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Investing for a  
world of change

# British Coal Staff Superannuation Scheme

## Q4 2022 Engagement & Voting Report

### Introduction

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

The Global Environment strategy engage with all portfolio companies several times a year, and they outline specific engagement goals for each company in their [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:

#### CATL

Contemporary Amperex Technology (CATL) is a global leader in EV and Energy Storage battery manufacturing. The structural growth opportunity is supported by the company's strong R&D focus and scale advantage. We added the company to our portfolio in Q4 2022 and are focusing our engagement priorities on Scope 3 emissions reporting, lithium supply chain management, and talent retention programmes.

Over the quarter, we met with the Director of the Board Office and members of the Investor Relations team to engage on carbon emissions disclosure and talent retention. The company already reports Scope 1 and 2 emissions and has also committed to reporting Scope 3 emissions for their 2022 sustainability report, but this is likely to be less than the full range of categories. We will continue to monitor this and advise and encourage the company to adopt full Scope 3 disclosure.

We have also engaged on CATL's supply chain management policy especially for lithium suppliers. Our goal is to encourage CATL to leverage their influence on their suppliers to better manage the water and biodiversity risks. CATL has reiterated their strict environmental standards when taking suppliers onboard, and we are pleased to see that the company recently introduced a supply chain sustainability assessment initiative utilizing data collected from CATL's suppliers. We have requested follow-ups as part of an ongoing process on this topic.

CATL also updated us on employee welfare and engagement. They have conducted several engagement surveys over the year to better understand employee demands in a bid to improve employee engagement and increase the talent retention rate. Subsequently they have developed training programmes with external providers focused on areas highlighted within the surveys, including leadership.

#### Aptiv

Aptiv is a global technology company that serves the mobility industry. It is a leading provider of solutions that enable the transition to an electrified, software-defined vehicle of the future. Our engagement goals for the company for 2022 include progress on setting Science-based targets and improving companywide carbon avoided reporting.

Over the quarter, we conducted two culture calls with Aptiv based on the proprietary culture assessment framework that has been developed within the sustainable equity team to better understand the company's workplace practices. The key takeaway from these calls is that Aptiv are in the midst of a transition from a pure engineering/auto hardware based culture to a more software focussed culture and we will continue to assess the success of this transition and its implication for stakeholders.

Aptiv also confirmed that they are now reporting carbon avoided with more detail expected in their next sustainability report. Furthermore, they have confirmed that they plan to set a science-based target in the first quarter of 2023.

## Summary engagement activity for the portfolio

We met with the majority of our portfolio companies over the quarter. In addition to earnings updates and business strategy discussions, the below provides a summary of the companies and topic area the investment team have engaged on:

Company	Topics
Aptiv	Cultural work practices Climate Chan
Autodesk	Climate Change Water Cultural work practices
Croda	Board effectiveness
Iberdrola	Climate Change
Nextera	Cultural work practices
Rockwell Automation	Board effectiveness Climate Change Pollution and waste
Schneider Electric	Board effectiveness Cultural work practices Remuneration
Trane Technologies	Cultural work practices
Voltronic Power	Climate Change
Waste Management	Cultural work practices Climate Change

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

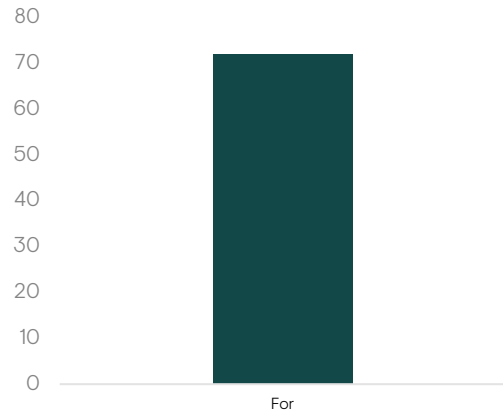
Ninety One votes at shareholder meetings throughout the world as a matter of principle. We believe that once we become investors, that is to say part-owners of a company, we assume a duty of stewardship and therefore take responsibility to support or sanction as required.

Below are the highlights of our voting activity.

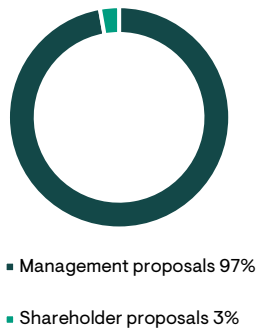
### Votes Cast (% meetings)



### Number of Votes Cast



### Votes resolutions by type (%)



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.

