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Investing for a
world of change

Mineworkers' Pension Scheme

Engagement & Voting Report for the quarter
ended Q3 2023

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Introduction

Ninety One focuses on delivering sustainability with substance. This means sustainability initiatives and actions are evidence based and aim to produce real-world change or impact.

Ninety One is committed to net zero by 2050 or sooner and is a signatory to the Net Zero Asset Managers initiative. We have set interim targets for 2030 committing to 50% of financed emissions coming from companies or investments that have science-based pathways by 2030.

The Global Environment strategy engages with all portfolio companies several times a year, with specific engagement goals outlined for each company in the [Annual Impact Report](#). The Impact Report also details progress on engagements from the prior year.

Many of the engagement topics are long-term in nature and thus there will be a repetition of topics discussed over subsequent quarters. There will also be quarters where there hasn't been a significant update from the previous quarter.

Significant engagement activity

The below outlines significant engagement activities with two of the portfolio companies over the quarter:

Croda

Croda is a leading oleochemical producer that uses almost 60% biological inputs in its production processes. Croda is an enabler of decarbonisation in industries such as personal care and crop protection. We believe environmental revenues will increase over the long-term, with 95% of Croda's R&D pipeline being bio-based.

Our key engagement goals for Croda have included reporting carbon avoided on more products, progress on science-based targets, and land/biodiversity targets and reporting. Last year we had positive conversations on a number of these topics, including two onsite meetings which helped us to understand the challenges and opportunities in decarbonising the chemical sector. In 2023, we also added emissions to water disclosure and gender pay gap to our engagement goals.

During Q3, we joined a collaborative engagement with the Institutional Investors Group on Climate Change (IIGCC) focussed on Croda's net zero transition plans and progress against their science-based targets. This engagement took the form of an initial letter followed by a call with Croda's Chief Sustainability Officer and one of Croda's sustainability specialists. As a group we also asked Croda whether they will submit their transition plan to a shareholder vote, as a means of establishing a transparent mechanism for investors to express their support for their plans, which is viewed as best practice.

During the meeting key areas of discussion were –

- Scope 3 emissions measurement and reduction
 - Croda has been working on life cycle assessments which are helping them to better understand the downstream impact of their products. These assessments have also helped them to broaden their focus away from solely carbon emissions and learn more about water risks and land impacts.
- Scope 1 & 2 emissions reduction
 - We're happy that Croda will meet their scope 1 and 2 science-based targets. We stressed that more reporting of impact of actions on decarbonisation would be helpful.
- Transition plan transparency
 - The group agreed to send strong transition plan examples to Croda, and requested for a transition plan resolution to be added to the 2024 AGM.
- Carbon avoided measurement
 - Croda are currently reviewing their approach with an aspiration to cover their entire business, with an approach that actually drives improvement through their customers and internal behaviour changes.
- Palm oil supply chain
 - Croda is committed to transparency for key raw material supply chains and is a founding member of Action for Sustainable Derivatives (ASD) which has been using satellite data to improve traceability.

Global Environment Sustainability Report

The call was positive and further evidenced the resource Croda is putting towards decarbonisation of their own business operations and generating emissions reduction for their customers. We believe Croda is making strong progress against its decarbonisation targets. We look forward to seeing more detail from Croda on their transition plan, particularly on the inclusion of just transition considerations and scope 3 emissions reductions, and will be monitoring their progress.

Iberdrola

Iberdrola is the market leader in owning renewable-energy generating capacity in Europe, with leading positions in Spain and the UK, as well as Mexico and Brazil. The International Energy Agency's net-zero roadmap requires a 4x increase in renewable energy by 2030 and 10-20x by 2050. We believe Iberdrola has a key role in delivering that goal and hence is extremely well positioned for structural growth from decarbonisation.

Our key engagement goals for Iberdrola are progress against their Science-Based Targets Initiative (SBTi) target, gender diversity and land/biodiversity targets and reporting. Last year we carried out material engagement on SBTi targets, which included working with Iberdrola, to send a letter to the EU commission highlighting issues relating to current energy policy delaying the transition.

During Q3 we expanded our engagement activity to focus on culture at Iberdrola, linked to the gender diversity engagement goals. We believe that a good culture aligned with competitive advantages can drive outperformance, and that an inclusive culture is essential for a diverse workforce to thrive and add long-term value. We discussed levels of employee engagement at the firm, employee skills development, how Iberdrola encourages employee ownership and innovation, recognition of success and the evolution of firm culture over time, as well as other topics. We requested clarification on employee turnover figures, noting that they had risen between 2020 to 2022. Iberdrola explained some market dynamics driving this and actions that they've taken to reduce turnover, such as offshore industry salary benchmarks and identification of high-potential groups. Going forward, we will be following Iberdrola's turnover figure over time and monitoring how they transfer cultural practices to newer, non-Spanish businesses.

Summary engagement activity for the portfolio

The below provides a summary of the companies and topic area the investment team have engaged on during the quarter:

Company	Topics
Carlisle Companies	Climate Change, Reporting and Disclosure, Cultural Work Practices, Board Effectiveness, Biodiversity
CATL	Climate Change, Cultural Work Practices, Supply Chain
Croda	Climate Change, Reporting and Disclosure, Supply chain
Iberdrola	Cultural Work Practices, Diversity and Inclusion
NextEra Energy	Climate Change, Pollution and Waste, Supply Chain
Novozymes	Climate Change
Sungrow	Climate Change, Reporting and Disclosure
Vestas Wind Systems	Reporting and Disclosure, Biodiversity

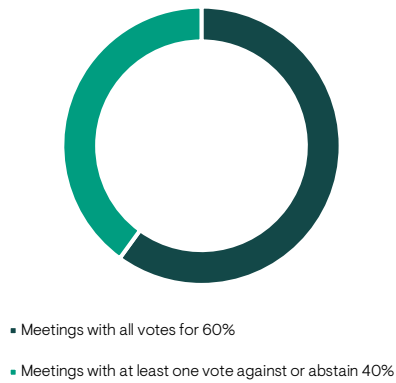
Source: Ninety One, data covering reporting period. All engagements are supported by appropriate analysts, portfolio managers and the Engagement and Voting team.

Proxy voting activity for the portfolio

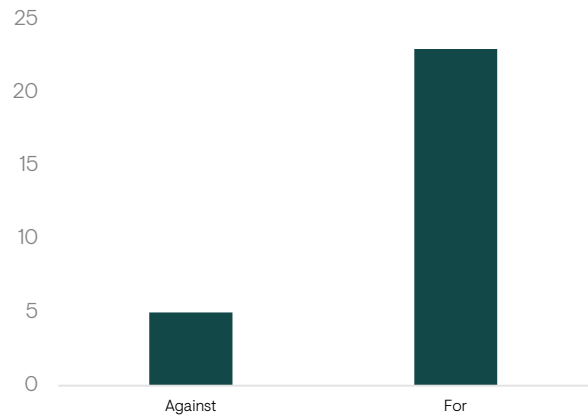
Ninety One votes at shareholder meetings throughout the world as a matter of principle. We believe that once we become investors, that is to say part-owners of a company, we assume a duty of stewardship and therefore take responsibility to support or sanction as required.

Below are the highlights of our voting activity.

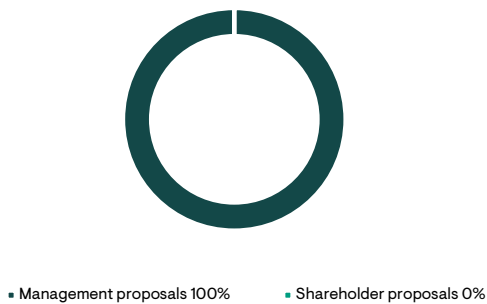
Votes Cast (%) meetings



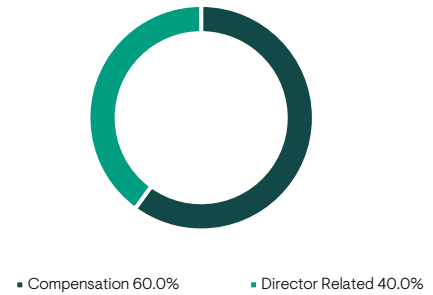
Number of Votes Cast



Votes resolutions by type (%)



Vote categories – against, abstain and withhold votes (%)



Source: Ninety One, ISS ProxyExchange, data covering reporting period.

Note: the above charts do not include 'Do not vote' instructions. The 'Other' category is a grouping of the following sub-categories in no particular order; Antitakeover Related, Preferred/Bondholder, Non-Salary Compensation, Reorganization and Mergers, Company Articles, Strategic Transactions, Miscellaneous and ESG.

