

Smith Anderson & Company Limited 1973 Staff Retirement Benefits Scheme ('the Scheme') – Implementation Statement 1st October 2022 – 30th September 2023

An Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Department for Work and Pensions for the period from 1st October 2022 – 30th September 2023 ('the Scheme Year').

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

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

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

A summary of the key points is set out below.

LGIM

Due to the nature of the underlying holdings, there was no voting or engagement information to report for the Matching Core LDI Funds or the Cash Fund.

Minerva confirmed that the manager's public voting policies and 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. They were also able to confirm the manager's voting activity had followed the Trustee's policy.

LGIM's engagement information was provided at a fund level but only included basic information. Both LGIM's voting and engagement information covered the Scheme's reporting period. The Trustee will continue to encourage LGIM to provide more detailed information but acknowledge that the information provided was in line with its own policies.

BNY Mellon

Minerva concluded that the Trustee's voting and engagement policies were followed by the manager. However, Minerva noted the manager does not have a formal bond voting policy. In instances where bonds have voting rights, typically in relation to corporate actions, a case-by-case approach to determine the votes to cast is adopted. Given the nature of the investments in this fund, Minerva has concluded that the manager's approach is in the best financial interest of the Scheme beneficiaries.

BNY Mellon provided detailed fund level engagement information, covering the Scheme's reporting period. From this, Minerva was able to confirm that the manager's engagement activity was in line with the Trustee's own policies.

Columbia Threadneedle

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

Columbia Threadneedle provided summarised firm-level engagement information that was not in line with the Scheme's reporting period. Despite this Minerva was able to confirm that the activity appeared to broadly comply with Columbia Threadneedle's own engagement approach, and so complies with the Scheme's approach.

Morgan Stanley

It was determined by Minerva that Morgan Stanley's public voting policy and disclosures contain minor divergences from good practice across a range of policy pillars due to limited disclosures. The manager provided a summarised voting record that was 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 Trustee's policy.

Morgan Stanley provided summarised fund-level engagement information that was in line with the Scheme's reporting period. Whilst Minerva noted the manager should be able to provide more information relating to engagements, they acknowledged that the activity appeared to broadly comply with Morgan Stanley's own engagement approach, and so complies with the Scheme's approach.

Partners Group

It was determined by Minerva that Partners Group's public voting policy and disclosures contain minor divergences from good practice across a range of policy pillars due to limited disclosures. The manager provided a summarised voting record that was not in line with the Scheme's reporting period. Rather than significant votes, information was provided on ESG efforts of portfolio companies, as Partners Group control the board for each company shown. This meant some pertinent information was missing from the manager's disclosures and Minerva were unable to determine whether their voting activity followed their own public voting policy.

Whilst Partners Group did not provide specific engagement information, Minerva located basic firm-level engagement information in their Corporate Sustainability Report. From, Minerva concluded the manager's engagement activity appeared to be consistent with the Scheme's approach.

Vontobel

Vontobel stated that there was no voting information to report. Summarised fund-level information was provided on engagements covering the Scheme's reporting period. Whilst Minerva noted the manager should be able to provide more information relating to engagements, they acknowledged 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 Trustee's have determined they will not be covered in this Statement on the grounds of materiality.

Final Comments

Since last year, Morgan Stanley and Partner's Group maintained limited disclosures in their public voting policy across a range of policy pillars. LGIM and Morgan Stanley have improved levels of voting information by providing summarised voting records in line with the Scheme's reporting period for all holdings. However, further improvement is needed from LGIM, Morgan Stanley, Vontobel and BNY Mellon to provide more detail on engagements. Partners Group provided voting information where none was provided last year. However, ESG efforts of the portfolio companies was provided in place of significant votes as the manager controlled the board for each company shown. Further improvement is needed from Partner's group to provide fund-level engagement information in line with the Scheme's reporting period.



Smith Anderson & Company Limited 1973 Staff Retirement Benefits Scheme

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Implementation Statement (IS):

Voting & Engagement Information (VEI) Report

Scheme Reporting Period:

1st October 2022 to 30th September 2023

2nd January 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 Smith Anderson & Company Limited
1973 Staff Retirement Benefits Scheme
Statement of Investment Principles
May 2023*



1.1 Financially Material Considerations

The Trustee has considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. It believes that financially material considerations are implicitly factored into the expected risk and return profile of the asset classes it is investing in. However, the Trustee has not made an explicit allowance for risks associated with climate change as it believes it is difficult to accurately quantify.

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

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

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

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 adviser. The Trustee will only invest with investment managers that are signatories for the United Nations Principles of Responsible Investment ('UN PRI') or other similarly recognised standard.

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

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

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

1.2 Non-Financial Considerations

The Trustee has 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 Trustee's policies

The Scheme invests in pooled funds and so the Trustee acknowledges the funds' investment strategies and decisions cannot be tailored to the Trustee's policies. However, the Trustee sets its investment strategy and then selects managers that best suit its strategy taking into account the fees being charged, which acts as the investment manager's incentive.

The Trustee uses the fund objective/benchmark as a guide on whether its investment strategy is being followed and it monitors this regularly.

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

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

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

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

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

If the Trustee feels that the investment managers are not assessing financial and non-financial performance or adequately engaging with the companies they are investing in, 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 investment managers' performance and the remuneration for asset management services are in line with the Trustee's policies

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

The Trustee assesses the performance periods of the funds, where possible, over at least a 3-5 year period when looking to select or terminate a manager, unless there are reasons other than performance that need to be considered.

The investment managers' remuneration is considered as part of the manager selection process and is also monitored regularly with the help of its investment consultant to ensure it is in line with the Trustee's policies.

How the Trustee monitors portfolio turnover costs incurred by the investment managers, and how it defines and monitors targeted portfolio turnover or turnover range

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

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

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

The duration of the arrangement with the investment managers

The duration of the arrangement with the investment managers

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

Changes in investment strategy or 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
BNY Mellon	Newton Global Dynamic Bond Fund	Part Info Available	No Info to Report	Full Info Available
Columbia Threadneedle	Threadneedle Property Fund	No Info to Report	No Info to Report	Part Info Available
	Cash Fund	No Info to Report	No Info to Report	Part Info Available
	Dynamic Diversified Fund	Full Info Available	Full Info Available	Part Info Available
LGIM*	Future World Global Equity Fund	Full Info Available	Full Info Available	Part Info Available
	Infrastructure Equity Fund (GBP hedged variant)	Full Info Available	Full Info Available	Part Info Available
	Matching Core LDI Fund (4 funds)	No Info to Report	No Info to Report	Part Info Available
Morgan Stanley	UK Global Brands Fund	Full Info Available	Full Info Available	Part Info Available
Partners Group	Partners Group Generations Fund	Part Info Available	Part Info Available	Part Info Available
Vontobel	TwentyFour Strategic Income Fund	No Info to Report	No Info to Report	Part Info Available

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

Table Key

Full Info Available

The manager has provided either a PLSA Voting Template or voting data that **precisely** matches the specific investment’s holding /reporting period

Part Info Available

The manager has provided either a PLSA Voting Template or voting data that **partially** matches the specific investment’s holding /reporting period

No Info to Report

The manager has explicitly stated that there is no voting or engagement information to report for this specific investment or that it is not expected there will be any voting or engagement information to report due to the nature of the underlying investments

No Info Provided

At the time of preparing this report, the manager has either not formally responded to the information request or has not provided information when we believe there should be information to report



Voting Activity

There was voting information disclosed for the following Scheme investments:

- BNY Mellon Newton Global Dynamic Bond Fund
- LGIM Dynamic Diversified Fund
- LGIM Future World Global Equity Fund
- LGIM Infrastructure Equity Fund (GBP hedged variant)
- Morgan Stanley UK Global Brands Fund
- Partners Group Generations Fund

Significant Votes

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

- LGIM Dynamic Diversified Fund
- LGIM Future World Global Equity Fund
- LGIM Infrastructure Equity Fund (GBP hedged variant)
- Morgan Stanley UK Global Brands Fund
- Partners Group Generations Fund

Engagement Activity

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

- BNY Newton Global Dynamic Bond Fund
- Columbia Threadneedle Property Fund
- LGIM Cash Fund
- LGIM Dynamic Diversified Fund
- LGIM Future World Global Equity Fund
- LGIM Infrastructure Equity Fund (GBP hedged variant)
- LGIM Matching Core LDI Fund (4 funds)
- Morgan Stanley UK Global Brands Fund
- Partners Group Generations Fund
- Vontobel TwentyFour Strategic Income Fund

3 Voting and Engagement

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

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

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

3.1 Stewardship

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

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

Where this primary consideration is not prejudiced, the investment manager should engage with companies to take account of ESG factors in the exercise of such rights. The Trustee will review the investment managers' voting policies, with the help of its investment consultant, and decide if they are appropriate. If they are not appropriate, the Trustee will engage with the investment manager, with the help of its investment adviser, to influence the investment managers' policy. If this fails, the Trustee will review the investments made with the investment manager.

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

The following table sets out:

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

Table 3.1: Scheme Investment/Product Information

Fund Manager	Investment Fund/Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
BNY Mellon	Newton Global Dynamic Bond Fund	Mobius Platform	DB Fund	01/10/22	14/02/23	N/A
Columbia Threadneedle	Threadneedle Property Fund	Mobius Platform	DB Fund	01/10/22	30/09/23	N/A
	Cash Fund	Mobius Platform	DB Fund	01/10/22	14/12/22	N/A
	Dynamic Diversified Fund	Mobius Platform	DB Fund	01/10/22	30/09/23	ISS
LGIM	Future World Global Equity Fund	Mobius Platform	DB Fund	01/10/22	30/09/23	ISS
	Infrastructure Equity Fund (GBP hedged variant)	Mobius Platform	DB Fund	01/10/22	30/09/23	ISS
	Matching Core LDI Fund (4 funds)	Mobius Platform	DB Fund	01/10/22	30/09/23	N/A
Morgan Stanley	UK Global Brands Fund	Mobius Platform	DB Fund	01/10/22	30/09/23	ISS
Partners Group	Partners Group Generations Fund	Mobius Platform	DB Fund	01/10/22	30/09/23	GLASS LEWIS
Vontobel	TwentyFour Strategic Income Fund	Mobius Platform	DB Fund	01/10/22	30/09/23	N/A

Minerva Says

As shown in the table above:

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

4 Exercise of Voting Rights

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

Table 4.1: BNY Mellon's Approach to Voting

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

Table 4.2: LGIM's Approach to Voting

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

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

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

4.3: Morgan Stanley's Approach to Voting

Asset manager Morgan Stanley

Relevant Scheme Investment(s) UK Global Brands Fund

Key Points of Manager's Voting Policy

We accessed Morgan Stanley's current 'Proxy Voting Policy & Procedures', which sets out what they consider to be good governance practices of investee companies. Their voting policy is comprised of 5 key policy areas:

#	Policy Area	Example of Topics Covered
1	Routine Matters	Approval of financial statements and auditor reports; general updating/corrective amendments to the charter, articles of association or bylaws; most proposals relating to the conduct of the AGM
2	Board of Directors	Election of directors; discharge of directors' duties; board independence; board diversity; majority voting; proxy access; reimbursement for dissent nominees; cumulative voting; separation of Chairman and CEO positions
3	Statutory Auditor Boards	Vote for statutory auditor nominees if they meet independence standards

4	Corporate Transactions & Proxy Fights	Proposals relating to mergers, acquisitions and other special corporate transactions; proxy contests analysed on a case-by-case basis
5	Changes in Capital Structure	Management and shareholder proposals aimed at eliminating unequal voting rights; U.S. management proposals to increase the authorization of existing classes of common stock; Proposals in non-U.S. markets that in our view appropriately limit potential dilution of existing shareholders
6	Takeover Defences and Shareholder Rights	Shareholder Rights Plans; Supermajority Voting Requirements; Shareholder Rights to call a Special Meeting; Written Consent Rights; Reincorporation; Anti-Greenmail Provisions; Bundled Proposals
7	Auditors	May consider opposing proposals with reference to incumbent audit firms if the company has suffered from serious accounting irregularities, or if fees paid to the auditor for non-audit-related services are excessive
8	Executive & Director Remuneration	Senior executive stock ownership; employee equity compensation plans; fees to outside directors; employee stock purchase plans; employee retirement and severance plans; non-support of shareholders' approving all severance agreements
9	Social & Environmental Issues	Consider how to vote on proposals related to social and environmental issues on a case-by-case basis by determining the relevance of social and environmental issues identified in the proposal and their likely impacts on shareholder value.
10	Fund of Funds	If an underlying fund has a shareholder meeting, in order to avoid any potential conflict of interest, such proposals will be voted in the same proportion as the votes of the other shareholders of the underlying fund, unless otherwise determined

Is Voting Approach in Line with the Scheme's Policy? **Yes**

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

Table 4.4: Partners Group's Approach to Voting

Asset manager	Partners Group	
Relevant Scheme Investment(s)	Generations Fund	
Key Points of Manager's Voting Policy	Partners Group provided us with a copy of their Proxy Voting Directive, which sets out what they consider to be good governance practices of investee companies. Their voting policy is comprised of 5 key policy areas:	
#	Policy Area	Example of Topics Covered
1	Boards and Directors	Separation of Chairman and CEO roles, Director independence and effectiveness, Committees, Elections.
2	Compensation	Board remuneration, Executive remuneration, Targets, Alignment, Level

3	Accounts, Audit and Internal Control	Affirming business solvency, Internal controls, Auditor independence,
4	Capital Structure and Shareholder Rights	Issue of new shares, Share repurchase, Treasury shares, Mergers, acquisitions and corporate restructuring, Shareholder protections
5	Environmental and Social Matters	Assessing and addressing environmental and social risks, Political contributions and lobbying

Is Voting Approach 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

- Newton have confirmed that they do not have a formal bond voting policy.
- LGIM, Morgan Stanley and Partners Group have each set out how they approach their stewardship responsibilities for listed companies on behalf of their clients.
- From the information available, we believe that the voting approaches are consistent with the Scheme's voting approach expectations of its investment managers.

5 Manager Voting Policy

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

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

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

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
BNY Mellon (Newton)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Comments</i>	Newton have confirmed to us that they do not have a formal bond voting policy as such. Typically, bonds do not have the same kind of voting rights associated with them as listed equities. Any votes cast tend to be in relation to corporate actions that require a case-by-case approach to determine the votes to cast.						
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
<i>Comments</i>	LGIM's voting policy and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices.						
Morgan Stanley	Limited Disclosures	Aligned	Limited Disclosures	Limited Disclosures	Limited Disclosures	Limited Disclosures	Limited Disclosures
<i>Comments</i>	<p>Audit & Reporting - There is limited information disclosed in the manager's public policy in relation to Audit & Internal Controls, details on the relationship and retendering of Audit function, limited disclosures on Financial Reporting matters such as board level responsibility for risk management.</p> <p>Capital - There is no information disclosed in relation to Return of Capital and the number of shares to be issued has not been specified.</p>						

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
	<p>Corporate Actions - There is no information provided in relation to the jurisdiction of the governing law for all disputes between shareholders and the Company.</p> <p>Remuneration - The manager's public voting policy is silent on several key areas of Remuneration including Bonus Awards, Bonus Performance, Long Term Incentivisation Plans and the operation of Remuneration Committees.</p> <p>Shareholder Rights - There is limited information available on the manager's approach towards Anti-Takeover Provisions, Corporate Governance Policy, seeking specific resolutions to approve executive compensation and expectations around Shareholder Meetings.</p> <p>Sustainability - No details are provided in terms of the manager's expectations when it comes to ESG considerations being addressed at Board level, on ESG management systems being in place and independent verification of ESG reporting</p>						
Partners Group	Limited Disclosures	Limited Disclosures	Aligned	Limited Disclosures	Limited Disclosures	Limited Disclosures	Limited Disclosures
Comments	<p>Audit & Reporting - Lack of information regarding auditing measures. There is no disclosure regarding the changing of the auditors to maintain independence, nor how it is safeguarded. There is no disclosure on the manager's approach to audit and non-audit fees.</p> <p>Board - The policy provides clear views regarding the separation of the chair and the CEO. However, there is no mention of board diversity targets or policies in place. There is also a lack of reporting on board operations such as the number of years since the last external evaluation, and the policy does not disclose the manager's approach to overboarding.</p> <p>Corporate Actions - as investment decisions are regarded on a case-by-case basis, there is little specific information surrounding acquisitions, mergers etc. No mention is made of party-related transactions, tax havens or reverse takeovers.</p> <p>Remuneration - No mention of severance in relation to service contracts. There is a lack of disclosure regarding salary including benchmarking and say-on-pay. No mention of policy around annual bonuses or the targets used to assess these bonuses. No clawback or malus measures mentioned in policy.</p> <p>Shareholder Rights - The manager has not disclosed its approach regarding anti-takeover provisions or poison pills.</p> <p>Sustainability - High level approach to environmental and social issues. The policy does not explain the manager's approach towards key risks such as climate change and human rights.</p>						

Table Key

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



Minerva Says

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

- BNY Mellon (Newton) have confirmed that they do not have a formal proxy voting policy for bond investments.
- LGIM's public voting policies are, in our view, broadly in line with good practice, and are what we would expect to see from such a large asset steward.
- Morgan Stanley's and Partners Group's public voting policies contains limited disclosures across a range of policy pillars.

6 Manager Voting Behaviour

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

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

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
BNY Mellon	Newton Global Dynamic Bond Fund	2	22	100.0%	100.0%	0.0%	0.0%
	Comments						
	<p>The manager provided a summarised voting record for the Fund that covered the period from 01/07/22 to 30/06/23, rather than for the Scheme's specific investment holding period.</p> <p>From the summarised information provided, we can see that the manager has voted at most investee company meetings for the Fund, which is in line with the Trustee's expectations of its managers.</p>						
LGIM	Dynamic Diversified Fund	9,540	99,839	99.8%	76.9%	22.8%	0.4%
	Future World Global Equity Fund	4,889	52,263	99.9%	80.6%	18.9%	0.5%
	Infrastructure Equity Fund (GBP hedged variant)	89	1,232	100.0%	74.4%	25.7%	0.0%
	Comments						
<p>The manager provided a summarised voting record for the Funds shown above that covered the Scheme's specific investment holding period.</p> <p>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 Trustee's expectations of its managers.</p>							

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
Morgan Stanley	UK Global Brands Fund	33	528	100.0%	88.1%	11.7%	0.2%
	Comments The manager provided a summarised voting record for the Fund that covered the Scheme's specific investment holding period. From the summarised information provided, we can see that the manager has voted at most investee company meetings for the Fund, which is in line with the Trustee's expectations of its managers.						
Partners Group	Generations Fund	72	1,029	100.0%	93.0%	6.0%	1.0%
	Comments The manager provided a summarised voting record for the Generations Fund that covered the period from 01/07/22 to 30/06/23, rather than for the Scheme's specific investment holding period (the manager does not provide bespoke reporting that covers clients' 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 Trustee's 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 Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

7 Significant Votes

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

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

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

Table 7.1 LGIM’s ‘Significant Votes’

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Prologis, Inc.	04/05/23	0.34%	Resolution 1j - Elect Director Jeffrey L. Skelton	Against	Not stated
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. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Diversity: A vote against is applied as the company has an all-male Executive Committee.							
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
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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	Dynamic Diversified Fund	Shell Plc	23/05/23	0.28%	Resolution 25 - Approve the Shell Energy Transition Progress	Against	80% of votes cast were in support of the resolution

Why a 'Significant Vote'?

Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Manager's Vote Rationale:

Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.

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

LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Next Steps / Implications of the Outcome:

LGIM continues to undertake extensive engagement with Shell on its climate transition plans

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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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	Dynamic Diversified Fund	Public Storage	02/05/23	0.17%	Resolution 5 - Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For	34.7% of votes cast were in support of the resolution

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 - Climate change: A vote in favour is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.

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

LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Next Steps / Implications of the Outcome:

LGIM will continue to 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
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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	Dynamic Diversified Fund	Eversource Energy	03/05/23	0.15%	Resolution 1.9 - Elect Director Joseph R. Nolan, Jr.	Against	71.4% of votes cast were in support of the resolution
Why a 'Significant Vote?							
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).							
Manager's Vote Rationale:							
Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board	Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager's stated 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	Dynamic Diversified Fund	Mastercard Incorporated	27/06/23	0.05%	Resolution 1a - Elect Director Merit E. Janow	For	98.1% of votes cast were in support of the resolution
Why a 'Significant Vote?							
Thematic - Investor Rights and Engagement: This vote is considered significant due to the focus on the thematic area of engagement on investor rights.							
Manager's Vote Rationale:							
Governance concerns: A vote in favour is applied as no significant concerns were highlighted. While we note the dual class share structure with A and B shares outstanding, the Company has confirmed that the legacy B shares do not confer any rights and therefore do not negatively affect the rights attached to the commonly traded A shares.							
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 development of this issue in the market.							
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 Fund (GBP hedged variant)	Ferrovial SA	12/04/23	2.93%	Resolution 12 - Reporting on Climate Transition Plan	Against	Not stated

Why a 'Significant Vote'?

Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Manager's Vote Rationale:

Rationale: Climate Change: While the company's efforts are to be commended, a vote against is applied as LGIM expects net zero commitments, rather than carbon neutrality commitments.

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
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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 Fund (GBP hedged variant)	Aena S.M.E. SA	20/04/23	2.40%	Resolution 11 - Advisory Vote on Company's 2022 Updated Report on Climate Action Plan	Against	Not stated
Why a 'Significant Vote?							
Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.							
Manager's Vote Rationale:							
Shareholder Resolution - Climate change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with 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 Fund (GBP hedged variant)	Alliant Energy Corporation	23/05/23	0.66%	Resolution 1b - Elect Director Patrick E. Allen	Against	91.2% of votes cast were in support of the resolution

Why a 'Significant Vote?

Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. 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 executive 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
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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 Fund (GBP hedged variant)	Xcel Energy Inc.	24/05/23	1.80%	Resolution 1c - Elect Director Bob Frenzel	Against	Not stated
Why a 'Significant Vote?							
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).							
Manager's Vote Rationale:							
Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated 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 Fund (GBP hedged variant)	American Water Works Company, Inc.	10/05/23	1.40%	Resolution 5 - Oversee and Report a Racial Equity Audit	For	Not stated
Why a 'Significant Vote?							
Thematic - Diversity: LGIM considers this shareholder proposal significant as we view gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Shareholder Resolution - Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability			
We believe this voting activity is consistent with the manager's stated 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	Future World Global Equity Fund	Costco Wholesale Corporation	19/01/23	0.38%	Resolution 1h - Elect Director Jeffrey S. Raikes	Against	Not stated
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. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as the company has an all-male Executive Committee.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the 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	Future World Global Equity Fund	Accenture Plc	01/02/23	0.31%	Resolution 1h - Elect Director Julie Sweet	Against	94.5% of votes cast were in support of the resolution
Why a 'Significant Vote'?							
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).							
Manager's Vote Rationale:							
Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the 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	Future World Global Equity Fund	Amazon.com, Inc.	24/05/23	1.34%	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps	For	29% of votes cast were in support of the resolution
Why a ‘Significant Vote?’							
Pre-declaration and 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:							
A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company’s diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.							
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	Future World Global Equity Fund	KT&G Corp.	28/03/23	0.01%	Resolution 7.1 - Elect Kim Myeong-cheol as Outside Director	Against	Not stated

Why a 'Significant Vote'?

Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.

Manager's Vote Rationale:

Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy.

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

As part of our work on deforestation, engagement was undertaken in 2022 with companies that were at risk of not meeting LGIM's minimum expectations. LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management within one business day of the meeting. 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
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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	Future World Global Equity Fund	Amorepacific Corp.	17/03/23	0.01%	Resolution 1 - Approve Financial Statements and Allocation of Income	Against	Not stated
Why a 'Significant Vote?							
Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.							
Manager's Vote Rationale:							
Accounts: A vote against is applied as the Company has not provided the accounts in time ahead of the meeting. Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
As part of our work on deforestation, engagement was undertaken in 2022 with companies that were at risk of not meeting LGIM's minimum expectations. LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management within one business day of the meeting. 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
Morgan Stanley	UK Global Brands Fund	Philip Morris International Inc.	03/05/23	0.07%	Elect Director	Against	Passed

Why a 'Significant Vote'?

MSIM considers a vote against management as potentially significant.

Manager's Vote Rationale:

Recommend against due to low diversity on board.

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

No, MSIM does not share voting intentions with any parties internally or externally prior to the vote.

Next Steps / Implications of the Outcome:

May engage on the topic if considered a financially material long-term ESG risk or opportunity.

Relevance to Manager's Stated Policy:

Routine Matters	Board of Directors	Statutory Auditor	Corporate Transactions & Proxy Fights	Changes in Capital Structure	Takeover Defenses and Shareholder Rights	Auditors	Executive & Director Remuneration	Social & Environmental Issues	Fund of Funds

We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Morgan Stanley	UK Global Brands Fund	Accenture Plc	01/02/23	0.06%	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	Passed

Why a 'Significant Vote'?

MSIM considers a vote against management as potentially significant.

Manager's Vote Rationale:

Concerns over lack of disclosure and short vesting period.

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

No, MSIM does not share voting intentions with any parties internally or externally prior to the vote.

Next Steps / Implications of the Outcome:

May engage on the topic if considered a financially material long-term ESG risk or opportunity.

Relevance to Manager's Stated Policy:

Routine Matters	Board of Directors	Statutory Auditor	Corporate Transactions & Proxy Fights	Changes in Capital Structure	Takeover Defenses and Shareholder Rights	Auditors	Executive & Director Remuneration	Social & Environmental Issues	Fund of Funds
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We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Morgan Stanley	UK Global Brands Fund	Visa Inc.	24/01/23	0.05%	Require Independent Board Chairman	For	Failed

Why a 'Significant Vote?

MSIM considers a vote against management as potentially significant.

Manager's Vote Rationale:

The company would benefit from independent board oversight.

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

No, MSIM does not share voting intentions with any parties internally or externally prior to the vote.

Next Steps / Implications of the Outcome:

May engage on the topic if considered a financially material long-term ESG risk or opportunity.

Relevance to Manager's Stated Policy:

Routine Matters	Board of Directors	Statutory Auditor	Corporate Transactions & Proxy Fights	Changes in Capital Structure	Takeover Defenses and Shareholder Rights	Auditors	Executive & Director Remuneration	Social & Environmental Issues	Fund of Funds
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We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Morgan Stanley	UK Global Brands Fund	Aon plc	16/06/23	0.03%	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	Passed

Why a 'Significant Vote'?

MSIM considers a vote against management as potentially significant.

Manager's Vote Rationale:

Concern with the long term incentive plan structure and short vesting period of the plan.

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

No, MSIM does not share voting intentions with any parties internally or externally prior to the vote.

Next Steps / Implications of the Outcome:

May engage on the topic if considered a financially material long-term ESG risk or opportunity.

Relevance to Manager's Stated Policy:

Routine Matters	Board of Directors	Statutory Auditor	Corporate Transactions & Proxy Fights	Changes in Capital Structure	Takeover Defenses and Shareholder Rights	Auditors	Executive & Director Remuneration	Social & Environmental Issues	Fund of Funds
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We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Morgan Stanley	UK Global Brands Fund	Broadridge Financial Solutions, Inc.	10/11/22	0.01%	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	Passed

Why a 'Significant Vote?

MSIM considers a vote against management as potentially significant

Manager's Vote Rationale:

Concern with the long term incentive plan structure and short vesting period of the plan.

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

No, MSIM does not share voting intentions with any parties internally or externally prior to the vote

Next Steps / Implications of the Outcome:

May engage on the topic if considered a financially material long-term ESG risk or opportunity

Relevance to Manager's Stated Policy:

Routine Matters	Board of Directors	Statutory Auditor	Corporate Transactions & Proxy Fights	Changes in Capital Structure	Takeover Defenses and Shareholder Rights	Auditors	Executive & Director Remuneration	Social & Environmental Issues	Fund of Funds
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We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Partners Group	Generations Fund	Axia Women's Health	Not stated	Not stated	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not stated
Why a 'Significant Vote?							
Size of holding in fund.							
Manager's Vote Rationale:							
Axia Women's Health has improved its quality of care and clinical outcomes, providing a superior and convenient patient experience, exhibiting a reduction in hospital days per patient to 2.1 days, alongside a 10.9% reduction in c-section rates, and a 67.8 net promoter score.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
The company has launched its first sophisticated employee engagement survey with 73% participation and will use the results to craft specific employee engagement initiatives. Furthermore, Axia Women's Health has established a Risk & Audit committee (including cybersecurity), while ensuring ownership and accountability at executive and board level, and establishing a cyber baseline with regular reporting.							
Relevance to Manager's Stated Policy:							
Boards and Directors	Compensation	Accounts, Audit and Internal Control	Capital Structure and Shareholder Rights	Environmental and Social Matters			
We are unable to assess whether this voting activity is consistent with the manager's stated voting approach since some pertinent information is missing from the manager's disclosures							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Partners Group	Generations Fund	EyeCare Partners	Not stated	Not stated	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not stated
Why a 'Significant Vote?							
Size of holding in fund.							
Manager's Vote Rationale:							
In 2022, the number of patients served by EyeCare Partners (ECP) rose to 3 million, with the company exceeding its targets for average net promoter score (NPS) for its ECP clinics and Medicare/Medicaid patients served. In 2021, ECP clinics had an NPS score of 89 compared to the target score of 87, and had served 37% of Medicare/Medicaid patients.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
Meanwhile, several initiatives were implemented to improve stakeholder benefits. For instance, significant investment in benefits were made in 2021 and 2022. In addition, the company increased communication around its ECP Cares Foundation, a non-profit organization dedicated to giving back to ECP team members in need. Meanwhile, Incident Frequency Rate (IFR) measures were established and are being captured to drive root-cause analysis and drive prevention strategies. This has engaged employees and helped to increase employee retention to 31% (exceeding the target of 27%). Lastly, baselines and specific initiatives were established based on the doctor and employee engagement surveys conducted during the first half of 2022.							
Relevance to Manager's Stated Policy:							
Boards and Directors	Compensation	Accounts, Audit and Internal Control	Capital Structure and Shareholder Rights	Environmental and Social Matters			
We are unable to assess whether this voting activity is consistent with the manager's stated voting approach since some pertinent information is missing from the manager's disclosures							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Partners Group	Generations Fund	Pharmathen	Not stated	Not stated	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not stated
Why a 'Significant Vote'?							
Size of holding in fund.							
Manager's Vote Rationale:							
In May 2022, Pharmathen launched a sustainability assessment with EcoVadis. The results will be incorporated into Pharmathen's ESG Strategy.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
The company has a strong ESG culture as reflected in its core mission of making a positive impact on the lives of people by ensuring that they enjoy better health.							
Relevance to Manager's Stated Policy:							
Boards and Directors	Compensation	Accounts, Audit and Internal Control	Capital Structure and Shareholder Rights	Environmental and Social Matters			
We are unable to assess whether this voting activity is consistent with the manager's stated voting approach since some pertinent information is missing from the manager's disclosures							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Partners Group	Generations Fund	PremiStar	Not stated	Not stated	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not stated
Why a 'Significant Vote?							
Size of holding in fund.							
Manager's Vote Rationale:							
Due to the early stage of the investment, ESG initiatives are yet to be introduced. ESG initiatives are expected to be set forth in the second quarter of 2023 after its first ESG key performance indicator survey.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
In the meantime, Premistar has engaged a third party ESG consultant to identify material sustainability topics and craft a longer term ESG journey and strategy. Premistar is looking to hire an ESG manager and sales strategy employee, as the company aims to launch an energy efficiency sales strategy with customers.							
Relevance to Manager's Stated Policy:							
Boards and Directors	Compensation	Accounts, Audit and Internal Control	Capital Structure and Shareholder Rights	Environmental and Social Matters			
We are unable to assess whether this voting activity is consistent with the manager's stated voting approach since some pertinent information is missing from the manager's disclosures							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Partners Group	Generations Fund	Techem	Not stated	Not stated	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not stated
Why a 'Significant Vote?							
Size of holding in fund.							
Manager's Vote Rationale:							
Following the publication of Techem's first Sustainability Report last year, the company published in July 2022 its second Corporate Sustainability Report, covering the entire Techem Group. The report highlights key ESG achievements, with a clear focus on achieving climate neutrality by 2045 and the Diversity & Inclusion roadmap. The company has established the Techem Research Institute on Sustainability (TRIOS). The team is headed by Arne Kähler (former Head of R&D) who will drive the company's ESG agenda.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
Elsewhere, Techem contributes to a climate-neutral building stock through its business activities. The focus is on efficient and smart building technology, which effectively reduces energy consumption and CO2 emissions for heat and hot water by involving both owners and tenants. For instance, across Europe, the team has set a goal of having more than 10'000 charging stations in service and operating with green electricity by 2025.							
To reduce environmental impact, Techem has introduced a series of initiatives: development of sustainable product design, use of recycling materials and the same types of plastic. Techem's decarbonization plan aims to reduce CO2 emissions by 42% by 2030 and achieve a long-term reduction of 90% by 2045. The decarbonization plan is based on Techem's carbon footprint according to the GHG protocol.							
Relevance to Manager's Stated Policy:							
Boards and Directors	Compensation	Accounts, Audit and Internal Control	Capital Structure and Shareholder Rights	Environmental and Social Matters			
We are unable to assess whether this voting activity is consistent with the manager's stated voting approach since some pertinent information is missing from the manager's disclosures							



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.
- Despite the limited information provided, Morgan Stanley's reported 'Significant Vote' information also seems to be consistent with their stated voting policy, and so is consistent with the Scheme's expectations.
- Due to the limited information disclosed by Partners Group, we were unable to form a view as to whether their voting activity followed their public voting policy.

8 Manager Engagement Information

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

Where this primary consideration is not prejudiced, the investment manager should engage with companies to take account of ESG factors in the exercise of such rights. The Trustee will review the investment managers' voting policies, with the help of its investment consultant, and decide if they are appropriate. If they are not appropriate, the Trustee will engage with the investment manager, with the help of its investment adviser, to influence the investment managers' policy. If this fails, the Trustee will review the investments made with the investment manager.

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

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

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
BNY Mellon	YES	FUND	YES	The manager provided <i>detailed fund level engagement information</i> covering the Scheme's reporting period
Columbia Threadneedle	YES	FIRM	PART	The manager provided <i>summarised firm-level</i> engagement information for the period from <i>01/01/22 to 31/12/22</i> rather than for the Scheme's reporting period
LGIM	YES	FUND	YES	The manager provided <i>basic fund-level engagement information</i> covering the Scheme's reporting period
Morgan Stanley	YES	FUND	YES	The manager provided <i>summarised fund-level</i> engagement information covering the Scheme's reporting period
Partners Group	YES	FIRM	NO	Whilst the manager did not provide any specific engagement information related to the Scheme's investment, we located some <i>basic engagement information</i> in their Corporate Sustainability report
Vontobel	YES	FUND	YES	The manager provided <i>summarised fund-level</i> engagement information covering the Scheme's reporting period

Table Key

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

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

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

BNY Mellon

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Newton Global Dynamic Bond Fund	01/10/22	14/02/23	4	25.0%	50.0%	25.0%	0.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>BNY states in its latest stewardship policy disclosure statement that each of the investment managers has its own unique engagement policy with issuers in all of the jurisdictions in which they invest. Accordingly, Newton's 'Responsible Investment Policies and Principles' report from April 2022 has the following to say with regards the manager's engagement approach:</p> <p><i>'We have long been active stewards of our clients' assets. Undertaking considered engagement activities and exercising voting rights globally are the primary drivers to being effective stewards.'</i></p> <p><i>Intrinsic to the understanding of the potential of an investment in a company, whether via equity or fixed income, is an appreciation of the quality of the company's management, its structure, the appropriateness of its internal controls and the assurance that ESG matters are managed in the creation of long-term investor value.</i></p> <p><i>We believe that responsibly managed companies should be better placed to achieve sustainable competitive advantage and provide strong long-term growth. With respect to investments in sovereign securities (typically government bonds), we consider factors such as whether the government's policy objectives can support ESG-focused initiatives and the sustainability of any expenditure plans.</i></p> <p><i>Our fundamental view is that a considered approach to ESG analysis enhances our investment process, and that this is particularly the case for corporate investments. This process includes identifying the ESG risks and opportunities faced by a company and ensuring that these challenges are well managed within the company's business strategy. Engagement can play a crucial role in helping achieve this understanding and to influence change'</i></p> <p>From Newton's most recent 'Responsible Investment and Stewardship' report the manager identified the following key engagement themes:</p> <ul style="list-style-type: none"> ▪ Environmental: Biodiversity / Carbon management / Climate change / Management systems / Pollution / Product life cycle / Water ▪ Social: Business ethics / Cybersecurity / Health and safety / Human capital management / Product access / Product suitability / Stake holder relations / Supply chain ▪ Governance: Audit and internal controls / Board leadership / Related-party transactions / Remuneration / Shareholder communications / Shareholder rights / Strategy and risk / Tax

<p>Additional information on Engagements provided by the Manager</p>	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme’s holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
<p>Comparison of the Manager’s Engagement Activity vs the Trustee’s Policy</p>	<p>An example of a reported engagement for the Global Dynamic Bond Fund is:</p> <p><u>01/11/23 - Barclays – Engagement on Environmental and Governance Issues</u></p> <p>Engagement Notes: <i>‘We had a follow-up meeting with the company on its ESG progress. The company was receptive to our suggestion for greater transparency on improvements made to its internal controls and processes following various governance issues. We also provided feedback on its climate target ranges and our expectations on disclosure around its client transition framework.</i></p> <p>Governance: <i>We raised the reoccurrence of governance concerns and their overhang on the company. We felt the resurfacing of issues in March demonstrated that the market is more readily picking up these issues. While the company and we acknowledged that the reduction in litigation cases indicates that internal controls have been strengthened, we emphasised the need for the company to be more transparent about the changes to internal controls made under the new chief executive officer. We note that some investigations are continuing.</i></p> <p>Climate Plan: <i>Although we are pleased that the company has brought forward its timelines to ban further financing of coal-fired power generation in the US from 2035 to 2030, the impact may not be material as most of its exposure to these projects are in emerging-market countries. Separately, financed emissions targets for the other high-emitting sectors will be set and disclosed by 2024, which is generally in line with peers. We discussed the target ranges set for its power, cement, and steel sectors and reiterated concerns that the lower band suggests no change to current practice. Further work is ongoing, but we suggested that there should be transparency on these target ranges to provide comfort to shareholders, which was received positively. The company uses an internal methodology to help set emissions targets. While these targets are not externally verified, the company does include lending and capital markets financing in its modelling. This is currently not currently accounted for in the Science Based Targets initiative’s (SBTi) methodology and is the company’s main rationale for not seeking SBTi verification. There have been ongoing discussions with the SBTi and, as its methodology improves, the company will continue to review its position on joining. We were disappointed that the company did not have anything to share on further progress on the client transition framework, including its engagement approach. It will endeavour to do so in the next climate report, which we will monitor.’</i></p> <p>Engagement Outcome: Not disclosed by the manager.</p>
<p>Is Engagement Activity in Line with the Trustee’s Policy?</p>	<p>The engagement activity appears consistent with the Manager’s stated engagement approach, and so is also consistent with the Scheme’s approach.</p>

Columbia Threadneedle

Columbia Threadneedle				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Only firm level engagement info provided	01/01/22	31/12/22	1,920	61.7%	20.2%	18.1%	-	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"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and 								

- whether any fintech solution was used to facilitate engagement

The following example of engagement activity was provided by the manager for the Pensions Property Fund:

Q2 2022 – Penningtons, Basingstoke – Governance-related Engagement

Engagement Details:

- Penningtons occupied a self-contained c.12,300 sq ft building at Renaissance, Basingstoke and operated their break option given their requirement for additional space.
- The Fund engaged with Penningtons relocating and upsizing them into c.14,500 sq ft at Matrix House, Basingstoke (also held by the Fund) on a new lease at a record rental level for Basingstoke (£28 psf vs ERV £20 psf) whilst simultaneously surrendering Sun Life Assurance, previous rent £17.50 psf and undertaking landlord refurbishment works as part of the agreement

Engagement Outcomes: 'Through tenant engagement the Fund was able to retain a strong covenant within the wider portfolio on a mutually beneficial basis.'

Comparison of the Manager's Engagement Activity vs the Trustee's Policy

Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we were disappointed with the lack of engagement details at fund level that also covered the Scheme's investment period.

LGIM

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Cash Fund	01/10/22	14/12/22	1	100.0%	-	-	-	Not Stated	Not Stated
Dynamic Diversified Fund	01/10/22	30/09/23	2,725	59.2%	8.9%	21.9%	10.0%	Not Stated	Not Stated
Future World Global Equity Fund	01/10/22	30/09/23	1,605	40.3%	12.0%	32.5%	15.2%	Not Stated	Not Stated
Infrastructure Equity Fund (GBP hedged variant)	01/10/22	30/09/23	73	64.4%	2.7%	32.9%	0.0%	Not Stated	Not Stated
Matching Core LDI Fund (4 funds)	01/10/22	30/09/23	36	61.1%	0.0%	38.9%	0.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1) Identify the most material ESG issues 2) Formulate a strategy 3) Enhance the power of engagement (e.g., through public statements) 4) Collaborate with other stakeholders and policymakers 5) Vote 6) Report to shareholders <p>From LGIM's most recent Active Ownership Report the manager has identified the following as their top 5 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate Change 2. Remuneration 3. Diversity (Gender and Ethnicity) 4. Board Composition 5. Strategy
Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustee's Policy	<p>Set out below is an example of engagement activity reported by LGIM in the Dynamic Diversified Fund:</p> <p><u>24/07/23 – Experian Plc – Social-themed Engagement Activity</u></p> <p>Engagement Type: Written.</p> <p>Issue Theme: Social – Gender Diversity.</p> <p>Engagement Details: Not provided.</p>

Engagement Outcome: Not provided.

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

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 information relating to engagements undertaken at fund level.

Morgan Stanley

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
UK Global Brands Fund	01/10/22	30/09/23	110	No breakdown was provided by the manager				Not stated	Not stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>MSIM provided us with a copy of the International Equity Team Engagement Policy:</p> <p>'Our Approach: We believe active managers running concentrated portfolios are well positioned to develop long-term relationships with investee companies. We have engaged directly with companies on issues material to the sustainability of returns on operating capital for over 20 years.</p> <p>Our investment process is focused on understanding the long-term viability of a company's returns on operating capital and engagement with management plays a vital role in this.</p> <p>It informs us whether management can maintain these returns while growing the business over the long term. This includes direct engagement with companies and boards on material ESG risks and opportunities.</p> <p>Dialogue with companies on engagement topics can be prolonged and require multiple engagements. As long-term shareholders with an owner's mindset our active engagement is aligned to our long-term investment approach. We attempt to encourage good corporate governance through diligent attention to proxy voting responsibilities, raising issues of concern directly with company management as well as voting against items we do not believe are in the long-term interests of shareholders.</p> <p>Purpose of our ESG engagement Our ESG engagements have three key purposes: assessment of materiality of specific ESG issues relevant to companies' and their strategies to address these issues, monitoring of progress and influencing companies towards better practices. In the case of the latter, we engage with specific objectives and track the company's response and progress, including but not limited to improved disclosure, behaviour change, and (where appropriate) target-setting.</p>

Periods of controversy provide meaningful opportunities where frequent engagement can bear direct results as corporate managements are often more sensitive to feedback. We recognise that large global organisations may encounter ESG issues, but a lot can be learned from how they address them. Their awareness, policies and responses to these issues can give us insight into the quality of the management.

Types of Engagement and Stewardship

Our engagement can be divided into the following types:

1. EXECUTIVE/BOARD LEVEL. The portfolio managers meet with senior management and board members to discuss the fundamental drivers underpinning growth and returns, at which material company-specific ESG issues will be raised. We prefer 1:1 meetings with senior executives over group presentations.

2. COMPANY GOVERNANCE/SUSTAINABILITY TEAM. Our dedicated Head of Sustainable Outcomes, Marte Borhaug, and Head of ESG Research, Vladimir Demine, work alongside the portfolio managers to identify and conduct potential engagements which require robust enquiry with the company's corporate governance or ESG/sustainability representatives. We can use the expertise of the Global Stewardship Team should we wish, to test our views on individual companies, remain abreast of broader industry stewardship trends, and provide supplemental resources in approaching specialist or systemic issues we may observe.

3. PROXY VOTING. We do not outsource proxy voting. The investment team votes proxies in a prudent and diligent manner and in the best interest of our clients, consistent with the objective of maximising long-term investment returns. Our proxy voting is predominantly related to governance issues such as management incentives and director appointments. We also consider how to vote on proposals related to social and environmental issues on a case-by-case basis by determining the relevance of the issues identified in the proposal and their likely impact. We generally support proposals that, if implemented, would enhance useful disclosure or improve management practices.

Proprietary Tools supporting Engagement

We have developed certain tools to help with our engagement process on ESG issues:

- A proprietary ESG scorecard, the Material Risk Indicator (MRI), which explicitly documents our evaluation of a company's material ESG risks and opportunities both industry/company specific as well as key universal factors/ risks – and helps to identify areas for future engagement.
- Pay X Ray, a proprietary scoring system for company remuneration plans, which allows us to better compare and discuss company pay plans and inform our voting approach.

These tools are supplemented by the review of third-party provider data and controversy history reports:

Engagement Process and Transparency

Potential ESG engagement topics are discussed and agreed at the investment team's quarterly engagement meeting. All engagements are documented. The most relevant engagements and outcomes are summarised in our Engage newsletter and client presentations. Should companies offer suboptimal responses or improvements over time, we discuss the relevant issue and escalation options at the investment meeting.

Engagement generates knowledge that is one factor that could affect the investment view, valuation, weighting or buy/ sell discipline.

Additional information on Engagements provided by the Manager

The manager provided the following additional information in relation to their engagement approach:

- engagement objectives

The International Equity team’s ESG engagements generally have three key purposes: 1) assessment of financial materiality of specific ESG issues relevant to companies; 2) their strategies to address these issues; and 3) monitoring of progress and encouraging companies to better manage and mitigate financially material ESG risks and take advantage of opportunities. Further information can be found in our Engagement Policy.

- collaborative engagements

The team engages with companies on ESG matters in three ways: stock specific engagement, thematic engagement and occasionally, where relevant, collaborative engagement. Given our bottom-up investment process, our engagement approach is principally stock-specific where we engage on financially material ESG issues identified in the investment process and documented more specifically in the team's two proprietary ESG frameworks: the Material Risk Indicator (MRI), which aims to identify and assess the financially material ESG risks and opportunities facing each company, or the Pay X-Ray, (where relevant and possible) which we use as a tool to assess whether a company’s pay practices are aligned with its ability to deliver sustainably high long-term returns on operating capital. In some cases, we also apply a thematic approach to particular financially material ESG issues where we believe it beneficial to engage with several companies on one topic across industries or sectors. These fall within the three team-agreed priority areas of Planetary Boundaries, People Welfare and Trust and Integrity. In addition, we may occasionally choose to engage collaboratively on financially material ESG issues with select partners where their approach is complementary to our own and a collective voice could be helpful. We rarely have a need to engage in collaborative initiatives due to the team’s access to companies and existing, regular dialogue with management.

- process for escalating ineffective engagement and

Given the high quality nature of our companies, the regular cadence of our engagements, and our position as long-term active owners, the need for escalation is generally limited. However, if a company does not respond sufficiently to engagement, bringing our concerns to the company CEO is one form of escalation we may use, as is voting. In instances when we have long-standing unresolved concerns, further escalation may see us vote against the election of committee members. For example, in instances where we have voted against company pay plans a number of times, we may vote against members of remuneration committees to make our message clearer. We may also vote against nomination committee members where we have concerns over diversity where this is considered to be a financially material ESG risk.

- whether any fintech solution was used to facilitate engagement

No.

Comparison of the Manager’s Engagement Activity vs the Trustee’s Policy

An example of a reported engagement for the UK Global Brands Fund is:

2022 – Company A – Engagement on Environmental Issues

Engagement Details: *We have a history of engaging with this consumer staples company on the sourcing of the paper pulp they use in the production of their paper goods (Engage Spring 2021, Trees for Tissues?). We have generally been comfortable with the steps they are taking to prevent deforestation. However, in 2022 we were alerted to a newly published report by an organisation making a number of allegations about the company’s actions in relation to deforestation. In response to this we engaged, not only with the company in question, but also with the organisation that had authored the report. As a result of our investigations we*

learned that the report had omitted key information that counterposed many of the negative claims it was making. In addition, by engaging with the company we learned that they have taken further steps to reduce the risk of deforestation in the area the report had highlighted, including biennial field audits with suppliers and biannual desk side audits to confirm policies, practices and training are in compliance. They also have satellite monitoring that can spot instances of forest loss and a public grievance tracker to log complaints from third-parties or issues spotted via satellite monitoring.

Ultimately, thanks to our follow-up research to the report, we remain comfortable with the company's approach, although we will continue to encourage ongoing progress in our meeting with the company later this year. This experience also serves as a reminder of the need for simple, credible and audited information sources on how companies are managing and mitigating their nature-related risks.

We were pleased that the company was receptive to our feedback on their executive compensation scheme. They thanked us for our thorough review of their pay plan, and we offered additional time to discuss this topic with them. We will be sure to follow up to review their compensation changes at a later date.'

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

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 information relating to engagements undertaken at fund level.

Partners Group

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Generations Fund	01/01/22	31/12/22	-	-	-	-	-	-	-

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>As Partners Group predominantly invest in private assets (as opposed to publicly listed assets), they tend to have board control over their investee companies. As a result, their engagement approach works differently from the Scheme's other managers, since they can make any changes they deem appropriate to the management of their investee companies.</p> <p>In the most recent Corporate Sustainability Report the manager sets out their main engagement channels for portfolio companies:</p> <ul style="list-style-type: none"> ▪ ESG onboarding; ▪ Annual ESG KPI survey; ▪ Ongoing ESG engagements as part of our entrepreneurial governance approach; ▪ ESG workshops; ▪ Incident reporting tool; ▪ PG Alpha (a proprietary tool designed to support cross portfolio tracking and review performance and development of investments).

Partners Group have defined ESG ambitions ‘...for both our firm and portfolio of controlled assets, which include tackling climate change, realizing employees’ potential, and achieving ownership excellence and sustainability at scale. Each of these ambitions has a series of sustainability targets and related projects attached to it to ensure that we make real progress in these areas and are able to track that progress. To drive action, there will be clearly defined responsibilities and governance mechanisms for our sustainability targets and related projects.’

Additional information on engagements provided by the Manager

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:

- engagement objectives;
- collaborative engagements;
- process for escalating ineffective engagement; and
- whether any fintech solution was used to facilitate engagement.

Comparison of the Manager’s Engagement Activity vs the Trustee’s Policy

Whilst the manager did not provide details of specific engagements undertaken in the Generations Fund for the Scheme’s reporting period, they did provide the following example of their own approach to engagement for an investee company in their most recent Corporate Sustainability Report:

VSB Group – Environmental- themed Engagement

Engagement Details: ‘VSB Group (VSB) is a leading European developer, owner, and operator in the renewable energy sector. Founded in 1996, VSB operates throughout the renewable energy value chain, from the development of projects to asset management and the technical and commercial management of operational sites, as well as having a broad offering in energy solutions. VSB has successfully developed and built over 1.1GW of onshore wind and solar photovoltaic generating assets to date and manages over 1.4GW of wind assets. The company has expanded from its headquarters in Dresden, Germany, to become a European renewable platform active in ten countries with over 350 employees and 22 offices. Partners Group acquired an 80% equity stake in VSB on behalf of its clients in January 2020.

Although VSB is already considered a ‘green asset’, there is always room for improvement. In 2020, we supported VSB with the introduction of its VSB GoesGreen initiative. This included a number of ESG projects with the overall objective of further improving VSB’s ESG credentials, reducing its carbon footprint, and deepening the alignment between employees and the company’s mission. On the environmental and GHG emissions side, the first step in the VSB GoesGreen initiative was to assess VSB’s Scope 1 and Scope 2 emissions with the support of an external advisor. While VSB develops renewables projects, it still produces GHG emissions. Detailed Scope 1 and Scope 2 analyses have been completed and now Scope 3 emissions will be assessed. In line with Partners Group’s expectations for its direct lead portfolio, VSB is setting baseline emissions before creating an action plan and targets.’

Engagement Outcome: ‘The engagement activity resulted in lower carbon emissions.’

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

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.

Vontobel

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	01/10/22	30/09/23	107	43.0%	10.3%	8.4%	38.3%	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><i>'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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>TwentyFour's investment professionals communicate internally on the status of engagement activities and any outcomes arising.</i></p> <p><i>As a fixed income company TwentyFour's proxy voting rights are limited.'</i></p>								
Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement 								
Comparison of the Manager's Engagement Activity vs the Trustee's Policy	<p>There were no examples of any engagements undertaken by the manager in the information provided by the Scheme's platform manager, Mobius.</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?'		
BNY Mellon	Newton Global Dynamic Bond Fund	YES	N.I.R.	YES	N/A	YES	COMPLIANT
Columbia Threadneedle	Threadneedle Property Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
	Cash Fund	N.I.R.	N.I.R.	YES	N/A		COMPLIANT
	Dynamic Diversified Fund	YES	YES	YES	ISS		COMPLIANT
LGIM*	Future World Global Equity Fund	YES	YES	YES	ISS	YES	COMPLIANT
	Infrastructure Equity Fund (GBP hedged variant)	YES	YES	YES	ISS		COMPLIANT
	Matching Core LDI Fund (4 funds)	N.I.R.	N.I.R.	YES	N/A		COMPLIANT
Morgan Stanley	UK Global Brands Fund	YES	YES	YES	ISS	YES	COMPLIANT
Partners Group	Partners Group Generations Fund	YES	YES	YES	GLASS LEWIS	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.

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 requirements
 - 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) We were disappointed with the inability of some of the Scheme's managers to provide reporting that specifically covered the Scheme's individual investment holding periods, and with some of the voting information disclosed.
- 4) We were also disappointed with the limited engagement information provided by Columbia Threadneedle, LGIM, Morgan Stanley, Partners Group and Vontobel. We believe that, as Stewardship Code Signatories, these asset managers should be able to provide their clients with more useful information on stewardship activities undertaken on their behalf.

LGIM Information Disclaimer

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

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

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