



# **The C Brewer and Sons Ltd Retirement Benefits Scheme ('Scheme')**

**31 December 2024**

**Implementation Statement**

**April 2025**

**Schroders' Solutions Disclaimer:**

The Implementation Statement is a regulatory requirement under the 2019 amendments to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013. It is important that the Trustee of the Scheme understand and consider financially material Environmental, Social and Governance ("ESG") factors and consider its own stewardship obligations. A failure to do this puts the Trustee at risk of breaching its legal duties.

This is a Trustee document, and the Trustee must review the draft Implementation Statement provided by its investment adviser/Fiduciary Manager and confirm that it has considered the content prepared and reviewed any associated documentation, such as voting policies and engagement examples.

# 1. Introduction

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The Trustee is required to make publicly available online a statement ("the Implementation Statement") covering the C Brewer and Sons Ltd Retirement Benefits Scheme (the 'Scheme') in relation to the Scheme's Statement of Investment Principles (the "SIP").

A copy of the current SIP signed and dated September 2023 can be found here:  
<https://www.brewers.co.uk/about/policies>

This Implementation Statement covers the period from 1 January 2024 to 31 December 2024 (the "Scheme Year"). It sets out:

- How the Trustee's policies on stewardship have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

The latest guidance ("the **Guidance**") from the Department for Work and Pensions ("**DWP**") aims to encourage the Trustee of the Scheme to properly exercise its stewardship policy including both voting and engagement which is documented in the Scheme's SIP. With the help of the Scheme's Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP's statutory guidance.

The Trustee uses the Fiduciary Management service of Schroders IS Limited as its Investment Manager and Adviser (referred to as the "**Fiduciary Manager**" in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as "**Underlying Investment Managers**") to manage part of the Scheme's assets, and investments with these managers are generally made via pooled funds, where the Scheme's investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website:  
<https://www.brewers.co.uk/about/policies>

## 2. How the Trustee's policies on stewardship have been followed over the Scheme Year

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As described in the SIP, the Trustee's approach to stewardship is to delegate the voting and engagement activities to the Fiduciary Manager. The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Scheme's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustee's investment (including stewardship) policies when providing Fiduciary Management services.

The Fiduciary Manager aligns its own stewardship activities with Schroders' Engagement Blueprint, which identifies six broad themes for their active ownership: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Fiduciary Manager has chosen **Climate Change, Natural Capital & Biodiversity**, and **Human Rights** as its focus for the stewardship actions it performs on behalf of the Scheme. The Trustee expects that the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Scheme. Therefore, the Trustee has aligned its stewardship priorities with the Fiduciary Manager's.

The Fiduciary Manager is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The UK Stewardship Code describes stewardship as *"the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society."* Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed quarterly FM ESG updates and the FM Annual ESG Report during the Scheme Year. The quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Scheme's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Scheme's capital. The FM Annual ESG Report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustee is satisfied that the expectations outlined in the SIP have been met, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection over the Scheme Year. Examples of how this has been evidenced include:

- ❖ Exclusions of Global Norms Violators as part of the security selection process. This ensures a closer alignment of the Scheme's investments with the Trustee's stewardship priorities, as violators are generally viewed as causing significant harm to People or Planet.
- ❖ Incorporation of SustainEx™ scoring into the core equity allocation process, in both the initial screening process and as a constraint at a total portfolio level. SustainEx™ is Schroders' proprietary tool to translate social and environmental impacts into financial costs.
- ❖ Conducting manager research to identify value-adding, climate-aware equity funds to potentially allocate some of the Scheme's capital to, subject to further due diligence.
- ❖ Introducing a cash fund that offers improved environmental characteristics to the Scheme's previous cash fund, with equivalent cost and return track record. After carrying out appropriate due-diligence in early 2024, the Scheme's existing cash assets have now been invested in this fund.

- ❖ Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials.
- ❖ Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments.
- ❖ Addition of voting and engagement examples to the quarterly ESG reporting provided to the Trustee, facilitating a more regular review throughout the year of the Underlying Investment Managers' stewardship activities.
- ❖ ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth, Structured Equity and LDI portfolios.
- ❖ Introduction of new 'impact' metrics into quarterly reporting, such as Implied Temperature Rise (measuring the contribution of the Scheme's investments to global warming) and SustainEx™ scoring, to facilitate better Trustee oversight of the impacts of the Scheme's capital on the environment and society.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity that took place on the Trustee's behalf during the Scheme Year within the growth asset portfolio and the liability hedging portfolio, the Trustee is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Scheme's liability hedging programme remains robust, and the Fiduciary Manager also provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Scheme.

**Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Scheme Year.**

### 3. Voting During the Scheme Year

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The Trustee has delegated responsibility for voting on its behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Scheme's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustee, in line with the Trustee's stewardship policy.

#### Voting by the Fiduciary Manager

Over the year to 31 December 2024, regarding clients' pooled fund investments<sup>1</sup>, the Fiduciary Manager voted on 25 resolutions across 6 meetings. The Fiduciary Manager voted against management on 4 resolution (16% of total resolutions) and abstained on 11<sup>2</sup> resolutions (44% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

#### Voting by the Underlying Investment Managers

##### Most Significant Votes

The following criteria must be met for a vote to be considered "significant":

1. Must relate to the BNY Mellon Schroder Solutions Global Equity Strategy;
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustee's stewardship priority themes.

The BNYM Stable Growth Fund constitutes a significant proportion of the Scheme's Growth Asset portfolio and thus constitutes the majority of the Scheme's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Scheme's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particular significance for the Scheme.

From 1 January 2024, the proxy voting responsibilities for this fund moved to Schroders' Active Ownership team which ensures that the voting policy is guided by Schroders' **Engagement Blueprint** and therefore aligns with the Trustee's stewardship priorities. The Fiduciary Manager believes that all resolutions voted against the board's recommendations should be classified as a significant vote. Generally, the Fiduciary Manager does not communicate their voting intentions to companies regarding shareholder resolutions, however in some circumstances Schroders will publish their voting intentions on their Active Ownership Blog<sup>3</sup>. Regarding next steps after a vote, in the instance that votes are successful, the Schroders team will typically monitor progress closely and look to take further action at the next AGM should no progress be made.

Of the votes that satisfy the above criteria, the Trustee has selected one vote relating to each of the priority themes that it deems most material to the long-term value of the investments. These votes are hereby defined as "most significant votes", and as per DWP guidance, the Trustee has communicated this definition of "most significant votes" to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

**CLIMATE CHANGE** – At the Equinor ASA annual general meeting on 15 May 2024, Schroders voted for a shareholder resolution asking the Board to update its strategy and capital expenditure plan, considering the company's commitment to support the goals of the Paris Agreement and the Norwegian Government's expectations for the company to align with the Paris Agreement. The resolution also requests the updated plan to "specify how any plans for new oil and gas reserve

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<sup>1</sup> The voting statistics provided pertain to the Fiduciary Manager's Model Growth portfolio and may not fully reflect the pooled fund investments held by the scheme.

<sup>2</sup> The Fiduciary Manager abstained from voting on these resolutions due to the presence of share blocking. If the Manager were to vote on a position, they would then be blocked from selling positions in the security from the voting deadline date until one day post meeting and, in the absence of an instruction from Investors, it is Schroders' policy to retain liquidity of the investment.

<sup>3</sup> Schroders Active Ownership Blog - <https://www.schroders.com/en-us/us/individual/insights/active-ownership-blog-2024-voting-season-spotlight/>

development are consistent with the Paris Agreement goals". This vote was against management, which stated in its response that its energy transition plan demonstrates a business model and strategy that are already aligned with the Paris Agreement's most ambitious 1.5°C goal. Schroders acknowledge the company is leading on decarbonisation action relative to its sector. Nonetheless, they believe this resolution will encourage the company to produce more complete disclosures and provide further evidence to its claims that the strategy is already aligned with the Paris Agreement goals. This resolution could help shareholders to better assess how the company is addressing climate-related risks and potential costs to the business from climate transition trends. Schroders believe that by disclosing this information, Equinor will provide greater transparency to investors on the alignment between its commitments and implementation of its strategy. This vote against management was unsuccessful as the shareholders' proposal was not adopted. The resolution was filed by the Climate Action 100+ group, which Schroders are a part of, and the direct filers will continue dialogue with Equinor.

**NATURAL CAPITAL AND BIODIVERSITY** - At the General Motors Company annual general meeting (AGM) on 4 June 2024, Schroders voted for a shareholder resolution asking the company to "disclose the company's policies on the use of deep-sea mined minerals in its production and supply chains". This vote was against management which affirmed in its AGM proxy statement that it has not invested in deep-sea mineral extraction and does not currently use, nor does it have plans to use, deep-sea minerals in its supply chain. However, the company has also stated that it is "working with third parties to make science-based evaluations and support the creation of a single common standard that establishes a deep-sea extraction framework so data-driven decisions can be made". The company does not include a clear commitment to limit and avoid the conversion of ecosystems in its responsible sourcing policy. Thus, Schroders agree with the proponents that this lack of clarity in the company's position could expose the company to reputational and regulatory risk including financial risk. While Schroders agree with the company that it is prudent for it to monitor the development of alternative value chains considering the consumer and regulatory pressure towards a fast Electric Vehicle transition, Schroders do not believe that this resolution dictates the company's position on DSM but encourages it to be candid with stakeholders about their position and how their sourcing of minerals properly considers the financial risks associated with conversion of marine habitats. This vote was unsuccessful as the shareholders' proposal was not adopted. Schroders plan to continue engagement with the company on this topic.

**HUMAN RIGHTS** - At the JP Morgan Chase & Co. annual general meeting (AGM) on 21 May 2024, Schroders voted for a shareholder resolution asking the company to produce a report "outlining the effectiveness of JPMorgan Chase & Co.'s policies, practices, and performance indicators in respecting internationally recognised human rights standards for Indigenous Peoples' rights in its existing and proposed general corporate and project financing." Schroders believe that the requested report would benefit shareholders as they seek to understand how the company manages relations with its stakeholders, and the associated regulatory, reputational, and financial risks. Although the company provides explanation on the frameworks it uses to identify and manage environmental and social (E) risks, an assessment of how effective these practices are would allow shareholders to better understand their robustness, and the company's ability to mitigate any risks which may have financial implications. This vote against management was unsuccessful and Schroders intend to engage with JP Morgan on the topic raised in this resolution as well as others over the coming year.

## Summary Voting Statistics

Only the Scheme's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the 12 months to 31 December 2024 for the most material, active funds held on behalf of the Trustee that had voting rights during the period.

| <b>Equity Funds</b>                                                                          | <b>BNY Mellon<br/>Global Equity<br/>Strategy</b> | <b>Morant Wright<br/>Fuji Yield<br/>Japanese Fund</b> | <b>FSSA<br/>All China Fund</b> | <b>Redwheel<br/>TM UK Equity<br/>Income Fund<br/>(1 Jul 24 – 31<br/>Dec 24)</b> |
|----------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------|
| Total meetings eligible to vote                                                              | 699.0                                            | 59                                                    | 84                             | 6                                                                               |
| Total resolutions eligible to vote                                                           | 9,532                                            | 756                                                   | 778                            | 106                                                                             |
| Of resolutions eligible to vote, % of resolutions voted on                                   | 93%                                              | 100%                                                  | 100%                           | 100%                                                                            |
| Of voted resolutions, % vote with management                                                 | 86%                                              | 88%                                                   | 94%                            | 100%                                                                            |
| Of voted resolutions, % vote against management                                              | 14%                                              | 12%                                                   | 6%                             | 0%                                                                              |
| Of voted resolutions, % abstained                                                            | 0%                                               | 0%                                                    | 0%                             | 0%                                                                              |
| Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable) | 12%                                              | N/A                                                   | 8%                             | 0%                                                                              |

### Note:

- Schroders Investment Management (when exercising voting rights for the BNY Mellon fund) use Glass Lewis “GL” for proxy voting services and receive ISS's Benchmark research. Alongside ISS's research, Schroders receives recommendations from GL in line with their own bespoke guidelines. This is complemented with analysis by their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
- Morant Wright do not subscribe to any shareholder advisory services, and their portfolio managers are directly responsible for proxy voting decisions.
- FSSA uses Glass Lewis as their proxy voting advisor, and Redwheel uses ISS.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of “Abstain” is also considered a vote against management.
- A new equity fund, **Redwheel TM UK Equity Income fund**, held at the Scheme Year-end, was introduced into the Growth portfolio in July 2024. Due to the Scheme's limited investment period in this fund during this Scheme Year, the Trustee has elected to not include the 12-month voting statistics for this fund, and only report on the activity over the months invested.

| <b>Alternative Funds</b> | <b>Lumyna<br/>Marshall<br/>Wace - TOPS<br/>(Market<br/>Neutral)<br/>Fund</b> | <b>Lumyna<br/>Marshall<br/>Wace - TOPS<br/>Environmen<br/>tal Focus<br/>(Market<br/>Neutral)<br/>Fund</b> | <b>North Rock<br/>Fund</b> | <b>JP Morgan<br/>Europe<br/>Equity<br/>Absolute<br/>Alpha Fund<br/>(1 Oct '24 –<br/>31 Dec '24)</b> | <b>BlackRock<br/>Systematic<br/>Total Alpha<br/>Fund<br/>(1 Oct '24 –<br/>31 Dec '24)</b> |
|--------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
|--------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                              |                          |                          |                          |      |      |
|----------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|------|------|
| Total meetings eligible to vote                                                              | <i>Data not provided</i> | <i>Data not provided</i> | 351                      | 13   | 152  |
| Total resolutions eligible to vote                                                           | 6390                     | 2536                     | <i>Data not provided</i> | 30   | 984  |
| Of resolutions eligible to vote, % of resolutions voted on                                   | 98%                      | 97%                      | 100%                     | 100% | 100% |
| Of voted resolutions, % vote with management                                                 | 74%                      | 58%                      | 100%                     | 73%  | 91%  |
| Of voted resolutions, % vote against management                                              | 12%                      | 8%                       | 0%                       | 26%  | 8%   |
| Of voted resolutions, % abstained                                                            | 13%                      | 32%                      | 0%                       | 0%   | 0%   |
| Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable) | 9%                       | 6%                       | 0%                       | 0%   | N/A  |

#### Note:

- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Lumyna Marshall Wace and North Rock use Glass Lewis for proxy voting services. JP Morgan uses ISS for proxy voting services. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS).
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of "Abstain" is also considered a vote against management.
- North Rock voted all resolutions with management or with the recommendations of the proxy advisory service.
- Two new Alternative funds with voting rights held at the Scheme Year-end, **JP Morgan European Equity Absolute Alpha** and **BlackRock Systematic Total Alpha**, were introduced into the Growth portfolio in October 2024. Due to the Scheme's limited investment period in these funds during the Scheme Year, the Trustee has elected to not include the 12-month voting statistics, and only report on the activity over the months invested.

**The Trustee is satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities determined during the Scheme Year, hence the Trustee believes that it has satisfactorily implemented the Stewardship Policy stated in the Scheme's SIP.**

## Appendix 1 – ESG, Voting and Engagement Policies

Links to the voting and responsible investment policies for both the Fiduciary Manager and Underlying Investment Managers of the Scheme's actively managed holdings can be found here:

| Investment Manager | Underlying Investment Manager | Voting Engagement Policy                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    |                               | <a href="https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf">https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf</a>                                                                                                                                                                          |
|                    | Schroders Solutions           | <a href="https://www.schroders.com/en/global/intermediary/what-we-do/sustainable-investing/active-ownership/our-engagement-blueprint/">https://www.schroders.com/en/global/intermediary/what-we-do/sustainable-investing/active-ownership/our-engagement-blueprint/</a>                                                                                                                                        |
|                    | Morant Wright                 | <a href="https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf">https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf</a>                                                                                                                                                                                                                            |
|                    | FSSA                          | <a href="https://www.fssaim.com/uk/en/private/sustainability/our-approach-to-sustainability.html">https://www.fssaim.com/uk/en/private/sustainability/our-approach-to-sustainability.html</a>                                                                                                                                                                                                                  |
|                    | Redwheel                      | <a href="https://www.redwheel.com/uk/en/institutional/?kurtosys_download=12113">https://www.redwheel.com/uk/en/institutional/?kurtosys_download=12113</a>                                                                                                                                                                                                                                                      |
|                    | Lumyna Marshall Wace          | <a href="https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf">https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf</a>                                                                                                                                                                                                                                                                  |
|                    | JP Morgan                     | <a href="https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf">https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf</a><br><a href="#">Engagement-and-proxy-voting-statement.pdf</a> |
|                    | T Rowe Price                  | <a href="https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf">https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf</a>                                                                                                                                                                                                            |
|                    | Oaktree                       | <a href="https://www.oaktreecapital.com/docs/default-source/default-document-library/esg-policy-2024.pdf">https://www.oaktreecapital.com/docs/default-source/default-document-library/esg-policy-2024.pdf</a>                                                                                                                                                                                                  |
|                    | Neuberger Berman              | <a href="https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0name=Stewardship%20and%20Engagement%20Policy">https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0name=Stewardship%20and%20Engagement%20Policy</a>                                                                                                                                    |