



Financial Reporting Council UK Stewardship Code Report
Report for the year 2024

Contents

- 3. [The Principles of the Code](#)
- 4. [Principle 1](#)
- 7. [Principle 2](#)
- 12. [Principle 3](#)
- 13. [Principle 4](#)
- 17. [Principle 5](#)
- 18. [Principle 6](#)
- 22. [Principle 7](#)
- 27. [Principle 8](#)
- 28. [Principle 9](#)
- 36. [Principle 10](#)
- 39. [Principle 11](#)
- 40. [Principle 12](#)

The Financial Reporting Council’s (“FRC”) UK Stewardship Code 2020 sets out high standards of stewardship to asset owners, managers and service providers. The Code defines stewardship as “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”.

Lansdowne Partners (UK) LLP (“the Firm” or “Lansdowne”), is committed to responsible investment and its role in the execution of its stewardship duties on behalf of client assets.

This report sets out how the Firm has applied the code during 2024.

The Principles of the Code

There are twelve Principles of the Code that apply to asset owners and asset managers. These are grouped under four headings:

Purpose and governance

1. Purpose, strategy and culture
2. Governance, resources and incentives
3. Conflicts of interest
4. Promoting well-functioning markets
5. Review and assurance

Investment approach

6. Client and beneficiary needs
7. Stewardship, investment and ESG integration
8. Monitoring managers and service providers

Engagement

9. Engagement
10. Collaboration
11. Escalation

Exercising rights and responsibilities

12. Exercising rights and responsibilities

FCA Regulatory Disclosure on the Stewardship Code

Rule 2.2.3R of the Financial Conduct Authority (“FCA”) Conduct of Business Sourcebook (“COBS”) requires an FCA authorised firm to disclose the nature of its commitment to the FRC’s UK Stewardship Code or, where it does not commit to the code, its alternative investment strategy.

The Firm committed to the UK Stewardship Code from its inception in 2012 and was subsequently classified as a Tier 1 signatory in 2016.

Under the 2020 Code, signatories must provide a Stewardship Report for review and assessment by the FRC on an annual basis that explains how the Firm has complied with the principles of the Code. Should the Firm be accepted as a signatory by the FRC, this report will be a public document, made available on the Firm’s website.

The Firm’s Stewardship Report is set out below:

Principle 1 - Purpose and Governance

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.

Purpose, culture, values, business model, investment beliefs and strategy of the organisation

Lansdowne manages fundamental global equity strategies, each investment team having its own dedicated portfolio managers and analysts.

Our History

Founded in 1998, Lansdowne was established with the objective of building a leading investment management partnership focused on delivering superior long-term investment returns and exceptional client service.

Lansdowne’s Purpose Statement

We are a trusted manager of our clients’ savings, and at all times act in their best interests.

Our Values

Values underpin all of our activities and shape how we act and behave together on a day to day basis. They bring us together and help us achieve our overall objective of building a leading investment management partnership, focused on delivering superior long term investment returns and exceptional service to our clients.

Some of our individual core values are:

- **Excellence:** We are consistent in maintaining high standards, and strive to excel in all we do.
- **Honesty:** We are honest and transparent in the way we do business and in our conduct.
- **Fairness:** We aspire to treat everyone with dignity and fairness.
- **Sharing:** We share our success with those less fortunate, through committing firm resources to important causes.

Lansdowne Charity Initiative

Lansdowne is committed to sharing its success and supporting the wider community. The Firm aims to improve the lives of the most disadvantaged in the UK through charitable giving, both financially and through volunteering programmes, whilst also building an awareness of our ecological footprint and protecting our planet. The Firm set up the Lansdowne Charity Initiative in 2014 to support this aim.

Each year the Firm supports a number of Signature Charities. Staff members can nominate charities and the Charity Committee subsequently undertakes a comprehensive due diligence process for the selection of the charities. This involves conducting interviews with the charities and ensuring their alignment with the predetermined criteria set by the Committee, which typically focuses on helping underprivileged youths in London.

In 2024, the Firm's Signature Charities continued to prioritize supporting London's young people in new ways. We've aligned with organizations dedicated to addressing evolving challenges, supporting charities that deliver impactful programs and vital community support. We're proud to continue our partnerships with Eastside Young Leaders' Academy, Stem4, Unlocking Potential, Unitas Youth Zone, and First Give—organizations that provide crucial support to young people and their communities. These partnerships are reviewed annually to ensure we're making the most meaningful impact.

Through the Lansdowne Charity Initiative, all employees are also given the opportunity to nominate a charity they are involved with to receive a discretionary grant. In addition to our Signature Charities, the Firm supported a further 15 staff nominated charities in 2024 covering social, medical, human rights and animal welfare.

Investment Philosophy and Enabling Effective Stewardship

Our investment philosophy is predicated on generating consistent, absolute and relative risk-adjusted returns, through the use of exceptional investment talent within a leading-edge operational infrastructure. Central to our investment philosophy is a rigorous process of fundamental research. The research process includes meeting with company management, as well as analysis of publicly available information, proprietary research and independent research.

We manage multiple equity strategies across global markets. Each strategy has its own dedicated team of portfolio managers and analysts, supported by a central investment Risk Team. All employees and partners of Lansdowne are committed to the success of our investment strategies, which contribute to a shared purpose and collaboration in seeking to achieve positive outcomes for our clients.

We believe that our investee companies need to be managed in the interests of shareholders. Accordingly, we think we should invest in companies which are run in line with shareholder interests and where management can be held fully accountable to shareholders. In our view, companies which have strong corporate governance in place are more likely to be companies that deliver sustainable value to their shareholders in the long term.

Overall, we believe that good stewardship leads to good outcomes and sustainable value for shareholders and wider society. Therefore, our investment strategy and process is built around identifying companies which have good stewardship practices, which, we believe, allows us to deliver greater returns for our clients.

As an active fund manager, it is central to our investment processes across asset classes to consider each investment's ability to create, sustain and protect value. We believe that analysing exposure to, and management of ESG factors, in addition to traditional financial analysis, enhances our ability to deliver long-term sustainable returns.

These are all factors that we consider to be the basis of the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries and leading to sustainable benefits for the economy, the environment, and society. Each investment team is responsible for considering such factors and their impact on shareholder value throughout the investment process, subject to oversight from the Firm's Risk and Audit Committee.

We believe that engagement with company management, fundamental to our investment philosophy (as evidenced by the approximately 1,150 meetings the Firm had with actual or potential investee companies during 2024), underpins effective stewardship.

Effectiveness in serving the best interests of clients and beneficiaries

We strongly believe that our investment philosophy, in the long term, has and will continue to be effective in serving the best interests of our clients as well as other beneficiaries and stakeholders. Active engagement combined with a relatively long investment time horizon enables us to focus on the long term sustainability of the companies we invest in and the benefits they can unlock for our clients, other shareholders and stakeholders rather than on short term volatility. Some examples where we believe our stewardship has been effective in 2024 have been included as case studies in this report under Principles 9, 10 and 11.

Principle 2

Signatories' governance, resources and incentives support stewardship.

We recognise the importance of robust corporate governance practices that can help ensure effective oversight and strong accountability. The Firm is a partnership structure and is governed by a Management Committee where decisions are made by consensus and appropriately documented.

Under written and agreed Terms of Reference, the Management Committee delegates certain responsibilities to sub-committees including a Risk and Audit Committee, Valuation Committee, ESG Committee, IT Steering Committee, Charity Committee, Remuneration Committee and the Product Governance Committee. The Sub-Committees report and escalate issues to the Management Committee as required.



Data as at 31.03.2025

Resourcing of Stewardship activities

Day-to-day stewardship is primarily the responsibility of the investment teams. Within each investment team, one individual is assigned responsibility for monitoring and co-ordinating stewardship developments:

Team	Name	Role	Years' experience	Qualifications
Developed Markets Team	Melissa Earlam	Analyst	28	BA (Hons) English Literature
European Long Only Team	Shashwat Verma	Deputy Portfolio Manager	14	Bachelor of Technology
Princay Team	Samuel Joab	Portfolio Manager	34	MSc Accounting & Finance Diploma in Economics & Finance
China Team	Xing Zhao	Analyst	18	BSc Mathematics MA Statistics CFA Charter Holder

The Management Committee oversees and delegates day-to-day oversight of stewardship activities to the ESG Committee, which comprises the Chief Risk Officer, Chief Financial Officer & Chief Compliance Officer, Head of Business Development & Investor Relations and an additional member of his team, representatives from the investment teams, and an ESG analyst. The ESG Committee is responsible for:

- Overseeing the Firm ESG policy and regulatory reporting;
- Supporting the investment teams in matters relating to ESG, stewardship and engagement;
- Continuing to enhance ESG analytics, client reporting on ESG, engagement and stewardship practices; and
- Identifying areas where the Firm could improve its environmental or social impact.

Biographies for members of the Management and ESG committees are included below:

Brian Heyworth, Managing Partner & Chief Executive Officer (Chair of Management Committee)

Brian joined Lansdowne Partners in January 2021 as Co-Managing Partner and Chair of the Management Committee. In February 2024 Brian was appointed Chief Executive Officer.

Brian has over 30 years' experience in global financial markets, investment banking and asset management. He joined from HSBC Asset Management, where he was the Global Head of Institutional Business.

Before that he spent a decade in senior management roles in Global Banking and Markets; his last role was Global Head of FIG. Before joining HSBC in 2006, he had senior client management roles at Bank of America Merrill Lynch and JP Morgan.

Brian obtained a MA in Economics from Cambridge University.

Andrew Ryder, Chief Risk Officer (Management Committee and Chair of ESG Committee)

Andrew joined Lansdowne in April 2016 as Head of Risk. In 2018, Andrew was appointed Chief Risk Officer and joined the Management Committee.

Prior to joining Lansdowne, Andrew was at CQS, where he was a Risk Manager for 5 years. Andrew has worked within the Investment Industry since 2002. Prior to joining CQS, Andrew worked at Investec Wealth and Investment, Henderson Global Investors, Invesco Perpetual and Aviva Investors (formerly Morley Fund Management).

Andrew holds a BSc (Hons) in Economics & Econometrics from the University of Nottingham. Andrew is a Chartered Financial Analyst and a Financial Risk Manager - Certified by the Global Association of Risk Professionals.

Hugh Orange, Partner, Chief Compliance Officer & Chief Financial Officer (Management Committee and ESG Committee)

Hugh joined the Finance and Compliance Team at Lansdowne in October 2007. Hugh was appointed Chief Compliance Officer in December 2013 and Chief Financial Officer in April 2016 and is a member of the Management Committee. Prior to joining Lansdowne, Hugh was, from 2006 to 2007, an Audit Manager at Ernst & Young London covering statutory, internal control and regulatory assurance engagements for some of Europe's largest hedge fund and asset management firms. Hugh began his career in 2003 at Morley and Scott, now Menzies LLP (a top-20 UK accountancy firm), where he trained and qualified as a chartered accountant.

Hugh is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a BA (Hons) in Economic and Social History from the University of Bristol.

Andy Simpkin, Partner, Head of Business Development & Investor Relations (Management Committee and ESG Committee)

Andy joined Lansdowne Partners in November 2005 and is a member of the Management Committee and Head of Business Development & Investor Relations. Prior to joining Lansdowne, Andy was the co-founder and COO of Cheiron Capital Management LLP, a global financials long/short hedge fund. Prior to founding Cheiron in 2003, Andy was Head of Research, London at EIM, a global investment management organisation specialising in the allocation of capital to hedge funds.

Andy began his career at J Rothschild Investment Management before moving to GAM (Global Asset Management) in 1996. As a hedge fund analyst in the Multi-Manager Group, Andy was involved in analysing and evaluating hedge funds for the European component of GAM's external hedge fund investments.

Andy holds a BSc in Banking & International Finance from the City University Business School, London.

Karen Zachary, Partner and Chief Operating Officer (Management Committee)

Karen is Chief Operating Officer at Lansdowne Partners having joined the firm following the successful acquisition of CRUX in August 2023.

Prior to the acquisition Karen was CEO for CRUX Asset Management and had held that position since early 2020, having joined CRUX as COO in 2015. She has held senior or executive roles in asset management businesses for over 25 years, including Man Group, Janus Henderson and Fidelity, both in London and Dublin.

Karen also holds the position of Chairperson and Independent Non-Executive Director for Mediolanum International Funds in Ireland and in September 2022 was appointed as a Non-Executive Director on the board of the Investment Association, the UK trade body for the Investment Management sector. Karen also is a member of the FCA Small Business Practitioner Panel representing the Asset Management sector for the UK regulator.

Karen holds a Masters in Business Administration from Durham University.

Daniel Avigad, Partner & Portfolio Manager (Management Committee)

Daniel joined Lansdowne Partners in April 2006 and is the Portfolio Manager for the European Long Only Strategy.

Prior to joining Lansdowne, Daniel worked for five years in the Pan-European telecoms services equities research team at Dresdner Kleinwort Wasserstein which was ranked 1st in the 2005 Extel Survey.

Daniel holds a Master's degree with Distinction in Information Technology and a First Class Honours for his Bachelor degree in Mechanical Engineering with Mathematics from the University of Nottingham. Daniel is a holder of the CFA.

Daniel has been a Partner of the firm since April 2011 and has sat on the Management Committee since September 2018.

Nigel Hikmet, Partner & Senior Analyst (Management Committee and ESG Committee)

Nigel joined Lansdowne Partners in March 2012, having previously worked as an analyst and associate in the UK Mergers and Acquisitions team for Goldman Sachs.

Nigel read Land Economy at Clare College, Cambridge.

Melissa Earlam, Partner & Senior Analyst (ESG Committee)

Melissa joined Lansdowne Partners in January 2015, having previously worked at UBS as a Managing Director in European Equity Research covering the Beverages sector. Prior to that, Melissa covered the TMT sector in equity research. She started her career in 1997 working in telecom corporate finance at UBS.

Melissa received a first class honours degree in English literature from St John's College, Cambridge.

Shashwat Verma, Partner & Deputy Portfolio Manager (ESG Committee)

Shashwat Verma re-joined Lansdowne Partners in September 2016 as an analyst, after having initially worked at the Firm from 2011-2014, and became Deputy Portfolio Manager in January 2021. From 2014-16, Shashwat worked at Davidson Kempner European Partners LLP as an analyst within the European Long / Short Equities team. Prior to 2011, Shashwat worked at Oliver Wyman, where he was a Manager in the Financial Services Practice. Shashwat has broad experience in analysing and investing in European Equities.

Shashwat holds a Bachelor of Technology from the Indian Institute of Technology Delhi.

Naomi Shee, Investor Relations & ESG (ESG Committee)

Naomi joined Lansdowne Partners in September 2015, having previously worked at Transact, an investment platform, as a Client Service Manager. Prior to Transact, Naomi worked at Just, a provider of retirement income products.

Naomi holds a BA Hons in French and English Literature from the University of Leicester.

Lucy Karlake, ESG Analyst (ESG Committee)

Lucy joined Lansdowne Partners in March 2019. Having initially worked in the Compliance team, Lucy joined the Risk team as an ESG Analyst in December 2023 after completing the CFA Certificate in ESG Investing.

Lucy holds a first-class honours degree in Classics from Newcastle University.

On a monthly basis the Firm's dedicated ESG analyst and a member of the business development team meet with the investment teams of the two largest strategies to discuss engagement and stewardship. During these meetings, engagements with existing and potential portfolio companies are reviewed and recorded, with particular focus on objectives and outcomes relating to ESG topics. Additionally, any ESG controversies/incidents are discussed. This helps socialise ESG topics across the broader team where a subset of the team is directly involved in engagement.

Diversity

The Firm considers diversity in the broadest possible terms. We are committed to encouraging equality, diversity and inclusion among our staff. We recognise the value of a diverse workforce that is truly representative of all sections of society and believe a more inclusive working environment ensures better outcomes for our business and for all employees. The Firm seeks to attract and retain the best talent and is non-discriminatory in its efforts to do so. The Firm is committed to providing equal opportunities in employment and ensures that it will not discriminate against job applicants or employees on the grounds of their sex, marital status, pregnancy or maternity, sexual orientation, disability, age, race (including colour, nationality or national or ethnic origins), religion or belief or gender reassignment. It is the Firm's policy to make every effort to provide a working environment free from harassment, intimidation and discrimination.

The Firm monitors diversity annually on an anonymous and voluntary basis; [the](#) results of the survey are reviewed by the Management Committee.

Training

The Firm has strong compliance and governance policies in place and a dedicated employee training programme. Moreover, the Firm has a set of values that underpin all of its activities and shape how the Firm is governed. All new staff attend an

induction session on the Firm values, typically held by the CEO or COO. The Firm’s training programme ranges from regular computer based training on topics such as anti-money laundering and IT security, and market conduct and ESG face-to-face training delivered either by internal staff or external consultants. In addition, staff are encouraged to seek out relevant professional development courses which are sponsored by the Firm.

Systems, process, research and analysis

Engagement with investee companies is primarily the responsibility of the investment teams and the respective portfolio managers, which ensures broad resourcing and significant, practical expertise. Each investment team is responsible for considering ESG factors and their impact on shareholder value throughout the investment process. Should escalation be required, the ESG Committee is accountable for ensuring that the approach taken by the organisation towards stewardship related issues is appropriate. Senior individuals represented on these committees ensure appropriate oversight and accountability and have significant experience in employing effective stewardship in pursuit of shareholder value and clients’ best interests.

Independent from the investment teams, the Risk Team monitor, on a weekly basis for certain mandates, any material changes to certain ESG metrics which may be shared with the relevant investment teams for consideration. The Firm subscribes to MSCI, Integrum ESG (broad ESG Risk) and ISS (Climate Risk), as well as the Carbon Disclosure Project (CDP) and Transition Pathway Initiative (TPI), to supplement information available through Bloomberg and to compliment internal ESG analysis undertaken by the Investment Teams.

Analysis available from the Risk Team to the Investment Teams includes:

- ▶ Overall portfolio ESG scoring as well as separate E, S and G ranking split by long and short books (where appropriate) and trended over time along with detailed analysis of largest positions;
- ▶ Reporting highlighting positive sustainable impact solutions;
- ▶ Analysis and communication of ESG controversies where applicable; and
- ▶ Climate Risk Reports – including Carbon Footprint Analysis, Weighted Average Carbon Intensity Analysis, Net Zero Analysis, Transition Climate Risk Analysis and Physical Climate Risk Analysis
- ▶ ESG scorecards tracking investee companies across a number of metrics including ESG ratings across multiple providers, carbon emissions tracking and net zero commitments, various social and governance metrics

The Risk Team also provide analysis to the ESG Committee on a quarterly basis covering:

- ▶ EU SFDR Article 8 oversight;
- ▶ Managed account carbon reporting oversight; and
- ▶ Potential higher risk companies (looking at ESG ratings, CDP scores, UNGC violations, and high carbon companies), serving as a formal escalation process to highlight outliers (which in material cases could be escalated to the Risk Committee). This data helps identify potential engagement topics, therefore supporting the investment teams in their stewardship activities.

The Firm currently runs two EU SFDR Article 8 UCITS funds. The Product Governance Committee oversees the regulatory and commercial framework for all funds supporting changes to product across the Firm. It is the Product Governance Committee which will make recommendations to the Management Committee for the launch of any new funds.

Lansdowne considers access to management an important part of investment and will generally meet with the management of portfolio positions either quarterly or half yearly in order to discuss governance, strategy, ethos, social and environmental impact and shareholder value. Lansdowne believes that its engagement with management on such areas is

integral to the discharge of its stewardship responsibilities and ensuring the interests of its clients. Lansdowne is unlikely to invest in companies where it appears that management is not acting in the best interests of shareholders.

We engage with companies on many different corporate governance topics as part of our overall investment strategy and incorporate results from these engagements into investment process discussions. We regard engagement as an important tool for providing and receiving feedback on company practices, policies and disclosures. We primarily engage through dialogue with the senior management of the company but may use other mechanisms such as written correspondence to outline our views. Examples of such engagements can be found in Principles 7, 9, 10 and 11 below.

ISS Europe Limited, part of the Institutional Shareholder Services group of companies (“ISS”), is a third party with which the Firm has engaged to provide corporate research and to facilitate the voting of proxies. In January 2021 the Firm subscribed to the ISS Sustainability Policy in order to further enhance ESG analysis and reporting capabilities with regard to Voting and Engagement. The ISS Sustainability Policy is a set of sustainability proxy voting guidelines and seeks to promote support for recognised global governing bodies promoting sustainable business practices, advocating for stewardship of environment, fair labour practices, non-discrimination, and the protection of human rights.

Lansdowne’s proxy voting procedures and record-keeping are overseen by Lansdowne’s Operations team who, subject to Lansdowne’s policies and procedures, refer to the applicable portfolio manager for voting decisions. When doing so, portfolio managers are provided with reports from ISS. Where the instruction from the portfolio manager is contrary to the recommendation of ISS Sustainability Policy, a reason will be requested and will be recorded in the proxy voting log. Whilst Lansdowne utilises ISS to assist in proxy voting, it does not outsource its stewardship responsibilities.

Lansdowne’s compliance team carry out a quarterly review of the proxy voting log to ensure consistency with the Firm’s proxy voting policy.

Compensation is determined by the Firm’s Remuneration Committee. Central to the Firms’ remuneration policy is the promotion of sound and effective risk management, including sustainability risks. The Firm does not have any quantitative sustainability-focused performance targets at either a portfolio or asset level and, therefore, this is a qualitative assessment in respect of adherence to the Firm’s internal procedures for integration of sustainability risks.

Effectiveness of corporate governance structures and improvements needed

We are satisfied with the effectiveness of the Firm’s current governance structures in place.

The Firm recognises that good governance structures are not static and that there is always room for improvement. In respect of this, we endeavour to continue to meet the needs of clients, regulatory updates, and new initiatives surrounding stewardship and responsible investment.

We will continue to explore ways to further support these activities through additional investment in data and research providers, training and other collaborative forums.

Principle 3

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

Lansdowne maintains a robust policy on managing conflicts of interest which is designed to ensure its decisions are taken wholly in the interest of its clients. Lansdowne aims to ensure that all potential and actual conflicts are identified, evaluated, managed, monitored and recorded. The Firm's conflicts of interest policy is available on our website: <https://www.lansdownepartners.com/london/conflicts-of-interest/>.

Lansdowne's ownership structure is that of a private Limited Liability Partnership, managing assets for multiple pooled investment funds and segregated managed accounts. Material potential conflicts of interest (including, but not limited to, policies with respect to trade allocation, personal account dealing, best execution and outside business interests) are disclosed to clients and prospective clients in Lansdowne's Form ADV 2, due diligence questionnaires and, where appropriate, relevant client agreements.

As part of Lansdowne's conflicts of interest policy, all members of staff must notify the Chief Compliance Officer (CCO) if they become aware of any material conflict of interest arising, including in relation to voting proxies on behalf of clients. Where such a material conflict of interest is identified, voting instructions will be subject to assessment and approval by the CCO.

Our principal objectives when considering matters such as engagement and voting are always to act in the best interests of our clients and to treat them fairly. A potential conflict of interest may arise regarding a potential or actual investment in a company which is linked to the Firm through being either: a significant client of the Firm; a company with which a staff member or relation has involvement; a potential strategic relationship; a significant supplier of the Firm; or relevant in some other way to the Firm.

If a conflict, or a potential conflict, arose out of a meeting with a company, then this would be raised with the compliance team. When engaging with companies we take all necessary steps to ensure we are not made insiders due to the impact this has on our trading activities. However, there are occasions where we will agree to receive inside information if it is necessary to facilitate discussions with management or the board. Should we agree to receive the inside information, the company is immediately put on our Restricted List. The Restricted List is utilised as part of our trading processes and no trades are placed in any securities which are linked to restricted companies. Once the information is made public, the Firm is able to trade in linked securities again. On the rare occasion where we have received inside information involuntarily or inadvertently in our discussions with a company, Lansdowne staff are required to immediately notify the Compliance Team, who will put the stock on the Restricted List, as described above. Staff receive training and assistance from our Compliance Team and external training providers to help identify and understand what constitutes inside information.

Example of potential conflict and mitigation

In September 2023, an analyst on the Developed Markets team was appointed as a non-executive director of Tungsten West, an investee company of the Developed Markets Strategy. Whilst, in many ways, the appointment aligned interests with clients (in that it enhances long term stewardship over the investment), it still presented inherent potential conflicts. In accordance with the Firm's policies concerning outside business interests, the appointment was subject to approval by Lansdowne's Chief Compliance Officer. Additional compliance processes were implemented to manage the conflict, including restrictions on trading in the company's securities for the length of the directorship and ongoing and ad hoc certifications by the analyst covering information flow, recusal where appropriate and financial interests. In 2024, we

continued to manage this conflict through implementing additional conflict of interest training requirements for the analyst in question.

We do not have any further case study examples from 2024 of an actual past conflict arising in relation to a stewardship matter (noting that the above example can be seen to be related to stewardship).

Principle 4

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

Assessing Market-Wide and Systemic Risks

We recognise the importance for all stakeholders to contribute to the minimisation of current and future environmental challenges, promote responsible business practices, encourage diversity, and protect human rights. We understand that, as an investment manager, we have a vital role to play in encouraging positive change for future generations.

Through our in-depth analysis of a business during our investment process, we gain a strong understanding of the risks that may be impacting that business from a broad perspective. As indicated elsewhere in this report, and in particular under Principle 7, ESG considerations are integrated into this investment decision-making process and the Firm's ongoing risk management processes.

Portfolio risk management is primarily the responsibility of the respective investment teams (who are also primarily responsible for day-to-day stewardship and engagement matters). Independent oversight and monitoring of market, credit and operational risks associated with the fund portfolios is performed by the CRO and Risk Team. The Risk Team monitor the risk profiles of the funds / accounts against pre-defined risk parameters, and utilise proprietary in-house, as well as external analytic systems to report on risk.

The CRO and Risk Team are overseen by the Risk and Audit Committee. The CRO and Risk Team are functionally and hierarchically separated from the Firm's portfolio management and trading units.

The Firm subscribes to MSCI, Integrum ESG (broad ESG Risk) and ISS (Climate Risk), as well as the Carbon Disclosure Project (CDP) and Transition Pathway Initiative (TPI), to supplement information available through Bloomberg and to compliment internal ESG analysis undertaken by the Investment Teams.

Analysis available from the Risk Team to the Investment Teams includes:

- ▶ Overall portfolio ESG scoring as well as separate E, S and G ranking split by long and short books (where appropriate) and trended over time along with detailed analysis of largest positions;
- ▶ Reporting highlighting positive sustainable impact solutions;
- ▶ Analysis and communication of ESG controversies where applicable; and
- ▶ Climate Risk Reports – including Carbon Footprint Analysis, Weighted Average Carbon Intensity Analysis, Net Zero Analysis, Transition Climate Risk Analysis and Physical Climate Risk Analysis
- ▶ ESG scorecards tracking investee companies across a number of metrics including ESG ratings across multiple providers, carbon emissions tracking and net zero commitments, various social and governance metrics

The central risk team, led by the Chief Risk Officer, also considers ESG investment risk as part of its overall risk assessment.

The main risks identified during 2024 related to geopolitical instability and stretched valuations in pockets of the market:

- US and European political instability led to elevated volatility in the short term as markets priced in the uncertainty and this has the potential to materially impact longer term asset prices as new policies are enacted. We modelled the impact of exposures to these events throughout the period and continued to monitor over the year.

- With lofty valuations in certain segments of the market, predominantly in the US, Tech and crypto sectors, market participants recognised the growing risk of a disorderly adjustment to such assets. We modelled the impact of such adjustments and rotations on portfolios and continue to monitor.
- We also analyse the impact of higher inflation and interest rates (including sensitivity to potential increases and decreases) on the portfolios and monitoring closely the credit risk of our major counterparties.

The Firm created proprietary ESG scorecards to track investee companies across a number of metrics including ESG ratings from a variety of providers, carbon emissions tracking and net zero commitments as well as various social and governance metrics

Industry initiatives and collaboration with other stakeholders and their outcomes

We recognise that collaboration with other stakeholders is an important component in improving the functioning of markets. Accordingly, we have committed to various industry initiatives.

The Firm is a signatory to the internationally recognised UN Principles for Responsible Investment (PRI). The Firm recognises this commitment as a way to embed current and future responsible investment considerations in both the investment process and to promote ongoing positive firm culture.

The Firm is a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). Please see our 2024 TCFD report: <https://www.lansdownepartners.com/london/tcf-entity-report/>

The Firm is also a supporter of the Transition Pathway Initiative (TPI). The TPI tool is used to support our ESG analysis as well as our engagement with existing and potential investee companies. We have found the tool to be useful for identifying market wide and systemic risks, and this analysis contributes to and helps align our investment decisions.

The Firm became a signatory of the Climate Disclosure Project in 2022, and in 2023 and 2024 participated in their Non-Disclosure Campaign in an additional collaborative engagement (more information provided below under Principle 10).

Effectiveness in identifying market-wide and systemic risks and promoting well-functioning markets

Overall, we believe that our identification and responses to market-wide and systemic risk has been effective whether through contributing to industry wide initiatives, impact on investment decisions or how this has led to targeted engagement with investee companies (as described under Principles 7, 9, 10, and 11).

As well as the actions taken and outcomes described above in relation TCFD, TPI and the CDP's Non-Disclosure Campaign, we have included commentaries from two of our Strategies where they discuss how market-wide and systemic risks have been identified as part of the investment process and how investments have been aligned as a result.

European Long Only Strategy – Shashwat Verma, Partner and Deputy Portfolio Manager:

‘Since the invasion of Ukraine by Russia, Europe has been faced with a stark need to reassess its defence preparedness. Moreover, this has been further accentuated by the recent change of administration in the US, with the new leadership potentially fundamentally altering the post WW2 transatlantic order of mutual security under the aegis of NATO. Implicitly, the NATO security umbrella has been a bet on the US picking up a disproportionate share of Europe’s true defence requirements into perpetuity. This bet is now being called into question, leaving Europe having to face the reality of meeting its own defence requirements without an implicit or explicit security guarantee from the US. In this

context, we think the European defence sector has a very important and strategic role to play in securing the long-term security and investability of the region. Unlike the US, the European defence sector continues to be sub-scale, with fragmented national defence budgets leading to multiple overlapping and sometimes duplicate platforms. As long-term investors in the industry, we are engaging with a key strategic European defence supplier, Leonardo. We think Leonardo possesses unique positions across a number of high-tech defence platforms and would be a major beneficiary of the required increase in defence expenditure in order to meet Europe’s self-defence preparedness needs. At the same time, the business has historically been under-managed, with poor operational controls, disclosure, and capital allocation. Over the past 12 months, we have been engaging with management to push for continued and more regular disclosure in terms of progress against the targets laid out at the industrial plan. Given historical missteps, we think it is helpful for investors to be able to measure progress at a divisional level and discuss deviations with management. We have also been pushing for greater consolidation within the industry. For example, in Space, European players lack the scale to be profitable on satellite manufacturing projects, particularly as Starlink has disrupted demand for Geostationary satellites. A favourable outcome for the European space industry would be to consolidate the existing players into a single scaled organisation, as they have done in defence with MBDA. Recognising that there are national government level considerations involved here, to the extent possible, we have been pushing Leonardo to consider consolidation in their defence exposure too, for example, in land-based military vehicles and next generation military aircraft. Finally, in our view, it is important for capital markets to fund this industry with an appropriate cost of capital. One key part of that would be to push-back against automatic and somewhat arbitrary exclusion lists based on ESG considerations. We think the market needs further education regarding the strategic importance of the industry for Europe’s long-term security, and with better disclosure and governance standards, the industry can go a long way in improving its governance scores over the medium term. As long-term capital providers, we see an opportunity to contribute to this process by supporting the development of a more efficient, market-driven mechanism for determining the appropriate cost of capital for this industry over the medium term.’

Developed Markets Long Only Strategy – Nigel Hikmet, Partner and Co-Portfolio Manager – DM UCITS:

Transition to Net Zero – investment case

‘One major sustainability trend that has emerged is electrification. Aligning with this trend helps to mitigate the market-wide and systemic risks associated with the transition away from fossil fuels. We have engaged various companies, in addition to Ofgem, to better understand this opportunity.

We have engaged National Grid a number of times over the past few years to understand the opportunity that Net Zero presents in the UK. Most recently, in November 2024, we spoke to the CFO, who confirmed that Labour is increasing momentum behind grid investment and that urgency around the required pace of investment is rising. On a similar theme, we engaged Ofgem at the beginning of 2024 to understand their thinking on the necessary speed of energy transition, resulting in clear communication that pace is key to deliver on the opportunity.

In 2024, we increased our holding in Prysmian SpA, a company which is supporting the transition to net zero through the strengthening of power grids (more capacity) and through the creation of new interconnectors (between countries, to offshore wind assets, or regions within countries). As power generation becomes more distributed with renewables, a core requirement will be to ensure more disparate grid connections are in place. Prysmian is the global leader in these connections, with close to a 50% share of the very most complex projects (long-distance, subsea direct current connections).

We are optimistic on the duration of growth and earnings because we believe governments are going to spend more on electrification in the coming years.

In 2024, Prysmian signed a deal with the UK electricity transmission network owners to deliver a HVDC cable system for the Eastern Green Link 2 network development that will connect Scotland and England, a clear sign that the company is taking advantage of the Net Zero opportunity in the UK. This is a major project which aims to be completed in 2029.

In addition, Prysmian has acquired Encore Wire Corporation. The combined business will be well-positioned to accelerate the electrification and digital transformation in North America, which includes the growth of data centres and upgrades to the power grid. In particular, these cables will also be used to ensure that large solar sites can have a timely connection to the grid. We engaged Cenergy Holdings in October 2024, which confirmed our bullish stance on the opportunity presented by the US grid. We believe that Prysmian's investment case is overlooked by the market. We have engaged Prysmian regarding the possibility of a US listing, which we believe could help crystallise the value given increased US exposure post the recent acquisition. Prysmian are currently actively exploring this issue.'

Principle 5

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

Lansdowne policies are reviewed and assessed annually by the Firm or following any material changes or regulatory developments that are applicable to Lansdowne. This process seeks the input of appropriately knowledgeable third parties where appropriate. Areas for development or update are identified by responsible parties internally and/or by third party advisors that the Firm retains to provide expertise. The aim of these reviews is to ensure that all policies continue to be appropriate and effective in meeting the Firm's needs and obligations. It is the responsibility of the Firm's CEO and the CCO to monitor and assess the technical competence of Senior Managers and Certified Staff in their oversight of these areas.

Given its size, Lansdowne does not have an internal audit department. However, as a result of a review of its policies and processes conducted by the Firm's Risk and Audit Committee, it was agreed to engage with Macintyre Hudson, a third party accounting firm to perform annual internal controls testing, which took place over 2022 and 2023. The report was issued in Q4 2023, and no exceptions were reported. We will continue to assess whether we feel it is appropriate to conduct a further audit of our controls. . Lansdowne is subject to an annual external audit of its financial statements. The Firm has always been provided with unqualified audit reports when it comes to our financial statements.

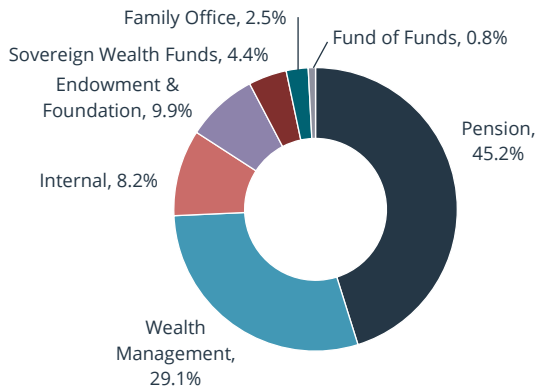
Our stewardship reporting is available to our clients via our website. All stewardship reporting is subject to review by our Compliance Team before publication to ensure that it is fair, balanced and understandable, with adjustments made if necessary.

Principle 6 - Investment Approach

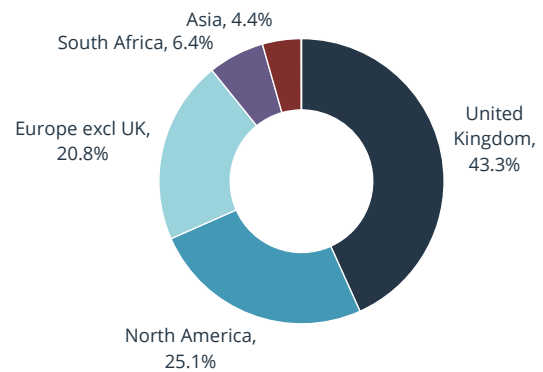
Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Breakdown of client base

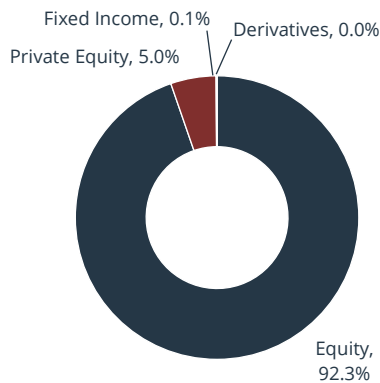
Type of Investor



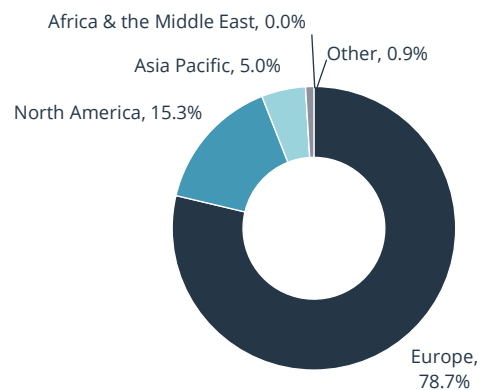
Geographical Profile of Investors



Breakdown of Assets by Asset Class



Breakdown of Assets by Geography



Data as at 31/12/2024
Source: Lansdowne analysis

Time horizon

The average time horizon for investments differs depending on which strategy they are held within, but the overall average is 1-3 years.

The average holding period for our largest strategy, the Developed Markets Long Only strategy (launched in 2012), is 1-3 years, however investments may be held for 18 months to a decade. This is longer than the average investor, contrasting to a market that is becoming more and more short term in returns criteria, with the average investor holding some positions for a matter of days.

In our view, it is only longer-term holders of companies that are incentivised to ensure companies address complex ESG issues. This is because a longer-term owner of a business is more likely to appreciate that often what is optimal for a company's future requires some sacrifice of short-term rewards. For example, engaging with a steel company to invest in decarbonising its production comes at the expense of near-term cash flows that can pay a dividend. Long-term owners will appreciate that if these investments do not occur, the company will lose relevance and permission to operate over time, and so these types of capital expenditure provide sustainable growth to share price. Additionally, being an active, long term investor is very important, because it gives us a greater degree of influence in discussions with management and when giving advice.

Our second largest strategy, the European Long Only Strategy (launched in 2005), has an average holding period of 1-2 years. In recent years, however, core positions have typically been held for at least 3 years. Holding periods have elongated alongside greater concentration of fund weights within the last five years due to increased conviction of core positions brought about through continuous engagement with management teams. The investment team feels that their core skillset is in understanding company-specific risks rather than market timing. As a consequence, longer holding periods are typically more likely to be of benefit to clients because this is sufficient time for the favourable developments in terms of trade that they believe to have identified to potentially play out. Additionally, longer time horizons offer a greater potential impact for the suggestions the investment team have made to corporate management to be adopted plausibly and then manifest in the share price. Moreover, time horizon represents an increasingly arbitrageable risk premia that increasingly few investor types are trying to access. As typical investor horizons have shortened, the value of longer time frames has become increasingly valuable. Not least, as the share of indices residing in companies with quite uncertain terminal values has risen as a consequence of zombification, or atypically slow creative destruction, due to a protracted period of low interest rates amongst other factors.

For other strategies within the Firm, holding periods are similar, being 2-3 years in the case of the Firm's Princay strategy and 1-2 years for the Greater China strategy. Short positions, where used, may be shorter duration.

Communication with clients and ensuring alignment with their stewardship and investment policies

Good stewardship is important to both us and our clients. We have a responsibility towards our clients to exercise their rights to the best of our ability. We promote an open dialogue with our clients on all matters, including stewardship.

Our clients are either pooled funds or separate accounts we have been engaged to manage on behalf of an individual client. Once a client is invested with us, we ensure their assets are managed in line with their goals and expectations through ongoing dialogue, update meetings, and access to fund managers and investment teams.

The process of comprehending our segregated account clients' needs starts prior to contracting where we take time to understand each client's expectations and for our clients to understand the Lansdowne investment process clearly, including our stewardship approach. If we are appointed to manage assets, we work closely with the client throughout contract negotiations and endeavour to accommodate any client specific requirements where possible. Generally our clients' stewardship and investment policies are aligned with that of ours, but where they have specific requirements, for example, in the form of unique restriction or exclusion lists, we ensure that these are adhered to and maintained by our Compliance Team. Pre-defined restrictions and risk limits are either hard coded into our order management system or overseen by the Risk Team.

We seek to encourage close relationships with clients (including investors in pooled funds) through a continuous dialogue, which enables us to continue to be mindful of our clients' needs. Transparency is central to how we manage our relationships. Clients are in receipt of weekly performance reports, quarterly investment letters and, where clients ask for specific voting information, this is also provided.

In response to requests from clients, many of the funds have also delivered ESG and stewardship specific presentations, and collaborated with investors to engage with portfolio companies on issues such as Modern Slavery in supply chains and making ESG related disclosures and reporting.

Where clients seek further communication regarding stewardship and investment activities, for example in the form of due diligence questionnaires, we ensure that we respond to these in as much detail as we can. Often our clients will follow up on certain points of these due diligence questionnaires, in which case we will expand our answers as much as possible and endeavour to provide them with all the data they have requested, to assist them in fulfilling their own stewardship reporting requirements and to align with their policies, as appropriate.

We recognise that quantifying exposures to various ESG factors is an increasingly important part of reporting. An ESG risk report is created for each strategy which are also summarised, where applicable, for client reporting). For example, such reporting may include:

- Portfolio Trends
- Portfolio Detail – Identifying Outliers
- Portfolio ESG Ratings and Metrics
- Company Score Summaries – Shorts / Longs
- Cross Vendor Score Comparisons
- Management Oversight – Cross Funds
- Management Oversight – Outliers
- Climate Impact Reports
- Controversy Reports
- WACI Trends
- Companies that are exposed to material ESG Risks

Effectiveness of chosen methods of communication

We maintain an open dialogue with our clients at all times in a way that enables them to share feedback, and if we do receive any observations that we are not responding to the needs of our clients we will be quick to address this. During 2024 we did not receive any such feedback and therefore have evaluated that our methods of communication have been successful.

Principle 7

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

Lansdowne is committed to considering ESG factors as part of its investment philosophy and in its operation of the business as a whole.

ESG factors are core inputs for our fundamental, bottom-up analysis and decision-making. The impact ESG factors have on the attraction of shares as investments, either because of implications for profit pools or likely costs of capital, will clearly be material. We seek, through our analysis, to identify significant opportunities and mitigate risks, especially where such trends are nascent. We recognise the importance for all stakeholders to contribute to the minimisation of current and future environmental challenges, promote responsible business practices, encourage diversity, and protect human rights. We understand that as an investment manager, we have a vital role to play in encouraging positive change for future generations.

For some of our segregated account clients, screening criteria is implemented pursuant to their instructions to observe any restrictions which may be ESG related. The existence of these restrictions, on occasions, has led to company engagements such as those with Freeport-McMoran, detailed in our 2023 Stewardship Code report.

For the Firm's two Article 8 funds certain metrics are monitored under the terms of the pre-contractual disclosures; namely UN SDG alignment in the case of one and UNGC Compliance in case of the other. Where companies are flagged as strongly misaligned to the UN SDGs or failing compliance with UNGC, the investment teams will in most cases engage extensively with the company to discuss the issues surrounding this. This was true of our engagements with Shell throughout 2022 and engagements with Barrick in 2024 (detailed in Principle 9).

Each investment team is responsible for considering such factors and their impact on shareholder value throughout the investment process. Conclusions across different teams may vary, as assumptions and interpretations can be subjective. Examples of issues that are considered as part of company and industry analysis include:

- **Environmental:** consideration of the entire value chain (including end product use), monitoring and disclosure of impact, emissions (greenhouse gases and local emissions), hazardous waste, resource and land use.
- **Social:** sustainable labour practices (competitive pay, labour and management dispute resolutions), support of wider community and equal opportunities (gender, age, social, origin).
- **Governance:** board independence and authority, senior management track record, CEO compensation level and structure, insider trading, special voting rights or restrictions, downside management, equity issuance and buy back history.

Interaction with service providers

The key service providers that the Firm uses in its stewardship activities are data providers and ISS. The Firm conducts in depth reviews of different data providers prior to subscription to ensure that the data it receives is relevant and can add value to its activities, including in relation to stewardship. The Firm continuously monitors ISS (as described under Principle 8) and clearly communicates its requirements to ISS to ensure that the services the Firm receives effectively support its stewardship and investment goals, including in relation to ESG issues.

Examples of ESG factors influencing a decision or consideration to buy, sell, hold, re-evaluate and/or engage a holding:

DIAGEO

SELL: We believe the generational trend of reduced alcohol consumption is rooted in part around increasing awareness of the effects of alcohol on long-term health outcomes. Furthermore, there is a risk that the negative externalities associated with alcohol consumption will be reflected in the future via regulation or taxation in a manner similar to that in the tobacco industry. Indeed, the US Surgeon General has recently called for cancer warnings on sale of alcohol. Whilst this appears highly unlikely to go through, it does highlight the potential risk the industry faces from shifting consumer behaviour patterns. Diageo as a business has historically been focused on premiumisation rather than volume-led growth, and hence should be relatively insulated from this risk, in our view. However, we paused further work in this area as the open-ended nature of some of the risks appear to lead to too wide a skew of possible outcomes for now.

SARTORIUS

DID NOT INVEST: We completed some initial work on Sartorius AG Preference shares given its significant share price underperformance in 2023 as a result of the bioprocessing downcycle. Our thesis was that this underperformance was a cyclical, not structural, issue and that earnings could recover as we fully digest the surplus capacity added during the COVID boom. We did not proceed further with our diligence after concerns around governance surfaced. First, we learnt of Sartorius' complex governance structure where the Sartorius AG company owns 74% of Sartorius Stedim Biotech (bioprocessing subgroup) and 100% of Sartorius Lab (Lab subgroup). 55% of Sartorius AG is held by executors of family members and 38% by BioRad Laboratories, a competitor of Sartorius. As part of the Founder's will, the shares under executors of family members cannot be sold until 2028, presenting a risk to the share price post-lock up expiry. Additionally, Sartorius AG preference shares did not have any voting rights, leaving potential shareholders no recourse as should things turn unfavourably. More generally, we felt that the complicated shareholding structure presented unnecessary uncompensated risks. Lastly, we were unsure about the quality and depth of the senior management team given repeated changes to guidance provided to the market.

Flutter

DID NOT INVEST: We decided to halt due diligence on Flutter due to business model risk. We believe that the ethical considerations around gambling leave businesses operating in this industry exposed to significant regulatory risk such as being subject to increased taxation or refused a license renewal. We think the former could be particularly likely in jurisdictions where governments are facing fiscal pressure, and will continue to monitor developments here in the future.

Research, monitoring and engagement with companies are fundamental to our investment process. As part of this we seek to build effective relationships and maintain high and broad levels of engagement with management and other stakeholders of the companies to which we allocate capital.

Generally, we do not engage publicly with companies on specific issues, but have a long history of interacting directly with management teams to articulate the case for applicable ESG issues. Such debates have, we believe, led to meaningful shifts in company approaches that are economically, environmentally, and socially advantageous to the companies, their stakeholders, and our clients. We believe that active, fundamental long-term investing is best placed to achieve such goals, given the depth of dialogues and the linkage between social and economic outcomes.

Proxy voting is an important duty of shareholders thus reasonable care and diligence must be undertaken to ensure that such rights are properly exercised in a timely manner. When the Firm has discretion to vote the proxies of its clients (which is generally the case), it will vote those proxies in the best interest of its clients and in accordance with its policy and procedures. While the firm subscribes to ISS for proxy voting research, as mentioned in Principle 12, Lansdowne may exercise votes contrary to ISS recommendations. The responsibility of proxy voting decisions still lies with the portfolio manager and, therefore, Lansdowne does not outsource its stewardship activities in this regard.

The Firm generally votes in favour of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated). For other proposals, the Firm will assess what is in the best interests of its clients and, in doing so, may take into account the following factors:

- Whether the proposal was recommended by management and the Firm’s opinion of management.
- Whether the proposal acts to entrench existing management.
- Whether the proposal fairly compensates management for past and future performance.
- Environmental, social and governance factors.
- Proxy research provided by ISS.

The Firm’s Proxy Voting Policy (please see Principle 12 for a link to full policy on the Firm’s website) requires that the Firm identify and address conflicts of interest between its related persons and its clients. If a material conflict of interest exists, the Firm will determine whether voting in accordance with the guidelines set forth in the Proxy Voting Policy is in the best interests of the client or whether taking some other action may be more appropriate.

The Compliance Team review the proxy voting records on a monthly basis to ensure consistency with the Proxy Voting Policy.

We recognise that quantifying exposures to various ESG factors is an increasingly important part of reporting. The Firm subscribes to MSCI , Integrum ESG (broad ESG Risk) and ISS (Climate Risk), as well as the Carbon Disclosure Project (CDP) and Transition Pathway Initiative (TPI), to supplement information available through Bloomberg and to compliment internal ESG analysis undertaken by the Investment Teams.

Analysis available from the Risk Team to the Investment Teams includes:

- ▶ Overall portfolio ESG scoring as well as separate E, S and G ranking split by long and short books (where appropriate) and trended over time along with detailed analysis of largest positions;
- ▶ Reporting highlighting positive sustainable impact solutions;
- ▶ Analysis and communication of ESG controversies where applicable; and

- ▶ Climate Risk Reports – including Carbon Footprint Analysis, Weighted Average Carbon Intensity Analysis, Net Zero Analysis, Transition Climate Risk Analysis and Physical Climate Risk Analysis
- ▶ ESG scorecards tracking investee companies across a number of metrics including ESG ratings across multiple providers, carbon emissions tracking and net zero commitments, various social and governance metrics

Lansdowne's Carbon Footprint

We are increasingly aware of our impact on the environment. Since 2016, we have commissioned Carbon Footprint to conduct a full annual audit of the firm, our business practices and travel to reduce our carbon footprint. We support projects to offset our carbon footprint, earning Lansdowne an annual offset certificate.

Projects we supported in 2024 as part of the Firm's carbon offsetting included:

- Arca Hydro Electric Power Plant,
- Chaiyaphum Wind Farm Power Project,
- Dongyuan Xiantang Landfill Gas Power Generation Phase I Project,
- Off Grid Solar PV Project at Iamgold Essankane SA Gold Mine

As at 31st March 2024, we had offset a total of 5,876 tonnes of CO₂e by supporting a variety of projects around the world as voted for by Lansdowne Partners staff. The Firm is delighted to be a Carbon Neutral Organisation. Additionally, the Firm's offices are supplied with 100% renewable energy by Engie.

The Firm has also set up several internal initiatives, including a recycling programme and a bike to work scheme.

Principle 8

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

Lansdowne outsources various functions to third party providers. We ensure that third party service providers provide a high-quality service and are managed to the standards expected by us based on their criticality in each case. We believe it part of Lansdowne’s fiduciary responsibility as agent for its clients to ensure that the quality of the third-party providers we engage, is in line with the quality of service delivery expected from us as an organisation.

Before engaging a third party vendor, appropriate due diligence will be conducted. Depending on the nature of the service being offered, this may include peer comparisons, data security analysis, existing client references, background checks into key persons, review of financial stability and assessment of possible supply chain issues (including in relation to modern slavery).

Where it is determined that a formal periodic review is appropriate for a service provider, the review will be carried out by the Firm and the review and its findings will be documented. Each assessment, where deemed necessary, will be based on the risk given to the Firm dependent on how critical the service is to the Firm. Each service provider has a Lansdowne staff member(s) assigned responsibility to oversee and monitor the relationship, although ultimate responsibility rests with the Management Committee.

With respect to vendors deemed material to the Firm’s stewardship processes, namely ISS, the Firm has an ongoing assessment of performance and service levels, quality of research and data/outputs provided, including monitoring to ensure that votes instructed are cast and critical evaluation of voting recommendation is received. As part of the review of services provided by ISS, in 2020 the Firm subscribed to ISS’ “Sustainability Policy” across the Firm’s range of products. The Sustainability Policy provides sustainability led reports and recommendations for proxy voting. However, it is important to stress that the Lansdowne investment teams maintain decision making responsibility, which will be based on their detailed knowledge of the companies in which the Firm invests on behalf of clients. The Sustainability Policy recommendations are used for information purposes and represent one of many factors considered when voting.

During 2021, the Firm’s then ESG working group ran a project to identify which third party data provider would be most suitable for both internal monitoring and external reporting. Following a detailed process of testing and due diligence, the Firm ultimately decided to subscribe to MSCI ESG ratings and ISS Climate Risk reporting. In 2023, the Firm also subscribed to Integrum ESG. While the Firm uses this data for reporting purposes, it does not rely solely on the ratings without conducting analysis alongside, and there may be times when the investment teams disagree with the relevant service provider. For example, during 2024 one of our investment teams disagreed with a score provided by MSCI:



As part of our ESG analysis, we have engaged MSCI as an external research provider. In May, MSCI downgraded BT from “AA” to “A” as a result of BT’s plans to cut 55,000 jobs by 2030 in an effort to streamline operations and adapt to technological advancements. MSCI’s rationale provided for the downgrade was that such restructuring events may adversely affect impact staff morale. We disagreed with the downgrade, as we believe that without the job cuts, the current business model would not be sustainable.

In our view, MSCI has misunderstood the nature of these cuts as the losses are directly linked to the telephone network’s shift from copper to fibre. BT’s subsidiary, Openreach, is currently mid-way through a once in a generation project of reorganisation. BT’s legacy copper telephone network will be replaced with fibre optic cabling. This build effort is highly labour intensive, which requires a higher number of employees than is typically required. Once the project is completed in 2027, these engineers will no longer be required. Furthermore, the fault rates of fibre optic networks are de-minimis compared to copper networks. Consequently, a much smaller workforce is needed to maintain and correct issues in the network. Finally, we expect that the provisioning and sales infrastructure will become increasingly digital following this upgrade, which removes the need for in-person roles.

MSCI’s treatment of the restructuring implies a much more conventional risk to an organisation undergoing an employee rightsizing endeavour compared to a well communicated and understood product cycle that requires a large and specific build out program. For example, a railway project would have a clear understanding that labour peaks mid-way through a build and can be significantly smaller once a project is completed.

This announcement came as BT reported a 12% decline in pre-tax profits, largely due to higher network build costs, with impacts to revenue and cash flow also reported. Around 25,000 jobs will be lost through a reduction in engineers as the company’s full fibre rollout comes to an end and old copper networks are shut down, and a further 10,000 employees will be replaced by automation as the company embraces AI.

The Communication Workers Union (CWU), which represents the majority of BT workers, said the plan was not a surprise to members, as the introduction of new technologies across the company along with the completion of the fibre infrastructure build replacing the copper network would naturally result in less labour costs for the company in the coming years. Given the long-term planning horizon of this project, many of the role reductions will come through retirement of an aging engineer force.

The cuts are also proportionate to peers in the sector. Vodafone announced plans to cut 11,000 jobs in the same week. Ultimately, this is a legacy industry which is now modernising. We believe that there would be more social risk if the network was not modernised as all downstream customers will benefit from a more digitised and upgraded network.

Where appropriate, the Firm engages with third party vendors to ensure both accuracy of data and to provide input into potential data methodology enhancements.

Principle 9

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

Comprehensive and continuous research and monitoring of investee companies is fundamental to Lansdowne's investment process. Lansdowne utilises various research and support tools to meet this principle. The monitoring process will include meeting with senior management of the investee companies, analysing annual reports and financial statements, using independent third party and broker research, attending company meetings and road shows and proxy voting corporate research provided by ISS.

Lansdowne endeavours to identify problems at an early stage to minimise any loss of shareholder value. If investment teams have concerns, where appropriate, they will use their best efforts to ensure that the appropriate members of the investee company are made aware of them. Such concerns may include, amongst other things, corporate governance issues where we believe they have an impact on shareholder value (including, where applicable, deviations from the UK Corporate Governance Code). However, in seeking to act in the best interests of its clients, Lansdowne may also consider it better to reduce or eliminate an investment rather than to continue such dialogue. Lansdowne's investment teams review the effectiveness of their monitoring on an ongoing basis as part of the investment process.

Lansdowne maintains records of votes cast and of reasons where voting is contrary to the recommendation of ISS. It is not always administratively possible to record whether such votes were cast in respect of contentious issues, due to the inherent subjectivity this entails or to record details of every engagement with management of investee companies. Lansdowne may attend General Meetings of companies in which its clients have a major holding where this is considered appropriate and practicable.

Lansdowne does not generally wish to be made insiders in normal circumstances, and therefore expects investee companies and their advisers to ensure that information that could affect Lansdowne's ability to deal in the shares of the company concerned is not conveyed to Lansdowne without its prior agreement.

During 2024, Lansdowne had approximately 1,150 interactions with actual or potential investee companies.

Examples of engagement with companies on ESG factors that has influenced the corporate behaviour or decision making of a holding:

Case Studies – Engagement and Outcomes

Engagement: Environmental

We engaged IR a number of times to discuss decarbonisation in the cement industry. Cement plays a crucial role as the binding ingredient that gives concrete its strength, enabling the construction of modern infrastructure. As there are no alternatives that are as versatile or effective, it is a key material in the global economy. At the same time, the cement industry generates approximately 8% of anthropogenic CO₂ emissions making it a major focus in the battle against climate change. The necessity for the cement industry to decarbonise and the best way to achieve this has been at the heart of our engagements with the company.

The company intends to pursue decarbonisation through Carbon Capture, Utilisation and Storage (“CCUS”) technology. The company believes that CCUS is the most effective way to decarbonise its operations. Whilst we applaud this effort, we note that CCUS is an unproven technology in the cement industry with the first commercial CCUS program scheduled to launch in 2025 by Heidelberg in Brevik. Moreover, the commercial success of various CCUS projects announced by the company is rooted in the assumption that the price of CO₂ allowances under the EU ETS scheme will increase in the future, which could be unpredictable. We believe that reliance on a regulatory umbrella to generate a return on the company’s investments is an inherently risky proposition that may ultimately prove unsustainable.

Consequently, we have encouraged the company to explicitly pursue the strategy of utilising Secondary Cementitious Materials (SCMs) as an alternative to the high CO₂ emitting clinker used to manufacture cement. Our discussions with various experts indicate that the usage of SCMs (such as blast furnace slag, fly ash or calcined clay) can eliminate most CO₂ emissions produced by cement without compromising on the strength of the final product. Furthermore, the capital intensity of these projects is low, so the company does not need to risk shareholder capital. At the same time, these SCMs are often cheaper to produce than clinker making it a favourable proposition for the company. Whilst we are aware that the company is exploring SCMs, we note that clinker substitution is not a major contributor of their decarbonisation pathway.

Outcome: We have secured a direct meeting with the CEO 2025 which we will be able to share more in-depth views on their decarbonisation strategy. We hope to present our research on the topic and understand whether the company could be doing more on this front.

2024 engagements with Heidelberg: 2



Engagement: Governance

We have been shareholders of Commerzbank for over 20 years. Our position is embedded within our capital-cycle driven investment philosophy, and our view that the structure of the banking system in Germany is currently suboptimal but will improve over time. We believe that the German banking system is over-supplied, which has created a weak financial system that has caused domestic banks to seek profits abroad by resorting to high risk overseas investments. Periodic write-offs of these investments have left the industry with weakened balance sheets and insufficient capital to invest in the transformation of their services into a more modern digital infrastructure. Industry consolidation is required so that domestic profitability can be improved to a level that produces greater cyclical resilience, the ability to finance the transformation required in Germany's economic model and to invest in their own digital transformation. In our most recent engagement with the CEO, we strongly advocated that management take a similar approach to Unicredit (who has taken 20% stake in Commerzbank). This transaction represents the importance of consolidation in the German banking sector which is an essential condition to the resilience and sustainability of the industry, and as banks act as lenders, to the aggregate economy altogether. We are concerned that other stakeholders and management, who may have a shorter time horizon, are not long-term in their orientation and thus have communicated our perspectives.

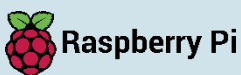


Outcome: Commerzbank are in discussions with Unicredit to potentially structure a combination in a way that may generate the intended benefit i.e. reduce over-capacity in the German banking industry whilst simultaneously retaining ultimate ownership of the merged entity within the country. In our opinion, one potential solution is the merger is structured between Commerzbank and the German banking division of Unicredit rather than with Unicredit Group itself. We have agreed to discuss our thoughts again with the CEO in the new year.

2024 engagements with Commerzbank: 1

Engagement: Social and Governance

RaspberryPi is a UK-based company that specialises in high performance and low-cost computer modules. Importantly, this business started as a charity foundation in 2008, with a mission to provide computer science education to disadvantaged communities globally. As the company progressed, it started to get better at producing SoC compute modules, which led to a very natural commercial demand for product, beyond its founding social mission. This led to a symbiotic relationship between the charity arm and the company trading arm, where commercial sales were able to fund further social impact of the charity.



We were introduced to this business in 2021, via our UK PLC board network. Both the charity and the business had grown to a critical point, with the TradingCo needing further R&D investment, and the Foundation needing income assurance for its social mission. We were trusted to negotiate and structure a separation agreement that would enable both priorities to continue. This involved separating out IP rights, restructuring the organisation and investing behind the TradingCo. This allowed secondary proceeds to fuel the Foundation for its social mission.

Over the following years, we maintained a strong dialogue with both the TradingCo and the Foundation. We provided strong strategic and governance support to the business, whilst

maintaining alignment with the Foundation who became the majority shareholder, alongside ourselves.

Outcome: In June 2024, we supported this business to a very successful IPO, which released further funds to the Foundation whilst solidifying the future R&D strategy for the TradingCo. We have been incredibly proud of our involvement from a social perspective. The foundation has been able to deliver 35 online computer science training programs to 243,000 participants, which ultimately offers upskilling opportunities for target populations who likely wouldn't not have been able to access such training.

2024 engagements with RaspberryPi: 3

Engagement: Governance

Over the past two decades, Boliden has established its reputation as a highly efficient and well-run operator, leveraging automation and engineering excellence.

In recent years, numerous operational mishaps (e.g. the June 2023 fire at Rönnskär's tankhouse, construction at the Aitik tailings dam) and ostensibly poor investment decisions (e.g. cost increase associated with the expansion of Odda's zinc smelter, Kevitsa poor mine planning) have called into question Boliden's operational abilities and management track record. We estimated that these problems have amounted to about 20% of the company's share price as at Dec 2024.

In addition, following a strategic review of the global smelter supply-demand trajectory, we are incrementally concerned about the long-term viability and profitability of Boliden's smelter business, which potentially faces structural oversupply coming from emerging nations. For example, China is adding supply to increase its own self-sufficiency thus is relatively price insensitive. The decision to rebuild the Rönnskär tankhouse and the Odda Zinc smelter despite unsupportive macro backdrop has raised questions about capital allocation discipline and management incentive alignment.

As a long-term shareholder of Boliden, we have held consistent exchanges and dialogue with management regarding these issues. Specifically, in December 2024, we presented our analysis and concomitant concerns to the management team. In the presentation, we outlined specific recommendations regarding communication policy, board composition and incentive alignment.

Outcome: We believe that our engagement was well-received, and we will continue this conversation with management on an ongoing basis. In our discussion, we noted that the company was already taking steps to improve their governance structures e.g. internationalising their board of directors. We believe that more can be done for Boliden to improve investor communication, and better align management incentives.

2024 engagements with Boliden: 6



Engagement: Social

We engaged the company to discuss its failing of MSCI's interpretation of UNGC Compliance. There are two controversy cases behind this failure: (1) concerning the North Mara mine in Tanzania relating to mine security and police violence towards members of the local community breaking into the mine - this has caused a breakdown of relations with the local community; (2) concerning the Porgera mine in Papua New Guinea relating to allegations of human rights abuses against community by mine's security forces.

Relevant Company History:

- In 2018, Barrick Gold Corporation merged with Randgold Resources Limited to form the New Barrick Group
- A new management team largely made up of Randgold executives was formed
- Randgold had a reputation as being a leader in external stakeholder relations
- This Randgold team inherited a number of legacy cases relating to gold mines
- Over the last five years the company has been implementing a new sustainability strategy, part of which has focused on addressing these cases
- In addition, Barrick has been a UN Global Compact participant since 2006 and has been reporting on their progress on governance, human rights, labour, environment, and anti-corruption since then

Porgera Mine:

- Porgera mine, located in Enga Province in Papua New Guinea (PNG), has been the subject of significant controversies and legal disputes after security forces involved in protecting the mine were accused of numerous human rights violations against the local Ipili Indigenous people
- In 2015 119 victims' cases were settled under the 'Porgera Remedy Framework', however human rights groups continued to allege that violence and abuse had continued
- In April 2020, the Papua New Guinea government initially refused to extend the mining licence for the Porgera mine based on unresolved community disputes
- In 2022 Barrick and the PNG government agreed to restructure the Porgera mine ownership, increasing government ownership to 51% (to Barrick (Niugini) Limited's 49%; BNL is a 50:50 joint venture with Zijin Mining Group and Barrick Gold); this gives PNG stakeholders a majority interest in a key resource for the first time
- The President and CEO of Barrick Gold stated the gold mine would reopen by the end of 2023, subject to NPL concluding a compensation agreement with the mine's community landowners
- The mine reopened in December 2023
- Under the Mining (New Porgera) (Amendment) Act 2023 the rights of landowners in the area to be properly and appropriately compensated have been protected

North Mara Mine:

- Since 2011 there have been a number of reports regarding controversies surrounding the North Mara mine in Tanzania
- Two key issues: (1) poor relations with the local communities resulting from acquisition of land by mining companies (affecting their livelihoods), leading to attempts by members of the local community to break into the mine; (2) subsequent violence and assault from mine security and police on those local villagers attempting to break into the mine

BARRICK

- Since Barrick acquired the North Mara mine (previously owned by Acacia Mining) in September 2019, it has taken a number of steps to address these issues

Relations with local community:

- There has been extensive engagement with the local community, which has bought Barrick the social licence to operate; every quarter the Barrick CEO has a meeting with the local Village Chairperson to discuss issues affecting the local community. We see this as a level of commitment few other CEOs would undertake directly
- Members of the local community attempting to steal from the mine are generally unemployed youth, therefore Barrick has been working with the community to provide alternative employment and opportunities for them; This involved setting up a youth group designed to help young people find work, for example helping with CVs, providing jobs, providing help to set up local agribusiness

Mine security forces and police:

- Mine security forces are often third party, government related, and not under direct Barrick employment
- Barrick has rules of engagement with the government which include that all police and mine security undertake Barrick's training
- Barrick is working with the government to address the issues around stolen gold

Independent review:

- In 2020 MMTC-PAMP appointed Synergy Global Consulting to undertake a review of the mine ("NMGM") in relation to identified risks (including illegal intruders at the site, impacts on livelihoods due to involuntary resettlement, and access to effective grievance and remedy processes)
- The 2022 report found that since Barrick took control of the mine from Acacia, there had been significant improvements in the management of identified risks:
- Security forces management: NMGM had made significant measurable progress in managing security and human rights, including changing their private security provider to a Tanzanian provider who are not armed and take a non-confrontational approach to maintaining security
- External interviews with community members indicated that there was recognition that security management had broadly improved under Barrick
- The report also found that there are still high numbers of armed intruders who enter the site, and recommended NMGM continued focus on improving security measures and engagement with government authorities on issues of security and human rights
- The report found that Barrick had made measurable progress in relation to a grievance mechanism

Outcome: In addition to discussing the above with the company and conducting our own independent research, we engaged an external stakeholder through our Expert Network process, who confirmed the company's report and our findings. We felt reassured that the company has demonstrated meaningful progress towards resolving these issues. We have agreed to meet with the company on a regular basis to discuss progress surrounding the North Mara mine.

2024 engagements with Barrick: 2

How engagement has differed via geography and sector

Engagement can be impacted by geography and sector. To show these differences (and also how engagement experiences and approach may differ between investment teams), we have provided some commentary below from representatives of our two largest strategies below:

Shashwat Verma, Partner and Deputy Portfolio Manager – European Long Only Strategy:

‘As part of ongoing engagement with our portfolio companies, we notice some geographic differences in terms of culture and management approach to shareholder interactions. For example, engagements with Continental European holdings tend to be very different from our more Anglo-Saxon (UK and US) holdings. For example, after a 12-24 month period of numerous operational missteps leading to severe share-price underperformance, we have repeatedly engaged the senior management of Boliden, a Swedish mining company. As part of this process, we undertook an in-depth, proprietary research late last year, which we presented to the CEO in December. As part of that work, we encouraged the company to adopt best-in-class peer practices from UK / US listed miners in terms of setting target return hurdles for mine related capex, and also in terms of composition of the Board which appears to us to be too inward looking and Swedish. Finally, we asked for access to the Chair and were told that this wasn’t part of the company’s engagement strategy with shareholders. Given our experience with our UK holdings where the Chair frequently holds investor road-shows (e.g Informa), and where we have been able to gain direct access as needed (e.g. Rentokil), we noticed this disconnect as quite striking, and have advised the company that best-in-class practices would suggest the need for the Chair to commence interactions with key long-term shareholders.

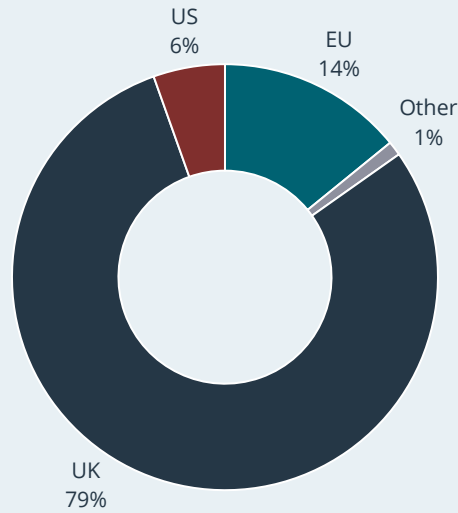
Similarly, we have engaged Sika over the past 12 months in order to suggest ways for them to improve their communication strategy with the capital markets. We think Sika is a best-in-class business with high and sustainable growth, returns and idiosyncratic industry outperformance resulting in consistent and steady market-share gains. However, in our view, the company’s communication strategy doesn’t adequately illuminate these strengths, in our view, with the management’s rather confusing communication re applicability of mid-term targets (set based on through-cycle end-market assumptions) to specific years (influenced by end-market conditions in specific year, but not communicated as such) resulting in lack of clarity regarding the outlook for the business in the near-term. Such a situation has elevated the cost of equity for the business, as the market has been unable to take comfort from the mid-term targets in context of earnings power of the business each year, especially as the business underperformed its mid-term targets for the last 2 years in an unclearly communicated manner. In addition, we have encouraged the company to focus more on “inputs” i.e. the operational drivers (e.g. economies of scale, R&D expertise, cross-selling etc) behind the business being consistently able to outperform its peers vs “outputs” i.e. market share gains. To our mind, this would help the market place a higher multiple on the sustainability of the business’ structural market share gains and superior earnings power vs peers.’

Melissa Earlam, Partner and Analyst: Developed Markets Long Only Strategy:

‘We have noted differing experiences regarding company engagement in the US vs. the UK / EU. In the US, we tend to have less access to C-suite management throughout our engagement process. Conversely, in the UK / EU the majority of our portfolio company meetings are held with C-suite management. As can be seen from the graph below, in 2024, 93%

of C-suite portfolio company meetings were with UK / EU companies vs. only 6% US (compared to 18% of AUM being US).

Breakdown of C-suite Portfolio Company Meetings



Data as at 31/12/2024
Source: Lansdowne analysis

There are several explanations for this. Firstly, in the UK we have greater exposure to small and mid-cap companies with higher percentage shareholdings, thereby resulting in greater access to management. In addition, for many of the UK companies we are invested in, for example in the UK banking sector, we are long-term investors and therefore have built relationships with senior management over many years. Most of our US investments are in mega-cap companies where it is more difficult to gain access to C-suite management.'

Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issues.

Lansdowne has no objection in principle to collective action by investors and will consider any specific action on a case by case basis subject to regulatory restraints, company strategy or governance. In normal circumstances, Lansdowne will tend to act on its own when engaging with or expressing concerns to investee companies. However, whilst we have tended to act with caution in the past when considering collaborative engagement with other shareholders given regulatory constraints, there have been instances where we have been willing to do so. Scenarios where we may consider collaborative engagement include where we believe there are either structural issues within a business or where its strategy is at odds with creating sustainable shareholder value and where we have identified another shareholder who shares our belief and where we believe the best chance of effecting change is through collaborative engagement. Additionally, we may participate in industry collaborative engagements, for example the CDP Non-Disclosure Campaign which we participated in during 2024 (please see below under “Collaboration in industry initiatives”).

Whilst Lansdowne may communicate with other shareholders regarding a specific proposal, it will not agree to vote in concert with another shareholder without approval from Lansdowne’s Chief Compliance Officer.

Other investors wishing to approach Lansdowne should contact Lansdowne’s Chief Compliance Officer Hugh Orange, using the following contact details:

Email: compliance@lansdownepartners.com

Telephone: +44 (0)20 7290 5500

Collaborative engagements

Engagement: Social & Governance

Post an unscheduled profit warning on the back of continued weak operating performance in Rentokil's key US business over the last 12 months, we scheduled multiple direct engagements with the Chair. Our primary objective was to encourage the company to recalibrate its integration strategy for the acquired Terminix business, given multiple concerns raised during our extensive due diligence regarding management's approach and strategy re the integration.



Given the ongoing weak operational performance within Rentokil's US business, we have conducted extensive due diligence regarding the potential reasons behind the underperformance compared to its key peer, Rollins. As part of this work, we engaged independent data sources to track the business' digital capabilities and collated feedback from former Terminix senior management, including the former Chief Operating Officer who was widely credited with the turnaround seen in the Terminix business prior to its acquisition by Rentokil. Our work had identified a number of areas of concern, including 1) lack of organic digital search capabilities across both Terminix and Rentokil brands, 2) a large number of senior level departures weakening the business' sales and marketing capabilities in US residential pest control, 3) a lack of focus on the KPIs critical to consistent monitoring and management of the residential pest-control business, 4) general culture of prioritising legacy Rentokil over Terminix staff, systems and capabilities, even when doing so may not have been warranted, 5) disillusionment at the front-line technician level regarding upcoming potential pay-plan changes, 6) lack of clarity regarding the branch integration strategy especially given its apparent deviation compared to best-in-

class peer, Rollins. After we flagged these concerns to management through multiple interactions over the year, we were disappointed and alarmed by the unscheduled profit-warning in September. At this stage, we decided to engage directly with the Chair with the aim of apprising him of these concerns to drive necessary recalibration and refinement to the management strategy to ensure medium-long term health of the business.

We carried out direct interactions with key shareholder and investor, GIC, who own a 5.47% stake in the company as per the last public filing. We have a longstanding relationship with GIC, thus were able to interact with them directly on this topic. We shared our in-depth research and insights into the operational issues faced by the business, and were also able to connect them with key industry experts, notably the former Terminix COO. Encouragingly, we both came to similar conclusions and were able to engage the company constructively and independently, but in a conjoined manner.

Another key risk highlighted by our extensive due diligence was the proposed pay-plan harmonisation between Rentokil and Terminix field technicians. Historically, the companies have operated differing pay plan structures, resulting in the case of Terminix, a small number (approximately 15%) of typically older, more tenured technicians paid very highly compared to many younger and newer technicians significantly under-paid vs industry benchmarks. Rentokil management held the view that there can only be a single pay-plan across the entire company so that two individuals are paid similarly for a similar amount of work. Whilst we agree with this approach, our work highlighted that in practice, the risk that those highly paid technicians whose pay plans would inevitably be revised downwards would naturally be dissatisfied and potentially be inclined to leave the company. This raises the risk of a potentially significant increase in customer attrition given the close linkages between technician and customer retention levels. In addition, our work highlighted the potential risk that Rentokil had historically underpaid its staff. To quantify this risk, we utilised a boutique provider of a comprehensive workforce data and job posting flows to benchmark and compare Rentokil compensation plans vs industry. We concluded that the maximum incremental investment required in right-sizing the employee pay plans was likely not more than \$50 million, if anything at all. Whilst not complete, this analysis provided comfort that the investment required to right size the pay plans was not so material as to derail the integration benefits in any significant way. Rather, the concern would be whether management were able to appropriately manage the potential risk of dissatisfied technicians leaving the company en masse and leading to an unwanted spike in customer churn. To ameliorate this risk, we flagged our concerns to the Chair and suggested that management potentially grandfather in the new pay plans for the adversely affected senior Terminix technicians. Whilst this would be at a small incremental cost to the company, we believe it would materially de-risk the pay-plan integration and safeguard technician retention and avoid customer turnover during this period of elevated risk for the business.

Outcome: The outcomes of our engagements were as follows:

- 1) Change in approach to integration phasing, i.e. slowdown and delay by 2-3 months to reflect learnings from initial full branch integrations.
- 2) Change in approach to branch network closures to trialling the opening of 10 satellite branches in Q4 with a view of quantifying their potential positive impact on organic growth vs local market area performance.
- 3) Several management changes e.g. departure of US FD, US COO, retirement of Group CFO. Complemented by new appointment as NA Chief Marketing Officer.

- 4) Measured implementation of new technician pay plan structures including the potential grandfathering of legacy pay plan structures for negatively impacted senior Terminix techs to ameliorate risk of significant technician departures driving rise in customer attrition.
- 5) Refocus in marketing investment away from short-term fixes such as chasing Google leads to longer term structural improvements in SEO optimisation, top-of-funnel marketing etc to drive brand recognition leading to improved organic growth.

2024 engagements with Rentokil: 7

Collaboration in industry initiatives

We support or have committed to a number of different industry initiatives.

Lansdowne was initially a signatory to the UK Stewardship Code (Tier 1) since its inception in 2012 and has been supportive of the Financial Reporting Council's efforts to widen the scope of and improve engagement with the UK Stewardship Code across the industry.

The Firm became a signatory of the Climate Disclosure Project in 2022, and in 2024 participated in its Non-Disclosure Campaign:

In 2024, we participated in CDP's Non-Disclosure Campaign, and nominated ourselves as lead engager for Boliden. Investors and banks work with CDP annually to request that companies participate in CDP's main disclosure request by responding to CDP questionnaires across the key environmental themes of climate change, forests and water. We sent a letter to the company, co-signed by multiple investors, requesting that the company respond to the CDP questionnaire for this reporting year.

Outcome: The company responded to our request and explained that detailed disclosures are included within the Annual and Sustainability Reports, in line with well-known principles such as GRI Standards, SASB Metals and Mining Standard, and OECD guidelines. During 2023, Boliden's climate targets for Scope 1, 2, and 3 were validated and approved by the Science-based Targets Initiative. The company are currently in the process of implementing the new reporting standard ESRS to be compliant with the requirements in the new European sustainability reporting directive CSRD, covering not only all environmental and climate standards but also, social and governance areas. The company additionally confirmed that all data and reporting are subject to external audits. Boliden's IR team explained that due to the existing extensive sustainability reporting requirements, they decided not to focus resources into the high demanding amount of work it entails to present data according to CDP's model at this time.

We recognise that the high number of sustainability-related disclosures which have been introduced over the past few years can be burdensome for companies; while the industry is trying to achieve interoperability, this has not yet been achieved. We also realise that given the company is working towards implementing ESRS, now might not be the time to introduce another reporting standard.

Although as an investor we may find CDP scores useful for comparison purposes, we have other resources available to us for this purpose, in the form of ratings and metrics. Boliden has an MSCI ESG



Rating of “AAA”, which is MSCI’s highest rating, and scores above the industry averages on Toxic Emissions and Waste, Biodiversity and Land Use, Carbon Emissions and Water Stress. According to MSCI, Boliden has no controversies relating to environmental issues. As noted by the company, all the information we require on their environmental practices is available within the reporting which is already in place.

We recognise the importance of CDP disclosures; however we feel that the company has responded reasonably. As noted in our Boliden engagement summary in Principle 9, we are currently engaging Boliden on certain other topics which we consider to be more of a priority for the coming year. We would consider engaging the company again on this topic at a later date.

The CDP holds the largest environmental database in the world, which is utilized as part of the investment process in our commitment to responsible Investment Management.

The Firm became a signatory of the internationally recognised Principles for Responsible Investment (PRI) in 2020. The Firm recognises this commitment as a way to embed current and future responsible investment considerations in both the investment process and promote ongoing positive firm culture.

The PRI is the world’s leading proponent of responsible investment. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in integrating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The PRI encourages investors to use responsible investment to enhance returns and better manage risks, but does not operate for its own profit; it engages with global policy makers but is not associated with any government; it is supported by, but not part of, the United Nations.

In addition, the Firm is a supporter of and has committed to the TCFD and TPI as referred to under Principle 4.

Collaboration with other stakeholders

More broadly, as appropriate, we may also collaborate with other stakeholders when engaging with investee companies. An example of this is detailed in the below case study from 2023 and its outcome:



As noted under Principle 4, we engaged Ofgem early in 2024 to better understand the opportunity of Net Zero across networks, distribution, and retail.

Outcome: We received clear articulation that pace is key to deliver on the huge opportunity of Net Zero target delivery.


Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

As part of Lansdowne’s investment strategy, it seeks to build effective relationships with boards and management at the companies in which it invests. Lansdowne will generally look to invest in companies that it believes to be well managed. As part of the research and monitoring process, Lansdowne may look to intervene by holding meetings with management and/or directors to express Lansdowne’s concerns or express its views through other channels. These concerns will generally be motivated by the failure of management to uphold shareholder value. Lansdowne will continue to meet with the company and monitor developments to assess changes in the company’s approach. Should concerns persist, Lansdowne may seek to intervene formally through written letters addressed to the appropriate company board or committee members. In addition, Lansdowne will consider whether it would be more effective to intervene jointly with other institutions but will only do so where this is considered appropriate and in the best interest of its clients and where it is felt management are not maximising shareholder value. Lansdowne acknowledges that a variety of factors will make each situation unique and therefore the approach taken to escalation of concerns will vary on a case by case basis.

In general, Lansdowne is unlikely to make public statements, submit resolutions or requisition an EGM or shareholder proposal. In most circumstances, Lansdowne generally believes that any escalation is best carried out on a private basis.

Please see below example of escalation from 2024:

 Lufthansa	<p>Throughout 2023, Lufthansa embarked on a process to sell a stake in its MRO business, an adjacent but non-core activity to running an airline. For many months, the company had expressed that under the right circumstances (e.g. finding the right partner and at the appropriate valuation) bringing in an external partner would help the group unlock the hidden value within the business, and that without this external influence and capital it would be hard to unlock its true potential. We felt that we had received clear communication from the Board that should these criteria be met, the process would be brought to a conclusion.</p> <p>This project was nurtured by the Chief Financial Officer of the organisation at the time - an individual we felt was central to the company’s greater financial governance and discipline.</p> <p>A buyer was found, and from our viewpoint it seemed that the deal was set to complete. However, at the very last minute, the company reversed its decision to sell, and abandoned the process, despite clear criteria having been met.</p> <p>We sent a written communication to the company to clarify why the decision had been reversed. Beyond our disappointment that the sale would not unlock value, and our feeling that it revealed a lack of proper Governance, we also felt it would be untenable for the CFO to remain at the company in these circumstances. Losing the CFO would be a great loss to the company as we believe he is a champion for shareholders and have very much welcomed his positive contribution in recent years. We also noted our concern that the board was not able to hold management to account.</p> <p>Following this communication with the company, we spoke with the Chairman to ask him why the proposed stake sale of the MRO business fell apart at the last moment, and why it was now in shareholders’ best interest to retain the business, despite a different view previously. We questioned</p>
--	---

whether the company was working independently, or in the interests of the German state. We reiterated our view that losing the CFO would be a great loss to the company. The Chairman listened to our concerns and frustrations; he expressed his own concerns about the MRO sales process and final outcome. We were not convinced by the actions and answers given, and decided to reduce our shareholding.

Outcome: Shortly thereafter, following further engagement with the new interim CFO and IR to discuss the strategic direction of the company, we felt uncomfortable with the company's Governance and decided to exit our position.

2024 engagements with Lufthansa: 3

Principle 12 - Exercising Rights and Responsibilities

Signatories actively exercise their rights and responsibilities.

As indicated above, engagement with companies is fundamental to our investment process. As part of this we seek to build effective relationships and maintain high and broad levels of engagement with management and other stakeholders of the companies to which we allocate capital.

Proxy voting is an important duty of shareholders and part of this engagement. As described above, we utilise the services of the voting agency ISS to vote on behalf of our Institutional clients at all relevant company meetings. We believe ISS' expert and independent analysis complements Lansdowne's investment process. For our full Proxy Voting Policy please refer to our website: <https://www.lansdownepartners.com/london/proxy-voting-policy-and-procedure/>.

Assessing the share structure of investee companies prior to investment, the type of voting rights applied to each security and the impact on minority shareholders is a fundamental part of our due diligence in the investment process. This is especially important where there is a dual share structure.

In relation to pooled Funds managed by the Firm, neither the client nor investors can override our proxy voting policy or direct voting. It is always our preference for the Firm to have voting discretion. However, some segregated account clients can direct or retain voting discretion under the terms of the respective investment management agreements. The Firm does not engage in stock lending on behalf of itself or its clients and therefore does not need to consider processes concerning recalling lent stock or empty voting.

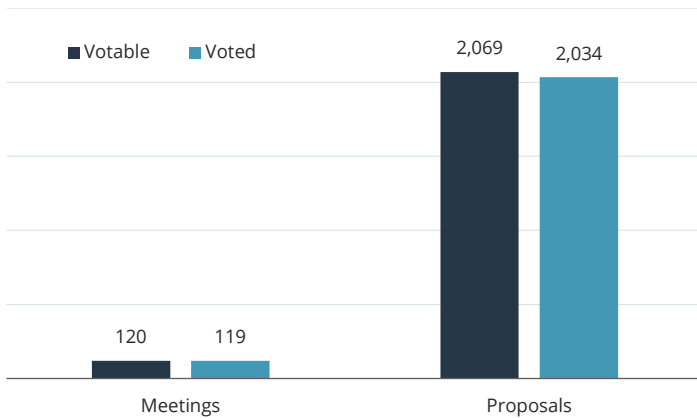
The Firm receives voting recommendations from ISS, in line with ISS policies (Lansdowne subscribe to both ISS' Standard and Sustainability Policy recommendations). However, the Firm makes its own voting decisions and may exercise votes contrary to ISS recommendations, where it deems appropriate. The decision to vote contrary to ISS' recommendation is made by the investment team, which may follow engagement between our Firm and the company. Lansdowne receives Proxy Voting reports from ISS, which cover all proposals to be discussed at upcoming company meetings. These reports are circulated to the relevant investment team, who confirm their agreement or otherwise with ISS recommendations. In cases where Lansdowne deems ISS' decision to not be in the best interest of its clients, the Firm will intervene and cast a vote against their recommendation. Lansdowne reviews the services it receives from ISS at least annually.

Detailed voting records for 2024 can be found on the Firm's website:
<https://www.lansdownepartners.com/london/see-proxy-voting-statistics/>

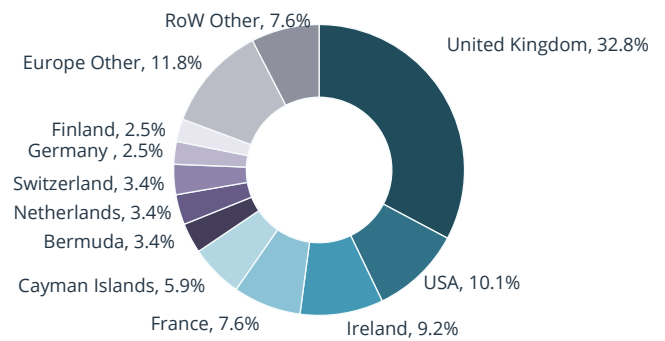
A summary of the Firm's voting statistics from 2024 is included below.

All votes were voted on apart from 1 meeting. The 1 unvoted meeting (35 proposals) was voted but rejected due to operational issues regarding power of attorney which prevented votes being placed; such issues have since been resolved. A total of 3.7% were voted against management and 3.1% against the ISS Sustainability Policy ("ISS Sustain"). It is important to note that each of our portfolio managers take a different approach towards voting decisions. However, all would wish to vote in the best fiduciary interests of their clients. Additionally, while ISS materials can be used for background, and to understand the likely intentions of other institutional investors, ISS is not aware of the history Lansdowne might have with a company (especially where engagements have taken place with management), which could give rise to voting with management and against ISS.

Voting Statistics*



Meetings Voted by Country








* The 1 unvoted meeting (35 proposals) was voted but rejected due to operational issues regarding power of attorney which prevented votes being placed; such issues have since been resolved. Note: Voting statistics from 2024. Source: ISS





Proposal Category Type

		For	Against	Abstain	One Year	Other		Total	Against Mgmt	Against Sustainability Policy
						Unvoted	Withhold			
Management Resolutions	Audit Related	138				1		139		
	Capitalization	283	18			1		302	18	
	Company Articles	24						24		1
	Compensation	250	11		1	4		266	11	15
	Director Election	751	22	4		8	4	789	30	34
	Director Related	157	1			15		173	1	2
	E&S Blended	5						5		
	Environmental	2						2		1
	Miscellaneous	17						17		
	No Research	15						15		
	Non-Routine Business	14						14		
	Routine Business	200	4			6		210	3	2
	Social	24						24		
	Strategic Transactions	7						7		
	Takeover Related	37						37		
Subtotal	1,924	56	4	1	35	4	2,024	63	55	
Shareholder Resolutions	Audit Related	2	1					3		
	Compensation		1					1		
	Corporate Governance	2						2	2	
	Director Election	6	2					8		1
	Director Related	1						1		
	E&S Blended	1	6					7	1	2
	Environmental	1	3					4	1	2
	Miscellaneous		4					4		
	Social	9	6					15	9	5
	Subtotal	22	23					45	13	10
Grand Total	1,946	79	4	1	35	4	2,069	76	65	
								3.7%	3.1%	

Significant Votes Cast in the Period:

Company	Description	Vote Cast	Vote Against?	Commentary	Outcome	% For
 ANALOG DEVICES	Management Proposal: Advisory Vote to Ratify Named Executive Officers' Compensation	Against	Against Management: Yes Against ISS Sustain: No	While acknowledging certain positive changes to the LTI program, including the increase in performance equity for the CEO, a quantitative pay-for-performance misalignment is identified and underscored by several concerns regarding incentive programs.	Pass	72.5%
 ANALOG DEVICES	Shareholder Proposal: Adopt Simple Majority Vote	For	Against Management: Yes Against ISS Sustain: No	A vote for this proposal is warranted given that elimination of the supermajority vote requirement enhances shareholder rights.	Pass	89.6%
 ArcelorMittal	Management Proposal: Reelect Director	For	Against Management: No Against ISS Sustain: Yes	We do not believe that a vote against the incumbent chair of the committee responsible for climate risk oversight is warranted. The company has one of the most forward thinking and comprehensive net zero strategies in the industry - given current available technologies, it is not possible to provide more detail on the 2050 target at this point in time. It's important to take a practical and common sense approach and continue to monitor the company's progress which we will continue to do and apply pressure as necessary.	Pass	88.0%
 Lilly	Shareholder Proposal: Adopt a Comprehensive Human Rights Policy	For	Against Management: Yes Against ISS Sustain: No	A vote for this proposal is warranted, as establishing a human rights policy would help investors better assess the effectiveness of the company's efforts and how it is managing and mitigating reputational, financial, legal, and regulatory risks related to human rights.	Fail	10.0%
 CAIRN PLC	Management Proposal: Re-elect Director	For	Against Management: No Against ISS Sustain: Yes	We voted with management and against ISS, since we believe the director in question is a significant value driver for the company and therefore voting for their re-election is in line with the fiduciary responsibility of Lansdowne Partners.	Pass	99.7%
 amazon	Shareholder Proposal: Report on Median and Adjusted Gender/Racial Pay Gaps	For	Against Management: Yes Against ISS Sustain: No	A vote for this proposal is warranted. Publishing the requested pay gap statistics could increase accountability for diversity efforts and would provide shareholders with useful information about how effectively management is assessing and mitigating risks that may arise from inequitable worker treatment.	Fail	29.4%
 amazon	Shareholder Proposal: Report on Efforts to Reduce Plastic Use	For	Against Management: Yes Against ISS Sustain: No	A vote for this proposal is warranted, as shareholders would benefit from additional information on how the company is managing risks related to the creation of plastic waste.	Fail	28.6%
 DELTA	Shareholder Proposal: Adopt Policy to Not Interfere with Freedom of Association Rights	Against	Against Management: No Against ISS Sustain: Yes	Management has led the industry with its labour relations policies over the past decade - this has resulted in a sustained period of outperformance where it has led the industry both operationally and financially. This has driven superior returns/benefits for all stakeholders. We therefore continue to support management's judgement on this matter. We will continue to review this matter on an annual basis.	Fail	25.2%
 FULLER'S	Management Proposal: Re-elect Director	For	Against Management: No Against ISS Sustain: Yes	This is (another) example of a mid-cap board that does not meet ISS Sustain diversity requirements, and another example where a gender imbalance leads them to the conclusion to not appoint one of the few female directors (which we oppose given would only make the problem worse). Given Fuller's unique share-	Pass	98.9%

Company	Description	Vote Cast	Vote Against?	Commentary	Outcome	% For
				class structure, with two legacy families in different share classes that allot specific Board representation with their rights, we think applying generic Board templates is inappropriate. Ultimately the Board will be skewed by whomever the Fullers and Turner families choose to represent their interest and firing independent directors as a consequence likely not useful.		
	<i>Management Proposals: Approve Remuneration Policy</i>	For	Against Management: No Against ISS Sustain: Yes	Call with Fullers Company Secretary Rachel Spencer ahead of Fullers AGM vote. Here Sustain has issues with the fact that Simon (CEO) and Fred (Retail Director) have a pension entitlement set at 17.5% of salary whereas the rest of the workforce is set at 7%. These are clearly legacy contracts. New Executive appointments since we have been shareholders, Neil (CFO) and Dawn (Talent Director), are either in line with the general workforce at 7% or below (5% for Neil). We made the point that we would expect alignment to come into any contract renegotiation – the most likely point for this would be a promotion for Fred. The Board have taken our perspective to hand and noted it down. Outside of this, we accept its hard for the Remco to reset lower existing contractual obligations.	Pass	94.6%
	<i>Management proposal: Elect Director</i>	For	Against Management: No Against ISS Sustain: Yes	In our opinion Daniel provides incredible leadership as the founder of the company. We view him as a significant value driver, who has successfully steered the company through challenging times. We recognise the governance concerns around the fact that the company is controlled by the founder and CEO, and ensuring therefore that his strategy is consistent with what we believe optimal for the business has been crucial in our engagement with the company given less ability for minority shareholders to exercise voting control.	Pass	94.4%
	<i>Shareholder proposal: Commission an Independent Third Party Audit of Environmental Water Impacts</i>	Against	Against Management: No Against ISS Sustain: No	We have engaged with the company directly on the issues relating to non-election of the Chair and Water / Environmental policy and feel the company have managed to remedy legacy environmental controversies with current management approaches.	Fail	25.0%
	<i>Management proposal: Reelect Director</i>	For	Against Management: No Against ISS Sustain: Yes	We voted with management and against ISS Sustain. This is because we believe the director in question is a significant value driver for the company and therefore voting for their re-election is in line with the fiduciary responsibility of Lansdowne Partners.	Pass	94.4%
	<i>Management proposal: Reelect Director</i>	For	Against Management: No Against ISS Sustain: Yes	ISS has a recommended 30% gender diversity ratio, while ISS Sustainability has introduced a stricter threshold of 40%. Given that Boliden's current board gender diversity of 38% is well above 30% and not significantly below ISS Sustainability's stricter and newer threshold, we do not think this warrants voting against the reelection of the Chairman on diversity grounds. We recommend voting For, in line with ISS. We will engage with the company at our next meeting to flag these concerns and encourage them to increase their board's diversity.	Pass	

Company	Description	Vote Cast	Vote Against?	Commentary	Outcome	% For
 NOVO NORDISK	<i>Management proposal: Re-elect Director</i>	For	Against Management: Yes Against ISS Sustain: No	A vote ABSTAIN against incumbent Nominating Committee Chair is warranted for lack of diversity on the board.	Pass	97.5%
EssilorLuxottica	<i>Management proposal: Approve Compensation Report of Corporate Officers</i>	For	Against Management: No Against ISS Sustain: Yes	We voted with management, because we believe that the company's proposed remuneration policy is in line with the value brought to the company by the individual/s in question and therefore is in line with the fiduciary responsibility of Lansdowne Partners. We are meeting with the Group management in Milan in May and believe will be better placed to engage with them on this topic 1:1.	Pass	82.6%
	<i>Shareholder proposal: Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas Emissions of the Use of its Energy Products with the Goal of the Paris Climate Agreement</i>	For	Against Management: No Against ISS Sustain: Yes	We believe this goes against shareholder interests and puts too many constraints on the management with regards to following their climate transition strategy and also ensuring stable, low-cost energy supply to the world given still growing demand for oil.	Fail	18.6%
 LEONARDO	<i>Management proposal: Amend Company Bylaws Re: Article 18.4</i>	For	Against Management: No Against ISS Sustain: Yes	We are voting with management and against ISS Sustainability Policy because we think that the statutory provisions, as outlined by Leonardo in their rebuttal, are sufficient to safeguard shareholders. Furthermore, we believe that it does not make for strong governance to require that a leaving board member be replaced by somebody from the same list of candidates to which the outgoing director belonged; circumstances may have changed since the initial list of candidates were drawn such that they are no longer appropriate, and so we believe this increases flexibility to select the right individual for the role. Additionally, the other candidates that were not initially selected may not have been selected for valid reasons in the first place.	Pass	75.4%
 Ashtead group	<i>Management proposal: Approve Remuneration Policy</i>	For	Against Management: No Against ISS Sustain: Yes	Whilst noting some concerns raised by ISS, our long-standing and close relationship with company management gives us confidence that the proposed changes are in accordance with the significant long-term value creation the business has delivered for shareholders. Given 90%+ of the company's profits arise from the US, we think it is fair for management to benchmark compensation against the US peer universe, and fear that holding the company back on this point would only accelerate calls for re-listing the business into the US, which would be a far greater loss to the UK equity markets.	Pass	63.2%
RICHEMONT	<i>Management proposal: Elect Director</i>	For	Against Management: No Against ISS Sustain: Yes	The board is 56% independent which is line with market practice and gives some comfort to the risk management. We will bring up the point that Gary Saage is expected to be the new chair of the audit when we have the opportunity to do so. However, we note that Gary has stepped down as CFO in 2017.	Pass	86.5%

Company	Description	Vote Cast	Vote Against?	Commentary	Outcome	% For
RICHEMONT	<i>Management proposal: Approve Variable Remuneration of Executive Committee in the Amount of CHF 17.4 Million</i>		Against Management: No Against ISS Sustain: Yes	We recognize the concern over disclosure of performance items. However, we note that the amount of variable compensation requested is only slightly higher than last year's proposal, despite an expansion of the executive committee during the year. Additionally, the company has shown improvement in disclosure in this year's compensation report (as noted also by ISS), including both granted and realized pay for the past year and improved transparency regarding the cash LTI plan.	Pass	76.3%

Declaration:

This Report has been reviewed and approved by the Management Committee of Lansdowne Partners (UK) LLP.

Signed:



Brian Heyworth

Chief Executive Officer
Lansdowne Partners (UK) LLP