

The PGS (UK) Pension Fund ('the Scheme') – Implementation Statement 1st January 2023 – 31st December 2023

An Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Department for Work and Pensions for the period from 1st January 2023 – 31st December 2023 ('the Scheme Year').

The Scheme's reporting period for each fund is the holding period of that fund across the Scheme Year.

The Statement sets out how, and the extent to which, the Trustee's policy in relation to exercising voting rights has been followed during the year by describing the voting behaviour on behalf of the Trustee of the Scheme.

The Trustee has appointed Minerva Analytics ('Minerva') to obtain voting and investment engagement information ('VEI') on the Scheme's behalf.

This Statement includes Minerva's report on key findings on behalf of the Trustee over the Scheme Year.

A summary of the key points is set out below.

Bailie Gifford

Minerva was able to confirm that Bailie Gifford followed the Trustee's voting and engagement policies. Minerva concluded that Bailie Gifford's voting policies and disclosures broadly comply with the International Corporate Governance Network ('ICGN') Voting Guidelines Principles and good corporate governance practices. There were minor divergences from good practice in Auditing & Reporting, and Remuneration. Baillie Gifford provided detailed fund-level information on engagements that was in line with the Scheme's reporting period. Minerva was able to confirm that Baillie Gifford's activity appeared to broadly comply with their own engagement approach, and so complies with the Scheme's approach.

BNY Mellon (Newton)

Newton confirmed they do not have a formal proxy voting policy for bond investments. In instances where bonds have voting rights, typically in relation to corporate actions, a case-by-case approach to determine the votes to cast is adopted. Given the nature of the investments in this Fund, Minerva has concluded that the manager's approach is in the best financial interest of the Scheme beneficiaries. Newton provided detailed fund-level information on engagements that was in line with the Scheme's reporting period. From this Minerva was able to confirm that the activity appeared to broadly comply with Newton's own engagement approach, and so complies with the Scheme's approach.

LGIM

Minerva confirmed that the manager's voting policies and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices. The manager voted at nearly all investee company meetings, this has followed the Trustee's voting and engagement policy. LGIM's provided basic fund-level engagement information in line with the Scheme's reporting period. Minerva was able to confirm that LGIM's activity broadly complied with its own engagement approach, and so complies with the Scheme's approach. There was no voting or engagement information provided for the All Stocks Index-Linked Gilts Index Fund, Over 15 Years Index-Linked Gilts Index Fund, All Stocks Gilts Index Fund and, Over 15 Years Gilts Index Fund due to the nature of the underlying holdings. The Investment Grade Corporate Bonds Over 15 Years Fund had no voting

information due to the nature of the underlying holdings, however they do have information on engagements with corporate issuers in the Fund.

AVCs

The Scheme holds AVCs, and the Trustee has determined that they will not be covered in this Statement on the grounds of materiality.

Annuities

The Scheme invests in an annuity and given the nature of the policy, the Trustee's view is that voting and engagement practices of the provider does not need to be covered.

Final Comments

In previous years, engagement data has been sourced for managers at firm-level where none was provided at an individual fund-level. Where this data had been sourced, the relevant manager was assessed to be 'compliant' with their own engagement approach and therefore the Trustee's. This was considered reasonable in the early stages of implementation statement reporting but as reporting has developed, it would no longer be appropriate to do this. We believe all managers should be capable of providing detailed fund-level engagement information that is in line with the Scheme's reporting period. A manager that cannot provide fund specific information in a timely manner will be assessed as 'non-compliant' to incentivise them to improve their reporting. Minerva has given notice of this to all 'non-compliant' managers.

Since last year, Newton and Baillie Gifford have continued to provide good levels of information.

LGIM have improved by providing fund-level engagement information where this had previously been provided at firm-level, however further improvement is required by providing detailed engagement information.

The PGS (UK) Pension Fund

Spence and Partners Ltd

Implementation Statement (IS): Voting & Engagement Information (VEI) Report

Scheme Reporting Period:

1st January 2023 to 31st December 2023

3rd April 2024

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1 SIP Disclosures

This section sets out the policies in the Statement of Investment Principles ('SIP') in force at the Scheme year-end relating to the following:

1. Financially Material Considerations
2. Non-Financial Considerations
3. Investment Manager Arrangements

Stewardship - including the exercise of voting rights and engagement activities - is set out in the 'Voting and Engagement' section.

Source of Information:

*The PGS (UK) Pension Fund
Statement of Investment Principles
June 2023*



1.1 Financially Material Considerations

The Trustee has considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. It believes that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes it is investing in.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds. The Trustee acknowledges that it cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest. However, the Trustee does expect its investment managers and investment consultant to take account of financially material considerations when carrying out their respective roles.

The Trustee accepts that the Scheme's assets are subject to the each of the investment manager's own policy on socially responsible investment. The Trustee will assess that this corresponds with its responsibilities to the beneficiaries of the Scheme with the help of its investment consultant.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new managers and these policies are also reviewed regularly for existing managers with the help of the investment consultant. The Trustee will only invest with investment managers that are signatories for the United Nations Principles of Responsible Investment ('UN PRI') or other similarly recognised standards.

The Trustee will monitor financially material considerations through the following means:

- Obtain training where necessary on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and their investments;
- Use ESG ratings information provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues; and
- Request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes, via its investment consultant.

If the Trustee determines that financially material considerations have not been factored into the investment managers' process, it will take this into account on whether to select or retain an investment

1.2 Non-Financial Considerations

The Trustee has not considered non-financial material matters in the selection, retention and realisation of investments.

1.3 Investment Manager Arrangements

Incentives to align investment managers' investment strategies and decisions with the Trustee's policies

The Scheme invests in pooled funds and so the Trustee acknowledges that the funds' investment strategies and decisions cannot be tailored to the Trustee's policies. However, the Trustee sets its investment strategy and then selects managers that best suits its strategy taking into account the fees being charged, which acts as the investment managers' incentive. The Trustee uses the fund objective/benchmark as a guide on whether its investment strategy is being followed and monitors this regularly.

Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The Trustee selects managers based on a variety of factors including investment philosophy and process, which it believes should include assessing the long term financial and non-financial performance of the underlying company.

The Trustee also considers the managers' voting and ESG policies and how they engage with a company as it believes that these factors can improve the medium to long-term performance of the investee companies.

The Trustee will monitor the managers' engagement and voting activity on an annual basis as it believes this can improve long term performance. The Trustee expects its managers to make every effort to engage with investee companies but acknowledges that the managers' influence may be more limited in some asset classes, such as bonds, as they do not have voting rights.

The Trustee acknowledges that in the short term, these policies may not improve the returns it achieves, but does expect by investing in those companies with better financial and non-financial performance over the long term that this will lead to better returns for the Scheme.

The Trustee believes that the annual fee paid to the investment managers incentivises them to do this.

If the Trustee feels that the investment managers are not assessing financial and non-financial performance or adequately engaging with the companies they are investing in, it will use these factors in deciding whether to retain or terminate a manager.

How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the Trustee's policies

The Trustee reviews the performance of each fund quarterly on a net of fees basis compared to its objective. The Trustee assesses the performance periods of the funds, where possible, over at least a 3-5 year period when looking to select or terminate a manager, unless there are reasons other than performance that need to be considered. The investment managers' remuneration is considered as part of the manager selection process and is also monitored regularly with the help of its investment consultant to ensure it is in line with the Trustee's policies.

How the Trustee monitors portfolio turnover costs incurred by the investment managers, and how they define and monitor targeted portfolio turnover or turnover range

The Trustee monitors the portfolio turnover costs on an annual basis.

The Trustee defines target portfolio turnover as the average turnover of the portfolio expected in the type of strategy the manager has been appointed to manage. This is also monitored on an annual basis.

The Trustee has delegated the responsibility of monitoring portfolio turnover costs and target portfolio turnover to its investment consultant.

The duration of the arrangement with the investment managers

The Trustee plans to hold each of its investments for the long term but will keep this under review.

Changes in investment strategy or change in the view of the investment managers can lead to the duration of the arrangement being shorter than expected.

2 Sourcing of Voting and Engagement Information

This section sets out the availability of the information Minerva initially requested from the Scheme's managers, to facilitate the preparation of this report:

Table 2.1: Summary of Available Information

Fund Manager	Investment Fund/Product	Voting Information	Significant Votes	Engagement Information
Baillie Gifford	Emerging Markets Leading Companies Fund	Full Info Available	Full Info Available	Full Info Available
BNY Mellon	Newton Global Dynamic Bond Fund	Full Info Available	No Info to Report	Full Info Available
LGIM*	All Stocks Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	All Stocks Index-Linked Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Dynamic Diversified Fund	Full Info Available	Full Info Available	Part Info Available
	Global Real Estate Equity Fund	Full Info Available	Full Info Available	Part Info Available
	Investment Grade Corporate Bonds Over 15 Years Fund	No Info to Report	No Info to Report	Part Info Available
	Over 15 Years Index-Linked Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Over 15 Years Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	World Equity Index Fund (GBP hedged variant)	Full Info Available	Full Info Available	Part Info Available

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

Full Info Available	The manager has provided either a PLSA Voting Template or voting data that precisely matches the specific investment's holding / reporting period
Part Info Available	The manager has provided either a PLSA Voting Template or voting data that partially matches the specific investment's holding / reporting period
No Info to Report	The manager has explicitly stated that there is no voting or engagement information to report for this specific investment or that it is not expected there will be any voting or engagement information to report due to the nature of the underlying investments
No Info Provided	At the time of preparing this report, the manager has either not formally responded to the information request or has not provided information when we believe there should be information to report



Minerva Says:

Voting Activity

There was voting information disclosed for the Scheme's investments in the following funds:

- Baillie Gifford Emerging Markets Leading Companies Fund
- BNY Mellon Newton Global Dynamic Bond Fund
- LGIM Dynamic Diversified Fund
- LGIM Global Real Estate Equity Fund
- LGIM World Equity Index Fund (GBP hedged variant)

Significant Votes

There was 'Significant Vote' information disclosed for the Scheme's investments in the following funds:

- Baillie Gifford Emerging Markets Leading Companies Fund
- LGIM Dynamic Diversified Fund
- LGIM Global Real Estate Equity Fund
- LGIM World Equity Index Fund (GBP hedged variant)

Engagement Activity

There was reportable engagement information provided for the Scheme's investments with the following managers:

- Baillie Gifford Emerging Markets Leading Companies Fund
- BNY Mellon Newton Global Dynamic Bond Fund
- LGIM Dynamic Diversified Fund
- LGIM Global Real Estate Equity Fund
- LGIM Investment Grade Corporate Bonds Over 15 years Fund
- LGIM World Equity Index Fund (GBP hedged variant)

3 Voting and Engagement

The Trustee is required to disclose the voting and engagement activity over the Scheme year. The Trustee have used Minerva Analytics ('Minerva') to obtain voting and investment engagement information (VEI) on the Scheme's behalf.

This statement provides a summary of the key information and summarizes Minerva's findings on behalf of the Scheme over the Scheme's reporting year.

The voting and engagement activity undertaken by the Scheme's managers, as reported by them and set out in this document, has been in the scheme members' best interests inasmuch that it demonstrates that the Scheme's managers have undertaken stewardship activity they deem to be appropriate and proportionate in the oversight and management of the Scheme's investments.

3.1 Voting and Engagement Policy and Funds

The Trustee's policy on Stewardship from the Scheme's SIP is set out below:

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustee believes this will be beneficial to the financial interests of members over the long term. The Trustee will review the investment managers' voting policies, with the help of its investment consultant, and decide if they are appropriate.

The Trustee also expects the investment managers to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustee will engage with the investment manager, with the help of its investment consultant, to influence the investment manager's policy. If this fails, the Trustee will review the investments made with the investment manager.

The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and expects investment managers to adhere to this where appropriate for the investments they manage.

The following table sets out:

- The funds and products in which the Scheme was invested during the Scheme's reporting period;
- The holding period for each fund or product; and
- Whether each investment manager made use of a 'proxy voter', as defined by the Regulations

Table 3.1: Scheme Investment/Product Information

Fund Manager	Investment Fund/Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
Baillie Gifford	Emerging Markets Leading Companies Fund	Mobius Platform	DB Fund	01/01/2023	31/12/2023	Glass Lewis/ISS
BNY Mellon	Newton Global Dynamic Bond Fund	Mobius Platform	DB Fund	01/01/2023	31/12/2023	N/A
LGIM	Dynamic Diversified Fund	Mobius Platform	DB Fund	01/01/2023	31/12/2023	ISS
	Global Real Estate Equity Fund	Mobius Platform	DB Fund	01/01/2023	31/12/2023	ISS
	Investment Grade Corporate Bonds Over 15 Years Fund	Mobius Platform	DB Fund	01/01/2023	31/12/2023	N/A
	Over 15 Years Index-Linked Gilts Index Fund	Mobius Platform	DB Fund	01/01/2023	31/12/2023	N/A
	World Equity Index Fund (GBP hedged variant)	Mobius Platform	DB Fund	01/01/2023	31/12/2023	ISS
	All Stocks Gilts Index Fund	Mobius Platform	DB Fund	01/01/2023	31/12/2023	N/A

Minerva Says

As shown in the table above:

- Baillie Gifford identified Glass Lewis and ISS, or Institutional Shareholder Services, as their 'Proxy Voter'
- LGIM identified 'ISS' as their 'Proxy Voter'
- The investments shown as 'N/A' had no listed equity voting activity associated with them, and so had no need for a proxy voter

4 Exercise of Voting Rights

The following tables show a comparison of each of the Scheme's relevant manager(s) voting activity versus the Trustee's policy (which in this instance is the manager's own policy):

Table 4.1: Baillie Gifford's Approach to Voting

Asset manager	Baillie Gifford
Relevant Scheme Investment(s)	Emerging Markets Leading Companies Fund

Baillie Gifford's Stewardship Principles and Guidelines sets out Baillie Gifford's stewardship approach and how they integrate environmental, social and governance (ESG) matters into their investment process. They say: *'As a private partnership, we know from our own experience how critical ownership structures and corporate cultures can be to the success and longevity of a business. Too often in asset management, active ownership or 'stewardship' and ESG matters are an afterthought. As a truly long-term investor these issues are central to how Baillie Gifford invests, how we manage our own affairs and how we interact with our clients.'*

Baillie Gifford's Voting Policy is built on the following 5 Policy Areas:

Key Points of Manager's Voting Policy

#	Policy Area	Example of Topics Covered
1	Prioritisation of Long-Term Value Creation	Equity Issuance; Share Repurchase; Allocation of Income & Dividends; Mergers, Acquisitions and Disposals; Political Donations
2	A Constructive and Purposeful Board	Board Effectiveness; Board Composition; Roles of Chair, Chief Executive and Senior/Lead Independent Director; Director Tenure
3	Long-term Focused Remuneration with Stretching Targets	Long Term Incentive Plans (LTIP), Remuneration of Directors
4	Fair Treatment of Stakeholders	Annual General Meetings; Director Elections; Auditors; Proxy Access; 'Poison Pill' Anti-Takeover Devices; Articles of Association; Shareholder Resolutions; Bundled Resolutions; Related Party Transactions; Multi Class Share Structures; Disclosure.
5	Sustainable Business Practices	Diversity & Inclusion; Combating Bribery and Corruption; Human Rights and Labour Rights; Climate Change and other Environmental Impacts and Risks; Nature & Biodiversity.

Baillie Gifford produce [quarterly reports](#) disclosing their latest voting information, at firm level.

Is Voting Activity in Line with the Scheme's Policy?	Yes
	Some examples of the manager's voting activity are provided in Section 7 – Significant Votes

Table 4.2: BNY Mellon's Approach to Voting

Asset manager	BNY Mellon (Newton)
Relevant Scheme Investment(s)	Global Dynamic Bond Fund
Key Points of Manager's Voting Policy	BNY Mellon have confirmed to us that they do not have a formal bond voting policy as such. Typically, bonds do not have the same kind of voting rights associated with them as listed equities. Any votes cast tend to be in relation to corporate actions that require a case-by-case approach to determine the votes to cast.
Is Voting Activity in Line with the Scheme's Policy?	Yes
	By voting in the specific manner that they have in relation to corporate actions on investments, we believe that the manager is doing so in the best financial interests of the Scheme beneficiaries.

Table 4.3: LGIM's Approach to Voting

Asset manager	LGIM (Legal & General Investment Management)
Relevant Scheme Investment(s)	<ul style="list-style-type: none"> Dynamic Diversified Fund Global Real Estate Equity Fund World Equity Index Fund (GBP hedged variant)
Key Points of Manager's Voting Policy	<p>LGIM's Corporate Governance and Responsible Investing Policy sets out what the manager considers to be corporate governance best practice. It explains their expectations with respect to topics they believe are essential for an efficient governance framework, and for building a sustainable business model. LGIM expects all companies to closely align with their principles, or to engage with them where circumstances prevent them from doing so.</p> <p>LGIM's voting policy is built on the assessment of 5 key policy areas:</p>

#	Policy Area	Example of Topics Covered
1	Company Board	Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation
2	Audit, Risk & Internal Control	External Audit, Internal Audit and Whistleblowing
3	Remuneration	Fixed Remuneration, Incentive Arrangements and Service Contracts and Termination Payments
4	Shareholder & Bondholder Rights	Voting Rights and Share-class Structures, Shareholder Proposals and Political Donations
5	Sustainability	Material ESG Risks & Opportunities, Target Setting, Public Disclosure and Engagement

The manager disclosed on their [website](#) how they have voted on the companies in which they invest on a monthly basis, including the rationale for votes against management. The information provided is at firm, rather than fund or product, level.

Is Voting Activity in Line with the Scheme's Policy?

Yes

Some examples of the manager's voting activity are provided in Section 7 – Significant Votes

Minerva Says

- BNY Mellon (Newton) have confirmed that they do not have a formal bond voting policy.
- Both Baillie Gifford and LGIM's clearly set out how they approach their stewardship responsibilities for listed companies on behalf of their clients. In our view the available information demonstrates clear and thoughtful approaches from the firms.
- From the information available, we believe that the managers approaches are consistent with the Scheme's voting approach expectations of its investment managers.

5 Manager Voting Policy

As the current approach of the Scheme is to use the voting policy of the external asset managers, it is important that these policies are independently reviewed to ensure that they match current good practice and the general stewardship expectations set by the Scheme. Well-managed companies that operate in a commercially, socially and environmentally responsible manner are expected to perform better over the longer term, as the Scheme believe that adopting such an approach will allow each company's management to identify, address and monitor the widest range of risks associated with their specific business.

Set out in the following table is Minerva's independent assessment of the Scheme's managers' publicly available voting policies, in the context of current good practice as represented by the ICGN Voting Guidelines, whilst also bearing the Scheme's stewardship expectations in mind. This has been done for each manager where they have identified voting activity on behalf of the Scheme.

We have assessed each manager's policy individually, looking at it from Minerva's perspective of seven 'Voting Policy Pillars' that are at the core of our proxy voting research process, and which we have developed over the last 25 years. In using this well-tried approach, the Scheme can be sure that their investment managers voting policies are being carefully considered against current good practice.

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
Baillie Gifford	Limited Disclosures	Aligned	Aligned	Aligned	Limited Disclosures	Aligned	Aligned
Comments	<p>Audit & Reporting – Baillie Gifford have shown a medium level of sensitivity to issues related to Audit & Reporting based on its voting policy disclosures. There is a lack of specific disclosure on the approach taken by the manager in areas of concern such as the assessment of investee companies' internal control systems and internal audit function. Furthermore, the manager's published voting policy does not contain a clear position on key areas concerning the level of non-audit fees paid to the external auditor and reporting expectations on Corporate Social Responsibilities.</p> <p>Remuneration – Baillie Gifford's public voting policy does not provide a full view on transparency disclosures expected by the manager on remuneration practices. Baillie Gifford has not provided specific details of its positions with regards to the issues surrounding executive directors' service contracts and notice periods and it has not disclosed whether they support a minimum shareholder level for executive directors, during their tenure and post-mandate.</p>						
BNY Mellon (Newton)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
<i>Comments</i>	BNY Mellon have confirmed that they do not have a formal bond voting policy. Typically, bonds do not have the same kind of voting rights associated with them as listed equities. Any votes cast tend to be in relation to corporate actions that require a case-by-case approach to determine the votes to cast.						
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
<i>Comments</i>	LGIM's voting policy and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices.						

Table Key

Aligned	This aspect of the manager's voting policy is aligned with good practice
Limited Disclosures	This policy pillar could only be partially assessed on the information available in the manager's voting policy
No Disclosures	This policy pillar could not be assessed due to a lack of information in the manager's voting policy
Not Available	The manager's voting policy was not disclosed for analysis by Minerva

Minerva Says

For the Scheme's managers that responded to our information requests by providing voting information:

- BNY Mellon (Newton) confirmed that they do not have a formal voting policy for bond investments.
- Baillie Gifford's and LGIM's voting policies are, in our view, broadly in line with good practice, and are what we would expect to see from such large asset stewards.

6 Manager Voting Behaviour

The Trustee believes that responsible oversight of investee companies is a fundamental duty of good stewardship. As such, it expects the Scheme's managers to vote at the majority of investee company meetings every year, and to provide sufficient information as to allow for the independent assessment of their voting activity.

The table below sets out the voting behaviour as disclosed by the each of the Scheme's managers:

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
Baillie Gifford	Emerging Markets Leading Companies Fund	67	645	90.5%	92.8%	5.0%	2.2%
	Comments						
	<p>The manager provided a summarised voting record for the Emerging Markets Leading Companies Fund that covered the Scheme's reporting period.</p> <p>From the summarised information provided, we can see that the manager voted at almost all eligible investee company meetings for the Fund, which is in line with the Trustee's expectations of its managers.</p>						
BNY Mellon	Newton Global Dynamic Bond Fund	2	20	100.0%	100.0%	0.0%	0.0%
	Comments						
	<p>The manager provided a summarised voting record for the Newton Global Dynamic Bond Fund that covered the Scheme's reporting period.</p> <p>From the summarised information provided, we can see that the manager voted at all eligible investee company meetings for the Fund, which is in line with the Trustee's expectations of its managers.</p>						
LGIM	Dynamic Diversified Fund	9,871	101,264	99.8%	76.6%	23.2%	0.3%
	Global Real Estate Equity Fund	399	4,368	99.7%	78.8%	21.2%	0.0%
	World Equity Index Fund (GBP hedged variant)	3,055	37,810	99.9%	78.9%	20.9%	0.1%

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
	Comments						
	<p>The manager provided a summarised voting record for the Dynamic Diversified Fund, Global Real Estate Equity Fund and World Equity Index Fund (GBP hedged variant) that covered the Scheme's reporting period.</p> <p>From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for the 3 Funds, which is in line with the Trustee's expectations of its managers.</p>						

Table Key

Available Information matches the Scheme's specific reporting period / investment holding period

Available Information is for a different period than the Scheme's reporting period / investment holding period

Information was not provided by the manager

Not Applicable

Minerva Says

For the Scheme's managers where voting data was provided in response to our information requests, we believe that they have followed the Scheme's requirements in relation to voting activity, as stated in the Scheme's SIP:

'The Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.'

7 Significant Votes

Set out in the following section are 5 examples of the Scheme's manager(s) voting behaviour from the relevant fund(s) in which the Scheme was invested. A 'Significant Vote' relates to any resolution at a company that meets one of the following criteria:

1. Identified by the manager themselves as being of significance;
2. Contradicts local market best practice (e.g., the UK Corporate Governance Code in the UK);
3. Is one proposed by shareholders that attracts at least 20% support from investors;
4. Attracts over 10% dissenting votes from shareholders.

Where the manager has not provided sufficient data to identify 'Significant Votes' based on criteria 2-4 above, we have used manager-identified examples:

Table 7.1 Baillie Gifford's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	EM Leading Companies Fund	PT BANK RAKYAT INDONESIA (PERSERO) TBK	13/03/23	2.64%	Remuneration	Against	The resolution passed
Why a 'Significant Vote?							
This resolution is significant because we opposed remuneration.							
Manager's Vote Rationale:							
We opposed the remuneration for the board as independent directors and commissioners receive incentive-based pay which we believe could compromise their objectivity.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
Not stated.							
Next Steps / Implications of the Outcome:							

We have been opposing remuneration since 2018 due to independent directors receiving incentive-based pay. We continue to encourage the company to remunerate directors through a fixed fee however so far have not been successful in our engagement efforts.

Relevance to Manager's Stated Policy:

Prioritisation of Long-Term Value Creation	A Constructive and Purposeful Board	Long-term Focused Remuneration with Stretching Targets	Fair Treatment of Stakeholders	Sustainable Business Practices
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We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	EM Leading Companies Fund	B3 SA - BRASIL BOLSA BALCAO	27/04/23	1.21%	Elect Director(s)	Against	The resolution failed

Why a 'Significant Vote?

This resolution is significant because we opposed the election of a director.

Manager's Vote Rationale:

We opposed a resolution to confer our votes on unknown directors should the slate of directors change.

Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?

No.

Next Steps / Implications of the Outcome:

We opposed a resolution to confer our votes on unknown directors should the slate of directors change. We routinely oppose these resolutions.

Relevance to Manager's Stated Policy:

Prioritisation of Long-Term Value Creation	A Constructive and Purposeful Board	Long-term Focused Remuneration with Stretching Targets	Fair Treatment of Stakeholders	Sustainable Business Practices			
We believe this voting activity is consistent with the manager’s stated Policy, and so is also consistent with the Scheme's approach							
Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	EM Leading Companies Fund	PT BANK RAKYAT INDONESIA (PERSERO) TBK	13/03/23	2.64%	Elect Director(s)	Against	Not stated
Why a ‘Significant Vote’?							
This resolution is significant because we opposed the election of a director.							
Manager’s Vote Rationale:							
We opposed the changes to the composition of the company's management due to lack of disclosure of the changes.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
We opposed the changes to the composition of the company's management due to lack of disclosure of the changes. Whilst this is common practice Indonesia, we are uncomfortable voting on a proposal where we do not have all the information to make an informed decision. We continue to encourage the board to disclose this information in advance of the AGM.							
Relevance to Manager’s Stated Policy:							
Prioritisation of Long-Term Value Creation	A Constructive and Purposeful Board	Long-term Focused Remuneration with Stretching Targets	Fair Treatment of Stakeholders	Sustainable Business Practices			
We believe this voting activity is consistent with the manager’s stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	EM Leading Companies Fund	CEMEX, S.A.B. DE C.V.	23/05/23	2.59%	Elect Director(s)	Against	The resolution passed
Why a 'Significant Vote?							
This resolution is significant because we opposed the election of a director.							
Manager's Vote Rationale:							
We opposed four resolutions relating to the election of two independent directors to the board and board committees. These directors both have long tenures which we believe could act to compromise their independence.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
We have long standing concerns with board diversity at CEMEX. We opposed the election of directors last year due to these concerns and given the continued lack of progress in this regard we took the decision to take voting action again and opposed the re-election of two independent directors due to their excessive tenures.							
Relevance to Manager's Stated Policy:							
Prioritisation of Long-Term Value Creation	A Constructive and Purposeful Board		Long-term Focused Remuneration with Stretching Targets		Fair Treatment of Stakeholders	Sustainable Business Practices	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	EM Leading Companies Fund	CEMEX, S.A.B. DE C.V.	23/05/23	2.59%	Elect Director(s)	Against	The resolution passed
Why a 'Significant Vote?							
This resolution is significant because we opposed the election of a director.							
Manager's Vote Rationale:							
We opposed two resolutions relating to the election of an independent director to the board and a board committee. The director serves on six other public boards as well as serving on the company's board. We are concerned that he is overcommitted and does not have sufficient time to effectively discharge his duties at CEMEX.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
We have long standing concerns with board diversity at CEMEX. We opposed the election of directors last year due to these concerns and given the continued lack of progress in this regard we took the decision to take voting action again and opposed the re-election of two independent directors due to their excessive tenures.							
Relevance to Manager's Stated Policy:							
Prioritisation of Long-Term Value Creation	A Constructive and Purposeful Board		Long-term Focused Remuneration with Stretching		Fair Treatment of Stakeholders	Sustainable Business Practices	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Table 7.2 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Pearson Plc	28/04/23	0.04%	Resolution 12 – To approve the remuneration policy	Against	53.6% of votes cast were in support of the resolution
Why a 'Significant Vote?							
Pre-declaration Engagement: LGIM considers this vote to be significant as it is in application of an escalation of our engagement activity. LGIM has had reason to vote against pay for more than one year.							
Manager's Vote Rationale:							
At LGIM, we continue to review and strengthen our executive pay principles to improve pay practices and help companies better align pay with long-term performance. The company consulted with LGIM in advance of the publication of their remuneration policy to propose some changes to executive pay. The changes centered around the fact that their CEO is based in the US and should therefore be compensated in line with US peers. Thus, there was a higher proposed annual bonus opportunity and long term incentive award. Our main concern was that although the company wants to align the CEO's salary with US peers, they have elected to use UK practices when it comes to his pension. This would result in a pension provision of 16% of salary, which is more than his US peers typically receive. We plan to vote against the policy because we feel the company should not pick and choose the regions (UK/US) to set executive pay based on which region offers the highest opportunity.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with the company and monitor progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	American Water Works Company, Inc.	10/05/23	0.18%	Resolution 5 - Oversee and Report a Racial Equity Audit	For	Not stated
Why a 'Significant Vote?							
Thematic - Diversity: LGIM considers this shareholder proposal significant as we view gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights	Sustainability	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Mapletree Logistics Trust	18/07/23	0.03%	Resolution 1 - Adopt Report of the Trustee, Statement by the Manager, Audited Financial Statements and Auditors' Report	Against	Not stated
Why a 'Significant Vote?							
Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.							
Manager's Vote Rationale:							
Climate Impact Pledge: The company is deemed to not meet minimum standards with regards to climate transition, risk management and disclosure. Climate change is one of the defining issues of our time. In recognition of its potentially catastrophic outcomes for the world – and our clients' assets – we support efforts to limit carbon emissions to net zero by 2050. Where company's do not meet our expectations we will hold the Chair responsible for the lack of action. We assess the company's climate transition, risk management and disclosure under LGIM's Climate Impact Pledge methodology. More information on LGIM's Climate Impact Pledge can be found on our website: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board	Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote		
LGIM	Dynamic Diversified Fund	Shell Plc	23/05/23	0.28%	Resolution 25 - Approve the Shell Energy Transition Progress	Against	80% of votes cast were in support of the resolution		
Why a ‘Significant Vote?									
Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.									
Manager’s Vote Rationale:									
Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company’s leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.									
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?									
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.									
Next Steps / Implications of the Outcome:									
LGIM continues to undertake extensive engagement with Shell on its climate transition plans									
Relevance to Manager’s Stated Policy:									
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability	
We believe this voting activity is consistent with the manager’s stated Policy, and so is also consistent with the Scheme's approach									

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote		
LGIM	Dynamic Diversified Fund	Eversource Energy	03/05/23	0.15%	Resolution 1.9 - Elect Director Joseph R. Nolan, Jr.	Against	71.4 % of votes cast were in support of the resolution		
Why a 'Significant Vote?									
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).									
Manager's Vote Rationale:									
Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.									
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?									
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.									
Next Steps / Implications of the Outcome:									
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.									
Relevance to Manager's Stated Policy:									
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach									

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Real Estate Equity Fund	Covivio SA	20/04/23	0.19%	Resolution 22 - Approve Company's Climate Transition Plan (Advisory)	Against	Not stated
Why a 'Significant Vote?							
Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.							
Manager's Vote Rationale:							
Climate change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	
						Sustainability	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Real Estate Equity Fund	Kimco Realty Corporation	25/04/23	0.77%	Resolution 1f - Elect Director Mary Hogan Preusse	Against	81.7% of votes cast were in support of the resolution
Why a ‘Significant Vote?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager’s Vote Rationale:							
Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executives officers to include at least 1 female.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager’s Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager’s stated Policy, and so is also consistent with the Scheme’s approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote		
LGIM	Global Real Estate Equity Fund	Realty Income Corporation	23/05/23	2.5%	Resolution 1h - Elect Director Michael D. McKee	Against	95.1% of votes cast were in support of the resolution		
Why a 'Significant Vote?									
Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/									
Manager's Vote Rationale:									
Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.									
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?									
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.									
Next Steps / Implications of the Outcome:									
LGIM will continue to engage with the company and monitor progress.									
Relevance to Manager's Stated Policy:									
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach									

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Real Estate Equity Fund	Entra ASA	25/04/23	0.3%	Resolution 5 - Accept Financial Statements and Statutory Reports; Approve Allocation of Income and Dividends	Against	Not stated
Why a ‘Significant Vote?							
Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/							
Manager's Vote Rationale:							
Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with the company and monitor progress.							
Relevance to Manager’s Stated Policy:							
Company Board	Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager’s stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote		
LGIM	Global Real Estate Equity Fund	Equity LifeStyle Properties, Inc.	25/04/22	0.78%	Resolution 1.10 - Elect Director Samuel Zell	Withhold	92.9% of votes cast were in support of the resolution		
Why a 'Significant Vote?									
Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/									
Manager's Vote Rationale:									
Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.									
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?									
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.									
Next Steps / Implications of the Outcome:									
LGIM will continue to engage with the company and monitor progress.									
Relevance to Manager's Stated Policy:									
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach									

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund (GBP hedged variant)	Exxon Mobil Corporation	31/05/23	0.69%	Resolution 12: Shareholder resolution calling for a Report on Asset Retirement Obligations Under IEA Net Zero Emissions Scenario	For	84% of votes cast were against the resolution
Why a 'Significant Vote?							
Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.							
Manager's Vote Rationale:							
Together with CBIS, LGIMA has co-filed a shareholder resolution asking for more transparency on the retirement costs of Exxon's asset base. In our view, this is a highly relevant and financially material matter, and by filing this proposal we are seeking greater clarity into the potential costs Exxon may incur in the event of an accelerated energy transition.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, there was regular communication with the company ahead of the meeting.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with the company and monitor progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund (GBP hedged variant)	Schneider Electric SE	04/05/23	0.14%	Resolution 17 - Approve Company's Climate Transition Plan	Against	Not stated
Why a 'Significant Vote?							
Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.							
Manager's Vote Rationale:							
Climate change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	
						Sustainability	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund (GBP hedged variant)	Abbott Laboratories	28/04/23	0.28%	Resolution 1.1 - Elect Director Robert J. Alpern	Against	96.8% of votes cast were in support of the resolution
Why a ‘Significant Vote’							
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).							
Manager’s Vote Rationale:							
Joint Chair/CEO: A vote against is applied as LGIM expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager’s Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager’s stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund (GBP hedged variant)	Treasury Wine Estates Limited	16/10/23	0.01%	Resolution 3 - Approve Remuneration Report	Against	The resolution passed
Why a 'Significant Vote?							
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.							
Manager's Vote Rationale:							
Remuneration: Performance conditions: A vote against is applied as the level of disclosures in respect of performance conditions does not allow shareholders to make a fully informed assessment of remuneration. Remuneration - Discretion: A vote against is applied as the company has applied discretion to enable an award to vest that would have lapsed due to not meeting the performance conditions that were previously set. LGIM does not consider the rationale for the discretion to be sufficiently robust. A vote AGAINST the remuneration report is warranted given the following corporate governance concerns:- Medium level of concern in quantitative pay for performance analysis, suggesting that pay is not well aligned with performance and shareholder returns.- Upward discretion was exercised by the board to adjust the ROCE outcome to 92 percent of maximum, despite disclosure indicating that the threshold hurdle was not achieved.- Inferior and absent disclosure of quantified and specific performance targets and outcomes in the STI.- The individual performance multiplier continues to be utilized, which appears to be based on discretionary assessment of core 'day job' responsibilities of executives.- The Chair and directors continue to receive increases in fees despite their fees being above the median of similar sized companies by market capitalisation and industry peers.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund (GBP hedged variant)	Domino's Pizza, Inc..	25/04/23	0.02%	Resolution 1.1 - Elect Director David A. Brandon	Withhold	95.1% of votes cast were in support of the resolution
Why a 'Significant Vote?							
Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/ Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.							
Manager's Vote Rationale:							
Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy. Climate Impact Pledge: a vote against is applied as the company has failed to meet LGIM's minimum expectations under its climate impact pledge program.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with the company and monitor progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	
						Sustainability	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							



Minerva Says

The reported 'Significant Vote' information seems to be consistent with each manager's stated voting policy, and so is consistent with the Scheme's expectations of them.

8 Manager Engagement Information

The Trustee has set the following expectation in the Scheme's SIP in relation to its managers' engagement activity:

The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustee believes this will be beneficial to the financial interests of members over the long term. The Trustee will review the investment managers' voting policies, with the help of its investment consultant, and decide if they are appropriate.

The Trustee also expects the investment managers to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustee will engage with the investment manager, with the help of its investment consultant, to influence the investment manager's policy. If this fails, the Trustee will review the investments made with the investment manager.

The Trustee believes that an important part of responsible oversight is for the Scheme's investment managers to engage with the senior management of investee companies on any perceived risks or shortcomings – both financial and non-financial – relating to the operation of the business, with a specific focus on ESG factors. As such, they expect the Scheme's managers to engage with investee companies where they have identified any such issues.

The following table(s) summarises the engagement activity of the manager(s):

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
Baillie Gifford	YES	FUND	YES	The manager provided detailed fund level engagement information covering the Scheme's reporting period
BNY Mellon (Newton)	YES	FUND	YES	The manager provided detailed fund level engagement information covering the Scheme's reporting period
LGIM	YES	FUND	YES	The manager provided basic fund level engagement information covering the Scheme's reporting period

Table Key

GREEN = A positive result. The manager has provided engagement information / fund level info available / matches the Scheme's reporting / investment holding period

ORANGE = A 'partial' result. We had to try to source engagement information / firm level info available / does not match the Scheme's reporting / investment holding period

RED = A negative result. No engagement information was located at any level

Baillie Gifford

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Emerging Markets Leading Companies Fund	01/01/23	31/12/23	85	25.9%	23.5%	50.6%	0%	22.6%	77.4%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>We located Baillie Gifford's 2022 ESG Principles and Guidelines on the manager's website. In this document, Baillie Gifford describe their engagement approach as follows:</p> <p><i>Engaging with and monitoring investments we make on behalf of clients is an integral element of our investment process and core to how we discharge our stewardship responsibilities. All investment managers, investment analysts and ESG analysts are involved in this process. We meet with management and other executive staff, heads of divisions and non-executive board members.</i></p> <p><i>When engaging as a bondholder, we understand our ability to influence differs from that of a shareholder, given the contractual nature of our relationship with issuers. However, we believe corporate issuers of debt do take on board our comments and recommendations and we will also engage with sovereign representatives as appropriate.</i></p> <p><i>We generally engage with companies on an individual basis. Subject to analysis around concert party regulatory rules, we will on occasion participate in collective engagement on critical issues which could have a material impact the value of our holding. It can be an important part of our engagement escalation and may be necessary in some instances to achieve our engagement objectives. When appropriate, we will undertake collaborative engagement through a range of industry organisations and associations, such as the UK Investor Forum. Full details of the industry organisations that we support are available in our Investment Stewardship Activities report.</i></p> <p>The manager has said the following in relation to identifying engagement priorities:</p> <p><i>The topics we prioritise for engagement will vary by individual issuer, by investment strategy, and will be informed by our proprietary investment research. Often, the larger a position we hold, the greater our ability to engage. However, we endeavour to engage on key issues with all relevant issuers regardless of market capitalisation or holding size.</i></p>

	<p><i>For example, where we have taken a new holding in a company, our initial aims for engagement will typically focus on fact finding and building a dialogue with management teams. We will move to influence change only where we think we can add long-term value and/or we have a good understanding of a significant issue that has arisen. We do not seek to react to one-off events, but, where there are material developments at a company, we will carefully consider how they may affect our investment over the long term.</i></p> <p><i>Where our investment strategies have made net zero emissions commitments and particular companies are seen to be lagging, they will be a priority for engagement. Similarly, where issues relating to social or governance matters arise that we deem material, and it is clear there is a need for improvement, we would aim to engage as appropriate.</i></p>
Additional information on Engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustee's policy	<p>An example of a reported engagement for the Emerging Markets Leading Companies Fund is reported below:</p> <p><u>14/12/23 - Contemporary Amperex Technology Co., Limited – Engagement on Environmental Issues</u></p> <p>'Objective: To deepen our understanding of CATL's pathway towards its newly released carbon-neutral targets through a visit to a net zero factory in Yibin, Sichuan province, the first zero-carbon battery factory in the world.</p> <p><i>Discussion: We have long been monitoring CATL's net zero path, not only because it is a large greenhouse gas emitter but also because of its potential on the battery supply chain to unlock a meaningful energy transition. Interestingly, we were one of only two investors invited on the trip, with the group of 20 attendees predominantly made up of companies in its supply chain who are directly implicated in CATL's net zero transition or journalists. The person in charge of the zero-carbon factory development at Sichuan CATL thoroughly discussed its methods for reducing scope 1 and 2 emissions.</i></p> <p><i>We learned more details, for example, on how CATL works with its natural gas providers for carbon-neutral gas and whether the measures can be replicated in other factories. We also touched upon CATL's contribution to the global battery passport rulemaking and the acknowledgement of green energy under the new EU Batteries Regulation. The company also answered questions from upstream material suppliers on the verification of carbon-neutral products during the discussion.</i></p>

	<p>Outcomes: The trip provided us with a better sense of how CATL is making net zero efforts in its factories and throughout the value chain. It strengthened our conviction in the important role that CATL will play over the next decade and its commitment to mitigate the inevitable environmental and social impacts of battery making. Given the challenges brought out in meetings on the trip, we believe the company should reinforce supplier training and communication through the procurement department to have a real net zero impact on the supply chain. We look forward to the unfolding of digital battery passports and the resulting enhanced transparency on the carbon footprint.'</p>
Is Engagement Activity in Line with the Trustee's Policy?	<p>The engagement activity is consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.</p>

BNY Mellon				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Newton Global Dynamic Bond Fund	01/01/23	31/12/23	3	66.7%	0%	33.3%	0.0%	0%	100%
Aspect of Engagement Activity	Details								
Key Points of the Manager's Engagement Policy	<p>BNY states in its latest stewardship policy disclosure statement that each of the investment managers has its own unique engagement policy with issuers in all of the jurisdictions in which they invest. Accordingly, Newton's 'Responsible Investment Policies and Principles' report from April 2022 has the following to say with regards the manager's engagement approach:</p> <p><i>'We have long been active stewards of our clients' assets. Undertaking considered engagement activities and exercising voting rights globally are the primary drivers to being effective stewards.'</i></p> <p><i>Intrinsic to the understanding of the potential of an investment in a company, whether via equity or fixed income, is an appreciation of the quality of the company's management, its structure, the appropriateness of its internal controls and the assurance that ESG matters are managed in the creation of long-term investor value.</i></p>								

	<p><i>We believe that responsibly managed companies should be better placed to achieve sustainable competitive advantage and provide strong long-term growth. With respect to investments in sovereign securities (typically government bonds), we consider factors such as whether the government's policy objectives can support ESG-focused initiatives and the sustainability of any expenditure plans.</i></p> <p><i>Our fundamental view is that a considered approach to ESG analysis enhances our investment process, and that this is particularly the case for corporate investments. This process includes identifying the ESG risks and opportunities faced by a company and ensuring that these challenges are well managed within the company's business strategy. Engagement can play a crucial role in helping achieve this understanding and to influence change'</i></p> <p>From Newton's most recent <u>'Responsible Investment and Stewardship' report</u> the manager identified the following key engagement themes:</p> <ul style="list-style-type: none"> ▪ Environmental: Biodiversity / Carbon management / Climate change / Management systems / Pollution / Product life cycle / Water ▪ Social: Business ethics / Cybersecurity / Health and safety / Human capital management / Product access / Product suitability / Stakeholder relations / Supply chain ▪ Governance: Audit and internal controls / Board leadership / Related-party transactions / Remuneration / Shareholder communications / Shareholder rights / Strategy and risk / Tax
<p>Additional information on Engagements provided by the Manager</p>	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
<p>Comparison of the Manager's Engagement Activity vs the Trustee's policy</p>	<p>An example of a reported engagement for the Global Dynamic Bond Fund is:</p> <p><u>Q1 2023 – Barclays Plc – Engagement on Environmental Issues</u></p>

Engagement goal: Encourage the bank to strengthen its climate transition plan.

Key takeaways:

- Client transition framework: 150 clients (from sectors where the bank has targets) are part of this framework, with 80% having climate targets. The bank is working with Oliver Wyman to review and compare with best practice. It will disclose its transition plan framework this year and will cover outputs of the methodology as well.

- Physical and transition risk: The bank participated in Bank of England's (BoE) Climate Biennial Exploratory Scenario (CBES) and received feedback on both physical and transition risks, although it is restricted in what it can disclose of this central stress test. The bank incorporates climate in its own stress tests and evaluates which portfolios are more susceptible to weather risks.

- BlueTrack (internal tool for climate targets for sectors): Originally constructed with third party help. Targets not externally verified, but numbers used for the targets are assured by KPMG. BlueTrack includes capital markets financing, which is important for the bank, therefore the bank is working with SBTi and waiting for PCAF methodology to include the same.

Engagement Outcome: The bank will disclose its client transition framework this year. We are pleased to see movement on this as we have been asking the bank to provide this for some time. We also view it as a positive that the bank is working with the SBTi to align methodologies. While we note the merit of BlueTrack including capital market financing, external verification of targets would provide us with added comfort.

Next steps: Monitor the bank's reporting on its client transition framework, assess the progress vs. current sectoral targets disclosed by the bank.

Is Engagement Activity in Line with the Trustee's Policy?

The engagement activity is consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.

LGIM

				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Dynamic Diversified Fund	01/01/23	31/12/23	2410	61.5%	11.6%	21.1%	5.8%	Not Stated	Not Stated
Global Real Estate Equity Fund	01/01/23	31/12/23	224	63.8%	11.6%	24.6%	0.0%	Not Stated	Not Stated
Investment Grade Corporate Bonds Over 15 Years Fund	01/01/23	31/12/23	94	29.8%	10.6%	35.1%	24.5%	Not Stated	Not Stated
World Equity Index Fund (GBP hedged variant)	01/01/23	31/12/23	1203	43.7%	12.0%	32.8%	11.5%	Not Stated	Not Stated
Aspect of Engagement Activity	Details								
Key Points of the Manager's Engagement Policy	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1) Identify the most material ESG issues 2) Formulate a strategy 3) Enhance the power of engagement (e.g., through public statements) 4) Collaborate with other stakeholders and policymakers 5) Vote 6) Report to shareholders 								
	<p>From LGIM's most recent Active Ownership Report the manager has identified the following as their top 5 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate Change 2. Remuneration 3. Diversity (Gender and Ethnicity) 4. Board Composition 5. Strategy 								

Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustee's policy	<p>Set out below is an example of engagement activity reported by LGIM in the Dynamic Diversified Fund:</p> <p><u>31/12/23 - Standard Bank Group Ltd– Social-themed Engagement Activity</u></p> <p><i>Engagement Type: Written.</i></p> <p><i>Issue Theme: Social / Gender Diversity.</i></p> <p><i>Engagement Details: Not provided.</i></p> <p><i>Engagement Outcome: Not provided.</i></p>
Is Engagement Activity in Line with the Trustee's Policy?	<p>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more details in relation to engagement activity undertaken at fund level.</p>

Minerva Says

As can be seen from the previous tables, the Scheme's managers' 'Engagement Activity' appears to comply with their own engagement approaches, and so also complies with the Scheme's approach.

9 Conclusions

9.1 Assessment of Compliance

In this report, Minerva has undertaken an independent review of the Scheme's external asset managers' voting and engagement activity. The main objective of the review is for Minerva to be in a position to say that the activities undertaken on the Scheme's behalf by its agents are aligned with its own policies.

Set out in the following table is Minerva's assessment of each manager's compliance with the Scheme's approach:

Table 9.1: Summary Assessment of Compliance

Fund / Product Manager	Investment Fund/ Product	Does the Manager's Reported Activity Follow the Scheme's Expectations:				UK Stewardship Code 2020 Signatory?	Overall Assessment
		Voting Activity	Significant Votes Identified	Engagement Activity	Use of a 'Proxy Voter?'		
Baillie Gifford	Emerging Markets Leading Companies Fund	YES	YES	YES	GLASS LEWIS/ISS	YES	COMPLIANT
BNY Mellon	Newton Global Dynamic Bond Fund	YES	N.I.R.	YES	N/A	YES	COMPLIANT
LGIM	All Stocks Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A	YES	N/A
	All Stocks Index-Linked Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N/A
	Dynamic Diversified Fund	YES	YES	YES	ISS		COMPLIANT
	Global Real Estate Equity Fund	YES	YES	YES	ISS		COMPLIANT
	Investment Grade Corporate Bonds Over 15 Years Fund	N.I.R.	N.I.R.	YES	N/A		COMPLIANT
	Over 15 Years Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N/A
	Over 15 Years Index-Linked Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N/A
	World Equity Index Fund (GBP hedged variant)	YES	YES	YES	ISS		COMPLIANT

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

GREEN=Positive outcome e.g., Manager's reported activity follows the Scheme's expectations

ORANGE=An issue exists e.g., the information provided does not match the Scheme's reporting / investment holding period

BLUE=Manager has confirmed that there is no voting, 'Significant Votes' or engagement information to report (N.I.R.)

RED=Negative outcome e.g., no information provided (N.I.P.); Manager is not a signatory to the UK Stewardship Code 2020

GREY=Not Applicable e.g., there has been no 'Proxy Voter' used due to the nature of the investments held

Minerva Says

Overall Assessment:

We believe that the Scheme's managers have broadly complied with the Scheme's Voting and Engagement requirements of them.

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - There was nothing to report for a number of the Scheme's investments, due to the nature of those investments (e.g., LGIM's All Stocks Index-Linked Gilts Index Fund, All Stocks Gilts Index Fund, Over 15 Years Index-Linked Gilts Index Fund and Over 15 Years Gilts Index Fund)
 - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are broadly in step with the Scheme's expectations
 - For the managers where Engagement information was available, their overall approaches are also broadly in step with the Scheme's requirements
- 2) All of the Scheme's investment managers are signatories to the UK Stewardship Code.

LGIM Information Disclaimer

- i. Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.
- ii. The choice of this metric follows best practice recommendations from the Task Force on Climate-related Financial Disclosures.
- iii. Data on carbon emissions from a company's operations and purchased energy is used.
- iv. This measure is the result of differences in weights of companies between the index and the benchmark, and does not depend on the amount invested in the fund. It describes the relative 'carbon efficiency' of different companies in the index (i.e. how much carbon was emitted per unit of sales), not the contribution of an individual investor in financing carbon emissions.
- v. LGIM set the following threshold for our reportable funds 1) the assets eligible for coverage e.g. eligible ratio needs to be greater than or equal to 50% and 2) the carbon coverage of the eligible assets e.g. eligible coverage needs to be greater than or equal to 60%.
- vi. Eligibility % represents the % of the securities in the benchmark which are eligible for reporting including equity, bonds, ETFs and sovereigns (real assets, private debt and derivatives are currently not included for carbon reporting). The Coverage % represents the coverage of those assets with carbon scores.
- vii. Derivatives including repos are not presently included and the methodology is subject to change. Leveraged positions are not currently supported. In the instance a leveraged position distorts the coverage ratio over 100% then the coverage ratio will not be shown.
- viii. LGIM define 'Sovereigns' as, Agency, Government, Municipals, Strips and Treasury Bills and is calculated by using: the CO₂e/GDP, Carbon Emissions Footprint uses: CO₂e/Total Capital Stock.
- ix. The carbon reserves intensity of a company captures the relationship between the carbon reserves the company owns and its market capitalisation. The carbon reserves intensity of the overall benchmark reflects the relative weights of the different companies in the benchmark.
- x. Green revenues % represents the proportion of revenues derived from low-carbon products and services associated with the benchmark, from the companies in the benchmark that have disclosed this as a separate data point.
- xi. Engagement figures do not include data on engagement activities with national or local governments, government related issuers, or similar international bodies with the power to issue debt securities.
- xii. LGIM's temperature alignment methodology computes the contribution of a company's activities towards climate change. It delivers an specific temperature value that signifies which climate scenario (e.g. 3°C, 1.5°C etc.) the company's activities are currently aligned with. The implied temperature alignment is computed as a weighted aggregate of the company-level warming potential.

Third Party ESG Data Providers: Source: ISS. Source: HSBC© HSBC 2022. Source: IMF (International Monetary Fund). Source: Refinitiv. Information is for recipients' internal use only.

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