NEWTON
The Power of Ideas

Jane Leavens
Corporate Law & Government Directorate
Department for Business, Innovation and Skills
1 Victoria Street
London
SW1H 0ET

22 October 2010

Dear Ms Leavens

Newton Investment Management manages c. £42bn on behalf of institutional, retail, charity and private investors. Newton has a well established approach to responsible investment, which is integral to its investment process. Newton's considered approach to understanding the environmental, social and corporate governance matters of its investee companies ensures that these challenges are understood in the context of a company's business strategy.

Newton has chosen not to make a detailed consultation submission on the future of narrative Reporting. Rather, we are writing to you to indicate Newton's full support of the Investment Management Association's consultation submission, sent to the Department for Business, Innovation and Skills on the 19 October 2010 (copy attached).

Newton supports the view that making disclosure requirements more prescriptive could engender a mechanistic, box-ticking approach aimed at compliance rather than providing any additional meaningful information to shareholders.

In particular, Newton does not support a mandatory shareholder's advisory vote on the Business Review. It is feared that this would encourage a standardised set of responses by companies which may be harmful to the quality or usefulness of corporate reporting. Reporting should be tailored to the circumstances of each company and have the flexibility to encourage meaningful disclosure.

We hope that you find this letter useful in highlighting Newton's views. Please do not hesitate to contact us should you wish to discuss this in greater detail.

Yours sincerely

Amanda Young
SRI Officer

Ian Burger
Corporate Governance Officer

Enc

BNY MELLON
ASSET MANAGEMENT

Newton Investment Management Limited (NIM), The Bank of New York Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA
Direct +44 (0)20 7163 0207166543 Switchboard +44 (0)20 7163 9000 Fax +44 (0)20 7163 5532
NIM: Registered in England number 1371973. Registered office: as above
Authorised and regulated by the Financial Services Authority. www.newton.co.uk