic welfare** – safe employment offering a living wage and opportunities for advancement, access to finance and improved standards of living
- > **Opportunity and empowerment** – improved access to and affordability of education and information technology.

As at 31 December 2023, our portfolios held **205** companies. All companies were contributing to at least one human development pillar and, in total, were making **532** different contributions.

Human development pillars  
(number of companies contributing to each pillar)



Source: Stewart Investors and company data. Number of pillars and companies as at 31 December 2023. Contributions are defined by the team as demonstrable contributions to any solution, either direct (directly attributable to products, services or practices provided by that company), or enabling (supported or made possible by products or technologies provided by that company).



# Climate change solutions – positive environmental outcomes

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Project Drawdown is a non-profit organisation founded in 2014, which has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching ‘drawdown’, – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline. We have captured the solutions across eight broader categories:

- > **Food system** – sustainable farming, food production and the distribution of products and services
- > **Energy** – adoption of renewable energy and other clean energy and related technologies
- > **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes
- > **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources
- > **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options
- > **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials
- > **Water** – less energy-intensive methods for treating, transporting and heating water
- > **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As at 31 December 2023, **134 companies (65%)** were contributing to climate change solutions. These companies were contributing to **58** different solutions and, in total, were making **415** different contributions.

Climate change solutions  
(number of companies contributing to each solution)



You can read more about the companies held across our strategies on [Portfolio Explorer](#), which tells the sustainable development stories of all the companies we invest in and the contribution they are making to human development and climate solutions. The tool also refers to the most relevant Sustainable Development Goals, key risks and areas for improvement.

Source: Stewart Investors, company data and © Project Drawdown (drawdown.org). Number of solutions and companies as at 31 December 2023. Contributions are defined by the team as demonstrable contributions to any solution, either direct (directly attributable to products, services or practices provided by that company), or enabling (supported or made possible by products or technologies provided by that company). It is not to be read as implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors framework.



# Research tenders

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A vital part of our investment process is trying to better understand the challenges and opportunities that companies, industries and sectors will face. If we own a company for ten years, we must understand how that company is positioned relative to the shift the world must make to a more sustainable form of development.

We often find our key questions on these matters are not adequately addressed by standard 'off the peg' research, so we commission and pay for one-off, standalone pieces of research. This third-party commissioned research is helpful to challenge our thinking and extend our understanding of specific sustainability issues. This has allowed us to select and establish relationships with a wide range of partners with different experiences, perspectives and insights.

In 2023, we commissioned and delivered one research report on the topic of industrial circularity.

Other tenders we commissioned are only likely to be completed this year or next:

- > Animal testing in global pharmaceutical companies – to increase our understanding of the latest alternatives to animal testing that are available in the healthcare sector today
- > Governance in four South East Asia conglomerates – to identify signs of improving governance by examining any changes to stewardship
- > Assessment of environmental intensity in cement manufacturing – to understand the future of cement manufacturing
- > Resilience to water stress in Indian companies – to identify the sustainability leaders and laggards in managing water stress in India over the next decade
- > A company-specific sustainability journey – to help appreciate, capture and learn from all the sustainability initiatives and experiences of a specific company.

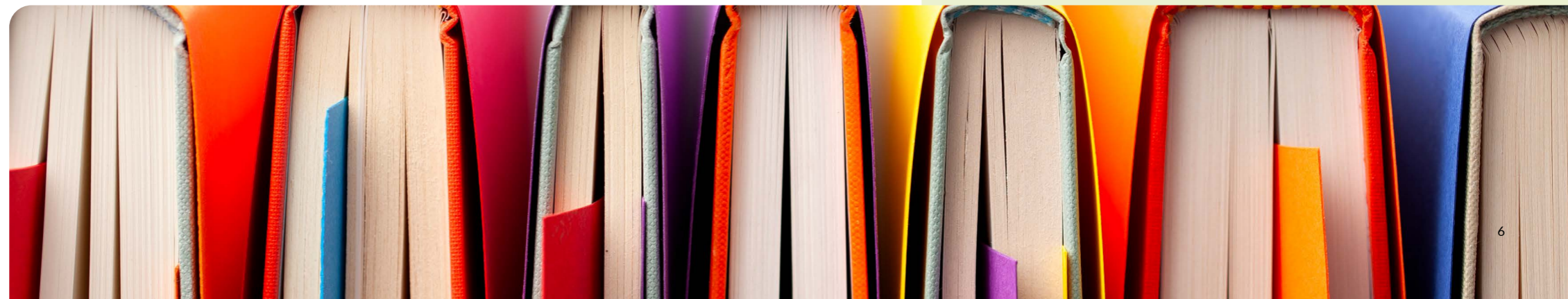
## Research tender: industrial circularity

The research investigated the extent to which industrial goods are reused or repurposed to increase efficiency and reduce avoidable waste. It focused on 22 companies we selected from across different sectors, industries and countries. It sought to identify global best practice in end-of-life planning for industrial goods (machinery, robotics, industrial computers, electrical equipment, etc.), and current practices around designing for circularity, designing for efficient disposal, recycling and upcycling.

The research tender has helped us:

- > understand what happens at the end of life for industrial goods
- > identify best practices and specific initiatives companies have undertaken
- > build a better picture of how the 22 companies are positioned.

We will use the report to inform our engagement on industrial circularity with the 22 companies in 2024.







# Engagement

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Our engagement approach contributes invaluable insights into company quality and enhances our understanding of the sustainability headwinds (challenges) and tailwinds (opportunities) companies face. We play an active role but are not “activists”. The purpose of our engagement and voting is to mitigate risks, enhance performance and improve sustainability outcomes. Below are some highlights of our engagement work in 2023. You can read more in our engagement booklet [here](#).

In 2023, we carried out **155** engagements with **134** companies. The main themes we engaged on were climate change, plastic packaging and the circular economy, natural resource use, pollution and waste, conflict minerals, animal testing, sustainable urbanisation in India, diversity, remuneration, human capital management, labour rights, and reporting.

The table provides a breakdown of these engagements, **28%** of which are related to environmental issues, **24%** social, **48%** governance.

## Environmental

	No. of engagements	No. of companies
Climate change (e.g. reducing emissions, increasing use of renewables)	6	6
Natural resource use/impacts (e.g. water, biodiversity, deforestation)	1	1
Plastics, packaging and circular economy	3	3
Pollution and waste	35	35

## Social

Animal testing/welfare	2	2
Harmful and controversial products and services (e.g. additive products, nutrition, gambling/gaming)	7	6
Human and labour rights (e.g. supply chain rights, social impacts, community relations, modern slavery)	23	22
Human capital management (e.g. inclusion and diversity, employee terms, health & safety)	2	2
Public health	1	1
Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)	1	1
Financial inclusion, minimum / living wage, micro-insurance	1	1

## Governance

Board effectiveness - diversity	7	7
Board effectiveness - independence or oversight	2	2
Board effectiveness - other (e.g. succession)	4	4
Remuneration and incentives	12	12
Strategy, financial and reporting - capital allocation, debt management, tax, responsible loans	4	4
Strategy, financial and reporting - reporting (e.g. audit, accounting, disclosure, sustainability reporting)	40	39
Strategy, financial and reporting - strategy/purpose	4	4
Shareholder rights	1	1

*Engagements may relate to one or multiple environmental, social or governance issues. These numbers are lower than last year following a cleanse of our engagement data in 2023 to improve our tracking and reporting.*



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Our engagement is prioritised from a company perspective by the investment team. The way each company responds to engagement influences the investment team's conviction in that company.

## Company engagement case study

### Hong Kong industrials business – allegations of forced labour in the supply chain

In January 2023, we received a controversy alert in relation to allegations that the company had links to forced labour through one of its subsidiaries. We wrote to the company to clarify the allegations and understand its approach to ensuring its supply chain is free of forced labour and other issues.

In our correspondence with the company, we shared details of the Investors Against Modern Slavery and Trafficking Initiative's - 'Find it, Fix it, Prevent it' - framework and explained that the prevalence of modern slavery in the region means it is likely to be occurring in most companies' supply chains but existing methods for identifying it are not always effective. We asked the company to confirm how it ensured that its checks were effective in reference to their 2021 ESG report which stated they found no labour rights issues in their supply chain.

The company shared its formal statement and response to the allegations and confirmed it does not tolerate forced labour, has strict policies in place, and regularly reviews its global operations and supply chain. Following the allegations, an investigation was conducted which included senior leaders from the company visiting the suppliers in question. The company found no evidence to support the claims and remains committed to its Code of Conduct and Policy Against Modern Slavery. The company noted that we were the first investors to have asked about this issue.

In April 2023, the company released its 2022 ESG report that included enhanced disclosures relating to grievance mechanisms, breaches, and remediation practices. It included information on how its suppliers are progressing and working to improve on these issues.

We wrote to the company to commend them on the progress, and suggested additional areas and details that we would like to see included in future reporting.

In December 2023, the company acknowledged our suggestions for continuous improvement in disclosure. The process led to the discovery of multiple examples of counterfeit equipment accessories, namely gloves, originating in China and bearing the company's brand name. The company has since cut ties with the glove manufacturer in question and is moving these operations outside of China.

We are pleased with the company's enhanced disclosure and its openness during the engagement. We will continue to encourage the company to improve practices and disclosure on grievance mechanisms, breaches, and remediation.



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In addition to identifying engagements at the company level, we also engage with companies held across our funds on certain cross-cutting strategic issues that are relevant to them. Examples include encouraging companies to set greenhouse gas emissions targets, improve livelihoods for smallholder farmers in consumer goods companies' supply chains, reduce plastic waste and sustainable urbanisation in India.

## Strategic engagement case study

### Sustainable urbanisation in India

It is widely acknowledged that India needs to urgently develop away from the Tier 1/mega<sup>6</sup> cities to the Tier 2<sup>7</sup> cities. Tier 2 cities are reasonably dense (in a global population context), have sound communication and connectivity infrastructure, are lower cost for employers, and offer better overall standards of living. In November 2023, we wrote to 36 Indian companies to seek their views on urbanisation pressures facing many Indian cities. Extreme levels of pollution, congestion, inadequate public infrastructure and rising living costs are key long-term risks facing Tier 1/mega cities and companies that operate in them. We asked whether sustainable urbanisation is something management is factoring into its long-term operational and business strategy. We would like to understand if actively shifting development away from the mega cities in the coming decades is possible and desirable. We look forward to providing an update on how this engagement progresses in the 2024 report.

<sup>6</sup> Tier 1 cities in India are major urban centres driving economic and social development.

<sup>7</sup> Tier 2 cities in India represent emerging urban centres with substantial growth potential.



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As well as direct engagement with companies, we take part in, and sometimes lead, collaborative engagements with other investors to amplify our voice and broaden our reach on strategic issues. Examples have included deforestation, plastic pellets, micro-insurance, access to medicine and conflict minerals in the semiconductor supply chain.

## Collaborative engagement case study

### Conflict minerals in the semiconductor supply chain

Our engagement on conflict minerals began in 2020 when we identified the issue as a serious human rights risk which is frequently overlooked by governments, companies, investors and consumers. Tantalum, tin, tungsten and gold, collectively known as 'conflict minerals', are vital materials for the semiconductor industry and are powering the green transition. Poor traceability along complex supply chains can lead to the inadvertent financing of armed conflict and the abuse of human rights. Technically, cobalt is not a conflict mineral, but some estimates indicate that there may be as many as 40,000 children engaged in artisanal cobalt mining in the Democratic Republic of Congo (DRC).<sup>8</sup>

You can read more about the progress made in this collaborative engagement on our [website](#). We are pleased by the momentum gathered by the initiative in 2023:

- > We became the first investor to speak at the Responsible Business Alliance (RBA)<sup>9</sup> and Responsible Minerals Initiative (RMI)<sup>10</sup> Annual Conference in Santa Clara, California on the positive role of capital. We also hosted an RMI-endorsed, closed-door workshop attended by 16 leading electronics companies and facilitated by KUMI Consulting.<sup>11</sup> This is significant progress following our initial attendance in 2022, which was met with some scepticism as we were the first investors to attend the event
- > We significantly strengthened our relationship with the RMI. It has become clear that the issue of conflict minerals has yet to be integrated into many C-suite (senior management) agendas. Senior management are not involved directly with the processes and decisions behind company supply chains and are therefore distanced from potential abuses. To bridge this gap, we believe investors can play a key role in increasing the attention dedicated to supply chain issues by company CEOs. One way we are trying to bridge this gap is through collaboration with the RMI. Members of the RMI debated whether they should allow investors to join their trade body. There were initial reservations that investors would disrupt what the RMI considered a 'safe space' for members. However, there were some strong supporters who canvassed on our behalf as, like us, they believe investors could bring a new and constructive perspective to help influence improvements along mineral supply chains. We are excited to become the inaugural investor member of the RMI in 2024 and intend to develop an investor working group
- > We commissioned KUMI to deepen our knowledge, contacts and engagements with companies, trade bodies and organisations like the Organisation for Economic Co-operation and Development (OECD). With the help of KUMI we developed engagement guidelines for initiative supporters, and other investors, to improve their interactions with companies.

We recognise that engagement on this topic will be a long journey, but we hope that by building a closer relationship with the RMI and influential companies in the electronics supply chain, this collaborative engagement is a step closer to making some progress.

<sup>8</sup> [Delve: 2020 State of the Artisanal and Small-Scale Mining Sector Report](#).

<sup>9</sup> [Responsible Business Alliance \(RBA\)](#), the parent organisation of the RMI, and the world's largest industry coalition dedicated to corporate social responsibility in global supply chain.

<sup>10</sup> [Responsible Minerals Initiative \(RMI\)](#) is the largest industry association in the minerals and electronic sector which provides companies with a full ecosystem of tools and resources that help its members make responsible sourcing decisions globally.

<sup>11</sup> [KUMI Consulting](#) is a sustainability consultancy firm with a focus on business operations in developing countries.



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In addition, we support a wide range of organisations, initiatives and industry bodies that contribute to the development of industry standards and improve best practice. Some of these partnerships stem from findings from our research tenders or relationships built through our engagement initiatives. Here are two examples, and more information is available on our [website](#).

## Strategic research initiative case study

### Plastic waste in India

We continue to collaborate with and support the Waste and Resources Action Programme (WRAP)<sup>12</sup> and the India Plastics Pact<sup>13</sup> (led and managed by the Confederation of Indian Industry - CII<sup>14</sup>). We became familiar with these organisations as a result of our collaboration and support in establishing the India Plastics Pact, which launched in 2021.

In 2023, WRAP approached us with an opportunity to support a research trial they are running in conjunction with the CII. The trial aims to prove the business case for companies to move from non-recyclable multi-layered plastic packaging to recyclable single layer packaging. The trial results will be developed into case studies for sharing within the India Plastics Pact, helping to inform a Roadmap for Tackling Flexibles & Film Plastics that encourages a shift away from flexibles and film plastics use.

The journey towards sustainable plastic use in India will be a long one. Supporting the Roadmap for Tackling Flexibles & Film Plastics feels like a natural extension of the India Plastics Pact and has the potential for real and tangible impact in India (and beyond). We believe it is a high priority issue for businesses to accelerate circularity in plastics in India where around 15 million tonnes of plastic waste is produced every year.<sup>15</sup> You can read more about the scale of the crisis in India [here](#).<sup>16</sup>

<sup>12</sup> [Waste and Resources Action Programme \(WRAP\)](#) is a UK based non-governmental organisation (NGO) tackling causes of the climate crisis.

<sup>13</sup> [The Pact](#) aims to promote collaborative action to enable innovative solutions to change the way plastics are designed, produced, used, and disposed.

<sup>14</sup> [The Confederation of Indian Industry \(CII\)](#) works to create and sustain an environment conducive to the development of India, partnering industry, government, and civil society, through advisory and consultative processes.

<sup>15</sup> Source: UNDP India.

<sup>16</sup> [A collaborative approach to engagement: Tackling Plastic Waste in India](#), Stewart Investors.



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## Strategic research initiative case study

### Access to medicine

The Access to Medicine Foundation is an independent non-profit organisation that seeks to mobilise companies to expand access to their essential healthcare products in low- and middle-income countries (LMICs).

In September 2023, we were delighted to help co-host a multi-stakeholder event in Mumbai, India to launch their landmark report assessing five generic and biosimilar medicine manufacturers' actions on expanding access to their products in LMICs.

Generic and biosimilar medicines have the potential to be lifelines for millions, offering the same therapeutic and clinical benefits as the originator medicines, but often at significantly lower prices. However, even if a product is comparatively cheaper, it may still be unaffordable for consumers, which is especially the case for those living in low-income countries and those from vulnerable populations. Among the medicines listed on the World Health Organization's Model List of Essential Medicines, only 10% are under patent protection and therefore ineligible to become generic or biosimilar medicines. Manufacturers of generic and biosimilar medicine manufacturers have an invaluable role to play in ensuring the vast majority of essential medicines reach those who need them the most.

The report is the first major in-depth assessment of the role and access-to-medicine efforts of generic and biosimilar medicine manufacturers. It provides detailed profiles of five market-leading generics companies - Cipla, Hikma, Sun Pharma, Teva, and Viatris – and identifies opportunities to strengthen manufacturing and improve the availability of generic and biosimilar medicines, such as affordability, product registration, supply, local availability, and adaptive research & development. Given their portfolios and footprints, the five companies assessed can now work to significantly enhance their efforts by acting on the opportunities and the tailored recommendations set out in their respective company profiles.

As long-term investors focused on quality and sustainability, we think generics franchises built on providing access to high-quality medicines at affordable prices are set to benefit from continued growth opportunities over the coming decades. While these companies create tangible benefits for end-users, we recognise areas for improvement within the industry, which is why we support the Foundation's work to help provide a roadmap for the enhancement of access to generics.

We are excited about the opportunity for generics companies to continue delivering greater access to healthcare globally while operating sustainably profitable business models.





# Voting

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Voting our shares in companies is an extension of our engagement activities. We believe judgement is a better guide to voting than a rules-based approach. Our voting policy is based on principles and key considerations that are likely to apply to all companies in most circumstances. However, we consider each voting exercise a bespoke process that should consider the specific context, circumstances, dynamics and development of each company. You can read more about our Voting Policy and Guidelines [here](#) and in our Stewardship and Corporate Engagement Policy [here](#).

In jurisdictions where we are permitted to do so, we publicly disclose voting decisions and the rationales for each contrary vote on our website and in our client quarterly updates.

A live proxy voting tool is now available on the [Stewart Investors website](#).

The below table and following commentary summarises 2023 activity.<sup>17</sup>

	Votes
Meetings to vote at	245
Proposals to vote on	2460
Against management proposals	124
Abstained management proposals	6
Against shareholder proposals	8
Abstained shareholder proposals	0
Voted contrary to proxy advisor recommendations	305

## Shareholder proposals

- > We voted against eight shareholder proposals focused on governance and social matters and supported four.
- > We voted against:
  - two proposals on the disclosure of diversity, equity, and inclusion (DEI) practices. Please see the diversity section for more detail
  - two proposals on change to a company's IT management software as we believe management are best placed to decide the day-to-day operations of the business
  - one proposal which would have enabled an independent proxy to vote on additional or amended proposals from shareholders at the company's annual general meeting. We consider ourselves active shareholders and voting an important responsibility in our investment management duties
  - one proposal that requested the company seek shareholder approval for severance payments valued at 2.99 times the sum of salary and short-term bonus. The company has a very different remuneration culture to its peers. Managers are not paid bonuses if the company generates operating losses until all the losses are recouped. We believe the Board has also provided sufficient explanation that under no circumstances will executives be paid severance of that magnitude
  - one proposal which would enable shareholders with a combined 10% share ownership the rights to call a special meeting. We believed that the threshold was low enough at 20% and already limited to shareholders of over one year so decided that lowering the threshold further, relative to the company's size and stage of development, would open them up to excessive intervention and distraction
  - one proposal which requested amendments to bylaws. We believe the company is shareholder friendly, and the proposal would breach the company's Certification of Incorporation.
- > We supported:
  - one proposal which requested the company reports on the risks caused by state policies restricting reproductive healthcare beyond litigation and legal compliance. Please see the diversity section for more detail
  - one proposal which requested the company separates the roles of Chair and CEO
  - two proposals that requested a company reports on its process for customer due diligence, by outlining sanctions and export control compliance, risks associated with Russia's invasion of the Ukraine, more information on the know-your-customer due diligence process, and an assessment of legal, regulatory and reputational risks to the company. The second proposal requested the company adopts a 10% threshold for calling special meetings as currently the Board's threshold is a shareholding of 25%, which seems high. The previous year we voted for lowering the threshold to 10% but on reflection were comfortable with the company's decision to allow 25% net long shareholders to call special meetings. We do not have a formal or consistent policy on the 'right' threshold and consider each voting exercise a bespoke process that should take into account the specific context, circumstance, dynamics and development of each company.

<sup>17</sup> Source: Proxy voting information for 12 months to 31 December 2023 - CGI Glass Lewis/Stewart Investors.



# Climate

In June 2021 we outlined [our position](#) on the issue of climate change and made four commitments.

- 1 **Allocate capital to high-quality companies** that are developing and implementing solutions to alleviate climate change and biodiversity loss, while not investing in fossil fuel companies.
- 2 **Provide full transparency of our investments** and map these to frameworks, such as Project Drawdown's climate change solutions, to both illustrate how companies are contributing to emission reductions and to help inform and focus our engagement efforts.
- 3 **Encourage companies to take positive actions** and use their influence across their value chains to drive emission reductions, while also striving to ensure equitable treatment of all their stakeholders in the transition to a carbon-constrained economy.
- 4 **Reduce emissions in our own operations** and offset whatever emissions we cannot remove.

In 2022, we released our first [climate change report](#), which set a baseline for our emissions and established future targets. We also signed up to the Net Zero Asset Managers initiative (NZAMi).

This section provides an update on our progress against these targets. You can also find our initial target disclosures for the NZAMi on their [website](#).

Our external climate data provider updates data once a year with a lag to allow for a full reporting cycle from companies to have been completed. For example, they released 2022 carbon footprint data in January 2024. Consequently, except for the information on company targets and our own operational carbon footprint, the numbers in this report show 2022 carbon emissions for both 2022 and 2023, with the only difference being the companies that were held in the portfolios at the end of each period.

We are currently on track to achieve our targets encouraging companies to disclose their carbon footprints and to set carbon reduction targets, however, we are falling short on the carbon footprints targets of our financed emissions and direct operations.

We are scheduled to review our targets in 2024. The information in this report provides an update on our existing targets.





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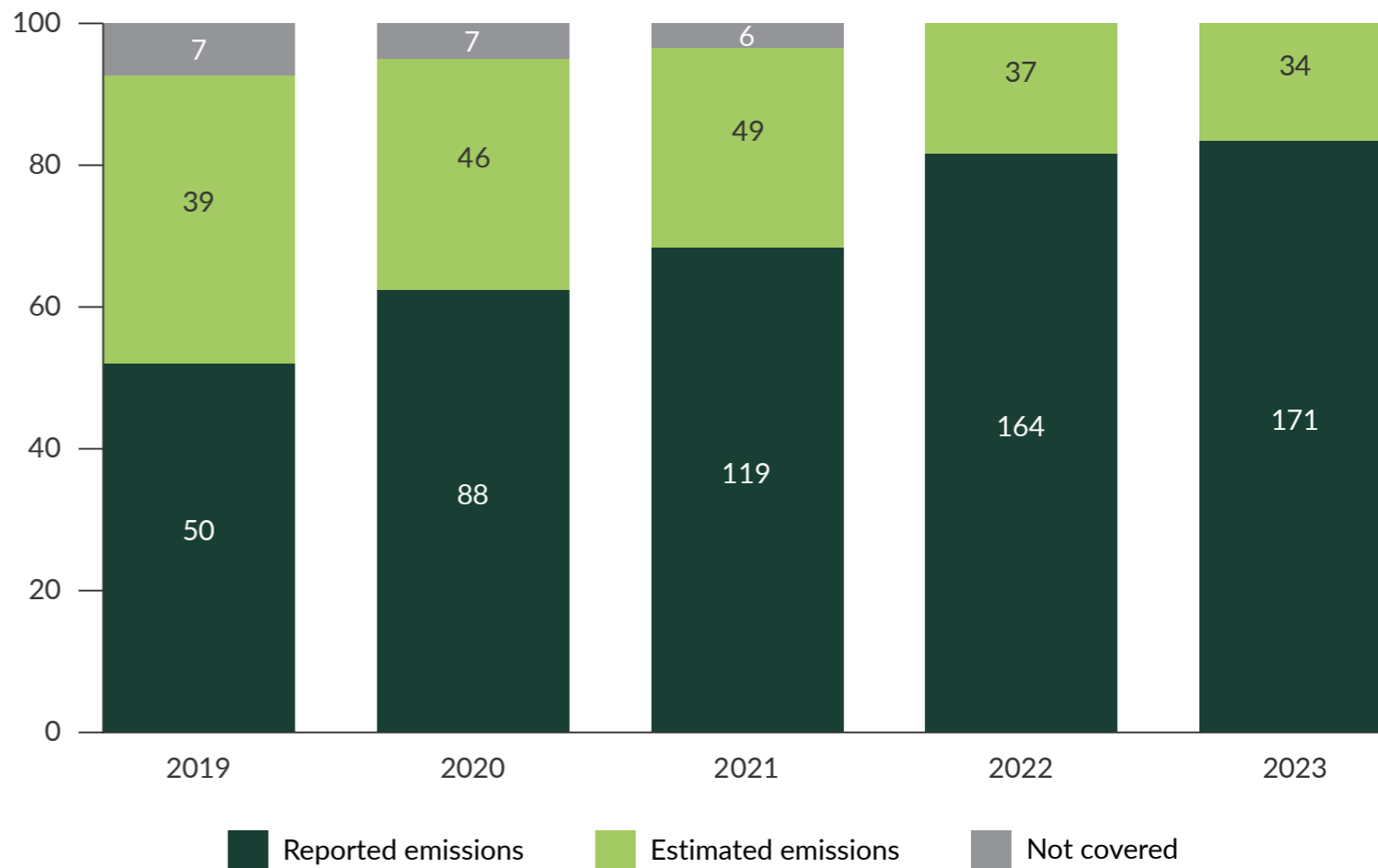
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## Target: 100% of investee companies disclosing emissions by the end of 2025

During 2022 and 2023 we saw an increase in the number of companies reporting emissions, with 82% and 83% of companies disclosing respectively, up from 68% in 2021. This has been due to a range of factors including increasing regulatory requirements and investor engagement. However, there are still 34 companies across our portfolios that we would like to see disclosing their emissions by the end of 2025. We will continue to encourage these companies to disclose and set targets as soon as possible.

Reported versus estimated emissions - number of companies



Source: ISS ESG Solutions over calendar year periods to 31 December 2023.



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## Target: 80% of financed emissions covered by targets by 2025, 100% by 2030

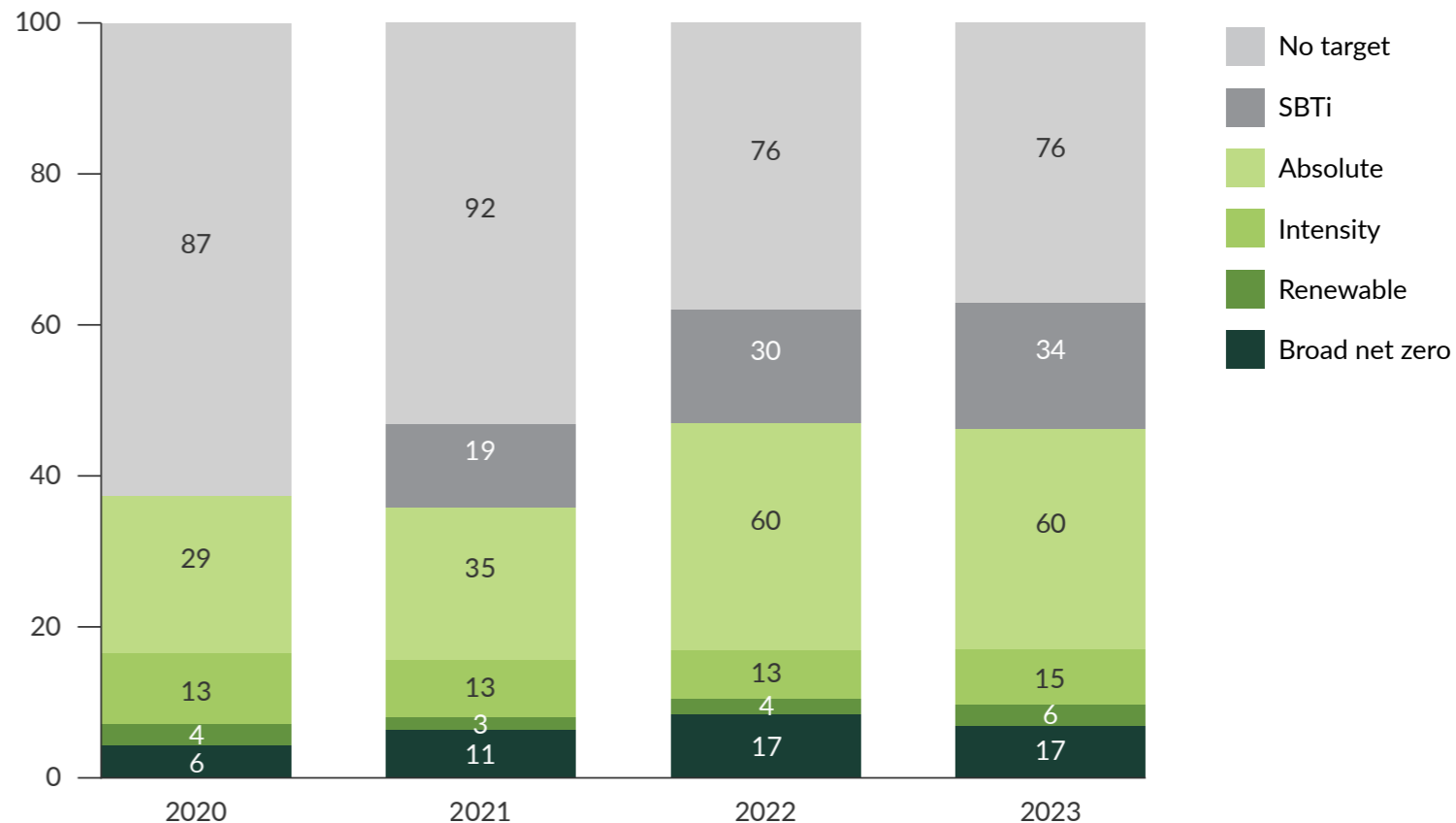
We have seen a steady increase in both the number of companies setting targets and as a proportion of our carbon footprint. It is also encouraging to see the quality of targets improve with more companies setting absolute emissions reduction targets including those certified by the Science Based Targets initiative (SBTi).<sup>18</sup>

In 2019, no companies had SBTi approved targets, whereas there were 34 (17%) in 2023, while companies without targets fell from 92 (53%) to 76 (37%). Unfortunately, the number of companies without targets in 2023 stayed steady at 76 from 2022.

Rather than the number of companies, our goal is to have 80% of our carbon footprint covered by targets by the end of 2025. At the end of 2023, 73% of our carbon footprint was from companies with targets.

<sup>18</sup> Source: [Science based targets](#)

Target types over time - number of companies



Source: Net Purpose over calendar year periods to 31 December 2023. Underlying company target data is based on the latest published and public company information.



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Across our portfolios only one of the ten largest contributors to our carbon footprint, and one of the ten largest emitters overall are from developed countries, and many companies are not from high-emitting sectors.

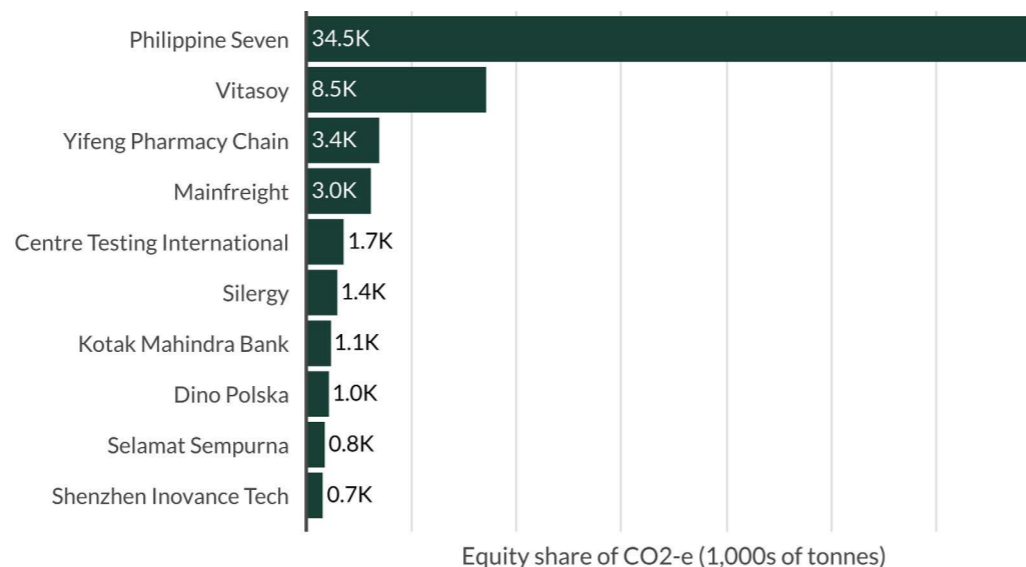
We encourage companies who have not set targets to consider setting targets but are conscious of the nuanced challenges that exist in disclosing and setting targets on emissions, particularly smaller companies in emerging markets. We also recognise that for many companies the most material sources of emissions are outside of their direct operations (Scope 3). We have engaged with many companies on issues like plastic waste, smallholder farmers and industrial circularity to understand

the actions companies can take to address these sources of emissions in a holistic and integrated way.

Setting targets requires good quality information on a company's carbon footprint and source of emissions. Over the last year we have engaged with two companies where we believed their emissions disclosure was incorrect and encouraged them to review their approach. While all companies will need to reduce emissions, being constructive in our engagement and focusing on the challenges that are most relevant to each company is critical for building long-term relationships.

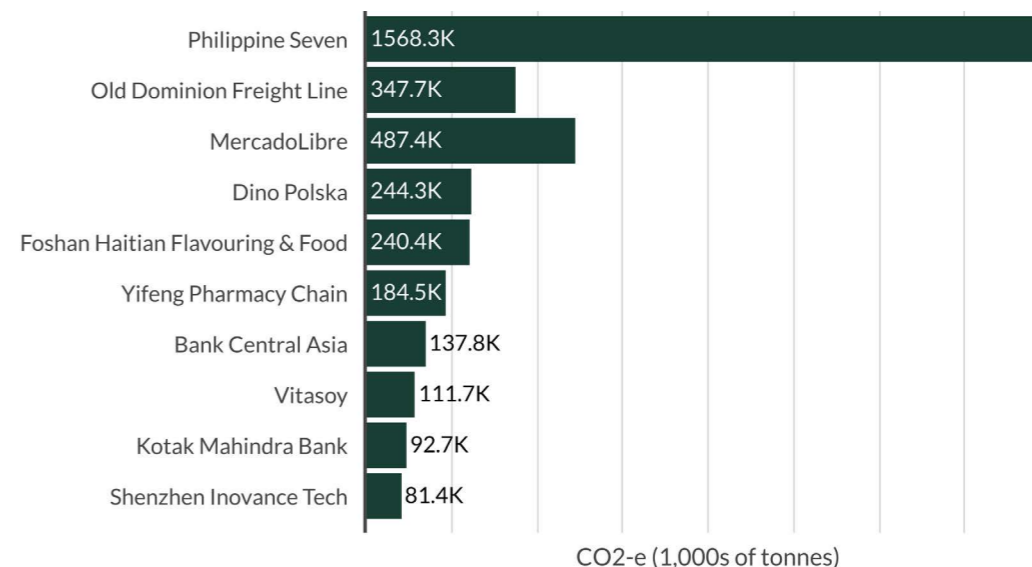
### Largest contributors to carbon footprint without targets

Portfolio carbon footprint Scope 1 and 2



### Largest emitters without targets

Scope 1 and 2



Sources: Stewart Investors holdings data as at 31 December 2023.

ISS ESG Solutions. This data includes estimates for companies who do not disclose emissions. Data is provided once a year in January once emissions data for all companies in a given year have been reported. The latest data is for 2022. Scope 1 covers all direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the reporting entity. Scope 2 covers indirect GHG emissions from the consumption of purchased electricity, heat or steam.

Net Purpose. Underlying company target data is based on the latest published and public company information.

This stock information does not constitute any offer or inducement to enter into any investment activity. Holdings are subject to change. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same.



# Target: 50% reduction in financed emissions by 2030 and net zero by 2050

The carbon footprint of our portfolios has increased in the post-COVID period. As previously stated, the emissions data for 2022 and 2023 is from 2022, with the difference between the two years being the companies held at the end of each period.

carbon footprint. In both cases we believe the companies are contributing to climate change solutions and have set targets for reducing emissions.

During 2023 we added companies including Linde and Samsung Electronics that have increased our

Despite the increases, our portfolios remain almost 90% lower carbon than their respective benchmarks.

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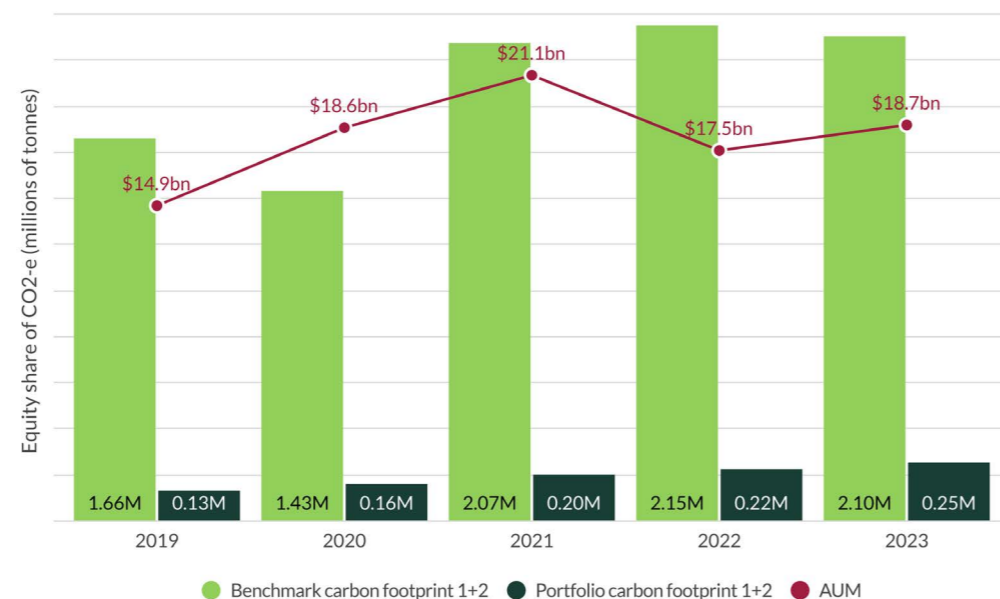
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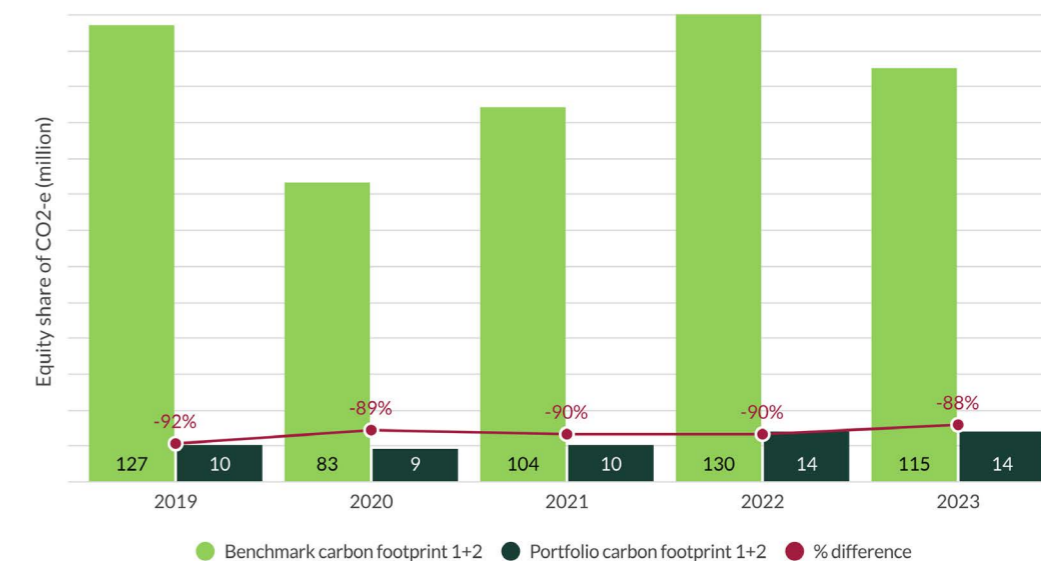
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Total carbon footprint (Scope 1+2) vs benchmark



Carbon footprint (Scope 1+2) per million invested



Sources: General: Stewart Investors holdings data as at 31 December 2023.

AUM: Stewart Investors. Figures, have been converted from the base currency of each account using the WM Reuters 4pm exchange rate as at report date. All AUM figures are unaudited and may differ from final audited AUM figures when published. The AUM data provided is for information purposes only and should not be used for any other purpose. AUM of the strategies is shown under the investment group which currently manages the strategy and may not reflect the strategy's full history.

Carbon data: ISS ESG Solutions. This data includes estimates for companies who do not disclose emissions. Data is provided once a year in January once emissions data for all companies in a given year have been reported. The latest data is for 2022. Scope 1 covers all direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the reporting entity. Scope 2 covers indirect GHG emissions from the consumption of purchased electricity, heat or steam.



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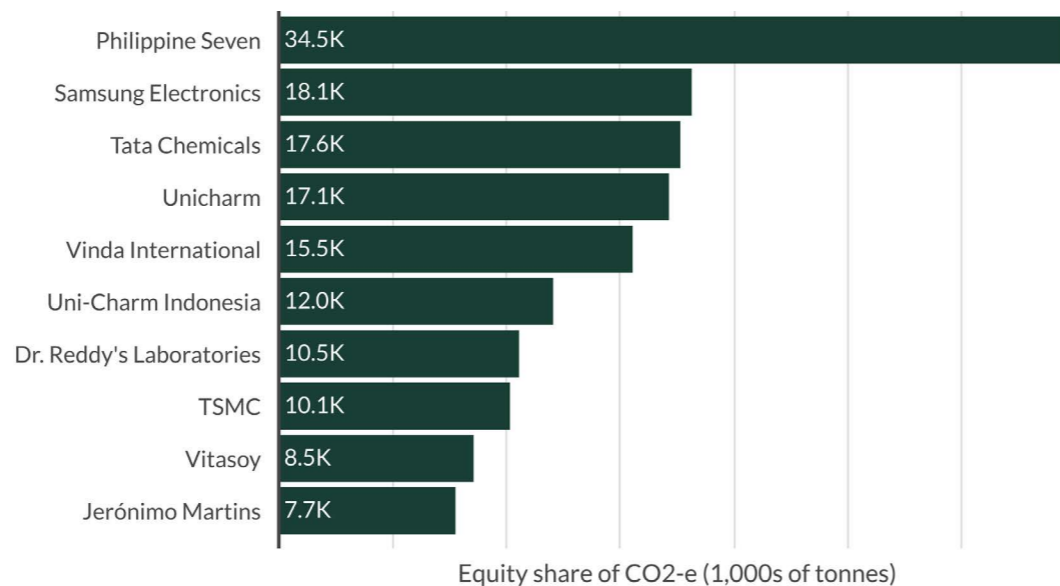
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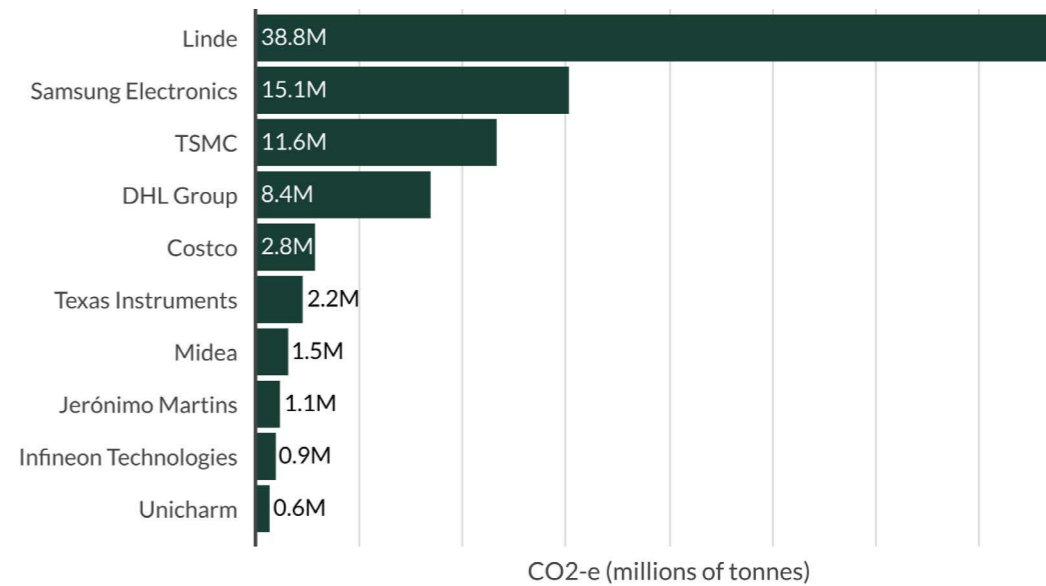
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### Largest contributors to carbon footprint



### Largest emitters overall



Sources: General: Stewart Investors holdings data as at 31 December 2023.

Carbon data: ISS ESG Solutions. This data includes estimates for companies who do not disclose emissions. Data is provided once a year in January once emissions data for all companies in a given year have been reported. The latest data is for 2022. General: This stock information does not constitute any offer or inducement to enter into any investment activity. Holdings are subject to change. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same.



# Fossil fuels

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We continue to have no exposure to fossil fuel extracting companies.

During 2023, we had no material exposure to fossil fuel companies, which our [position statement on harmful and controversial products and services](#) defines as companies generating 5% or more of revenue from exploration, production, or generation of fossil fuel energy.

We also analyse whether companies provide dedicated products and services to fossil fuel companies, as these revenues may be at risk from a move away from fossil energy usage. While none of the companies we invest in generate more than 5% of revenue from dedicated services to the sector, the companies disclosed to the right have been identified by our external ESG research provider as having less than 5%.



## Companies providing products and services to the fossil fuel industry

Addtech	GMM Pfaudler	Quiñenco*
Advantech	Graco	Roper Technologies
Atlas Copco	Hamamatsu Photonics	Samsung Electronics
CG Power	Indutrade	Spectris
Cognex	Inficon	Spirax Group
Constellation Software*	Infosys	Synopsys
Cyient	Lincoln Electric	Tata Consultancy Services
Diploma	Linde	Tech Mahindra
EPAM Systems	Mahindra & Mahindra**	Tube Investments
Expeditors	Milkyway Intelligent Supply Chain Service	WEG <sup>19</sup>
Fastenal	Nexans	Zebra Technologies

\* Sold during the period.

\*\* Flagged due to having significant ownership of Tech Mahindra, also listed above.

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same.

<sup>19</sup> Revenues derived from products and services supporting oil and gas, and thermal coal accounted for an estimated 2.5% per activity (5% in total) of the company's overall revenue in FY2022, according to our external research provider. Thermal coal exposure for supporting products and services was added by our external research provider in early 2023 and we contacted the company directly to check the 2.5% revenue estimates provided. Given that coal is not a strategic market segment for their products or customers, the company estimates <1% revenue to be a more accurate reflection of their exposure.



## Climate engagement

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While climate change and carbon are regular points of discussion with many companies, we only count engagements when we have deliberately tried to encourage changed practices or behaviour.

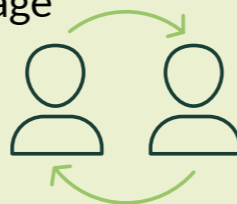
As part of our commitments under the Net Zero Asset Managers initiative, we wrote to 108 companies across all our strategies about disclosure and carbon reduction targets in August 2022. We are asking for meetings and further analysis from companies that are not making the progress we hoped to see but we have not been able to give this enough attention due to the challenges we have had with climate data.

As part of our broader Climate Commitment, in 2023 we actively engaged with 7 companies on issues related to climate change.

Companies engaged with on climate change in 2023



Commitment to engage



with all companies not disclosing emissions and/or with targets

## Climate engagements specific to individual companies include

- > A skin and personal care business – to clarify the company's carbon data and methodology used for CDP (previously known as the Carbon Disclosure Project) reporting and the rationale behind excluding aspects of their business in their disclosures
- > An electric motor manufacturing business – to understand data reported by a third-party provider on the company's revenue from products and services supporting thermal coal
- > A semiconductor manufacturing business – to encourage additional disclosure on their avoided emissions and whether they might consider working with the industry to help develop common standards for these calculations
- > A banking corporation – to encourage the company to set plans to offset their carbon emissions
- > A manufacturer of hygiene, household, and cleaning products – engaged with both the parent and subsidiary company to try to resolve an apparent discrepancy between each company's carbon data reporting and emissions figures.

## Climate voting

In 2023 there were no relevant management or shareholder climate proposals.



## Target: Net-zero scope 1 & 2, & employee business travel by 2030

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Stewart Investors has standalone offices in Australia and Singapore and shares offices with First Sentier Investors in Edinburgh, London and New York. In 2022 First Sentier Investors established a Corporate Sustainability function which supports us and the broader FSI business in managing operational climate change-related risks and impacts, including energy efficiency.

As part of Stewart Investors' Net Zero Target, we are targeting net-zero Scope 1 & 2 and Scope 3 business travel (business travel is the only Scope 3 element included in our target) by 2030. We calculate our emissions in alignment with the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (revised edition). Our focus is on reporting our Scope 1, Scope 2 and aspects of our Scope 3 (business travel) emissions arising from our operations that align with our target. In 2023 we expanded our Scope 3 reporting to include water, other fuel and energy-related activities, waste and employee commuting and telecommuting emissions. We continue to evolve our material Scope 3 emissions reporting alongside more accurate data.

Table footnotes:

- Emission factors for Scopes 1 and 2 reference published regional emissions factors from International Energy Agency (IEA), government and utility publications. Emission factors for Scope 3 emissions are based on DEFRA UK's published emission conversion factors.
- A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
- A market-based method reflects emissions from electricity that the company has purposefully chosen. This takes into account our procurement of renewable electricity. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.
- Our Scope 1 reporting currently excludes diesel (as part of stationary combustion) and refrigerants. While they are expected to be immaterial to our operational GHG inventory, we will look to include this in the future for completeness. Since 1 October 2022, we have purchased Green Gas (via tariff) to replace the natural gas in our Scope 1 emissions. Stewart Investors does not own any company fleet, and therefore there is no associated transport fuel for Scope 1 (mobile combustion).
- For Scope 2 emissions, we use actual consumption data from our leased offices.
- In 2023, we have expanded our Scope 3 reporting to include additional categories tabled on the right.

### Stewart Investors emissions

	tCO <sub>2</sub> e <sup>20</sup>			
	2020	2021	2022	2023
<b>Scope 1 (direct emissions)</b>	12.0	13.1	7.7	1.6
<b>Scope 2 (indirect emissions)</b>				
Purchased electricity - location method	36.2	38.3	37.3	27.8
Purchased electricity - market method	11.8	16.7	2.8	0.0
Purchased heat and steam	0.9	0.9	2.0	1.2
<b>Scope 3 (indirect emissions - value chain)</b>				
Business travel	98.4	30.3	746.5	801.3
Water	-	-	-	0.1
Fuel and energy related activities (not included in Scope 1 or 2)	-	-	-	10.1
Employee commuting and telecommuting emissions	-	-	-	19.9
Waste	-	-	-	0.4
<b>Biogenic emissions</b>	-	-	6.0	4.4
<b>Total emissions (Scope 1 &amp; 2 - location based, Scope 3 and biogenic)</b>	147.4	82.6	779.6	866.7
<b>Total emissions (Scope 1 &amp; 2 - market based, Scope 3 and biogenic)</b>	123.1	60.9	756.0	839.0

<sup>20</sup> Data may differ from that reported in prior Stewart Investors reports due to improvements in our calculation methodology, updated from GWP AR4 to AR5, and to align with FSI group-wide emissions reporting. We have restated all years for comparability.





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- Our Scope 1 and Scope 2 emissions reflect our typical occupation as an office tenant. Where we are a tenant, we have included the energy consumed within the leased space, and in Edinburgh, energy consumption for the building has been included to reflect our sole occupation. In offices shared with FSI, emissions are prorated by full-time equivalent (FTE) employees.
- Scope 1 emissions are direct emissions from Stewart Investors-owned or controlled sources. We have limited Scope 1 emissions as we do not have any activities that directly generate emissions such as the combustion of natural gas or company fleet. Since 1 October 2022, FSI has purchased 100% green gas from our energy retailer for our Edinburgh office, which is reported within the Scope 1 and biogenic emissions and had a significant impact on our numbers versus 2022. Our Scope 1 reporting currently excludes diesel (as part of stationary combustion) and refrigerants. While they are immaterial to our operational GHG inventory, we will look to include this in the future for completeness.
- Scope 2 emissions are indirect emissions from the generation of purchased energy consumed by Stewart Investors or FSI, including electricity, heat and steam. We have reported using both the location and market-based method. In 2023, we sourced renewable electricity for our global offices via energy retailer contracts or locally-generated Renewable Energy Certificates (RECs). Our New York office is supplied with precinct steam for heating. Our reporting includes energy consumption from the temporary London office in the fourth quarter of 2023, when we relocated while the main London office underwent refurbishment. This temporary office was also powered by renewable energy via Renewable Energy Guarantee of Origin (REGO) certificates.
- Scope 3 emissions are indirect emissions that occur in Stewart Investors' value chain, including both upstream and downstream emissions. We have previously focussed on our corporate business travel including flights, accommodation, and car hire. Our material Scope 3 emissions arise from our team's business travel (by air, rail, car hire and accommodation). The increase in reported business travel emissions follows the global re-opening of national borders in 2022. At Stewart Investors, there is a need to connect in person with our investee companies, global clients and colleagues, and so we acknowledge the impact of our travel is a necessary outcome of our operations, albeit one we need to keep trying to find ways to reduce.
- Biogenic emissions are the emissions arising from our procured 100% green gas contract in our Edinburgh office.

## Our approach to carbon offsets

We commit to offsetting emissions in categories that cannot be avoided. To do this, we purchase and retire voluntary carbon credits from leading offset projects verified under internationally recognised carbon verification schemes. Certificates verifying the carbon credit retirements are available on request.

For our offsets we prefer to support community-led projects and for 2023 certificates, we have provided AUD31,000 to a Plan Vivo-arranged project - [EthioTrees - Ethiopia | Plan Vivo Foundation](#) - which *'improves rural household income for landless farmers in villages of the North Ethiopian Highlands by supporting woodland restoration and ecosystem-services development.'*



# Diversity and inclusion<sup>21</sup>

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Capturing the many benefits of a diverse workforce requires an inclusive corporate culture. We believe a willingness to include diverse perspectives helps to generate better ideas and leads to better decision-making. This belief is reflected in how we assess the companies we invest in, and how we operate our own business.

In 2021, [we made four commitments](#); here we describe the progress we have made in 2023.

**1** Allocate capital to high-quality companies that are continually improving their own approaches to diversity

The approach companies take to diversity, equity and inclusion forms an important part of our assessment of company quality. While we appreciate the benefits of improving diversity, metrics like gender can be difficult to change over relatively short periods of time, as shown in the table below: the proportion of female board directors and managers across our portfolio companies as at December has hovered at around 30% for the last three years. However, we have noted some recent improvements. For example, two held companies reported no female representation on their Board in 2021. Since then, both companies have appointed female board members, with the latest data showing an increase to 14% and 33% female representation respectively.

Four companies had 10% or fewer female directors at the end of December. Improving diversity will continue to be an engagement priority for these and other companies where we believe improved diversity and inclusion will benefit the company.

Name	2021	2022	2023*
Proportion of female board members	28.2%	28.3%	29.5%
Proportion of female managers	28.1%	27.9%	26.9%
Proportion of female employees	37.4%	36.2%	32.2%

\* Where 2023 data was not available 2022 has been carried over. 2021 and 2022 data is based on aggregated portfolio holdings as at 31 December 2023.

<sup>21</sup> We define diversity as including, but not limited to, individual and group differences based on gender and gender expression, race, ethnicity, nationality, age, physical ability / disability, neurodiversity and other health conditions, sexual orientation, class, religious belief, and political perspective.



Use our influence as investors to encourage companies to take positive diversity actions through (direct and collaborative) engagement, proxy voting and policy advocacy

## Diversity engagement

In 2023 we actively engaged with eight companies on diversity issues specific to each business:

- > An industrial group operating in 22 industries – to improve gender diversity of senior management and increase the number of female candidates during recruitment
- > A business-to-business classifieds platform – to improve the diversity of the Board and management
- > An electric motor manufacturing business – to improve gender diversity, acknowledging the appointment of the first female Board member and a newly created senior position which was filled by a female candidate
- > A maker of commercial cooking appliances – to develop more ambitious gender diversity targets, particularly for the Board and senior management
- > A market leading supplier of precision testing and measurement instruments – to increase the number of females in senior management and on the Board. A female Director was appointed at their AGM in June 2023
- > A provider of baby and childcare products - to increase the number of females in senior management and on the Board
- > A medical technology company – to increase the number of females at executive level
- > A provider of medical diagnostics and healthcare products – to increase the number of female employees (22% reported) across the business.



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## Voting

Our preference is to exercise our votes to improve diversity, equity, and inclusion (DEI) outcomes.

> In 2023 we:

- abstained from voting on the election of the fiscal council as we preferred to vote in favour of the female candidate nominated by minority shareholders to the supervisory council. Local corporate law only permits shareholders to vote for either the directors' proposal for appointments to the fiscal council or the minority shareholder proposal for the supervisory council
- voted against the election of the Chair of the Nomination Committee in support of encouraging better gender diversity at the company which had no female directors at the time. We believe the Chair of the Nomination Committee has an important role to play in facilitating more gender diverse boards
- voted for one company proposal to elect the first female director to the Board. We had been engaging with the company on the need to improve their gender diversity and when the company made the decision to nominate a female candidate to the Board in 2023, we were delighted to vote in favour
- voted against two shareholder proposals regarding disclosure of DEI practices as we believe the company is committed to DEI and that their disclosure is adequate. We did not see how the proposals would benefit shareholders or be a productive use of company resources
- supported one proposal which requested the company reports on the risks caused by state policies restricting reproductive healthcare beyond litigation and legal compliance. Following a meeting with the company to discuss this proposal, we understood that the company has already done the work on this for their employees, and it seemed reasonable to ask them to publish it. We believe it would be useful for shareholders to have more information about the company's healthcare policy.

3

Continue to evolve our approach to diversity as a firm, including hiring, remuneration and career progression

We have built a team of individuals passionate about investing sustainably, but we come from diverse backgrounds and have complementary perspectives. Our team culture enables us to be different.

We review hiring, remuneration and career progression decisions from a diversity and inclusion perspective and have made good progress on improving the gender balance within the investment and client teams in particular.

Function	2022		2023	
	Total number of staff	% female	Total number of staff	% female
Client	11	45%	13	54%
Impact, Communication and Engagement	7	71%	9	78%
Investment	13	30%	14	36%
Management	5	0	6	17%
Operations	17	53%	17	47%
<b>Total</b>	<b>56</b>	<b>46%</b>	<b>59</b>	<b>47%</b>

Source: First Sentier Investors Human Resources, as of 31 December 2023.

Table footnotes:

- Management comprises Stewart Investors Central Management
- Client comprises the Stewart Investors Client team
- Investment comprises the Stewart Investors Investment team
- Operations comprises teams supporting Stewart Investors including Portfolio Implementation, Dealing, Research Management and Administrative Support.



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## Future Asset case study

The aim of [Future Asset](#) is 'to inform girls in Scottish schools about the investment management industry, enthuse them about careers in the sector, and widen the talent pipeline to improve diversity in the industry.'

Stewart Investors founded Future Asset in 2017 and has supported it both financially and through involvement of our people since then, including being steering group members each year (other than when required to step off to meet the rotation requirements). To date, Future Asset has engaged with over 1,800 girl students from over 220 schools in Scotland.

The annual Growing Future Assets Investment Competition enables girls in Scottish schools to experience the role of an Investment Manager. In the first year of the competition in 2020, there were 17 teams from 13 schools and 71 girls registered. In 2023/24 the participation has grown to 158 teams from 84 schools and 728 girls registered.

In the 2023/24 competition, investment team members Lorna Logan and Sarah Sheard are team mentors and Lorna is a judge in the Senior competition.

We are delighted to be part of the competition and to encourage high school girls in Scotland to look at the world of investment and consider the industry for possible future careers.

### 4 Report transparently and regularly on our successes and failures as an employer, an investor and within our communities

We are committed to working towards improving the diversity of our business and providing reporting to support our progress.

Certain initiatives are coordinated at the firm-wide level by FSI, who also complete an annual diversity census. The census provides a picture of its global workforce and helps to shape its DE&I strategy. The results of the census and FSI's DE&I strategy are included in the [FSI corporate sustainability report](#). Key areas of work involve inclusive leadership training, enhancing global employee communities<sup>22</sup>, policy reviews, pay equity analysis, and improving the recruitment and onboarding of new starters. FSI has also set DE&I targets which can be found in the report.

<sup>22</sup> Where employees who share an identity or join in allyship come together to foster an inclusive culture. Our communities in certain regions focus on disability, ethnicity, gender, LGBTQ+, neurodiversity and socioeconomic issues.





# Community and giving

## Memberships and affiliations

We support various collaborative engagements and industry initiatives as Stewart Investors, and via FSI. A list of these initiatives is available [here](#).

During 2023, approximately GBP3 million was donated to a range of charities by Stewart Investors. These can be grouped into three tiers:

### Tier 1

Charities that Stewart Investors set up generally secure the largest funding as they are long-term partners. These are [Maitri Trust](#), established in 2006 (supporting education projects in India and South Africa) and Tar-Ra Fund established in 2021 (to support projects or initiatives that challenge the current approaches to capital allocation to better consider sustainable development challenges).

### Tier 2

Partnerships with charities and not-for profit organisations with whom Stewart Investors team members have developed strong ties and which have effective operating models and reach. The relevant charities tend to be funded for at least three years and some, like the Stewart Ivory Financial Education Trust (and a predecessor charity), were supported for approximately 15 years. Examples of such charities funded in 2023 include:

- > **Parivaar** – a Benegal based charity which works towards the total care and overall development of children who are highly vulnerable to exploitation, victimisation, and trafficking, including orphans, street children, abandoned children, and extremely impoverished children from tribal areas. It also conducts many more humanitarian activities for the destitute and uncared, including the elderly and shelterless
- > **Centre for Science and Environment (CSE)** – a not-for-profit public interest research and advocacy institute based in New Delhi. Programmes include The Clean Air Programme, Sustainable Mobility Programme, and the Solid Waste Management Programme
- > **Altioem** – a Sydney based not-for-profit sustainability library and resource centre founded by Stewart Investors team members which aims to help people understand the role finance must play in addressing sustainability challenges
- > **Kopernik** – an Indonesian based charity seeking to challenge the status quo in the development sector and find smarter, more effective solutions that solve persistent problems faced by those living in rural and isolated communities.

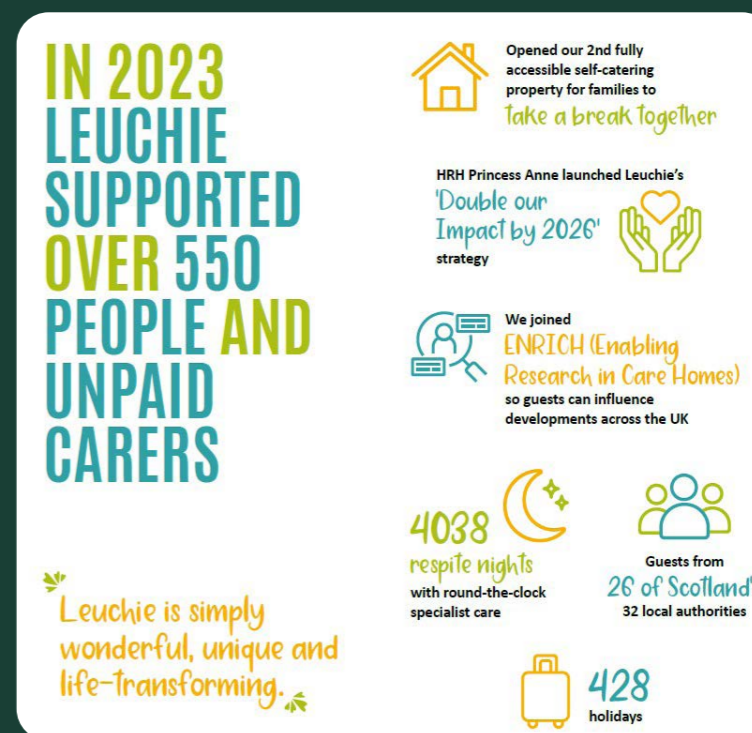
### Tier 3

One-off emergency relief funding. For example, in 2023 we provided assistance to charities such as the United Nations Children's Fund (UNICEF) operating in Turkey and Syria following the earthquakes in that region.

## Tier 2 charity case study: Leuchie

Since 2021 we have supported Leuchie, an independent charity which provides respite care for people with serious neurological conditions and their families. Our support is both financial and through our networks. In 2023 we committed to a five-year unrestricted annual gift which we hope will support the charity in the significant step they took in 2023 towards becoming Scotland's National Respite Charity. The charity is becoming increasingly important as a growing ageing population and shrinking workforce, adds to the strain on the UK national health service (NHS) and social care systems.

Leuchie's 2023 Annual Impact Report can be found [here](#) and below is a snapshot of their 2023 activity from the report.



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# Looking ahead

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We remain focused on delivering our investment philosophy with an exclusive focus on identifying and investing in high-quality companies that contribute to, and benefit from, sustainable development.

In addition, we have several specific priorities, namely to:

- continue to evolve our approach to engagement tracking and reporting
- consolidate and update our policies relating to environmental and social factors such as climate, biodiversity, water and diversity, equity, and inclusion
- make progress on existing engagement activities, including climate, conflict minerals in the semiconductor supply chain, smallholder supply chains, diversity, plastic waste
- undertake new research tenders on sustainability issues to support our investment and engagement activities
- meet relevant new regulatory requirements on disclosure and reporting
- enhance our Portfolio Explorer tool on our website to incorporate more data and improve usability.

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