

## **The Rehauf Limited Retirement Benefits Scheme ('the Scheme') – Implementation Statement 1<sup>st</sup> January 2023 – 31<sup>st</sup> 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 1<sup>st</sup> January 2023 – 31<sup>st</sup> 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 Trustees' policy in relation to exercising voting rights has been followed during the year by describing the voting behaviour on behalf of the Trustees of the Scheme.

The Trustees have 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 Trustees over the Scheme Year.

A summary of the key points is set out below.

### **Aviva**

It was determined by Minerva that the Scheme's holdings had no voting information to report due to the nature of the underlying holdings.

Aviva informed Minerva that engagement information would not be available until June 2024 due to the nature of the Fund's assets. As the Fund invests in real estate, acquiring engagement data takes longer than for equity funds. Unfortunately, Minerva were unable to assess if the manager's engagement policies were in line with the Trustees' own policies over the Scheme year.

### **BlackRock**

It was determined by Minerva that the Scheme's holdings had no voting information to report due to nature of the underlying holdings.

BlackRock provided basic fund-level information on engagements that was in line with the Scheme's reporting period. Despite the basic level of information, Minerva was able to confirm that the activity appeared to broadly comply with BlackRock's own engagement approach, and so complies with the Scheme's approach.

### **Columbia Threadneedle ('CT')**

It was determined by Minerva that the Scheme's holdings had no voting information to report due to nature of the underlying holdings. Whilst the Fund's do have equity exposure, the exposure is gained through exchange traded futures, thus no voting information is reportable.

CT 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 CT's own engagement approach, and so complies with the Scheme's approach.

## **JP Morgan**

It was determined by Minerva that the Scheme's holdings had no voting information to report due to nature of the underlying holdings.

JP Morgan provided basic fund-level information on engagements that was in line with the Scheme's reporting period. Despite the basic level of information, Minerva was able to confirm that the activity appeared to broadly comply with JP Morgan's own engagement approach, and so complies with the Scheme's approach.

## **Legal and General Investment Management ('LGIM')**

For the Matching Core Funds, it was determined by Minerva that there was no voting or engagement information to report due to nature of the underlying holdings.

It was determined by Minerva that LGIM's public voting policy and disclosures are broadly in line with good practice as represented by the International Corporate Governance Network ('ICGN') Voting Guidelines Principles, bearing in mind the Scheme's stewardship expectations. LGIM provided a summarised voting records for the Global Equity Fixed Weights (50:50) Index Fund, the Infrastructure Equity MFG Fund (and GBP currency hedged variant) and the World (ex-UK) Equity Index Fund - GBP Currency Hedged. These were in line with the Scheme's reporting period. Significant votes were also provided. From this, Minerva was able to confirm that the manager's voting activity was in line with the Trustees' policy.

Basic fund-level information on engagements that was in line with the Scheme's reporting period was also provided for these funds. Despite the basic level of information, Minerva was able to confirm that the activity appeared to broadly comply with LGIM's own engagement approach, and so complies with the Scheme's approach.

## **M&G**

It was determined by Minerva that the Scheme's holdings had no voting information to report due to nature of the underlying holdings.

M&G 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 M&G's own engagement approach, and so complies with the Scheme's approach.

## **Vontobel**

It was determined by Minerva that the Scheme's holdings had no voting information to report due to nature of the underlying holdings.

Vontobel 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 Vontobel's own engagement approach, and so complies with the Scheme's approach.

## **AVCs**

The Scheme holds AVCs and the Trustees have determined 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 Trustees' 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 Trustees. 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, Vontobel has continued to provide good levels of information.

BlackRock has improved by providing engagement information in line with the Scheme's reporting period. There had previously been none to report. However, further improvement is needed to provide more detail on engagements.

CT has improved by providing detailed fund-level engagement information where this has previously been basic and at firm-level.

The JP Morgan Infrastructure Investments Fund was initially invested in on 20 September 2023. JP Morgan provided engagement information in line with the Scheme's reporting period but could improve the level of detail provided.

LGIM has improved by providing summarised voting records and engagement information in line with the Scheme's reporting period where last year these were not in line for Fund's held for part of the Scheme Year. Further improvement is needed from LGIM to provide more detail on engagement which has remained basic.

M&G have improved by providing detailed fund-level information on engagements that was in line with the Scheme's reporting period. Last year there was none to report.

Aviva were unable to provide engagement information in time for the production of this Implementation Statement, where as last year detailed fund-level information was provided, albeit for the calendar year of 2022 rather than the Scheme's short holding period. This engagement information is expected to be available in June 2024. Minerva will provide this information to the Trustees once received. At this time, a way forward on any actions identified will be agreed.

# **The Rehau Limited Retirement Benefits Scheme**

Spence & Partners Limited

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

Scheme Reporting Period:

1<sup>st</sup> January 2023 to 31st December 2023

4<sup>th</sup> 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 Rehau Limited Retirement Benefits Scheme  
Statement of Investment Principles  
January 2023*



## 1.1 Financially Material Considerations

The Trustees have 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. They believe that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes that they are investing in.

In endeavoring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest through pooled funds. The Trustees acknowledge that they cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest. However, the Trustees do expect their investment managers and investment consultant to take account of financially material considerations when carrying out their respective roles.

The Trustees accept that the Scheme's assets are subject to the investment managers' own policy on socially responsible investment. The Trustees will assess that this corresponds with their responsibilities to the beneficiaries of the Scheme with the help of their 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 Trustees 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 Trustees 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 their 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 their investment consultant.

If the Trustees determine that financially material considerations have not been factored into the investment managers' process, they will take this into account on whether to select or retain an investment.

## 1.2 Non-Financial Considerations

The Trustees have not considered non-financially 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 Trustees' policies*

The Scheme invests in pooled funds and so the Trustees acknowledge the funds' investment strategies and decisions cannot be tailored to the Trustees' policies. However, the Trustees set their investment strategy and then select managers that best suits their strategy taking into account the fees being charged, which acts as the investment manager's incentive.

The Trustees use the fund objective/benchmark as a guide on whether their investment strategy is being followed and monitor 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 Trustees select managers based on a variety of factors including investment philosophy and process, which they believe should include assessing the long term financial and non-financial performance of the underlying company that they invest in.

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

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

The Trustees acknowledge that in the short term, these policies may not improve the returns they achieve, but do expect that investing in those companies with better financial and non-financial performance over the long term will lead to better returns for the Scheme. The Trustees believe that the annual fee paid to the investment managers incentivises them to do this.

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

***How the method (and time horizon) of the evaluation of the fund managers' performance and the remuneration for asset management services are in line with the Trustees' policies***

The Trustees review the performance of each fund quarterly on a net of fees basis compared to its objective.

The Trustees assess the performance 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 their investment consultant to ensure it is in line with the Trustees' policies.

***How the Trustees monitor portfolio turnover costs incurred by the fund managers, and how they define and monitor targeted portfolio turnover or turnover range***

The Trustees monitor the portfolio turnover costs on an annual basis.

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

The Trustees have delegated the responsibility of monitoring portfolio turnover costs and target portfolio turnover to their investment consultant.

***The duration of the arrangement with the fund managers***

The Trustees plan to hold each of their investments for the long term but will keep this under review.

Changes in investment strategy or changes 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 |
|------------------------------|---|---------------------|---------------------|------------------------|
| <b>Aviva</b>                 | Aviva Lime Property Fund                              | No Info to Report   | No Info to Report   | No Info Provided**     |
| <b>BlackRock</b>             | Up To 5 Year Corporate Bond Index Fund                | No Info to Report   | No Info to Report   | Part Info Available    |
| <b>Columbia Threadneedle</b> | Overseas Equity-Linked Inflation Fund                 | No Info to Report   | No Info to Report   | Full Info Available    |
|                              | UK Equity-Linked Inflation Fund                       | No Info to Report   | No Info to Report   | Full Info Available    |
| <b>JP Morgan</b>             | Infrastructure Investments Fund                       | No Info to Report   | No Info to Report   | Part Info Available    |
| <b>LGIM*</b>                 | Global Equity Fixed Weights (50:50) Index Fund        | Full Info Available | Full Info Available | Part Info Available    |
|                              | Infrastructure Equity MFG Fund                        | Full Info Available | Full Info Available | Part Info Available    |
|                              | Infrastructure Equity MFG Fund - GBP Currency Hedged  | Full Info Available | Full Info Available | Part Info Available    |
|                              | Matching Core Funds (4 funds)                         | No Info to Report   | No Info to Report   | No Info to Report      |
|                              | World (ex-UK) Equity Index Fund - GBP Currency Hedged | Full Info Available | Full Info Available | Part Info Available    |
| <b>M&amp;G</b>               | Total Return Credit Investment Fund                   | No Info to Report   | No Info to Report   | Full Info Available    |
| <b>Vontobel</b>              | TwentyFour Strategic Income Fund                      | No Info to Report   | No Info to Report   | Full 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.

\*\* Aviva informed us that the data will not be available until June 2024. ((this is due to the nature of the assets the fund holds, the funds invests in real estate and therefore acquiring engagement data takes a lot longer than that of equity funds)

### Table Key

|                            |  |
|----------------------------|--|
| <b>Full Info Available</b> | The manager has provided either a PLSA Voting Template or voting data that <b>precisely</b> matches the specific investment's holding / reporting period   |
| <b>Part Info Available</b> | The manager has provided either a PLSA Voting Template or voting data that <b>partially</b> matches the specific investment's holding / reporting period   |
| <b>No Info to Report</b>   | 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 |
| <b>No Info Provided</b>    | 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 following Scheme investments:

- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM Infrastructure Equity MFG Fund
- LGIM Infrastructure Equity MFG Fund - GBP Currency Hedged
- LGIM World (ex-UK) Equity Index Fund - GBP Currency Hedged

#### Significant Votes

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

- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM Infrastructure Equity MFG Fund
- LGIM Infrastructure Equity MFG Fund - GBP Currency Hedged
- LGIM World (ex-UK) Equity Index Fund - GBP Currency Hedged

### **Engagement Activity**

There was reportable engagement information provided for the following Scheme investments:

- BlackRock Up To 5 Year Corporate Bond Index Fund
- Columbia Threadneedle Overseas Equity-Linked Inflation Fund
- Columbia Threadneedle UK Equity-Linked Inflation Fund
- JP Morgan Infrastructure Investments Fund
- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM Infrastructure Equity MFG Fund
- LGIM Infrastructure Equity MFG Fund - GBP Currency Hedged
- LGIM World (ex-UK) Equity Index Fund - GBP Currency Hedged
- M&G Total Return Credit Investment Fund
- Vontobel TwentyFour Strategic Income Fund

# 3 Voting and Engagement

The Trustees are required to disclose the voting and engagement activity over the Scheme year. The Trustees 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 Stewardship

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

***The Trustees' 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 Trustees' 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 Trustees believe this will be beneficial to the financial interests of members over the long term. The Trustees will review the investment managers' voting policies, with the help of their investment consultant, and decide if they are appropriate.***

***The Trustees also expect 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 Trustees will engage with the specific investment manager, with the help of their investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.***

***The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expect investment managers to adhere to this where appropriate for the investments that 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? |
|------------------------------|---|---------------------|---------------------|-------------------|-----------------|---------------------|
| <b>Aviva</b>                 | Aviva Lime Property Fund                              | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | N/A                 |
| <b>BlackRock</b>             | Up To 5 Year Corporate Bond Index Fund                | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | N/A                 |
| <b>Columbia Threadneedle</b> | Overseas Equity-Linked Inflation Fund                 | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | N/A                 |
|                              | UK Equity-Linked Inflation Fund                       | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | N/A                 |
| <b>JP Morgan</b>             | Infrastructure Investments Fund                       | Mobius              | DB Fund             | 20/09/2023        | 31/12/2023      | N/A                 |
| <b>LGIM*</b>                 | Global Equity Fixed Weights (50:50) Index Fund        | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | ISS                 |
|                              | Infrastructure Equity MFG Fund                        | Mobius              | DB Fund             | 01/01/2023        | 19/02/2023      | ISS                 |
|                              | Infrastructure Equity MFG Fund - GBP Currency Hedged  | Mobius              | DB Fund             | 20/02/2023        | 31/12/2023      | ISS                 |
|                              | Matching Core Funds (4 funds)                         | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | N/A                 |
|                              | World (ex-UK) Equity Index Fund - GBP Currency Hedged | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | ISS                 |
| <b>M&amp;G</b>               | Total Return Credit Investment Fund                   | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | N/A                 |
| <b>Vontobel</b>              | TwentyFour Strategic Income Fund                      | Mobius              | DB Fund             | 01/01/2023        | 31/12/2023      | N/A                 |



## Minerva Says

As shown in the previous table:

- LGIM identified Institutional Shareholder Services, or '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 Trustees' policy (which in this instance is the manager's own policy).

**Table 4.1: LGIM's Approach to Voting**

| Asset manager                 |                                       | LGIM (Legal & General Investment Management)  |   |             |                           |   |               |   |   |                                |
|-------------------------------|---------------------------------------|---|---|-------------|---------------------------|---|---------------|---|---|--------------------------------|
| Relevant Scheme Investment(s) |                                       | <ul style="list-style-type: none"> <li>• Global Equity Fixed Weights (50:50) Index Fund</li> <li>• Infrastructure Equity MFG Fund</li> <li>• Infrastructure Equity MFG Fund - GBP Currency Hedged</li> <li>• World (ex-UK) Equity Index Fund - GBP Currency Hedged</li> </ul>   |   |             |                           |   |               |   |   |                                |
|                               | Key Points of Manager's Voting Policy | <p>LGIM's latest 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 have this to say in terms of their overall approach:</p> <p>When developing our policies, we not only look at local market regulatory expectations, but also broader global guidelines and principles, such as those provided by the United Nations Global Compact, OECD guidelines and ILO conventions and recommendations. We expect all companies to closely align with our principles, or to engage with us when exceptional circumstances prevent them from doing so. Although there is no 'one-size-fits-all' solution to building a sustainable business model, we look for companies we invest in to demonstrate that sustainability is effectively integrated into their long-term strategy and their daily operations. Companies should aim to minimise any negative impacts their businesses have on the environment, while innovating to find better solutions. Their strategies should include ways to make a positive impact on society, embrace the value of their workforce and supply chains and deliver positive long-term returns to shareholders.</p> <p>LGIM's voting policy is built on the assessment of 5 key policy areas:</p> <table> <tr> <th>#</th><th>Policy Area</th><th>Example of Topics Covered</th></tr> <tr> <td>1</td><td>Company Board</td><td>Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation</td></tr> <tr> <td>2</td><td>Audit, Risk &amp; Internal Control</td><td>External Audit, Internal Audit and Whistleblowing</td></tr> </table> | # | 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 |
| #                             | 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

- LGIM clearly set out how they approach their stewardship responsibilities for listed companies on behalf of their clients. In our view the available information demonstrates a clear and thoughtful approach from the firm.
- From the information available, we believe that the voting approaches are consistent with the Scheme's voting 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 |
|--------------------|---|---------|---------|-------------------|--------------|--------------------|----------------|
| LGIM               | Aligned   | Aligned | Aligned | Aligned           | Aligned      | Aligned            | Aligned        |
| Comments           | LGIM's voting policy and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices. |         |         |                   |              |                    |                |

## Table Key

|                            |   |
|----------------------------|---|
| <b>Aligned</b>             | This aspect of the manager's voting policy is aligned with good practice  |
| <b>Limited Disclosures</b> | This policy pillar could only be partially assessed on the information available in the manager's voting policy |
| <b>No Disclosures</b>      | This policy pillar could not be assessed due to a lack of information in the manager's voting policy            |
| <b>Not Available</b>       | 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:

- LGIM's public voting policy is, in our view, broadly in line with good practice, and is what we would expect to see from such a large asset steward.

# 6 Manager Voting Behaviour

The Trustees believe 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 |
| LGIM    | Global Equity Fixed Weights (50:50) Index Fund   | 3,062               | 3,052               | 39,790           | 99.9%             | 81.5%              | 18.4%     |
|         | Infrastructure Equity MFG Fund   | 86                  | 92                  | 1,239            | 100.0%            | 74.2%              | 25.8%     |
|         | Infrastructure Equity MFG Fund - GBP Currency Hedged   | 86                  | 92                  | 1,239            | 100.0%            | 74.2%              | 25.8%     |
|         | World (ex-UK) Equity Index Fund - GBP Currency Hedged  | 2,838               | 2,938               | 35,367           | 99.9%             | 77.8%              | 22.1%     |
|         | Comments   |                     |                     |                  |                   |                    |           |
|         | The manager provided a summarised voting record for the Funds shown above that covered the Scheme's specific investment holding periods.   |                     |                     |                  |                   |                    |           |
|         | From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for these two Funds, which is in line with the Trustees' expectations of its managers. |                     |                     |                  |                   |                    |           |

## 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 that responded to our information requests by providing voting information, we believe that they have followed the Scheme's requirements in relation to voting activity, as stated in the Scheme's SIP:

***'The Trustees' 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 Trustees' 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 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  | Global Equity Fixed Weights (50:50) Index Fund | BP Plc       | 27/04/23     | 1.90%                                 | Resolution 4 - Re-elect Helge Lund as Director | Against (against management recommendation) | N/A             |
| Why a 'Significant Vote?  |  |              |              |                                       |  |   |                 |
| High Profile Meeting and Engagement: We consider this vote to be significant given our long-standing engagement with the company on the issue of climate.   |  |              |              |                                       |  |   |                 |
| Manager's Vote Rationale:   |  |              |              |                                       |  |   |                 |
| Governance: A vote against is applied due to governance and board accountability concerns. Given the revision of the company's oil production targets, shareholders expect to be given the opportunity to vote on the company's amended climate transition strategy at the 2023 AGM. Additionally, we note concerns around the governance processes leading to the decision to implement such amendments. |  |              |              |                                       |  |   |                 |
| 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 approach, 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 Equity Fixed Weights (50:50) Index Fund | Glencore Plc | 26/05/23     | 1.26%                                 | Resolution 19: Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan" | For (against management recommendation) | 29.2% votes cast were in support of the resolution (resolution failed) |

**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:**

In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the 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 approach, 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 Equity Fixed Weights (50:50) Index Fund | Trainline Plc                  | 29/06/23     | 0.02%                                 | Resolution 4 - Re-elect Brian McBride as Director | Against                         | 77.1% 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:   |  |                                |              |                                       |   |                                 |  |
| Diversity: A vote against is applied because of a lack of progress on gender diversity on the board. LGIM expects boards to have at least one-third female representation on the board.   |  |                                |              |                                       |   |                                 |  |
| 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 approach, 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 Equity Fixed Weights (50:50) Index Fund | Toyota Motor Corp.             | 14/06/23     | 0.36%                                 | Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement | For (against management recommendation) | 15.1% votes cast were in support of the resolution (resolution failed) |
| Why a ‘Significant Vote’  |  |                                |              |                                       |  |   |  |
| Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, we expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.  |  |                                |              |                                       |  |   |  |
| Manager’s Vote Rationale:   |  |                                |              |                                       |  |   |  |
| LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. We acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, we believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, we expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. We believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this. |  |                                |              |                                       |  |   |  |
| 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 approach, 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 Equity Fixed Weights (50:50) Index Fund | Berkshire Hathaway Inc.        | 06/05/23     | 0.20%                                 | Resolution 8 - Require Independent Board Chair | For (against management recommendation) | 10.9% votes cast were in support of the resolution (resolution failed) |
| 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:   |  |                                |              |                                       |  |   |  |
| Shareholder Resolution - Joint Chair/CEO: A vote in favor is applied as LGIM expects companies to establish the role of 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 approach, 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  | Infrastructure Equity MFG Fund | There were no reported 'Significant Votes' during the Scheme's short investment holding period |              |                                       |                       |                                 |                 |                |
| Why a 'Significant Vote?  |                                |  |              |                                       |                       |                                 |                 |                |
| -   |                                |  |              |                                       |                       |                                 |                 |                |
| Manager's Vote Rationale:   |                                |  |              |                                       |                       |                                 |                 |                |
| -   |                                |  |              |                                       |                       |                                 |                 |                |
| Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?               |                                |  |              |                                       |                       |                                 |                 |                |
| -   |                                |  |              |                                       |                       |                                 |                 |                |
| Next Steps / Implications of the Outcome:   |                                |  |              |                                       |                       |                                 |                 |                |
| -   |                                |  |              |                                       |                       |                                 |                 |                |
| Relevance to Manager's Stated Policy:   |                                |  |              |                                       |                       |                                 |                 |                |
| Company Board   |                                | Audit, Risk & Internal Control   |              | Remuneration                          |                       | Shareholder & Bondholder Rights |                 | Sustainability |
| There was no 'Significant Vote' activity reported during the Scheme's short investment holding period |                                |  |              |                                       |                       |                                 |                 |                |

| Manager   | Fund   | Company Name                   | Date of Vote | Approx Size of Holding (as % of Fund) | Summary of Resolution                            | Voting Action                               | Outcome of Vote                                    |                |  |
|---|--|--------------------------------|--------------|---------------------------------------|--|---|--|----------------|--|
| LGIM  | Infrastructure Equity MFG Fund - GBP Currency Hedged | Sempra Energy                  | 12/05/23     | 1.84%                                 | Resolution 1h - Elect Director Cynthia J. Warner | Against (against management recommendation) | 93.9% 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 approach, 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  | Infrastructure Equity MFG Fund - GBP Currency Hedged | Dominion Energy, Inc. | 10/05/23     | 1.80%                                 | Resolution 1H - Elect Director Pamela J. Royal | Against (against management recommendation) | 83.2% 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:   |  |                       |              |                                       |  |   |  |
| Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.   |  |                       |              |                                       |  |   |  |
| 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 approach, 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   | Infrastructure Equity MFG Fund - GBP Currency Hedged | Alliant Energy Corporation     | 23/05/23     | 0.66%                                 | Resolution 1b - Elect Director Patrick E. Allen | Against (against management recommendation) | 91.2 % 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. 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:  |  |                                |              |                                       |   |   |   |                |  |
| Remuneration - Accountability - Escalation: A vote against is applied as LGIM has had concerns with the remuneration practices for the past year. Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis. 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. 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. Future World Protection List: A vote against is applied as the company meets the criteria for inclusion in LGIM's Future World Protection List. Companies are incorporated into the List if they fail to meet minimum standards of globally accepted business practices. This includes: companies involved in the manufacture and production of controversial weapons; perennial violators of the United Nations Global Compact (UNGC); and companies involved in thermal coal and oil sands. |  |                                |              |                                       |   |   |   |                |  |
| 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 approach, 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  | Infrastructure Equity MFG Fund - GBP Currency Hedged | Crown Castle Inc.              | 17/05/23     | 1.74%                                 | Resolution 1a - Elect Director P. Robert Bartolo | Against (against management recommendation) | 97.9% 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: <a href="https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/">https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/</a> |  |                                |              |                                       |  |   |  |
| 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 approach, 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  | Infrastructure Equity MFG Fund - GBP Currency Hedged | PPL Corporation                | 17/05/23     | 1.04%                                 | Resolution 1d – Elect Director Craig A. Rogerson | Against (against management recommendation) | 96.3% votes cast were in support of the resolution |
| Why a ‘Significant Vote?’   |  |                                |              |                                       |  |   |  |
| Pre-declaration and 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:   |  |                                |              |                                       |  |   |  |
| Under our Climate Impact Pledge, LGIM’s targeted climate engagement programme, we set out our minimum standards that we expect companies across 20 climate-critical sectors to meet regarding climate mitigation, adaptation and disclosure. Companies failing to meet our minimum standards may potentially be subject to voting sanctions in their AGMs. Accordingly, we will vote against the Chair of the Board, Craig A. Rogerson, given PPL’s transition pathway is not aligned with the goals of the Paris Agreement, due to the company’s plans to use unabated coal past 2030. |  |                                |              |                                       |  |   |  |
| 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 approach, 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 (ex-UK) Equity Index Fund - GBP Currency Hedged | Alphabet Inc.                  | 02/06/23     | 1.28%                                 | Resolution 18 - Approve Recapitalization Plan for all Stock to Have One-vote per Share | For (against management recommendation) | 30.7% votes cast were in support of the resolution (resolution failed) |
| Why a 'Significant Vote?  |   |                                |              |                                       |  |   |  |
| High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.   |   |                                |              |                                       |  |   |  |
| Manager's Vote Rationale:   |   |                                |              |                                       |  |   |  |
| Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.  |   |                                |              |                                       |  |   |  |
| 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 monitor the board's response to the relatively high level of support received for this resolution.  |   |                                |              |                                       |  |   |  |
| 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 approach, 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 (ex-UK) Equity Index Fund - GBP Currency Hedged | Exxon Mobil Corporation        | 31/05/23     | 0.72%                                 | Resolution 12: Shareholder resolution calling for a Report on Asset Retirement Obligations Under IEA Net Zero Emissions Scenario | For (against management recommendation) | 16% votes cast were in support of the resolution (resolution failed) |
| 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 word'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 approach, 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 (ex-UK) Equity Index Fund - GBP Currency Hedged | The Coca-Cola Company          | 25/04/23     | 0.42%                                 | Resolution 7 – Report on Congruency of Political Spending with Company Values and Priorities | For (against management recommendation) | 29.1% votes cast were in support of the resolution (resolution failed) |
| Why a ‘Significant Vote?’  |   |                                |              |                                       |  |   |  |
| Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, we expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.   |   |                                |              |                                       |  |   |  |
| Manager’s Vote Rationale:  |   |                                |              |                                       |  |   |  |
| LGIM expects companies to be transparent in their disclosures of their lobbying activities and internal review processes involved. While we appreciate the level of transparency Coca-Cola provides in terms of its lobbying practices, it is unclear whether the company systematically reviews any areas of misalignment between its lobbying practices and its publicly stated values. We believe that the company is potentially leaving itself exposed to reputational risks related to funding organisations that take positions that are contradictory to those of the company’s stated values, and potentially attracting negative attention that could harm the company's public image and brand. Producing a report on the congruency of political spending with company values and priorities may help the company to identify and question its previous political spending priorities. |   |                                |              |                                       |  |   |  |
| 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 approach, 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 (ex-UK) Equity Index Fund - GBP Currency Hedged | ConocoPhillips                 | 16/05/23     | 0.21%                                 | Resolution 7 - Require Independent Board Chair | For (against management recommendation) | 25.5% votes cast were in support of the resolution (resolution failed) |                |  |
| 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:   |   |                                |              |                                       |  |   |  |                |  |
| Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of 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 approach, 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 (ex-UK) Equity Index Fund - GBP Currency Hedged | The Goldman Sachs Group, Inc.  | 26/04/23     | 0.18%                                 | Resolution 11 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets | For (against management recommendation) | 29.7% votes cast were in support of the resolution (resolution failed) |
| Why a 'Significant Vote?  |   |                                |              |                                       |   |   |  |
| Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.  |   |                                |              |                                       |   |   |  |
| Manager's Vote Rationale:   |   |                                |              |                                       |   |   |  |
| We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company. |   |                                |              |                                       |   |   |  |
| 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 approach, and so is also consistent with the Scheme's approach  |   |                                |              |                                       |   |   |  |



## Minerva Says

LGIM's reported 'Significant Vote' information seems to be consistent with their stated voting policy, and so is consistent with the Scheme's expectations.

# 8 Manager Engagement Information

The Trustees have 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 Trustees believe this will be beneficial to the financial interests of members over the long term. The Trustees will review the investment managers' voting policies, with the help of their investment consultant, and decide if they are appropriate.*

*The Trustees also expect 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 Trustees will engage with the specific investment manager, with the help of their investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.*

*The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expect investment managers to adhere to this where appropriate for the investments that they manage.*

The Trustees believe 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  |
|-----------------------|---------------------------------|--------------------------------|--|---|
| Aviva                 | NO                              | -                              | -                                      | The manager was not able to provide the information.  |
| BlackRock             | YES                             | FUND                           | YES                                    | The manager provided <b>basic fund-level engagement information</b> covering the Scheme's reporting period    |
| Columbia Threadneedle | YES                             | FUND                           | YES                                    | The manager provided <b>detailed fund level engagement information</b> covering the Scheme's reporting period |
| JP Morgan             | YES                             | FUND                           | YES                                    | The manager provided <b>basic fund-level engagement information</b> covering the Scheme's reporting period    |
| LGIM                  | YES                             | FUND                           | YES                                    | The manager provided <b>basic fund level engagement information</b> covering the Scheme's reporting period    |

|          |     |      |     |   |
|----------|-----|------|-----|---|
| M&G      | YES | FUND | YES | The manager provided <b>detailed fund level engagement information</b> covering the Scheme's reporting period |
| Vontobel | YES | FUND | YES | The manager provided <b>detailed fund level engagement information</b> 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

## Aviva

|   |   |            |                    | Breakdown of Engagement Topics Covered |        |            |       | Outcomes |      |
|---|---|------------|--------------------|--|--------|------------|-------|----------|------|
| Fund(s)                                       | Period Start  | Period End | No. of Engagements | Environmental                          | Social | Governance | Other | Resolved | Open |
| Lime Property Fund                            | -   | -          | -                  | -                                      | -      | -          | -     | -        | -    |
| Aspect of Engagement Activity                 | Details   |            |                    |  |        |            |       |          |      |
| Key Points of the Manager's Engagement Policy | The following description of the manager's engagement policy is set out in their most recent Responsible Investment Annual Review:  |            |                    |  |        |            |       |          |      |
|   | <p><i>'Effective and responsible active ownership has long been part of our fundamental approach to investment at Aviva Investors. We believe that persistent and constructive dialogue with issuers, corporates and sovereign representatives is vital to preserve and enhance the value of assets on behalf of our beneficiaries and clients. This is achieved through voicing our support for more sustainable practices and gathering insights to inform investment decisions. Through written correspondence, face-to-face meetings, phone calls and more collaborative formats, we encourage sovereigns and companies to consider the whole picture of sustainability because this is how they will create the greatest return for investors while helping to build a better future for society.</i></p> <p><i>Aviva Investors operates a fully integrated approach to investment and ownership, combining the skills of our fund managers, investment analysts and ESG specialists across asset classes. During daily, weekly and quarterly discussion forums, we will continually monitor an entity's management and performance, including developments which may have a significant impact on valuation or risk profile. As part of our analysis, we track areas of performance, including management of key ESG areas. If we feel we do not have enough information or have identified gaps,</i></p> |            |                    |  |        |            |       |          |      |



improvements in an entity's awareness or management of their ESG risks and opportunities, we will establish dialogue. This dialogue will be conducted in close cooperation with, and often led by, portfolio managers and research analysts. Key insights are disseminated in written company, industry and thematic notes to feed into idea generation, analysis, forecasts and conclusions about further escalation.'

The manager also separately identified the following as their stewardship priorities '..that will guide our engagement activities, voting intentions and ultimately our investment decisions':

| Stewardship Priority                     | Details  |
|--|--|
| <b>1. Stakeholder business models</b>    | <p>Businesses must ensure there is a clear link between its stated corporate purpose, strategy, stakeholder welfare and board decision making. Our expectation is that companies will:</p> <ul style="list-style-type: none"> <li>▪ Define a corporate purpose that transcends a narrow focus on immediate shareholder returns;</li> <li>▪ Identify key stakeholders and create a value proposition for each group, ensuring compliance with international human rights frameworks as a minimum baseline;</li> <li>▪ Build corporate strategy and business plans to maximise multi-stakeholder value generation;</li> <li>▪ Identify, set targets, monitor and report against key stakeholder performance indicators.</li> </ul>   |
| <b>2. Diversity and social inclusion</b> | <p>The balanced representation of board directors with respect to gender, ethnicity, and social backgrounds is a critical business issue, one that is essential for ensuring a deep understanding of key stakeholders and securing the best available talent. (We view diversity through the broadest lens, including disability and sexual orientation).</p> <ul style="list-style-type: none"> <li>▪ Additionally, companies have a responsibility to actively promote social inclusivity and help break down rather than reinforce social barriers. Our expectation is that companies will:</li> <li>▪ Appoint at least one racially and ethnically diverse director to the board;</li> <li>▪ Develop a strategy to increase the number of ethnically and socially diverse employees in senior management and report against targets;</li> <li>▪ Publish ethnicity data, including ethnic pay gaps, to facilitate external monitoring of progress;</li> <li>▪ Build a more inclusive work culture through targeted programmes such as reverse mentoring and cultural awareness initiatives;</li> <li>▪ Proactively support minority owned businesses within supply chains.</li> </ul> |
| <b>3. Executive remuneration</b>         | <p>Boards should show restraint when determining executive pay during periods of low wage inflation, cost-cutting initiatives and when there has been a significant erosion in stakeholder value. A strong tone from the top in sharing the burden of austerity is essential in maintaining staff morale and engagement. Our expectation is that companies will:</p> <ul style="list-style-type: none"> <li>▪ Align executive management incentives with shareholder outcomes, whilst developing a clear framework for adjusting pay to reflect the experience of wider stakeholders;</li> </ul>   |

|  |  |   |
|--|--|---|
|  |  | <ul style="list-style-type: none"> <li>▪ Ensure management do not benefit from unjustified windfall gains at the point of vesting of long-term incentive awards, that are linked primarily to shifts in market sentiment;</li> <li>▪ Commit to paying employees at least the living wage;</li> <li>▪ Integrate robust and measurable strategic and operational sustainability targets (notably indicators linked to the climate transition) into variable incentive plans.</li> </ul>   |
|  | <b>4. Climate change</b>   | <p>We are aligned with the Intergovernmental Panel on Climate Change (IPCC) position that the world needs to limit the temperature rise to no more than 1.5 degrees Celsius above pre-industrial levels. We expect all companies to align with this ambition, and clearly articulate climate strategies and transition pathways that will deliver net zero emissions by the middle of the century. Climate plans must integrate biodiversity impacts and associated mitigation strategies. Our expectation is that companies will:</p> <ul style="list-style-type: none"> <li>▪ Adopt a target to achieve net zero emissions by 2050 and commit to the Science Based Targets Initiative framework;</li> <li>▪ Integrate climate goals into their business strategy and financial targets, including their capex framework;</li> <li>▪ Publish a transition roadmap, including short- and medium-term climate targets and milestones;</li> <li>▪ Report on progress using the Taskforce on Climate-related Financial Disclosures framework (TCFD) and consider the option of providing investors with an advisory vote on the report.</li> </ul> |
|  | <b>5. Effective dynamic leadership</b>   | <p>All businesses and industries are experiencing disruptive forces linked to evolving regulation, technology, competition, consumer behaviours and sustainability expectations. Companies that are slow to react will not survive. Our expectation is that companies will:</p> <ul style="list-style-type: none"> <li>▪ Ensure their boards and senior management teams have the right balance of skills and experience to identify, react and where appropriate drive industry disruption;</li> <li>▪ Foster a corporate culture that is dynamic, forward looking and embraces changes;</li> <li>▪ Be bolder in taking decisive action to revise corporate strategy, replace leadership teams, reorganise corporate structures or reallocate capital to maintain corporate competitiveness, regardless of short-term repercussions.</li> </ul>  |
| <b>Additional information on Engagements provided by the Manager</b>           | <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"> <li>▪ engagement objectives;</li> <li>▪ collaborative engagements;</li> <li>▪ process for escalating ineffective engagement; and</li> <li>▪ whether any fintech solution was used to facilitate engagement.</li> </ul> |   |
| <b>Comparison of the Manager's Engagement Activity vs the Trustees' policy</b> | <p>The fund manager informed us that the engagement activity will not be reported until June 2024.</p> <p>'Unfortunately, it will not be published until June, this is due to the nature of the assets the fund holds, the funds invests in real estate and therefore acquiring engagement data takes a lot longer than that of equity funds.'</p>   |   |

|   |  |
|---|--|
| Is Engagement Activity in Line with the Trustees' Policy? | The manager did not provide any engagement information, therefore we were unable to assess whether the Manager's engagement activities are consistent with the Manager's stated engagement approach and so the Scheme's approach |
|---|--|

## BlackRock

| Fund(s)                                | Period Start | Period End | No. of Engagements | Breakdown of Engagement Topics Covered |        |            |       | Outcomes   |            |
|--|--------------|------------|--------------------|--|--------|------------|-------|------------|------------|
|  |              |            |                    | Environmental                          | Social | Governance | Other | Resolved   | Open       |
| Up To 5 Year Corporate Bond Index Fund | 01/01/23     | 31/12/23   | 656                | 18.9%                                  | 18.1%  | 63%        | 0.0%  | Not Stated | Not Stated |

| Aspect of Engagement Activity                 | Details   |
|---|---|
| Key Points of the Manager's Engagement Policy | <p>BlackRock had the following to say with regards their approach to engagement, provided in the response to our information request:</p> <p><i>'Engagement is not one conversation. We have ongoing private dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we stand ready to vote against proposals from management or the board. Each year we prioritize our work around engagement themes to encourage sound governance practices and deliver sustainable long-term financial performance for clients. Our approach emphasizes direct dialogue with companies.'</i></p> <p>Engagement Themes:</p> <ol style="list-style-type: none"> <li>1) <i>Board Quality and Effectiveness - Quality leadership is essential to performance. Board composition, effectiveness, diversity and accountability remain top priorities</i></li> <li>2) <i>Climate and Natural Capital - Climate action plans with targets advance the transition to a low carbon economy. Managing natural capital dependencies and impacts through sustainable business practices</i></li> <li>3) <i>Strategy Purpose and Financial Resilience - A purpose driven long-term strategy, underpinned by sound capital management, supports financial resilience</i></li> <li>4) <i>Incentives Aligned with Value Creation - Appropriate incentives reward executives for delivering sustainable long-term value creation</i></li> <li>5) <i>Human Capital - Sustainable business practices create enduring value for all key stakeholders'</i></li> </ol> |

|   |   |
|---|---|
| Additional information on Engagements provided by the Manager           | <p>Whilst the manager provided a list of engagements undertaken on investments during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> <li>engagement objectives</li> <li>collaborative engagements</li> <li>process for escalating ineffective engagement and</li> <li>whether any fintech solution was used to facilitate engagement</li> </ul>  |
| Comparison of the Manager's Engagement Activity vs the Trustees' Policy | <p>The following example of engagement activity was provided by the manager for the Black Rock Up To 5 Year Corporate Bond Index Fund:</p> <p><b><u>27/11/2023 – Unilever PLC – Engagement on Environmental and Social Issues</u></b></p> <p><b>Engagement Method:</b> video call</p> <p><b>Engagement Details:</b></p> <ul style="list-style-type: none"> <li>Environmental = Climate Risk Management / Land Use/Deforestation / Other company impacts on the environment</li> <li>Social = Health and Safety</li> </ul> <p><b>Engagement Outcome:</b> Not stated.</p> |
| Is Engagement Activity in Line with the Trustees' Policy?               | <p><b>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we are disappointed with the lack of details provided in relation to the engagement activity undertaken.</b></p>   |

## Columbia Threadneedle

|                                       |              |            |                    | Breakdown of Engagement Topics Covered |        |            |       | Outcomes   |            |
|---------------------------------------|--------------|------------|--------------------|--|--------|------------|-------|------------|------------|
| Fund(s)                               | Period Start | Period End | No. of Engagements | Environmental                          | Social | Governance | Other | Resolved   | Open       |
| UK Equity-Linked Inflation Fund       | 01/01/2023   | 31/12/2023 | 724                | 35.6%                                  | 40.6%  | 23.8%      | 0.0%  | Not Stated | Not Stated |
| Overseas Equity-Linked Inflation Fund | 01/01/2023   | 31/12/2023 | 1,050              | 36.4%                                  | 41.9%  | 21.7%      | 0.0%  | Not Stated | Not Stated |
| Aspect of Engagement Activity         | Details      |            |                    |  |        |            |       |            |            |

|   |  |
|---|--|
| Key Points of the Manager's Engagement Policy                           | <p>Columbia Threadneedle's general approach to engagement is set out in a document titled 'Responsible Investment: Global Policy and Approach'. They go on to say the following, but do not set out any specific engagement priorities or themes in the document:</p> <p><i>'Proactive engagement is an integral part of our approach to research, investment and the stewardship of client capital. This includes a focus on sustainability risks, operational excellence, capital allocation policies and managerial incentives, among others. Underpinned by collaboration across asset classes and thematic and sectorial disciplines, we ensure an informed approach to our engagement. A consultative, research driven approach to engaging corporate leadership and management contributes to investment insights, appropriate escalation and our exercise of proxy voting rights.'</i></p> <p>They have the following additional commentary on their engagement approach in another report, but again have not identified any specific engagement priorities or themes:</p> <p><i>'Having identified the ESG issues we consider material to the creation and protection of long-term investor value, we use in-depth dialogue to encourage investee companies to improve performance and move towards best practice in managing those issues. Our engagement encompasses a spectrum of ESG issues, across a range of sectors and geographies. We monitor the outcomes of our engagement and report on our progress.'</i></p> <p><i>In encouraging companies to move towards best practice in managing ESG issues, we refer to international codes and standards where relevant, such as the International Labour Organization Core Conventions, UN Guiding Principles on Business and Human Rights, the UN Global Compact, and national corporate governance principles and codes of best practice. However, any such standards are often only a starting point, as we tailor our engagement to individual companies and to how the ESG issues under discussion apply to their specific circumstances.'</i></p> <p><i>Our preferred approach is to use constructive, confidential dialogue, typically working one-to-one with companies, but also taking a collaborative approach where this has more impact and is in line with our objectives. We engage at different levels within companies depending on the nature of our objectives, including the board, executive management and operational specialists.'</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"> <li>▪ engagement objectives</li> <li>▪ collaborative engagements</li> <li>▪ process for escalating ineffective engagement and</li> <li>▪ whether any fintech solution was used to facilitate engagement</li> </ul>   |
| Comparison of the Manager's Engagement Activity vs the Trustees' Policy | <p>The following example of engagement activity was provided by the manager for the UK Equity-Linked Inflation Fund:</p> <p><b><u>25/08/2023 – Tesco PLC - Environment-related Engagement</u></b></p> <p><b>Engagement Activity Name:</b> 'Provided consultation response on Tesco's ESG programme to external consultant'</p> <p><b>Client Engagement Summary:</b> 'The company sought our views on its ESG priorities through a consultation carried out by an external consultant. We provided our views on a range of topics, including climate change, environmental impacts, human capital management, and social supply chain management.'</p>  |

|   |  |
|---|--|
|   | <p><b>Method:</b> 'Company consultation'</p> <p><b>Engagement Outcome:</b> Not stated.</p>   |
| Is Engagement Activity in Line with the Trustees' Policy? | The activity appears to be consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach. |

## JP Morgan

| Fund(s)                         | Period Start | Period End | No. of Engagements | Breakdown of Engagement Topics Covered |        |            |       | Outcomes |      |
|---------------------------------|--------------|------------|--------------------|--|--------|------------|-------|----------|------|
|                                 |              |            |                    | Environmental                          | Social | Governance | Other | Resolved | Open |
| Infrastructure Investments Fund | 20/09/2023   | 31/12/2023 | 3                  | 66.6%                                  | 33.3%  | -          | -     | -        | -    |

| Aspect of Engagement Activity                 | Details  |
|---|--|
| Key Points of the Manager's Engagement Policy | <p>The following is a description of the manager's engagement approach, as set out in their <a href="#">2022 Investment Stewardship Report</a>:</p> <p><i>'Engaging our investee companies in dialogue and encouraging positive change is a key component of how we deliver our stewardship strategy at J.P. Morgan Asset Management. Our engagement is based on our in-depth investment research on companies, alongside assessment of macroeconomic drivers, sectoral factors and ESG themes. This research insight enables us to act in a proactive fashion by engaging investee companies to acknowledge issues and improve practices before risks are realized and opportunities are missed. This is how we seek to drive impact in our stewardship activity, by delivering on positive change at our investee companies to preserve and enhance asset value. To frame this, our engagement is based on the following building blocks:</i></p> <ul style="list-style-type: none"> <li>• <b>Intentionality:</b> We are determined to act in the best interests of our clients by encouraging investee companies to focus on responsible allocation of capital and long-term value creation.</li> <li>• <b>Materiality:</b> We strive to understand how factors impacting sustainability are financially significant to companies over time, understanding that the regions, cultures and organizations in which we invest differ greatly.</li> <li>• <b>Additionality:</b> We focus on strategic issues that are most urgently in need of our involvement to alter the status quo. We believe that as large investors, we have the ability to put our resources to work in a way in which they can move the needle and achieve the outcome we set out to do. It is not a box-ticking exercise.</li> <li>• <b>Transparency:</b> We have to be clear about the stewardship work we do and take steps to be transparent to our stakeholders as we expect the same of investee companies.</li> </ul> |

|   |  |
|---|--|
|   | <p>JP Morgan have identified 6 Investment Stewardship Priorities:</p> <ol style="list-style-type: none"> <li>1) <i>Climate Change</i></li> <li>2) <i>Natural Capital and Ecosystems</i></li> <li>3) <i>Human Capital Management</i></li> <li>4) <i>Stakeholder Engagement</i></li> <li>5) <i>Governance</i></li> <li>6) <i>Strategy Alignment with the Long Term</i></li> </ol>  |
| Additional information on Engagements provided by the Manager           | <p>The manager provided a vague 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"> <li>▪ engagement objectives</li> <li>▪ collaborative engagements</li> <li>▪ process for escalating ineffective engagement and</li> <li>▪ whether any fintech solution was used to facilitate engagement</li> </ul>  |
| Comparison of the Manager's Engagement Activity vs the Trustees' Policy | <p>The following is an example of a reported fund-level engagement activity provided by the manager in their response to us:</p> <p><b><u>25/08/2023 – Sonnedix – Engagement on Social-themed Issues</u></b></p> <p><b>Method of Engagement:</b> 'In-person Meeting'.</p> <p><b>Details of Engagement:</b> 'Human rights is a material factor for Sonnedix due to its business, supply chain and locations outside of Europe. IIF works with Sonnedix to continuously monitor human rights issues, its supply chain and meeting the requirements of its Modern Slavery policy to prevent and eradicate forced labour. Sonnedix, IIF's global solar company, and understanding and monitoring the supply chain of its solar panels Sonnedix has zero-tolerance for the use of child or forced labour on its projects or plants and will not knowingly do business with contractors, subcontractors, business partners or vendors who violate these practices or the human rights of those working on their behalf. Sonnedix's commitment and zero-tolerance approach is detailed in the Sonnedix Human Rights, Child and Forced Labour Standard. The company expects the same zero-tolerance approach from those who undertake work on its behalf and these expectations are set out in the Sonnedix Responsible Supply Chain Design and Procurement Standard.'</p> <p><b>Outcome:</b> 'Human rights and supply chain are part of the governance processes and discussed at Board meetings where IIF has a Board seat. In addition, Sonnedix provides training to its team on these issues'.</p> <p><b>Issue Status:</b> 'Ongoing'.</p> |
| Is Engagement Activity in Line with the Trustees' Policy?               | <p><b>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.</b></p>   |

# LGIM

|   |  |            |                    | Breakdown of Engagement Topics Covered |        |            |       | Outcomes   |            |
|---|--|------------|--------------------|--|--------|------------|-------|------------|------------|
| Fund(s)   | Period Start   | Period End | No. of Engagements | Environmental                          | Social | Governance | Other | Resolved   | Open       |
| Infrastructure Equity MFG Fund - GBP Currency Hedged  | 20/02/2023   | 31/12/2023 | 27                 | 70.4%                                  | 7.4%   | 22.2%      | 0.0%  | Not Stated | Not Stated |
| Infrastructure Equity MFG Fund                        | 01/01/2023   | 19/02/2023 | 1                  | 100.0%                                 | 0.0%   | 0.0%       | 0.0%  | Not Stated | Not Stated |
| Global Equity Fixed Weights (50:50) Index Fund        | 01/01/2023   | 31/12/2023 | 1,393              | 38.5%                                  | 16.2%  | 35.3%      | 9.9%  | Not Stated | Not Stated |
| World (ex-UK) Equity Index Fund - GBP Currency Hedged | 01/01/2023   | 31/12/2023 | 950                | 48.9%                                  | 12.3%  | 31.2%      | 7.6%  | 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"> <li>1) Identify the most material ESG issues</li> <li>2) Formulate a strategy</li> <li>3) Enhance the power of engagement (e.g., through public statements)</li> <li>4) Collaborate with other stakeholders and policymakers</li> <li>5) Vote</li> <li>6) Report to shareholders</li> </ol> <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"> <li>1. Climate Change</li> <li>2. Remuneration</li> <li>3. Diversity (Gender and Ethnicity)</li> <li>4. Board Composition</li> <li>5. Strategy</li> </ol> |            |                    |  |        |            |       |            |            |
| Additional information on engagements                 | 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:  |            |                    |  |        |            |       |            |            |



|   |   |
|---|---|
| provided by the Manager   | <ul style="list-style-type: none"> <li>▪ engagement objectives</li> <li>▪ collaborative engagements</li> <li>▪ process for escalating ineffective engagement and</li> <li>▪ whether any fintech solution was used to facilitate engagement</li> </ul>   |
| Comparison of the Manager's Engagement Activity vs the Trustees' Policy | <p>Set out below is an example of engagement activity reported by LGIM in the Global Equity Fixed Weights (50:50) Index Fund:</p> <p><b><u>10/05/2023 – Tesla Inc – Governance-themed Engagement Activity</u></b></p> <p><b>Engagement Type:</b> 'Conference call'.</p> <p><b>Issue Theme:</b> 'Board Composition'.</p> <p><b>Engagement Details:</b> 'Not provided'.</p> <p><b>Engagement Outcome:</b> 'Not provided'.</p> |
| Is Engagement Activity in Line with the Trustees' Policy?               | <p><b>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.</b></p>  |

| Fund(s)                             | Period Start | Period End | No. of Engagements | Breakdown of Engagement Topics Covered |        |            |       | Outcomes |      |
|-------------------------------------|--------------|------------|--------------------|--|--------|------------|-------|----------|------|
|                                     |              |            |                    | Environmental                          | Social | Governance | Other | Resolved | Open |
| Total Return Credit Investment Fund | 01/01/2023   | 31/12/2023 | 8                  | 62.5%                                  | 12.5%  | 25.0%      | 0.0%  | 100%     | 0%   |

| Aspect of Engagement Activity                 | Details  |
|---|--|
| Key Points of the Manager's Engagement Policy | <p>M&amp;G's approach to engagement is set out in their ESG Investment Policy from January 2022. M&amp;G believe that the long-term success of companies is supported by effective investor stewardship and high standards of corporate governance. They believe that if a company is run well, and sustainably, it is more likely to be successful in the long run.</p> <p>To gain insight, establish relationships and/or to influence and affect change M&amp;G undertake the following measures:</p> <ul style="list-style-type: none"> <li>Company meetings – As part of company monitoring, updates on trading strategy, capital allocation etc</li> <li>ESG informed meetings – In company monitoring meetings they may ask questions relating to ESG, which could include remuneration and more general governance meetings</li> <li>ESG engagements – M&amp;G's engagement activity should have a specific time bound objective, action and outcome which is measurable, and will be tracked over time. An ESG objective seeks to influence a company's behaviour or disclosures and cannot be merely to increase understanding. Each engagement is assessed for its effectiveness and is designated a red, green or amber traffic light colour coding. Green indicates a positive engagement outcome. Amber suggests further monitoring is required. Red indicates an unsuccessful outcome. Each engagement is assessed for its effectiveness and is designated a red, green or amber traffic light colour coding. Green indicates a positive engagement outcome. Amber suggests further monitoring is required. Red indicates an unsuccessful outcome.</li> </ul> <p>From M&amp;G's most recent Annual Stewardship Report the manager has identified the following as their key engagement topics:</p> <ul style="list-style-type: none"> <li>Leadership &amp; Governance</li> <li>Environment</li> <li>Business Model and Innovation</li> <li>Social Capital</li> <li>Human Capital</li> </ul> |

|   |  |
|---|--|
| 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"> <li>▪ engagement objectives</li> <li>▪ collaborative engagements</li> <li>▪ process for escalating ineffective engagement and</li> <li>▪ whether any fintech solution was used to facilitate engagement</li> </ul>   |
| Comparison of the Manager's Engagement Activity vs the Trustees' Policy | <p>An example of a reported engagement for the Total Return Credit Investment Fund is:</p> <p><b><u>31/10/2023 – Westlake Corp – Environmental – themed Engagement</u></b></p> <p><b>Engagement Objective:</b> 'To ask Westlake, the North American chemical company, to set a Net Zero target for scope 1,2 and 3 emissions verified by SBTi, increase its scope 1&amp;2 reduction targets for 2030 from 20% to 30%, disclose scope 3 emissions and its decarbonisation strategy and report under TCFD'.</p> <p><b>Action Taken:</b> 'M&amp;G met with a mixture of the finance and sustainability teams including the CFO'.</p> <p><b>Engagement Result:</b> 'Westlake explained the company is not going to commit to a Net Zero target until it has a clear pathway to get there. It is dialoguing with SBTi and as Westlake gets closer to achieving 20% reduction for scope 1 &amp;2 it is considering what the next steps will be. The next sustainability report will be published in the next few weeks and the company is working on TCFD and scope 3 emission disclosures. In terms of decarbonisation most of the investment is currently expensed in engineering resource rather than through capex. M&amp;G will review the sustainability report upon its publication and follow up with the company next year'.</p> <p><b>Engagement Status:</b> 'Closed'.</p> |
| Is Engagement Activity in Line with the Trustees' Policy?               | <p>The activity appears to be consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.</p>  |

# Vontobel

|   |  |            |                    | Breakdown of Engagement Topics Covered |        |            |       | Outcomes   |            |
|---|--|------------|--------------------|--|--------|------------|-------|------------|------------|
| Fund(s)   | Period Start   | Period End | No. of Engagements | Environmental                          | Social | Governance | Other | Resolved   | Ongoing    |
| TwentyFour Strategic Income Fund  | 01/01/23   | 31/12/23   | 60                 | 65.0%                                  | 16.7%  | 18.3%      | 0.0%  | Not Stated | Not Stated |
| Aspect of Engagement Activity   | Details  |            |                    |  |        |            |       |            |            |
| Key Points of the Manager's Engagement Policy                           | <p>TwentyFour have made the following statement in terms of their approach towards engagement activity:</p> <p>'The decision to engage with the management of an investee company is primarily based on what TwentyFour investment professionals believe will maximise bondholder value in the long-term, specifically the value of its clients' investments.</p> <p>TwentyFour's investment professionals may engage with company management on a variety of issues, including ESG matters that present a potential material risk to a company's financial performance. The Firm believes that its investment professionals are in the best position to evaluate the potential impact that ESG issues or the outcome of a given proposal will have on bondholder value. As such, all of the Firm's engagement activities are the responsibility of investment professionals and are fully integrated into its investment process.</p> <p>TwentyFour engages with the company management through periodic meetings, visits, and telephone calls during which Firm investment professionals discuss and pose questions on operational, strategic, and other management issues.</p> <p>TwentyFour's investment professionals communicate internally on the status of engagement activities and any outcomes arising.</p> <p>As a fixed income company TwentyFour's proxy voting rights are limited.'</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"> <li>engagement objectives</li> <li>collaborative engagements</li> <li>process for escalating ineffective engagement and</li> <li>whether any fintech solution was used to facilitate engagement</li> </ul>   |            |                    |  |        |            |       |            |            |
| Comparison of the Manager's Engagement Activity vs the Trustees' Policy | <p>The following example of an engagement activity undertaken in the Strategic Income Fund was provided by the manager</p> <p><b><u>29/09/2023 – National Express – Environmental-themed Engagement</u></b></p>  |            |                    |  |        |            |       |            |            |

|  |   |
|--|---|
|  | <p><b>Engagement Details:</b> 'National Express is an issuer we have been engaging with as part of our Carbon Emissions Engagement Policy. We re-engaged as part of our yearly follow-up for an update on their progress in decarbonising their bus fleet and for an update on their STBi (Science Based Targets initiative) progress given their decision to withdraw their application in 2021'.</p> <p><b>Engagement Outcome:</b> 'Overall we felt this was good progress, and we are happy to hold positions. Follow up again in 12 months'.</p> <p><b>Issue Status:</b> 'Ongoing'.</p> |
| <p>Is Engagement Activity in Line with the Trustees' Policy?</p> | <p>The activity appears to be consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.</p>   |

### Minerva Says

As can be seen from the previous tables, the Scheme's managers' 'Engagement Activity' appears to broadly 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?' |                                     |                    |
| Aviva                  | Aviva Lime Property Fund                              | N.I.R  | N.I.R                        | N.I.R**             | N/A                     | YES                                 | N.I.R              |
| BlackRock              | Up To 5 Year Corporate Bond Index Fund                | N.I.R  | N.I.R                        | YES                 | N/A                     | YES                                 | COMPLIANT          |
| Columbia Threadneedle  | Overseas Equity-Linked Inflation Fund                 | N.I.R  | N.I.R                        | YES                 | N/A                     | YES                                 | COMPLIANT          |
|                        | UK Equity-Linked Inflation Fund                       | N.I.R  | N.I.R                        | YES                 | N/A                     | YES                                 | COMPLIANT          |
| JP Morgan              | Infrastructure Investments Fund                       | N.I.R  | N.I.R                        | YES                 | N/A                     | YES                                 | COMPLIANT          |
| LGIM*                  | Global Equity Fixed Weights (50:50) Index Fund        | YES  | YES                          | YES                 | ISS                     | YES                                 | COMPLIANT          |
|                        | Infrastructure Equity MFG Fund                        | YES  | YES                          | YES                 | ISS                     |                                     | COMPLIANT          |
|                        | Infrastructure Equity MFG Fund - GBP Currency Hedged  | YES  | YES                          | YES                 | ISS                     |                                     | COMPLIANT          |
|                        | Matching Core Funds (4 funds)                         | N.I.R  | N.I.R                        | N.I.R               | N/A                     |                                     | N.I.R              |
|                        | World (ex-UK) Equity Index Fund - GBP Currency Hedged | YES  | YES                          | YES                 | ISS                     |                                     | COMPLIANT          |
|                        |   |  |                              |                     |                         |                                     |                    |
| M&G                    | Total Return Credit Investment Fund                   | N.I.R  | N.I.R                        | YES                 | N/A                     | YES                                 | COMPLIANT          |
| Vontobel               | TwentyFour Strategic Income Fund                      | N.I.R  | N.I.R                        | YES                 | N/A                     | YES                                 | 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.

\*\* Aviva informed us that the data will not be available until June 2024. ((this is due to the nature of the assets the fund holds, the funds invests in real estate and therefore acquiring engagement data takes a lot longer than that of equity funds)

## 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:
  - 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.
- 3) Most of the information provided by the Scheme's managers covered the reporting periods.
- 4) We remain disappointed with a number of the Scheme's managers in terms of limited engagement information provided.

## LGIM Information Disclaimer

- i. Carbon dioxide equivalent (CO<sub>2</sub>e) 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 CO<sub>2</sub>e/GDP, Carbon Emissions Footprint uses: CO<sub>2</sub>e/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.

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For more information please email [hello@minerva.info](mailto:hello@minerva.info) or call + 44 (0)1376 503500

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