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Investing for a
world of change

Mineworkers' Pension Scheme

Engagement & Voting Report for the quarter
ended Q2 2024

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:

Orsted

Orsted is a global leader in developing, constructing and operating offshore wind farms, with more than three decades of experience in a broad range of green-energy solutions. Radical transformation of our energy systems is a critical step to decarbonising the economy. It requires a range of solutions from solar to onshore wind, offshore wind, hydrogen and grid-scale batteries. We believe Orsted will play a key role in the decarbonisation of the economy and more specifically, is critical in Europe's transition to a net zero future.

In Q2 2024, we continued our strategic engagement on governance and risk management. The two key areas that Orsted's management need to deliver on this year are -

1. The execution of asset sales, where recent sector activity gives us confidence (e.g. recent bids by KKR for Encavis, Brookfield for Neoen, and Energy Capital Partners for Atlantica Yield).
2. The execution of the 7.5gw under construction without any hitches.

The key purpose of our engagement during Q2 was to go through each of Orsted's projects/assets and gain comfort that there won't be significant issues ahead.

We met with the new COO, Patrick Harnett, to conduct a detailed review of operational developments. In the meeting we discussed his experience and background in delivering significant infrastructure projects, details of current and potential projects across various geographies, and received an update on cancellation costs from projects that will no longer go ahead.

The engagement confirmed our confidence that Patrick is a high-quality appointment, with a strong background and a proven track record of delivering operational excellence. We learnt that Orsted has moved to a more centralised and focused decision-making model with better accountability, a change we highly support as it aligns with our proposals from Q4 2023. The company has additionally implemented a smaller global execution leadership team, concentrating on project execution, which is the core engine of the business.

Patrick highlighted that Orsted previously struggled to treat assets as an overlapping portfolio. His focus has been on developing an understanding of how the different regional vessels are operating, and how they can evaluate and mitigate global risks at their scale, which is more effective than a single project perspective. Orsted has also worked diligently with its US partners to enhance the maturity and resilience of the supply chain.

In addition to this, he detailed Orsted's long-term prospects in Asia, which promise higher returns and geographic diversification. Orsted is particularly interested in Asian markets with mature supply chains that can offer shorter lead times for future projects.

Overall, Orsted's view is that the risk is weighted towards the US given the immature supply chain but they have reinforced and refocused the team and are working hard to increase the resilience of the supply chain. We will continue to monitor the US situation closely given supply chain management needs to evolve to make projects more profitable.

Global Environment Sustainability Report

Schneider

Schneider Electric provides energy management and industrial automation solutions. The company serves the major transitions towards a more electric, decentralised, decarbonised and digitised world. It combines world leading energy technologies, real-time automation, software and services, leveraging its digital platform EcoStruxure to accelerate customers' and partners' transitions towards a sustainable future.

In Q2 2024, Global Environment portfolio managers Deirdre Cooper and Graeme Baker, along with sustainable equity analyst Yuxin Lin, engaged with Schneider Electric's chairman, Jean-Pascal Tricoire, during a corporate governance call. The discussion centred on climate change, and the recent scope 3 targets set out by Schneider's management.

During the discussion, we emphasised the importance of carbon avoidance as a key performance indicator (KPI) and encouraged Schneider to enhance their disclosure on the underlying drivers of their carbon avoided growth. Schneider has recently set an ambitious target to have reduced their top 1000 suppliers' CO2 emissions by 50% by 2025. While we commend these ambitious goals, we wanted to understand the target's feasibility and find out how the company will be held accountable.

Jean-Pascal Tricoire clarified that tangible plans support each target, and Schneider is committed to long-term efforts to achieve them. He also disclosed that the success of these targets is tied to a long-term incentive plan for 60,000 employees. Consequently, if Schneider fails to meet its scope 3 targets, the affected employees will face financial repercussions.

Further to this, Jean-Pascal assured that Schneider will continue to work with both compliant suppliers and support those falling short to improve their carbon scores, rather than ending relationships with those not meeting targets.

This engagement provided valuable insights into Schneider's commitment to achieving their ambitious environmental goals.

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
Autodesk	Audit
Carlisle	Climate change, board independence, remuneration
Croda	Remuneration
Iberdrola	Remuneration
Industrie De Nora	Remuneration
Infineon Technologies	Climate Change
NextEra Energy	Board independence
Orsted	Corporate strategy
Schneider Electric	Climate change, biodiversity, diversity & inclusion, remuneration
Tetra Tech	Ethical behaviour
Vestas Wind Systems	Biodiversity, climate change
Xinyi Solar	Corporate strategy

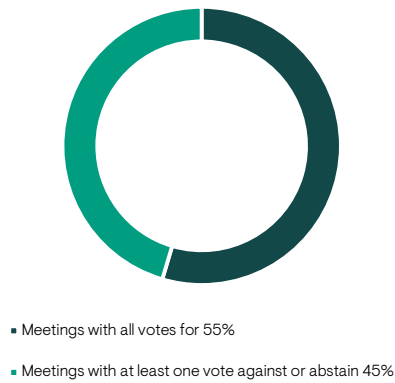
Source: Ninety One, data covering reporting period. All engagements are supported by appropriate analysts, portfolio managers and the Engagement and Voting team.

Proxy voting activity for the portfolio

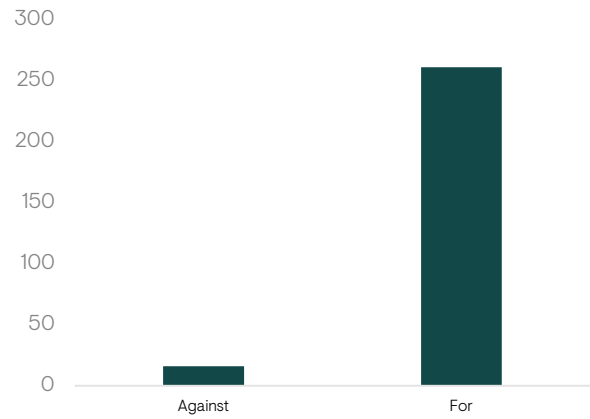
Ninety One votes at shareholder meetings throughout the world as a matter of principle. We believe that once we become investors, that is to say part-owners of a company, we assume a duty of stewardship and therefore take responsibility to support or sanction as required.

Below are the highlights of our voting activity.

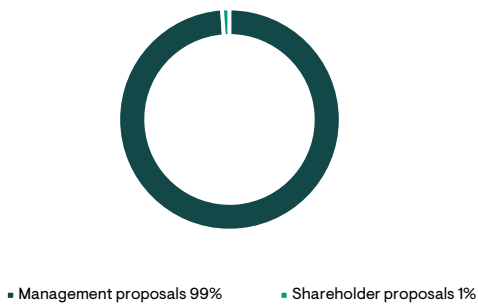
Votes Cast (%) meetings



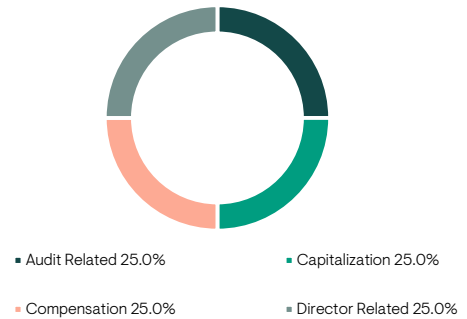
Number of Votes Cast



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.

