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Investment Management

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2024 Voting Season Report

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Contents

We encourage and appreciate feedback on this report.

Please provide any comments to:

Jennifer Law
Head of stewardship
E: jennifer.law@newtonim.com

Introduction

2024 Voting Season Report

“Our focus on outcomes, rather than the number of votes for or against management, underpins the high-quality stewardship we undertake to reduce risk and potentially add value to an investment.”

Our 2024 voting season report presents the activities we have undertaken on behalf of our clients at annual general meetings (AGMs) and extraordinary general meetings (EGMs) over the course of this year's voting season. We provide a view into key themes arising which we believe can be relevant to long-term value and explain how we approached our analysis.

We view voting as being a core part of how our investment processes seek to add value over the long term. As an active manager, our objective is to deliver on the mandate our clients have given us to protect and enhance the value of their assets over a given period.

The investment cases we build are underpinned by our multidimensional research capabilities, through which we seek to fully understand the material risks and opportunities influencing the long-term value of a security.

Once invested, we take on an active stewardship role and may call out areas for improvement which we believe can lead to positive outcomes. Being an engaged and active owner helps us deliver long-term value creation for our clients.

We use three main stewardship tools: engagement with issuers, voting at shareholder meetings, and participation with experts and peers within the wider marketplace. These activities are often interconnected, as we incorporate insights gained from engagements and consider the wider market and policy landscape in our vote analysis.

In our view, voting cannot be a binary application of principle; in order to link back to our investment process, resolutions must be considered in the context of the individual company and our investment thesis for that company.

Our focus on outcomes, rather than the number of votes for or against management, underpins the high-quality stewardship we undertake to reduce risk and potentially add value to an investment.

This report explores:

- The most prevalent themes we observed or focused on within management resolutions, including board accountability, executive pay, shareholder rights and regulations.
- The evolution of climate-related resolutions, both those proposed by management as well as those proposed by shareholders.
- Common topics raised by shareholder resolutions this year.

Observations From the 2024 Voting Season

Asset managers and the companies they invest in do not exist in a bubble; the ever-changing macro and geopolitical landscape has an important influence on activities and actions.

As an active investor whose voting approach is embedded within its investment processes, we consider the impact of this landscape on corporate decision making. Within this context, while most management resolutions – those put forward by the company for shareholder approval at the AGMs/EGMs – may have remained routine in nature, we noted a divergence of company approaches which highlights a shift in corporate thinking, and certainly in the dynamics of this year's voting season.

In the US, we observed a handful of companies proposing to reincorporate away from Delaware, which has long been the state of choice for businesses given its business-friendly legal environment, to jurisdictions which can be perceived as less shareholder-friendly.

Taken in isolation, these reincorporation requests are not suggestive of a trend; however, we consider them notable alongside the continued pressure companies, particularly in the US, face from record numbers of shareholder resolutions.

While we believe the ability of shareholders to file resolutions at company general meetings is an important and powerful tool, they are extremely resource-intensive for both companies and investors, and we believe they are best reserved for exceptional circumstances as an escalation tool when patient engagement has been unsuccessful.

When analyzing resolutions to reincorporate, we believe the impact on shareholder rights and financial and operational benefits are most critical to consider.

Climate continues to be a topic on which investors and companies remain focused. We have observed the impact of geopolitical and macroeconomic events on this issue over the last two years, with energy security being a focus area for many governments.

Faced with these pressures, companies operating in hard-to-abate sectors are nearing the first check-in points for their longer-term net-zero ambitions, with progress towards 2025 and 2030 targets coming under inspection.

Companies' energy-transition plans received a comfortable level of support this voting season, even for those which pulled back on targets, and support for climate-related shareholder resolutions tabled at oil and gas and extractives companies plateaued.

> "Throughout the voting season, we felt that headlines continued to overemphasize shareholder resolutions, feeding the popular narrative that investors are at odds with company leadership."

Another recurring theme was executive pay, in which geopolitics featured once again. There was heightened scrutiny this year on the difference in levels of pay between the UK and US, following discussions in the UK market over the last year on the need to improve the competitiveness of the economy. While we do consider pay to be critical for attracting, retaining and motivating management, we evaluate these resolutions within the context of the specific company, drawing on our investment case for these companies and seeking to understand whether the individual has delivered value for investors.

This aligns with our view that, alongside supporting the execution of strategy, a well-designed pay package should also create alignment between the interests of executives and shareholders.

As a final observation, throughout the voting season, we felt that headlines continued to overemphasize shareholder resolutions, feeding the popular narrative that investors are at odds with company leadership, particularly on environmental and social risk management.

However, these types of resolutions, proposed by a small subgroup of investors and action groups, represent a very small proportion of the many agenda items shareholders are asked to vote on.

Focusing too narrowly on just a small sample of the matters put forward to shareholders at the general meeting misses the bigger picture.

In the complex world investors and companies face today, it is more important than ever that investors hold companies accountable for delivering on all matters which are material to long-term value creation.

Our voting record has remained broadly consistent compared to last year. During the first half of 2024, we exercised voting rights at 1,862 separate meetings. Votes were instructed against management on one or more resolutions at 60% of these meetings.

As ever, our focus this voting season was on director elections, given the accountability we place on board members to individually and collectively act in the best interests of the company and its shareholders.

It is our belief that sound and adequate governance, led by a skilled, experienced and accountable board, is necessary in order for directors to deliver oversight and stewardship of the company's material risks and opportunities, including those arising from externalities.

Director Elections

In the first half of 2024, we voted against more than one-tenth (13%) of directors seeking re-election.

Put differently, **we supported 87% of director elections**, reflecting our approach of investing in strong leadership teams pursuing strategies we believe in, and emphasizing accountability where we felt it was needed.

We are pleased with the positive progress our combined engagement and voting is making in relation to corporate governance and strategy, and trust that you will enjoy reading about our activities in this report.

We would be delighted to receive any feedback you have and encourage you to talk to your Newton representative.

GLOBAL VOTING SUMMARY H1 2024

AGMs	1,726
Voted in favor of management[1]	639
Voted against management[2]	1,083
Took no action[3]	4
EGMs	**136**
Voted in favor of management[1]	99
Voted against management[2]	35
Took no action[3]	2
Summary	
Voted in favor of management[1]	738
Voted against management[2]	1,118
Took no action[3]	6
Total	**1,862**

1 In favor of management on all resolutions.
2 Against management on one or more resolutions.
Including abstentions and withhold votes where there was no option to vote against.
3 Took no action owing to share blocking or sanctions considerations.

Section 1

Key Themes

Part 1:
Management Resolutions

Part 2:
Climate

Part 3:
Shareholder Resolutions

Key to Voting Case Studies

M	Vote related to a management resolution
S	Vote related to a shareholder resolution

Vote IN FAVOR of a management recommendation
Typically for the management resolution or against the shareholder resolution

Vote AGAINST a management recommendation
Typically against the management resolution or in support of the shareholder resolution

Part 1

Management Resolutions

Key Theme:
Board Accountability

A company's board has oversight of the company's strategic direction and of management's operational execution.

Directors are tasked individually and collectively to act in the best interests of the company and its shareholders and to consider its other stakeholders, although this scope may vary depending on the company's jurisdiction.

The board has ultimate accountability for a company's governance arrangements, succession planning, corporate culture and risk management systems, including the oversight and stewardship of the company's material risks and opportunities, including those arising from externalities.

Our voting action is based on our governance principles and voting guidelines, which can be found at: **newtonim.com/responsibleinvestment**

We therefore consider voting on director elections and re-elections to be a fundamental shareholder right, as it allows shareholders to give feedback on how well they consider the individual to be doing in overseeing management.

These resolutions are often binding in nature, meaning that the company must carry out shareholders' wishes as reflected by the outcome of the vote.

However, in the US, these resolutions tend to be viewed as indicative rather than binding, depending on the company's bylaws and election system.

Barring a critical value-destructive event, most proposed director appointments comfortably receive around 95% support from shareholders voting.

Voting against a director's re-election is, in our view, a way in which shareholders can escalate their concerns.

In our case, resolutions relating to director elections continued to account for the majority of our votes against management recommendations, reflecting the fundamental accountability to shareholders we place on directors.

Where we voted against management recommendations, the most frequent reason was in relation to a director's re-election, in order to hold them accountable for issues such as board independence, a combined chair/CEO structure without a robust lead independent director, executive pay, and insufficient diversity.

We also voted against directors where we felt that nominees failed to meet their fiduciary duties, raising concerns about their ability to serve in the best interests of shareholders.

> "In our case, resolutions relating to director elections continued to account for the majority of our votes against management recommendations, reflecting the fundamental accountability to shareholders we place on directors."

Examples of Voting

Chinese e-commerce platform

Concerns about directors' ability to meet their fiduciary responsibilities

Background

In 2021, China's State Administration for Market Regulation found that the e-commerce platform had violated the anti-monopoly law of China.

The company was ordered to cease unlawful acts and was fined CNY 3.4bn, or 3% of the company's revenue generated in China in 2020, after factoring in various actions taken by the company to facilitate the investigation.

Voting Action M

Although the company facilitated the investigation and implemented a self-rectification program, we believe these circumstances raise concerns over the fulfillment of fiduciary duties by the company's most senior executives. Consequently, we voted against the re-election of the executive chair/CEO and an executive director to highlight our concerns.

Vote Outcome

These directors received 8.5% and 10.7% dissent, respectively. This dissent becomes even more notable given approximately 50% of the company's voting shares are controlled by related parties.

US engine manufacturer

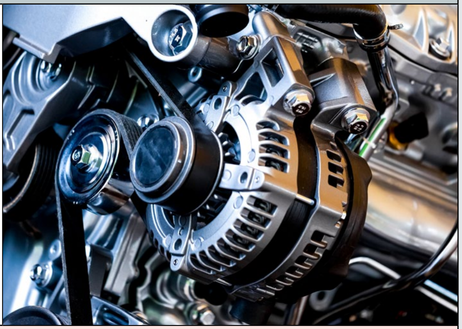
Concerns about directors' ability to meet their fiduciary responsibilities

Background

The engine manufacturer was initially contacted by government agencies in 2019 based on concerns that some of its products had software which featured reduced or deactivated emission controls, therefore enabling the emission of increased levels of nitrogen oxides.

In December 2023, the company entered into a settlement agreement to resolve vehicle emission control violations under the Clean Air Act.

It was determined that the company equipped diesel vehicles with illegal software defeat devices that reduce the effectiveness of the emission control system during normal driving conditions.



Voting Action M

The company recorded a charge of approximately US$2.04bn in the fourth quarter of 2023 to resolve these claims and related matters, which led to a 66% year-on-year drop in net income.

We believe that these events resulted in reputational and financial damage to the company and, consequently, we held the lead independent director accountable.

Voting Action S

Furthermore, we also supported a shareholder resolution calling for an independent board chair to increase the independent oversight on the board to avoid such situations in the future.

Vote Outcome

The lead independent director's re-election received 5.6% dissent while the shareholder resolution to require an independent board chair received 43.7% support, suggesting shareholders want more independent oversight on the board.

Another focus area for us this voting season was the tenure of the lead independent director in cases where the board has a combined chair/CEO.

We believe company boards should have the flexibility to choose the governance structure that works best to ensure optimum oversight of the company; however, in cases where the board is led by a combined chair/CEO, we expect there to also be a robust lead independent director to provide counterbalance and to represent shareholders' views. This individual should have the right balance of skills, be adequately tenured and not have excessive time commitments that could impede their duties at the company under question.

Of our total votes against management on director re-elections, 5.4% have been against lead independent directors where there is a combined chair/CEO.

In the majority of cases, we were unable to support management because we considered the individual to be long-tenured, which could compromise their independence.

US real estate investment trust

Heightened governance concerns in the presence of long-tenured lead director

Background	The real estate investment trust maintains a dual-class capital structure with disparate director elections. While investors are typically accepting of this structure for certain newly listed companies, the expectation is that this structure is subject to a reasonable time-based 'sunset' (i.e. the structure will be retired after a fixed number of years, and the company will adopt market practice). Furthermore, a significant portion of the non-executive board members are long-serving or not considered to be independent based on affiliation. These governance concerns are heightened given the company has a combined chair/CEO and the lead independent director is tenured as well. 
Voting Action M	The combination of governance structures which are below market expectations for a company of this maturity, as well as its board composition which includes a long-serving lead director, posed sufficient concern for us to oppose the re-election of the lead director.
Vote Outcome	The lead director's re-election received 31.3% dissent, highlighting that a significant portion of the shareholder base recognizes these concerns.

US oil and gas exploration and production company

A need to refresh the lead director position

Background	The lead director of the oil and gas exploration and production company has served on the board for 14 years. This raises concerns about sufficient independence and balance of power in the presence of a combined chair/CEO. 
Voting Action M	We voted against the lead independent director to highlight the need to refresh the position.
Vote Outcome	The lead director's re-election received 19% dissent. We will monitor for any board refreshment occurring in the coming years.

Key Theme:

Executive Pay

The compensation packages awarded to senior executives directly influence their decision-making process.[1] Therefore, it is imperative for pay programs to be well thought out and well designed to incentivize executives to make decisions that maximize long-term shareholder value.

While we believe a board should have the flexibility to design the executive pay package in the way in which it considers will best enable the execution of strategy and delivery of long-term value creation, we do regard certain features as best practice.

Most importantly, we believe a well-designed pay package should have variable pay components with stretching performance measures, and that the plan should be aligned to the company's overall strategy.

More detail on our expectations for companies around pay can be found in our voting guidelines here: newtonim.com/responsibleinvestment

The bulk of resolutions related to executive pay tend to be 'advisory' in most markets, meaning the company does not need to act on the final vote outcome.

This is true of the 'say-on-pay' resolutions in the US, as well as votes on compensation reports in other global markets, both of which outline pay-decision outcomes of the reporting year. In some markets, shareholders have the opportunity to vote on a forward-looking compensation policy which outlines pay structures and plans. Depending on the market, these resolutions can be binding in nature.

In our experience, dissent on pay becomes significant when it reaches 20-30% of shareholders voting.

During the first half of 2024, almost one-fifth of our votes against management were on compensation-related resolutions.

Executive Pay in the UK

The last year has seen a focus from the market on the need to improve the competitiveness of the economy, and, as a result, executive pay was a trending topic in the UK this voting season.

Some stakeholders in the market have blamed companies' talent drain and inability to attract C-suite talent on the lower levels of pay in the UK compared with global peers, particularly those in the US.

While we do not believe there is a direct correlation between investor pressure on UK executive pay and the competitiveness of the UK economy, we do acknowledge the role that pay plays in retaining talent, and have applied flexibility alongside the investment team to ensure that good CEOs – those critical for our investment cases and who have delivered value for investors – are paid fairly.

Our focus remains on the overall pay package supporting the execution of strategy and aligning executives' interests to those of shareholders over the long term, with the majority of variable pay being subject to a performance period of at least three years.

> "We believe a well-designed pay package should have variable pay components with stretching performance measures, and that the plan should be aligned to the company's overall strategy."

1 Note: 'compensation' and 'remuneration' are used interchangeably in this section.

Examples of Voting

UK financial markets infrastructure and data provider

Material increase to CEO's total potential pay highlighting talent retention

Background

The company proposed a material increase to its CEO's total potential pay which could be almost doubled to £13m following increases to base salary and both annual bonus and long-term incentive plan (LTIP) opportunities.

The board's rationale was that this increase would help with talent retention and bring the CEO's pay in line with global peers.

Voting Action M

We felt the rationale presented by the board was robust. The company competes globally, with the majority of its peers being based in the US where executives have much higher compensation opportunities compared to those provided by the company. This increase will bring the CEO's pay potential in line with peers.

However, the key reason for our support was value creation – there has been an increase in share price and shareholder returns under the CEO. The company's acquisitions and partnerships should make the company more data-driven and drive further growth.

Furthermore, while the increase in pay is substantial, we note moderating factors: the annual bonus will be subject to a higher level of deferral, the bulk of the increase comes through the LTIP opportunity which will require sustained long-term performance to pay out in full, and the executives' shareholding requirements have been increased to create further alignment with shareholders.

Vote Outcome

The compensation policy received 89% support.

UK biopharmaceutical company

Increase to CEO pay following a company turnaround

Background

The biopharmaceutical company proposed a significant increase in CEO pay, including a 4% raise in base salary, an increase in the annual bonus opportunity from 250% to 300% of base salary, and an increase in the LTIP opportunity from 650% to 850% of base salary.

The board cited the need to remain competitive internationally and align with global peers. However, there were concerns about whether this substantial increase was justified given the company's current performance and industry benchmarks.

Voting Action M

We supported the CEO pay package based on the individual's proven track record of creating significant value for shareholders and leading a successful company turnaround.

Our decision aligns with our broader investment case for the company as we believe it is well positioned to continue executing on its strategic initiatives under the CEO's leadership.

Vote Outcome

64% of shareholders voted in support of the proposed pay package, boosting the CEO's maximum annual potential pay to approximately £18m.

Executive Pay in the US

Our support for executive pay practices in the US stagnated after an increase last year, as we did not see continued positive year-on-year momentum to improve the robustness of pay structures.

We voted against 33.4% of 1,067 say-on-pay resolutions during the first half of 2024 compared to 32.7% of 1,120 resolutions during the same period in 2023.

The main reasons we were unable to support these resolutions were:

- Persistent problems with compensation structures, specifically the continued use of short-term performance periods for share plans and/or significant time-based vesting for share plans.
- One-off bonuses which were backed by weak rationale and/or not linked to performance.
- Unreasonable pay increases which were not aligned with similar growth in company performance.

Additionally, in the US small-cap space and the technology sector, we saw an increase in compensation structures that promote short-termism by having short performance periods and in which there is limited disclosure on outcomes determining variable pay, thereby making it difficult for shareholders to assess the robustness of the measures and targets.

We voted AGAINST 33.4%

of 1,067 say-on-pay resolutions during the first half of 2024 compared to 32.7% of 1,120 resolutions during the same period in 2023.

Examples of Voting

US financial services company

Significant one-off bonuses granted to execute succession planning

Background	The financial services company granted significant one-time bonuses to its top three executives, including its new CEO, to finalize its succession planning process. We had concerns with the bonus amounts and structure and did not consider the awards to be aligned to shareholders' best interests.
Voting Action M	We considered that the company could have better planned and executed on CEO succession. In our opinion, effective succession planning does not need to rely on one-off awards to retain talent; new promotions and expanded responsibilities should be enough to align the executives with their role and overall strategy. In terms of the specific awards granted by the company, we did not consider there to be sufficient justification for the amounts, and had further concerns with a significant portion of the award being time-based. Consequently, we voted against the say-on-pay resolution. In order to hold the compensation committee members accountable for their decision making on pay, we voted against their re-election.
Vote Outcome	The say-on-pay resolution received 25.4% dissent from shareholders voting, while the re-election of compensation committee members received between 1.8% and 6.6% dissent.

US conglomerate

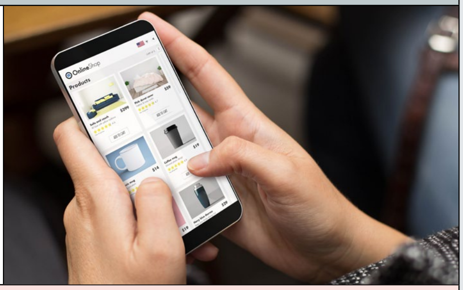
Annual performance period for long-term equity awards

Background	The technology company has established annual performance periods for long-term performance shares, with 50% of the shares vesting after one year.
Voting Action M	We were concerned that the structure of the pay package could promote short-termism by eliminating the intended long-term nature of the plan. Consequently, we voted against the say-on-pay resolution. As this is a significant holding for us, we aim to engage with the compensation committee to understand the rationale for its approach, share our feedback and lay out our expectations. Therefore, we did not vote against the re-election of the incumbent compensation committee members this year.
Vote Outcome	The say-on-pay resolution received 55.0% dissent. While these resolutions are only advisory, the expected practice when significant dissent is lodged is for companies to demonstrate that they have sought to understand shareholders' concerns and to take actions to address them.

Examples of Voting

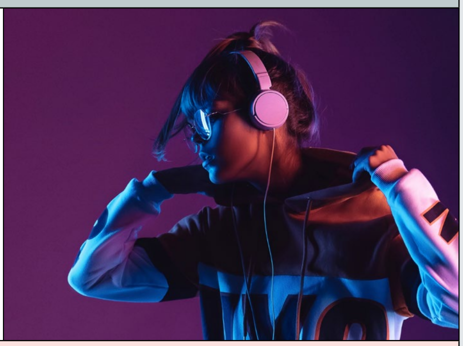
Canadian e-commerce company

Problematic executive compensation persists

Background	The e-commerce company's compensation committee has failed to adequately address multi-year pay-for-performance concerns and problematic pay practices which still remain in place, such as the large stock option grants that lack performance conditions. 
Voting Action M	We voted against the re-election of the compensation committee chair, in line with our vote against executive compensation arrangements. In our view, the board has not demonstrated adequate responsiveness to shareholder dissatisfaction on pay over recent years, including the significant dissent lodged at last year's AGM.
Vote Outcome	The re-election of the compensation committee chair received only 76.3% support, indicating continued dissatisfaction from shareholders voting on the current pay structure and board responsiveness. Additionally, the say-on-pay resolution received 30.8% dissent.

Dutch-US music company

Absence of consideration of shareholder dissent against pay practices

Background	At last year's AGM, the multinational music company received significant dissent on its remuneration report: only 58% of shareholders approved the report and the compensation committee chair failed to receive majority support for her re-election. This is particularly notable given the company has a significant shareholder. This year, compensation issues persisted, with pay being increased without a compelling rationale, and one-off payments being used to compensate advantages forfeited in previous functions for executives of the significant shareholder. The result was an outsized pay package versus regional pay norms. 
Voting Action M	We opposed the remuneration report and the re-election of the compensation committee members to signal our continued discomfort with pay practices at the company.
Vote Outcome	The remuneration report was approved by 70% of shareholders, and members of the compensation committee received an average of 25% dissent on their re-elections. These vote outcomes indicate significant continued dissatisfaction. Given the existence of a significant shareholder, and that we have not been able to meaningfully engage with the company in the past, voting against management will remain our primary escalation tool. We will continue monitoring for any evolution in pay practices at the company and will continue opposing the re-election of compensation committee members if it appears that the board continues to fail to address shareholder concerns.

> Upholding shareholder rights remains a priority.

Key Theme:

Regulations and Shareholder Rights

US companies have been sounding the alarm on what they have perceived as a threat of excessive litigation or regulatory interference that they say would stifle US boards' ability to oversee management while leaving inadequate room for risk taking.

Companies have also complained about their perception that they are subject to increasing shareholder activism on environmental and social issues, and that they consider the current landscape to be more conducive to undue activist actions in general.

The legal backdrop partially changed in 2023 with amendments to Delaware corporate law around executive officer exculpation, which we discussed in last year's report. The amendments aligned executive legal exculpation to that of board members. This was perceived as a signal by Delaware to reaffirm its business-friendly legal environment.

This did not last long, as in 2024 the Delaware Court of Chancery issued a judgement canceling a shareholder-approved options grant to Tesla CEO Elon Musk on the grounds of a lack of board independence in determining the grant.

Tesla's board responded by establishing an ad-hoc committee and recommending moving the company's incorporation to Texas, where it can expect more favorable treatment. The request was approved by shareholders.

Companies have also seen a new strain of shareholder activism in recent years, notable through shareholder resolutions. This activism goes beyond corporate governance and takeover matters, the traditional areas of focus for shareholder resolutions, and now regularly extends to management of environmental and social issues.

Meanwhile, the US Securities and Exchange Commission (SEC) has permitted an increasing number of shareholder resolutions to be included on the agenda in recent years, despite companies seeking 'no action requests' for issues that they consider to overstep management prerogatives.

There have also been significant changes in the legal environment which may have material effects on how companies are governed in the future.

This includes the recent overturn of the 'Chevron deference' in the US, a legal standard that gave federal agencies the power to interpret vague legislations and which allowed such regulatory interpretations to then be applied to company operations.

This power has now been transferred to the courts, and, consequently, we may see companies considering reincorporation to, or forums of litigation that are localized in, states that are generally perceived as being business friendly.

The impact of regulation on the ability of management teams to execute on strategy and of boards to oversee management in a balanced way that ensures durable growth and innovation is critical for our investment theses, making this issue material for our investment cases in some instances.

We continue to encourage boards to be transparent about their thinking around regulatory and legal issues and continue to vote on resolutions to reincorporate or opt out of certain Delaware law provisions on a case-by-case basis.

Upholding shareholder rights remains a priority, and we have opposed resolutions where we thought they risked diluting these rights.

Examples of Voting

US diversified holding company

Weighing an incorporation against governance concerns

Background	The diversified holding company proposed to change its state of incorporation from Delaware to Nevada. The rationale presented was to enable the company to take advantage of certain insurance and tax benefits. In addition to these features, we note that, compared to Delaware, Nevada provides broader protection for directors and officers from personal liability, and it also provides other more flexible governance regulations.
Voting Action M	We have concerns about the governance and compensation structures at the company. It recently settled a shareholder suit which alleged excessive compensation for the board chair in connection with the company's stake in a portfolio company. We are concerned that the change of incorporation may discourage shareholders to pursue similar legal actions in the future. Consequently, we opposed the change of state of incorporation.
Vote Outcome	The resolution received 31.4% dissent, signaling similar concerns from a large portion of the shareholder base.

US biotechnology company

Unilateral bylaw amendments by the board

Background	The board of the biotechnology company tabled a resolution to remove the need to put to a shareholder vote any future amendment of company bylaws. The board's rationale for the amendment was flexibility, stating this would align with best practice. However, the ability of shareholders to have a say in the amendment of company bylaws, arguably the most important documents governing management and shareholder relationships, has long been deemed a basic shareholder right.
Voting Action M	We voted against the bylaw amendment considering the negative impact on shareholder rights.
Vote Outcome	The resolution was only supported by 45% of shareholders and did not achieve the majority requirement to pass. This was a clear signal by shareholders that basic rights need to be upheld.

US wellhead manufacturer

Introduction of anti-takeover mechanisms

Background		The board of the wellhead manufacturer sought shareholder approval to amend bylaws to delete a specific provision that safeguards minority shareholder interests against business combinations with interested or significant shareholders. In our view, the amendment can be assimilated to an anti-takeover mechanism that insulates management from external challenge and accountability to all shareholders. 
Voting Action	M	We opposed the resolution seeking to amend the bylaws.
Vote Outcome		The resolution was opposed by 71% of shareholders and did not pass.

US automotive and clean energy company

Governance remains under scrutiny

Background		The CEO's controversial pay package, valued at around US$50bn at the time of vesting, was canceled by the Delaware Court of Chancery. The court's decision highlighted what it viewed as a flawed determination process by the board and a compensation committee that presented insufficient independent challenge. The company's board contested this and resubmitted the package to shareholders for approval, alongside a resolution to reincorporate the company in Texas, in response to the legal challenge. Unrelated to these developments, a series of governance-focused shareholder resolutions were also proposed, including declassification of the board (annual re-election of all board directors) and adoption of simple majority voting (50% of shares voted plus one to pass). In our view, the passing of these two resolutions would go a long way in reducing governance concerns for investors.
Voting Action	M	Given the lack of a final legal ruling on the pay package, and the allegations raised by the court on the lack of independent oversight and robust challenge exercised by the compensation committee and the board more broadly, we opposed the retroactive approval of the options grant.
Voting Action	M	We considered the uncertainty on outcome to pose a sufficient challenge to us being able to make an informed decision. However, we ultimately supported the resolution to reincorporate to Texas having considered, on balance, the company's rationale, the presence of an ad-hoc committee in the decision-making process, the neutral effect on shareholder rights, and the company's operational presence in Texas.
Voting Action	S	We supported both above-mentioned shareholder resolutions on governance, as adoption of these structures would bring the company in line with best practice and serve to reduce downside risk for the company.
Vote Outcome		The options grant was retroactively approved by 76% of shareholders, while the resolution to reincorporate the company in Texas was approved by 62% of shareholders. The shareholder resolutions to declassify the board and adopt simple majority voting passed with the support of 54% of shareholders. This highlights that institutional shareholders may have allowed the options grant to pass considering the key-person risk at the company, and instead focused on seeking governance improvements, recognizing the significant improvements these would make to board accountability.

Part 2

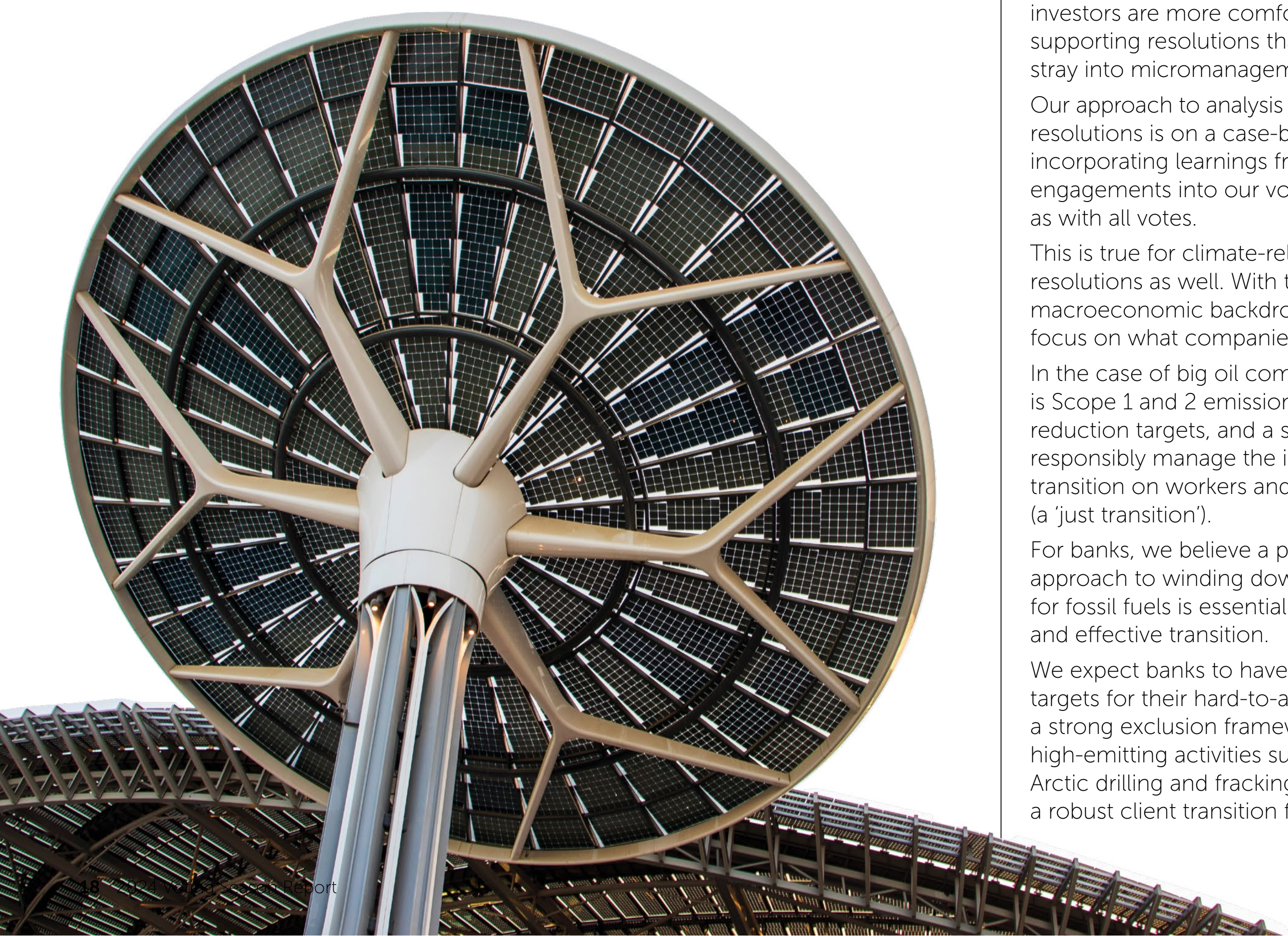
Climate

In last year's report, we noted that companies operating in hard-to-abate sectors were approaching their mid-term target dates for progress to be achieved by 2025 and 2030, against a difficult macro backdrop and strained energy markets.

Results of the 2024 voting season suggest that investors, for the most part, focused on credible implementation, possibly acknowledging that the current level of energy demand makes the dual action of scaling up renewable energy and scaling down absolute fossil-fuel production unrealistic.

Climate transition plans proposed by companies generally received a comfortable level of support, despite some major players watering down previous long-term targets.

Several large oil and gas companies, which had historically included in their transition plans a level of investment in renewable energy, announced a reduction in this planned expenditure, as well as removing or reducing goals to bring down fossil-fuel production in 2030, while others maintained an ambitious renewable target, yet still planned to expand fossil-fuel production.



Outside Europe, and mainly in the US, climate typically only appears on the general meeting agenda through shareholder resolutions.

We have observed an increase in the prescriptive nature of climate-related shareholder resolutions over the last two years. In some cases, resolutions seek to directly influence the strategy of the company's core business – fossil-fuel production in the case of oil companies, and financing practices in the case of banks.

This voting season we did not witness an increase in support for climate-related shareholder resolutions where they retained a request to direct company strategy.

On the other hand, a new type of shareholder resolution was tabled at some US banks requesting disclosure of a clean energy supply financing ratio.

Given the important role banks have in financing the energy transition, this seemed a more considered request, and the higher levels of support these resolutions received indicate that investors are more comfortable supporting resolutions that do not stray into micromanagement.

Our approach to analysis on shareholder resolutions is on a case-by-case basis, incorporating learnings from our engagements into our voting decisions, as with all votes.

This is true for climate-related resolutions as well. With the current macroeconomic backdrop in mind, we focus on what companies can control.

In the case of big oil companies, this is Scope 1 and 2 emissions, methane-reduction targets, and a strategy to responsibly manage the impact of the transition on workers and consumers (a 'just transition').

For banks, we believe a phased approach to winding down financing for fossil fuels is essential for a smooth and effective transition.

We expect banks to have credible targets for their hard-to-abate portfolios, a strong exclusion framework for high-emitting activities such as coal, Arctic drilling and fracking projects, and a robust client transition framework.

Examples of Voting

UK energy company

Milestone vote on a modified transition strategy

Background	The energy company sought shareholder approval of its amended climate transition plan which we evaluated in the context of the prevailing macroeconomic and geopolitical backdrops, our investment case, and our longstanding engagement with the company on its transition strategy. Overall, we view the new plan presented as one which management can credibly execute on, including the absolute Scope 3 target announced by the company, which was one of our engagement objectives. We also recognize the impracticality of continuing to pursue investment in low-carbon solutions which are not profitable in the current environment. While some shareholders considered this a step backwards compared to the company's previous plan, we ultimately consider it vital for companies to set credible ambitions which they can be held accountable to, rather than ones which appease certain stakeholder groups, but which cannot be achieved. As in previous years, the company also received a shareholder resolution asking it to set absolute emission-reduction targets covering its entire Scope 3 footprint, which we consider to be unrealistic at this time, without shutting down its core business.	
Voting Action M	We supported management's transition plan.	
Voting Action S	We opposed the shareholder resolution.	
Vote Outcome	78% of shareholders approved the new climate transition plan, while 18% of shareholders approved the shareholder resolution asking for emission-reduction targets.	

Australian energy company

A transition ambition below that of peers

Background	The company's climate transition strategy fell short of those presented by European peers and, to some extent, US peers too, as it lacked substantial Scope 1 and 2 emission-reduction targets, areas typically within a company's direct influence. The plan also relies heavily on offsets. While the use of offsets for Scope 3 emissions is a recognized (albeit contentious) practice, leaning on them significantly for Scope 1 and 2 emissions suggests challenges in establishing and achieving decarbonization goals. Notably, the previous plan proposed in 2022 received only 51% support from shareholder voting.	
Voting Action M	We opposed the transition plan on the grounds of a lack of robustness and ambition.	
Vote Outcome	The plan was rejected as 51% of shareholders voting opposed it. We will monitor the company's reaction to shareholder dissent.	

Examples of Voting

US energy company

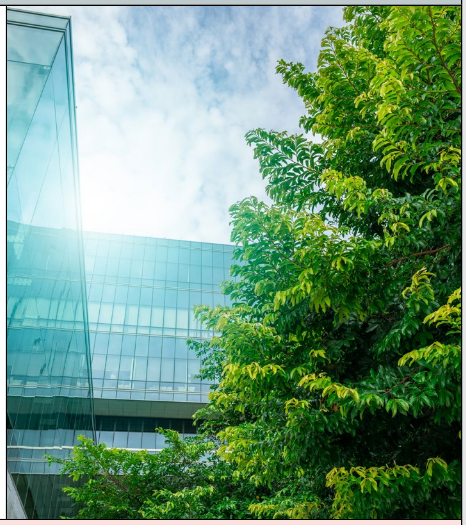
Battle over shareholder resolution ends up in court

Background	At last year's AGM, a shareholder resolution asking for emission-reduction targets received only 10.5% support. The same shareholder was preparing to table a similar resolution at this year's AGM. In an unexpected move, the company pursued legal action against this shareholder, on the basis that the resolution did not achieve the required level of support last year to allow it to be resubmitted for a third time this year,[2] and that it impedes on management's prerogatives in setting strategy. Although the court did not uphold the company's request to sanction the shareholder, the company did obtain from the shareholder a commitment not to resubmit a resolution related to emission reduction again in the future. In response to the company's decision to go to court, a 'vote-no' campaign (in which shareholders urge others to withhold support from one or more of the board-nominated director candidates) was launched by other shareholders. Notably, this campaign targeted only the lead independent director, despite it being a unanimous board decision to pursue legal action. We discussed the events with the company and evaluated the progress it has made in recent years on climate engagements and improving shareholder rights. We also evaluated whether dialogue with the company or shareholder rights were under significant threat, as proposed by the 'vote-no' campaign as a reason to oppose the lead director's re-election.	
Voting Action M	We did not oppose the re-election of the lead director. The company has shown progress in recent years, albeit slow, in promoting low-carbon solutions and engaging with investors on methane emission reduction. Additionally, the company has shown leadership through its membership of Oil and Gas Methane Partnership 2.0, a voluntary initiative which helps companies reduce methane emissions, and sets a best-in-class standard for the measurement of methane leakage and remediation. We also noted the evolution in the company's product suite to encompass lithium production. This will enable it to support the demand for electric vehicles and demonstrates how it is seeking to capitalize on opportunities arising from the energy transition. We consider these to be positive steps, relative to the state of dialogue a few years ago, and believe these to be partly as a result of the lead director's influence on the board.	
Vote Outcome	The lead director was re-elected with the support of 78% of shareholders.	

2 In the US market, shareholder resolutions need to achieve a minimum level of support from shareholders voting in order to be eligible for resubmission the following year: first submission – at least 5%, second submission – at least 15%, third submission – at least 25%.

Three major US banks

Shareholder requests disclosure of clean energy supply financing ratio

Background	A shareholder resolution was submitted requesting that these companies disclose a clean-energy-to-fossil-fuel financing ratio to enable investors to assess how they are financing the clean energy transition. This ratio would provide investors with a more complete and more accurate figure to evaluate each company's alignment with its disclosed net-zero goals. The resolution suggests a more flexible approach to encouraging progress towards net zero compared to previous voting seasons in which the resolutions tabled included strict directives for banks to stop financing all types of new fossil-fuel projects entirely. Instead, this request for disclosure of a clean energy financing ratio should align easily (in theory) with the existing sustainable and green financing goals these banks have. Additionally, the resolution asks the companies to define what they classify as clean energy and fossil fuels, which should be beneficial for shareholders. 
Voting Action	The resolution seeks to improve disclosures on energy-transition financing by linking them to a suitable measure, but in a way that does not infringe on management's prerogatives to set strategy. We felt that the potential benefits of the resolution's request would outweigh any concerns it may raise, and consequently supported it. Notably, the resolution was withdrawn from the agenda for two peers which committed to disclosing the ratio.
Vote Outcome	The shareholder resolutions received between 24.2% and 29.6% support at each of the companies. We will monitor and assess how the companies' disclosures evolve.

Part 3

Shareholder Resolutions

We have always subscribed to the idea that one should not vote indiscriminately in favor of shareholder resolutions, as the analysis on how to vote should be part of the investment process and therefore take into account company-specific considerations, as with all resolutions.

In the case of shareholder resolutions, this should include an analysis of the materiality of the topic addressed as well as the practical impact of the request.

While most shareholder resolutions are non-binding in nature, we do not believe it is appropriate to use the shareholder vote to signal virtues for virtues' sake. This has become even more important recently, as the focus of shareholder resolutions has moved beyond governance and shareholder rights and has spilled over into more complex environmental and social issues.

During the first half of 2024, we voted on 657 shareholder resolutions, compared to 759 in the same period last year. This change in volume stemmed primarily from a drop in resolutions linked to board and company articles, which are classified as shareholder resolutions in certain markets such as Italy, Germany and Brazil.

We continued to see strong interest in topics such as climate transition, lobbying, human rights and broader governance issues, such as adopting simple majority voting, requiring an independent board chair and the right to call special meetings.

We believe the ability of shareholders to file resolutions at company general meetings is an important and powerful tool, and one that should be exercised in exceptional circumstances.

If used responsibly, shareholder resolutions can serve as a protective tool, addressing the agency problem between management and other stakeholders where these can create different incentives.

However, in recent years, the number of shareholder resolutions has increased significantly, potentially at the expense of patient engagement, and we believe that, on the whole, the quality of these resolutions has fallen.

More specifically, as we have outlined in earlier sections of this report, some resolutions stray into strategic decision-making – a function that should lie directly with company management and be overseen by the board.

Other resolutions may focus on topics which are not material risks or opportunities for the company at which they are presented.

Therefore, there is a heightened need for investors to scrutinize each resolution on its merits (or lack thereof), consider the potential impact to the investment case for a company, and vote accordingly.

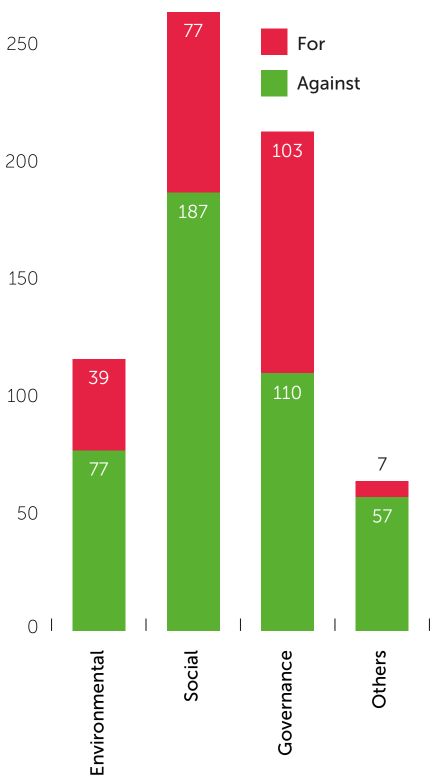
In this section, we highlight some of the subjects for which we have seen resolutions proposed by shareholders and outline our thought process in analyzing them:

Political Lobbying and Contributions

Artificial Intelligence (AI)

Governance

Shareholder Resolutions – H1 2024



Source: Newton, as at June 30, 2024.

Note: 'For' represents a vote in support of the shareholder resolution which is typically against management's recommendation.

Key Theme:

Political Lobbying and Contributions

Several types of shareholder resolutions related to political spending and lobbying were observed at US companies this voting season. These ranged from seeking further disclosure on political lobbying/spending to reporting on alignment of such spending to corporate statements and policies. Companies can garner considerable influence on policy development through their engagements with politicians and regulators.

These resolutions have become prominent in the US market in recent years owing to concerns about the role of corporate political spending on legislation and regulation.

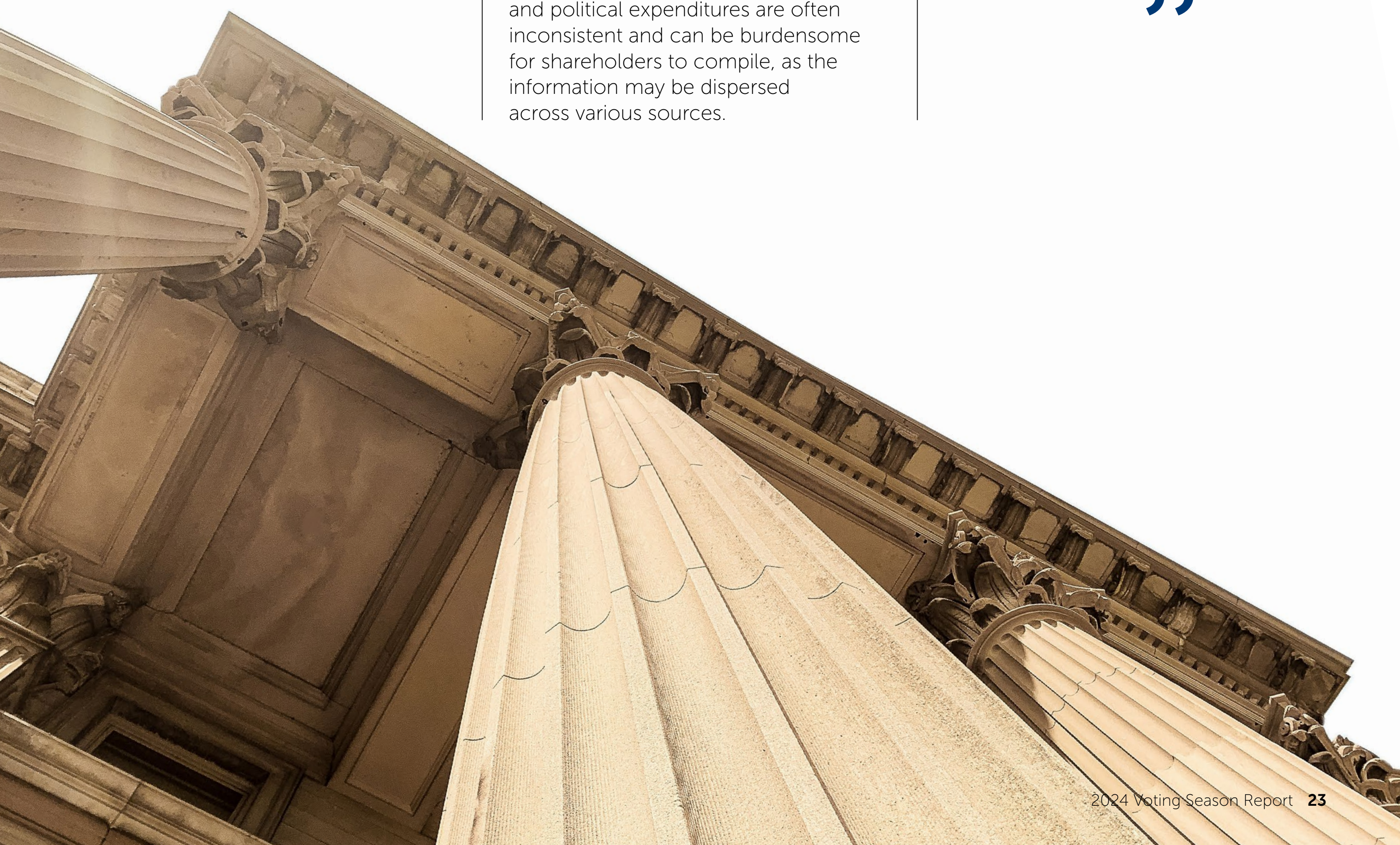
Additionally, there are concerns that political expenditures may expose companies to significant reputational risk, particularly if that spending supports political positions that do not align with the company's public stance on an issue.

As this is an election year in the US, both investors and the public are focused even more closely on lobbying activities and political contributions.

Out of the top 30 shareholder resolutions that received the highest votes in favor this voting season, one-third were related to political lobbying and contributions, making the topic the most supported by shareholders.

However, disclosures on lobbying and political expenditures are often inconsistent and can be burdensome for shareholders to compile, as the information may be dispersed across various sources.

"Out of the top 30 shareholder resolutions that received the highest votes in favor this voting season, one-third were related to political lobbying and contributions, making the topic the most supported by shareholders."



Examples of Voting

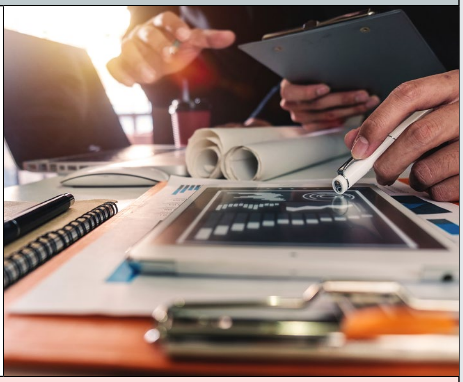
US glucose monitor manufacturer

Enhancing political spending transparency

Background	Shareholders requested that the glucose monitor manufacturer enhance its transparency regarding political spending. The current disclosures are suggested to be insufficient, lacking details on board oversight, specific recipients of payments, and whether indirect contributions via trade associations are included. This lack of transparency reduces shareholders' ability to assess the risks and benefits of these contributions effectively.	
Voting Action S	We supported this resolution as we considered that shareholders would benefit from additional disclosure to assess this material risk to which the company is exposed.	
Vote Outcome	The resolution was supported by 51.9% of shareholders voting.	

US investment bank

Disclosing further information on lobbying efforts not considered burdensome

Background	The global investment bank received a shareholder resolution asking for it to increase its disclosures on its lobbying expenses and related policies and procedures. The company does not provide sufficient information for shareholders to assess its direct or indirect lobbying payments. Although it publicly lists three of its trade association memberships, it is unclear how many other memberships it holds and whether and how much of its membership fees these associations may use for lobbying. The company states that a comprehensive report of its trade association memberships is reviewed by the board's public responsibilities committee annually.	
Voting Action S	Given the board reviews a comprehensive report on trade association memberships, we do not believe it would be burdensome for the company to disclose this list for shareholders as well. Consequently, we supported the shareholder resolution.	
Vote Outcome	The shareholder resolution received 39.8% support, indicating that a considerable portion of the shareholder base wants the company to increase its disclosures on its lobbying activities.	

US food and beverage packaging company

Additional disclosures to assess its complete political expenditures

Background	The food and beverage packaging company highlights that its political spending over the last five years was less than US$15k. The company discloses a list of association partners but does not assert whether this is a comprehensive list and does not provide disclosure about the level of funding provided. The company does not clearly explain whether this includes all types of organizations that may make political contributions on its behalf, such as 'social welfare' organizations.	
Voting Action S	The requested disclosure would provide a more complete picture of the company's political expenditures and all the types of organizations that can contribute on its behalf. Consequently, we supported the shareholder resolution.	
Vote Outcome	The resolution received near majority support from 48.9% of shareholders voting, indicating the requested disclosure would be beneficial for shareholders.	

US energy company

A material risk around political contributions

Background	The company received a shareholder resolution asking for improved disclosures on political lobbying and alignment of the company's public advocacy with its climate commitments. The company operates in the utilities sector, where political contributions are known to be an investor concern. In addition, the company had previously come under scrutiny for some of its lobbying activities, which added weight to the materiality of the topic for this company. The company has taken significant steps in improving its disclosures, though they remain slightly below those of peers in some areas.	
Voting Action S	We supported the shareholder resolution as it requests improved disclosures without dictating how the company should lobby, allowing for this to remain an executive decision overseen by the board. However, shareholders would benefit from the improved transparency for monitoring the risk from political contributions, which is considered even more useful in this case given the risk has materialized in the past.	
Vote Outcome	The resolution received support from 32% of shareholders voting, which highlights the continuous importance of the topic for institutional shareholders.	

Key Theme:

Artificial Intelligence (AI)

AI-related shareholder resolutions at the hyperscalers (large cloud service providers) continued throughout the 2024 AGM season. Growing concerns about the impact of AI on society and ongoing cases against certain companies present a risk to the investment case.

AI, which is regarded as pivotal for innovation and competitive advantage, brings the increased risk of reputational and legal risks. This is a good example of a governance risk that can affect stocks and companies' ability to develop a product.

Data privacy is critical for the investment case, as is greater disclosure which can help us better understand a company's practices around this.

Examples of Voting

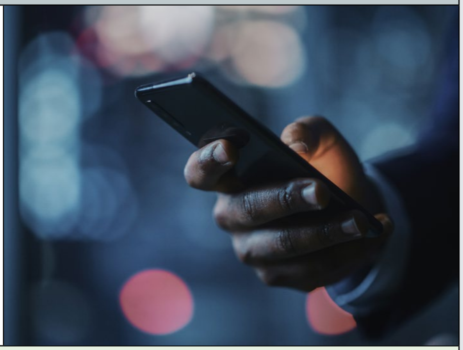
US technology company

Transparent AI practices needed to mitigate risks

Background	A shareholder resolution was tabled asking the technology company to prepare a transparency report on its use of AI in business operations and to disclose any ethical guidelines that it has adopted regarding AI technology. 
Voting Action S	We supported this resolution as we agree with the primary rationale presented, that transparency and ethical considerations in the use of AI are critical for ensuring responsible innovation and for managing potential reputational risks that could arise from misuse. Increased disclosure of AI use and ethical guidelines can enhance trust and accountability for the firm. The focus on AI is material to our investment case, as AI capabilities may become pivotal to the company's innovation, competitive advantage and long-term value creation.
Vote Outcome	38% of voting shareholders supported this resolution, which was the highest level of support seen this AGM season for AI-related shareholder resolutions.

US technology company

Addressing AI-generated misinformation and disinformation

Background	A shareholder resolution was tabled asking the technology company to report on an assessment of risks to the company and to public welfare stemming from generative AI (specifically AI-generated misinformation and disinformation) and to disclose plans to mitigate any harms caused by company activity. 
Voting Action S	We voted against this resolution. As a signatory to the European and Australian Code of Practice on Disinformation, the company already reports the steps it is taking to address these risks from its operations, including those from generative AI. Additionally, the company has committed to producing a transparency report on its AI governance practices for the US government. We do not believe incremental disclosures on this topic will enhance shareholder value at this stage.
Vote Outcome	79% of shareholders voted against this resolution. The relatively low support suggests that many shareholders are satisfied with Microsoft's existing disclosure and efforts to manage AI-related risks.

Examples of Voting

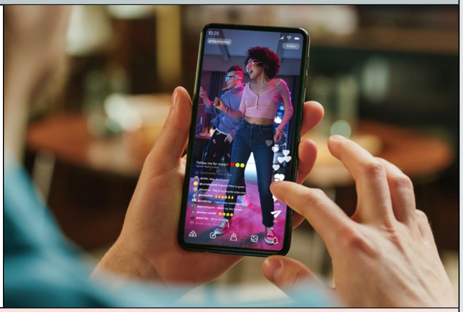
US technology company

Evaluating AI-driven advertising risks

Background	The technology company received a shareholder resolution requesting it to publish an independent third-party human rights impact assessment on the effects of AI-driven targeted advertising policies and practices. 
Voting Action S	We supported this resolution owing to the regulatory, legal and reputational risks that have arisen in previous years from the company's targeted advertising practices. Integrating AI into these practices adds another layer of complexity and risk. Targeted advertising is a core part of the company's business, making it critical to the investment case. This assessment would help shareholders better understand and assess how well the company understands and is managing these risks.
Vote Outcome	18.8% of shareholders voting supported this resolution.

US technology company

Managing misinformation risks in AI

Background	The technology company received a shareholder resolution requesting it to report on how it manages misinformation and disinformation risks related to its use of generative AI. 
Voting Action S	We supported this resolution because the rapid advancements in AI technology, particularly generative AI, bring new challenges for managing misinformation and disinformation. The company has come under recent scrutiny from regulators and is subject to ongoing investigations into its compliance with regulations relating to transparency on misinformation and disinformation including the European Union's Digital Services Act. A comprehensive report on AI-related misinformation risks would help shareholders better evaluate the company's governance and risk management practices, which in turn can help support the overall investment case.
Vote Outcome	16.7% of shareholders voting supported this resolution.

Key Theme:

Governance

Shareholders continued to seek improvements to shareholder rights and board governance.

The three key topics addressed by governance-related shareholder resolutions in the first half of the season were to adopt a simple majority vote, to provide/reduce the ownership threshold to call special meetings, and to require an independent chair.

1 Adoption of a simple majority vote

This approach can help to ensure that resolutions pass (or not) after receiving a majority of votes, which can lead to greater board accountability.

A simple majority means resolutions require support from 50% of shareholders voting plus one share.

A supermajority vote requirement means resolutions require support from two-thirds or three-quarters of shareholders voting.

We are typically supportive of resolutions to adopt a simple majority vote; however, we also consider whether the company has a sunset provision or has already provided a commitment to eliminate supermajority votes.

2 Provision/reduction of the ownership threshold to call special meetings

Reducing the threshold to call a special meeting generally makes it easier for shareholders to bring important issues to the attention of the board and make sure that the board is responsive to shareholders.

We typically view these as improving shareholder rights; however, we may not support this resolution in some cases when a single shareholder has more ownership than the proposed threshold, as this could lead to abuse of this right, or when the company has also proposed its own reduction resolution which is backed by robust rationale.

3 Requirement of an independent chair

A board with an independent chair is considered a best practice (at least in theory), as it can provide more robust oversight of management and should be able to make decisions that are in the best interests of shareholders.

When analyzing resolutions requesting an independent chair, we may refrain from supporting in some cases if there is a robust lead director position which is refreshed sufficiently regularly, to provide flexibility to boards which are undergoing/will undergo succession, where there is already an independent chair, or when the resolution seeks to amend the bylaws to make the resolution binding.

Overall, we consider that these resolutions will help improve shareholder rights and corporate governance.

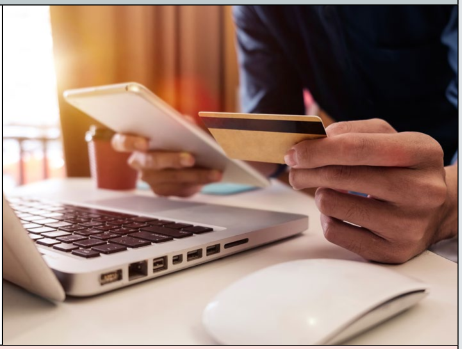
Nevertheless, we believe our case-by-case approach helps us hold boards accountable when needed and also provides flexibility to management and boards to improve and grow while maintaining sufficient safeguards.

Examples of Voting

US corporate payments company

Governance concerns add to voting decisions on requiring independent chair

Background	A shareholder resolution requiring an independent board chair was tabled. The corporate payments company has a combined chair/CEO leadership structure and a lead director; however, the individual is long-tenured and the role is not as robust as at other companies because it lacks sole approval authority on board meeting agendas and schedules. Furthermore, there have been concerns about compensation and responsiveness to shareholder feedback on these matters over the last several years.
Voting Action S	We supported the resolution for an independent chair as we believe this would represent an enhancement to the board oversight.
Vote Outcome	The resolution was supported by 48.8% of shareholders.



US financial services company

Succession planning remains a top priority

Background	The financial services company was subject to a shareholder resolution requiring an independent board chair. The company currently has a combined chair/CEO leadership and has a tenured lead independent director.
Voting Action S	We believe that a key priority for the current board should be to ensure a smooth transition for the incumbent CEO. The current CEO has been in the role for a long time and has been synonymous with the company's success. Leadership succession should be carefully considered and well planned. Given that the transition is likely to happen in the next few years, we believe the board will require flexibility in terms of leadership structures available to it, and therefore we did not support the resolution so as not to signal any disruptions for the board.
Vote Outcome	The resolution was supported by 43.4% shareholders, indicating a significant portion of the shareholder base feel an independent chair would provide better oversight. However, we believe the key issue remains a robust transition of leadership and believe the board would be helped without disruptions. Nonetheless, we will monitor any developments with regards to the lead director, given his long tenure.

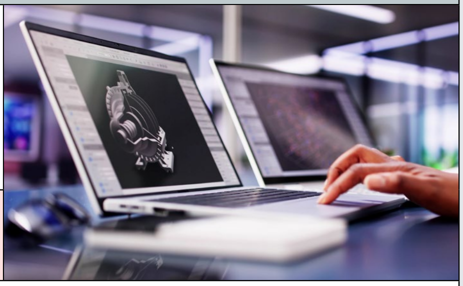
US manufacturing solutions provider

Lowering threshold for special meetings

Background	The manufacturing solutions provider received a shareholder resolution which sought to reduce the ownership threshold needed for shareholders to call a special meeting from 50.01% to 10%.
Voting Action S	We supported the resolution, as we believe that the lower threshold is reasonable and beneficial for shareholders.
Vote Outcome	The resolution passed with 55% support. Subsequently, the company amended its bylaws to reduce the ownership threshold from 50.01% to 25%.

US engineering software developer

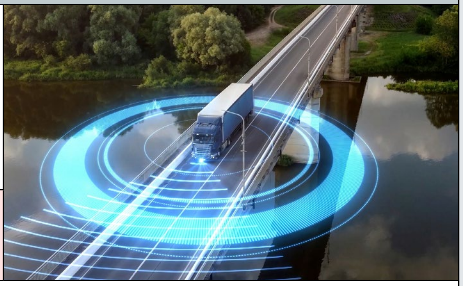
Enabling the right to call a special meeting



Background	A shareholder resolution requested that the engineering software developer allow shareholders with at least 10% ownership to call special meetings.
Voting Action S	We supported the resolution, as we believe it is in the best interest of shareholders at this time.
Vote Outcome	The resolution passed with 59.5% support.

US semiconductor company

Adopting a simple majority vote



Background	The request seeks to remove the supermajority vote requirement and implement a simple majority vote for passing bylaws and amendments to enhance shareholder rights at the semiconductor company.
Voting Action S	We supported the resolution as we believe it will enhance shareholder rights.
Vote Outcome	The resolution passed with 89.6% support from shareholders.

Section 2

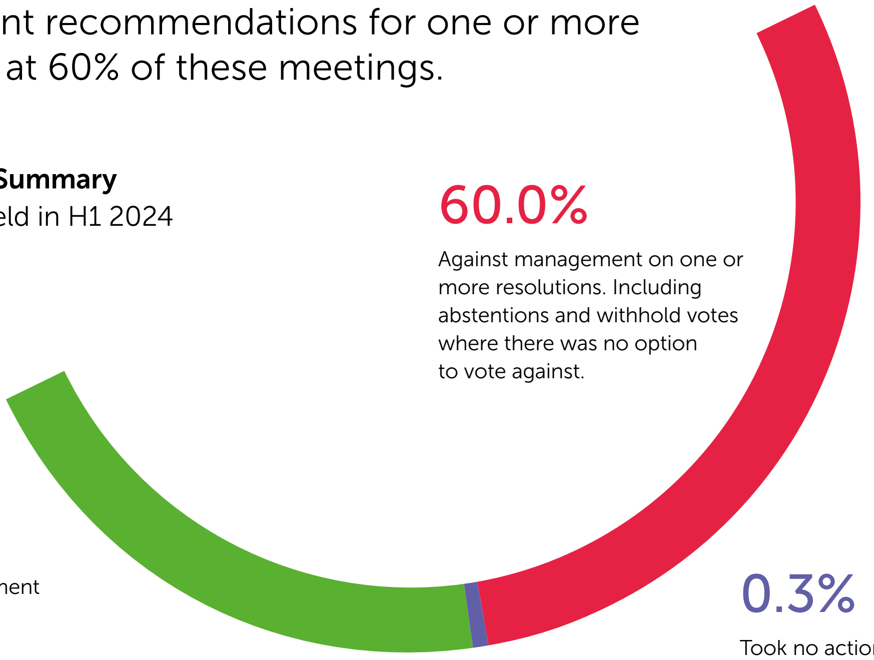
H1 2024 Voting Statistics

H1 2024 Voting Activity

During the first half of 2024, we exercised voting rights at 1,862 separate meetings. Votes were instructed against management recommendations for one or more resolutions at 60% of these meetings.

Global Voting Summary
for meetings held in H1 2024

1,862
meetings



60.0%

Against management on one or more resolutions. Including abstentions and withhold votes where there was no option to vote against.

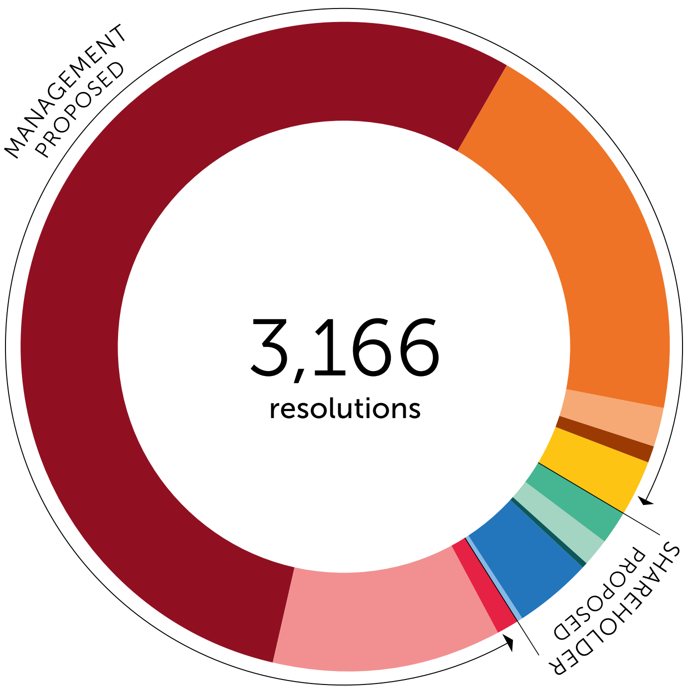
39.6%

In favor of management on all resolutions.

0.3%

Took no action owing to share blocking or sanctions considerations.

Resolutions Voted Against Management



Votes against management-proposed resolutions

Articles/bylaws	1.2%
Audit related	11.4%
Board structure	54.6%
Remuneration policy/proposal	19.6%
Share capital	2.1%
Transaction related	0.9%
Other, including AOB	2.7%

Votes in favor of shareholder-proposed resolutions against the recommendations of management

Shareholder rights	1.6%
Board structure	1.3%
Remuneration structure	0.5%
Environmental/social proposal	3.7%
Other	0.2%

Note: Figures may not sum to 100% owing to rounding.

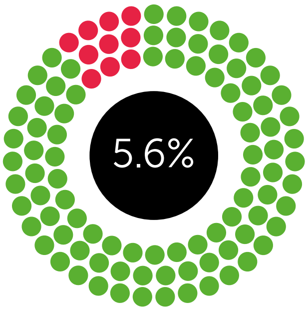
H1 2024 Voting Summary by Region

- In favor of management on all resolutions.
- Against management on one or more resolutions. Including abstentions and withhold votes where there was no option to vote against.
- Took no action owing to share blocking or sanctions considerations.
- Region's % of our global vote.

UK

90%

10%

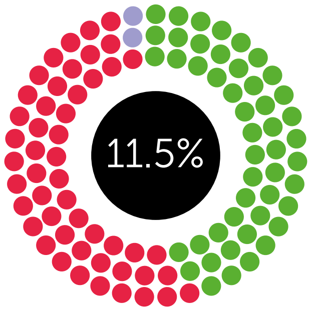


EUROPE

48%

50%

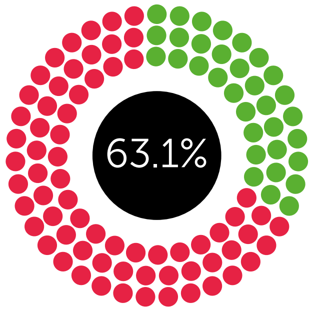
2%



NORTH AMERICA

33%

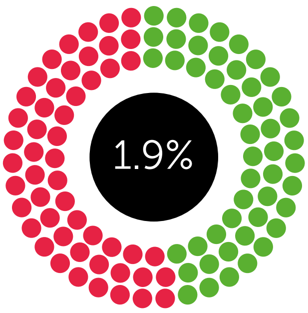
67%



LATIN AMERICA

49%

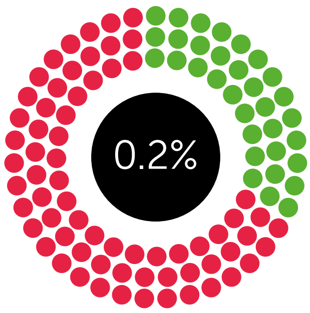
51%



AUSTRALIA / NEW ZEALAND

33%

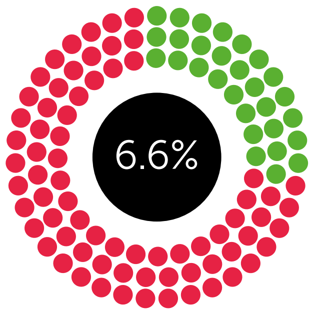
67%



JAPAN

29%

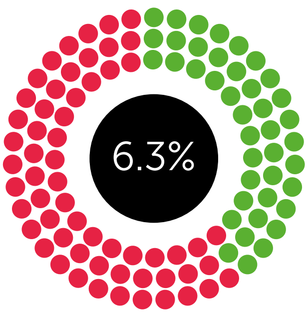
71%



ASIA

41%

59%

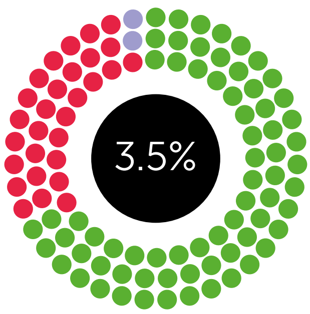


EMERGING MARKETS[3]

69%

29%

2%

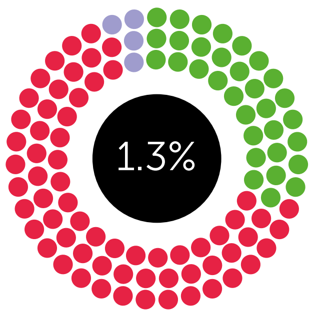


REST OF THE WORLD

32%

64%

4%



3 Emerging markets dataset includes Bulgaria, Croatia, Cyprus, Czech Republic, Egypt, Hungary, India, Israel, Kenya, Lebanon, Lesotho, Liberia, Mauritius, Morocco, Pakistan, Poland, Qatar, Romania, Russia, Slovak Republic, South Africa, Tunisia, Turkey, Ukraine and Zimbabwe.

Source: Newton, as at June 30, 2024.

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