

Hoburne Pension Fund ('the Fund') – Implementation Statement 1st December 2021 – 30th November 2022

An Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Pensions Regulator for the period from 1st December 2021 – 30th November 2022 ('the Fund Year').

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

The Trustees have used Minerva Analytics ('Minerva') to obtain voting and investment engagement information (VEI) on the Fund's behalf.

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

A summary of the key points are set out below.

Columbia Threadneedle

It was determined by Minerva that the Fund'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 Fund's reporting period. However, from the information that was provided, Minerva was able to confirm that the manager's engagement activity was in line with the Trustees' own policies.

LGIM

Minerva confirmed that the manager's voting policies and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices. They were also able to confirm the manager's voting activity has followed the Trustees' policy. LGIM provided basic engagement information at a fund level but this lacked detail and was not in line with the Fund's reporting period as the manager was not able to provide monthly data, only quarterly. The Trustees will continue to encourage LGIM to provide further detail on engagements and to provide information in line with Fund's reporting period, but they acknowledge that the information provided was in line with the Trustees' own policies.

Jupiter

The manager confirmed that they do not have a formal bond voting policy. From the information provided, Minerva confirmed that the manager's voting activity was in line with the Trustees' policy. Jupiter provided detailed fund level information that was in line with Fund's reporting period. Minerva confirmed that the manager's engagement activity was in line with the Trustees' own policies.

AVCs

The Fund holds AVCs and the Trustees have determined they will not be covered in this Statement on the grounds of materiality.

Annuities

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

It was determined that some of the Scheme's holdings covering asset classes such as bonds, LDI, cash and property had no voting or engagement information to report due to nature of the underlying holdings.

Since last year, Jupiter have continued to provide good levels of detailed information. Further improvement is needed from both Columbia Threadneedle and LGIM to provide more detail on engagements and provide both voting and engagement information in line with the Fund's reporting period.

Hoburne Pension Fund

Dalriada Trustees Limited

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

Scheme Reporting Period:

1st December 2021 to 30th November 2022

28th March 2023

Contents

1	SIP Disclosures	3
2	Sourcing of Voting and Engagement Information	7
3	Voting and Engagement	9
4	Exercise of Voting Rights	11
5	Manager Voting Policy	13
6	Manager Voting Behaviour	15
7	Significant Votes	17
8	Manager Engagement Information	29
9	Conclusion	36

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:

*Hoburne Pension Fund
Statement of Investment Principles
September 2020*



1.1 Financially Material Considerations

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. An estimate of the potential time horizon is included in the Appendix and will be reviewed at least every 3 years when the investment strategy is reviewed. The Trustees believe that ESG factors (including climate change risks) can potentially have a material positive or negative financial impact on the Scheme.

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

The Trustees accepts that the Scheme's assets are subject to the investment managers' own policies on socially responsible investment. The Trustees will assess that these correspond with their responsibilities to the beneficiaries of the Scheme with the help of their investment consultant.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new managers and these policies are also reviewed regularly for existing managers with the help of the investment consultant. The Trustees expect the investment managers to adhere to the United Nations Principles for Responsible Investment (UNPRI) or to otherwise evidence that they adopt best industry practice on ESG and Stewardship.

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

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

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

1.2 Non-Financial Considerations

The Trustees have not considered non-financially material matters in the selection, retention and realisation of investments.

1.3 Investment Manager Arrangements

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

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

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

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

The Trustees select 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 Trustees also consider the managers voting and ESG policies and how it engages with the company as it believes that these factors can improve the medium to long-term performance of the investee companies.

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

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

The Trustees believe the annual fee paid to the fund managers incentivise them to do this.

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

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

The Trustees review the performance of each fund quarterly on a net of fees basis (where this is possible) compared to its objective.

The Trustees assess the performance periods of the funds 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 fund 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 Trustees' policies.

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

The Trustees, with the help of their investment consultant, monitor the portfolio turnover costs on an annual basis.

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

The duration of the arrangement with the investment managers

The Trustees plan to hold each of its investments for the long term but will keep this under review. Changes in investment strategy or change in the view of the fund manager 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
Columbia Threadneedle	LDI Fund (3 Funds)	No Info to Report	No Info to Report	Part Info Available
Jupiter	Strategic Bond Fund	Full Info Available	Full Info Available	Full Info Available
LGIM*	Dynamic Diversified Fund	Part Info Available	Part Info Available	Part Info Available
	Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged	Part Info Available	Part Info Available	Part Info Available
	Managed Property Fund	No Info to Report	No Info to Report	No Info to Report
	Over 15 Year Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report

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

Table Key

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



Minerva Says:

Voting Activity

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

- Jupiter Strategic Bond Fund (from 01/12/21 to 30/11/22)
- LGIM Dynamic Diversified Fund (from 01/01/22 to 31/12/22)
- LGIM Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged (from 01/01/22 to 31/12/22)

Significant Votes

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

- Jupiter Strategic Bond Fund (from 01/12/21 to 30/11/22)
- LGIM Dynamic Diversified Fund (from 01/01/22 to 31/12/22)
- LGIM Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged (from 01/01/22 to 31/12/22)

Engagement Activity

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

- Columbia Threadneedle LDI Fund (3 Funds) (firm level information for H1 and H2 2022)
- Jupiter Strategic Bond Fund (detailed fund level information from 01/12/21 to 30/11/22)
- LGIM Dynamic Diversified Fund (detailed fund level information from 01/01/21 to 31/12/22)
- LGIM Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged (detailed fund level information from 01/01/21 to 31/12/22)

3 Voting and Engagement

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

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

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

3.1 Voting and Engagement Policy and Funds

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

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

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

The Trustees also expect the investment manager to engage with investee companies on the capital structure and management of conflicts of interest. If the policies or level of engagement are not appropriate, the Trustees will engage with the investment manager, with the help of their investment consultant, to influence the investment managers' policy. If this fails, the Trustees will review the investments made with the investment manager.

The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expect investment managers to adhere to this where appropriate for the investments 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?
Columbia Threadneedle	LDI Fund (3 Funds*)	Platform	DB Fund	01/12/2021	30/11/2022	N/A
Jupiter	Strategic Bond Fund	Platform	DB Fund	01/12/2021	30/11/2022	N/A
	Dynamic Diversified Fund	Platform	DB Fund	01/12/2021	30/11/2022	ISS
LGIM	Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged	Platform	DB Fund	01/12/2021	30/11/2022	ISS
	Managed Property Fund	Platform	DB Fund	01/12/2021	30/11/2022	N/A
	Over 15 Year Gilts Index Fund	Platform	DB Fund	06/07/2022	21/07/2022	N/A

* One of these funds – the CT Short Profile Nominal Dynamic LDI Fund – was invested on 25/07/22, rather than 01/12/21

Minerva Says

As shown in the table above:

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

4 Exercise of Voting Rights

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

Table 4.1: Jupiter's Approach to Voting

Asset manager	Jupiter
Relevant Scheme Investment(s)	Strategic Bond Fund
Key Points of Manager's Voting Policy	Jupiter 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 Policy in Line with the Scheme's Expectations?	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 ▪ Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged
Key Points of Manager's Voting Policy	<p>LGIM's Corporate Governance and Responsible Investing Policy sets out what the manager considers to be corporate governance best practice. It explains their expectations with respect to topics they believe are essential for an efficient governance framework, and for building a sustainable business model. LGIM expects all companies to closely align with their principles, or to engage with them where circumstances prevent them from doing so.</p> <p>LGIM's voting policy is built on the assessment of 5 key policy areas:</p>

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

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

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

Yes

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

Minerva Says

- Jupiter do not have a formal bond voting policy.
- As we would expect from a large asset manager such LGIM, they have a well thought out approach towards exercising their ownership rights in listed companies on behalf of their clients.
- From the information available, we believe that the managers' approaches are consistent with the Scheme's voting approach expectations of its investment managers.

5 Manager(s) 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 Public Voting Policy Alignment with Current Good Practice

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

Table Key

Aligned	This aspect of the manager’s public voting policy is aligned with good practice
Part Aligned	This policy pillar could only be partially assessed on the information available in the manager’s public voting policy
Not Assessed	This policy pillar could not be assessed due to a lack of any information in the manager’s public voting policy
Not Available	The manager has not made a copy of their voting policy publicly accessible
N/A	The manager confirmed that there is no formal voting policy (e.g., for bond funds)



Minerva Says

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

- Jupiter do not have a formal voting policy for bond investments.
- LGIM's public voting policy is, in our view, broadly in line with good practice, and is what we would expect to see from such a large asset steward.

6 Manager Voting Behaviour

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

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

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
Jupiter	Strategic Bond Fund	6	45	100.0%	100.0%	0.0%	0.0%
	Comments						
	<p>The manager provided a summarised voting record for the Strategic Bond Fund that matched the Scheme's reporting period of 01/12/21 – 30/11/22.</p> <p>From the summarised information provided, we can see that the manager has voted at all investee company meetings for the Fund, which is in line with the Trustees' expectations of its managers.</p>						
LGIM	Dynamic Diversified Fund	9,448	98,208	99.8%	77.6%	21.7%	0.7%
	Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged	7,259	75,300	99.9%	80.5%	18.3%	1.2%
	Comments						
<p>The manager provided a summarised voting record for the funds shown above – although for a slightly different reporting period than the Scheme's (covering 01/01/22 – 31/12/22 rather than 01/12/21 to 30/11/22).</p> <p>From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for the Funds, which is in line with the Trustees' expectations of its managers.</p>							

Table Key

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

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

Information was not provided by the manager

Not Applicable

Minerva Says

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

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

7 Significant Votes

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

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

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

Table 7.1 Jupiter’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
Jupiter	Strategic Bond Fund	EDF	16/07/22	Not stated	Amendment if the Terms and Conditions of the 2013 GBP Notes	In favour	Pass
Why a ‘Significant Vote?’							
Potential impact on stewardship outcome.							
Manager’s Vote Rationale:							
Support was warranted given the changes proposed would not materially impact the Note.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
Not stated.							
Next Steps / Implications of the Outcome:							
We will monitor.							

Relevance to Manager's Stated Policy:

The voting activity related to a corporate action, and the manager's approach is to deal with these on a case by case basis.

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

Table 7.2 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Apple Inc.	04/03/22	0.4%	Resolution 9 - Report on Civil Rights Audit	For	53.6% of votes cast were in support of the resolution

Why a 'Significant Vote?'

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 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 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 Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	BP Plc	12/05/22	0.2%	Resolution 3 - Approve Net Zero - From Ambition to Action Report	For	88.5% of votes cast supported the resolution

Why a 'Significant Vote'?

LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Manager's Vote Rationale:

Climate change: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is our view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.

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
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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
LGIM	Dynamic Diversified Fund	Essex Property Trust, Inc.	10/05/22	0.07%	Resolution 1.6 - Elect Director George M. Marcus	Withhold	96.5% of votes cast supported the resolution

Why a 'Significant Vote'?

LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.

Manager's Vote Rationale:

Independence: 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. Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.

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

LGIM publicly communicates its vote instructions on its website 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
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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
LGIM	Dynamic Diversified Fund	JPMorgan Chase & Co.	17/05/22	0.05%	Resolution 1c - Elect Director Todd A. Combs	Against	95.3% of votes cast supported the resolution

Why a 'Significant Vote'?

LGIM considers this vote to be significant and pre-declared our vote intention as an escalation of our concerns regarding remuneration. LGIM also 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). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.

Manager's Vote Rationale:

Accountability: Joint Chair/CEO: A vote AGAINST the relevant director is applied as LGIM expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair. Remuneration: Escalation: A vote AGAINST the re-election of Stephen Burke (Committee Chair), Linda Bammann, Todd Combs and Virginia Rometty is applied in light of the one-off time-based award and our persistent concerns about pay structures at the Company. As members of the Compensation Committee, these directors are deemed accountable for the Company's pay practices.

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
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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
LGIM	Dynamic Diversified Fund	Twitter, Inc.	13/09/22	0.4%	Resolution 2 - Advisory Vote on Golden Parachutes	Against	95.0% of votes cast were in support of the resolution

Why a 'Significant Vote'?

High Profile Meeting: LGIM considers Twitter to be significant given the high profile nature of the meeting. Golden parachute payments are lucrative settlement payments to top executives in the event that their employment is terminated. This is an issue we assess across all companies, and is particularly pertinent for Twitter at the moment as the proposed takeover by Elon Musk continues to evolve.

Manager's Vote Rationale:

Remuneration: Termination: A vote against is applied as LGIM does not support the use of golden parachutes. As a long-term and engaged investor, we entrust the board to ensure executive directors' pay is fair, balanced and aligned with the strategy and long-term growth and performance of the business, where this is not the case we will use our vote.

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 general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of the Outcome:

It is worth noting that in Twitters 2022 AGM, we voted against their say on pay proposal, as did 42% of shareholders. 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 Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity Market Weights (30:70) Index Fund - GBP 75% Ccy Hedged	Royal Dutch Shell Plc	24/05/22	2.1%	Resolution 20 - Approve the Shell Energy Transition Progress Update	Against	79.9% of votes cast were in support of the resolution

Why a 'Significant Vote?'

LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

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 strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.

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

Voted in line with management

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 Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity Market Weights (30:70) Index Fund - GBP 75% Ccy Hedged	Amazon.com, Inc.	25/05/22	1.4%	Resolution 1f - Elect Director Daniel P. Huttenlocher	Against	93.3% of votes cast were in support of the resolution

Why a 'Significant Vote?'

LGIM pre-declared its vote intention for this resolution, demonstrating its significance.

Manager's Vote Rationale:

Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.

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
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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
LGIM	Global Equity Market Weights (30:70) Index Fund - GBP 75% Ccy Hedged	Meta Platforms, Inc.	25/05/22	0.5%	Resolution 5 - Require Independent Board Chair	For	16.7% of votes cast were in support of the resolution
Why a 'Significant Vote?'							
LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).							
Manager's Vote Rationale:							
Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website 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 Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity Market Weights (30:70) Index Fund - GBP 75% Ccy Hedged	Informa Plc	16/06/22	0.1%	Resolution 9 – Re-elect Helen Owers as Director Resolution 11 – Re-elect Stephen Davidson as Director Resolution 14 – Approve Remuneration Report Resolution 19 – Approve Remuneration Policy	Against all four resolutions (9, 11, 14, 19)	More than 70% of shareholders voted against the Remuneration Report. The Remuneration Policy was approved by 93.5% of shareholders, and 20% of shareholders voted against the re-election of Helen Owers, incumbent member of the remuneration committee. The resolution to re-elect Stephen Davidson, former Chair of the Remuneration Committee, was withdrawn due to him stepping down from the board entirely. NB: 93.5% support and dissent against the company's Remuneration Committee chair, Helen Owers, also declined slightly, from 21.9% in 2021 to 20.2% in 2022.

Why a 'Significant Vote'?

LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of Remuneration (escalation of engagement by vote).

Manager's Vote Rationale:

LGIM has noted concerns about the company’s remuneration practices for many years, both individually and collaboratively. Due to continued dissatisfaction, we voted against the company’s pay proposals at its December 2020 and June 2021 meetings. The company’s prior three Remuneration Policy votes – in 2018, June 2020 and December 2020 – each received high levels of dissent, with 35% or more of votes cast against. At the June 2021 meeting, more than 60% of votes were cast against the Remuneration Report, meaning it did not pass. At the same meeting, Remuneration Committee Chair Stephen Davidson only closely avoided being unseated from the board. Despite significant shareholder dissent at the 2018 and 2020 meetings, and the failed Remuneration Report vote at the 2021 AGM, the company nonetheless implemented the awards under the plan and continued its practice of making in-flight changes to the existing Long-Term Incentive Plan (‘LTIP’) awards’ performance measures. Since the 2021 AGM, the company has made various changes, with Stephen Davidson stepping down as Remuneration Committee Chair, replaced by Louise Smalley. However, he continues to sit on the Remuneration Committee. There have also been changes to the members of the Remuneration Committee, with Mary McDowell stepping down, and Zheng Yin, a new board member, being appointed to the committee. The Remuneration Policy is being put to a vote again at this AGM, with the main changes being the re-introduction of the performance-based LTIP, which is to be approved through a separate resolution, and will come into force from 2024, after the ERP has run its course. Although this is a positive change, the post-exit shareholding requirements under the policy do not meet LGIM’s minimum standards and with regard to pensions, it is unclear whether reductions will align with the wider workforce. Given previous and continuing dissatisfaction as outlined above, LGIM also intends to vote against incumbent Remuneration Committee members, Helen Owers and Stephen Davidson.

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
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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
LGIM	Global Equity Market Weights (30:70) Index Fund - GBP 75% Ccy Hedged	The Sage Group Plc	03/02/22	0.1%	Resolution 11 - Re-elect Drummond Hall as Director	Against	94.4% of votes cast were in support of the resolution

Why a 'Significant Vote'?

LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Manager's Vote Rationale:

Diversity: A vote against is applied because of a lack of progress on gender diversity on the board. LGIM expects boards to have at least one-third female representation on the board.

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

LGIM publicly communicates its vote instructions on its website 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
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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

Minerva Says

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



8 Manager Engagement Information

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

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

The Trustees also expect the investment manager to engage with investee companies on the capital structure and management of conflicts of interest.

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

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

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

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
Columbia Threadneedle	YES	FIRM	PARTIALLY	The manager provided summarised firm level engagement information for the period from 01/01/22 to 31/12/22 – which is slightly different from the Scheme's reporting period of 01/12/21 to 30/11/22
Jupiter	YES	FUND	YES	The manager provided detailed fund level engagement information for the period from 01/12/21 to 30/11/22
LGIM	YES	FUND	PARTIALLY	The manager provided basic fund level engagement information for the period from 01/01/22 to 31/12/22 – which is slightly different from the Scheme's reporting period of 01/12/21 to 30/11/22

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

Columbia Threadneedle

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				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
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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>In the most recent 'CT Liability Driven Investment Counterparty Engagement report' they have the following additional commentary on their engagement approach, 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>
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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
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- 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 in their 'CT Liability Driven Investment Counterparty Engagement report' for H2 2022:

H2 2022 - HSBC – Engagement primarily on an 'Environmental' matter

Rationale for the engagement: Not stated.

Engagement Details: HSBC has updated its energy policy to include the ending of funding for new oil and gas projects:

<https://www.hsbc.com/-/files/hsbc/our-approach/risk-and-responsibility/pdfs/221214-hsbc-energy-policy.pdf>

In particular it states: HSBC will not provide new finance, or new advisory services, to any client for the specific purposes of O&G exploration, appraisal, development, and production pertaining to:

- *ultra-deepwater offshore O&G projects;*
- *shale oil projects; extra heavy oil projects;*
- *projects in environmentally and socially critical areas; or*
- *infrastructure whose primary use is in conjunction with the above activities.*

Engagement Outcome: Not stated.

Comparison of the Manager's Engagement Activity vs the Trustees' policy

Is Engagement Activity in Line with the Trustees' Policy?

Whilst the activity appears to be consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach, additional information in relation to the nature of the engagement would have been useful.

Jupiter

Jupiter				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Strategic Bond Fund	01/12/21	30/11/22	22	51.7%	27.6%	20.7%	-	91.3%	8.7%
Aspect of Engagement Activity	Details								
Key Points of the Manager's Engagement Policy	<p>Jupiter's general approach to engagement is set out in their 'Responsible Investment Policy'. They state the following in terms of their overall approach, but do not set out any specific engagement priorities or themes:</p> <p><i>'Engagement is central to our active ownership approach. It advances our responsible investment goals, builds lasting relationships with companies, and provides our investment teams with greater investment insights. Our investment teams maintain a dialogue with companies to inform their investment decisions and carry out strategic engagement, based on ESG materiality. To be effective, engagement must be focused and have well-defined targets, objectives, and outcomes. We do not believe that volume of engagement is a reliable indicator of successful active ownership.'</i></p> <ul style="list-style-type: none"> • Investment-led: Investment managers are responsible for capital allocation decisions and lead engagement, supported by the Stewardship Team. • Monitoring/escalation: We regularly engage with companies to monitor material ESG issues that will impact the long-term success of an investment. Engagement should be proactive as reactive engagement may not achieve good outcomes for investors. We also use proactive dialogue to discuss our expectations around material ESG issues. • Misalignment: Concerns may arise at investee companies because of a misalignment with shareholder interests or negative impacts for stakeholders. Where appropriate, we will use engagement with company management and boards of directors as an escalation tool to resolve such situations. • Time horizon: Many material ESG issues are complex and interconnected, and outcomes take time. We are committed to long-term engagement goals, however to protect client interests we reserve the right to exit an investment if we conclude that progress is insufficient or does not meet our strategic objectives. • Direct and collaborative engagement: Our primary tool is direct engagement with companies. We also engage in collective engagement where such action aligns with our own objectives. Collective engagement enables us to leverage our influence and is particularly useful when considering systemic risks such as climate and biodiversity. In addition to working with other shareholders, collective engagement can be extended to investor bodies, NGOs, charities, and trade organisations. • Regulatory, industry and policy engagement: We engage with industry bodies, policymakers and regulators where appropriate and we believe there is an opportunity to contribute to the agenda while representing client interests' 								
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 ▪ process for escalating ineffective engagement and 								

- whether any fintech solution was used to facilitate engagement

The following example of an engagement activity undertaken in the Strategic Bond Fund was provided by the manager:

February 2022 - Casino Guichard – Engagement primarily on an ‘Environmental’ matter

Rationale for the engagement:

‘We engaged with Casino on emissions, waste, and deforestation and biodiversity.

Engagement Details:

‘They are currently facing a litigation in France due to their connection to JBS, which in turn has experienced illegal deforestation in their supply chain. They have asked suppliers to ensure no deforestation, even in cases where it is legal, and when they identify a breach they will engage with the supplier and exclude them if appropriate measures are not taken. They are currently mapping all of the suppliers in their supply chain. On biodiversity, they have identified soy, cacao, coffee, and beef as key risk areas, this is an area where we will engage further on in the future. On waste, we encouraged them to improve their reporting in Latin America.’

Engagement Outcome: The engagement is marked as ‘Resolved’

Comparison of the Manager’s Engagement Activity vs the Trustees’ policy

Is Engagement Activity in Line with the Trustees’ Policy?

The activity appears to be consistent with the Manager’s stated engagement approach, and so is also consistent with the Scheme’s approach.

LGIM

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Dynamic Diversified Fund	01/01/22	31/12/22	669	35%	20.9%	39.9%	4.2%	Not Stated	Not Stated
Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged	01/01/22	31/12/22	663	35.3%	20.5%	40.4%	3.8%	Not Stated	Not Stated
Managed Property Fund	01/01/22	31/12/22	-	-	-	-	-	-	-
Over 15 Year Gilts Index Fund	01/01/22	31/12/22	-	-	-	-	-	-	-

Aspect of Engagement Activity	Details
<p>Key Points of the Manager's Engagement Policy</p>	<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
<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 Trustees' policy</p>	<p>Set out below is an example of a reported engagement activity undertaken by LGIM in the Dynamic Diversified Fund on behalf of clients during 2022:</p> <p><u>22/11/22 - Softbank – Environmental-themed Engagement Activity</u></p> <p><u>Rationale for the engagement:</u> Not provided.</p> <p><u>Engagement Details:</u> Face-to-face engagement on Climate Change.</p> <p><u>Engagement Outcome:</u> Not provided.</p>

Minerva Says

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

9 Conclusions

9.1 Assessment of Compliance

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

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

Table 9.1: Summary Assessment of Compliance

Fund / Product Manager	Investment Fund/ Product	Does the Manager's Reported Activity Follow the Scheme's Expectations:			Use of a 'Proxy Voter?'	UK Stewardship Code 2020 Signatory?	Overall Assessment
		Voting Activity	Significant Votes Identified	Engagement Activity			
Columbia Threadneedle	LDI Fund (3 Funds)	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
Jupiter	Strategic Bond Fund	YES	YES	YES	N/A	YES	COMPLIANT
LGIM*	Dynamic Diversified Fund	YES	YES	YES	ISS	YES	COMPLIANT
	Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged	YES	YES	YES			COMPLIANT
	Managed Property Fund	N.I.R.	N.I.R.	N.I.R.			N/A
	Over 15 Year Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.			N/A

* 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 voting information provided does not match the Scheme's reporting / investment holding period

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

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

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



Minerva Says

Overall Assessment:

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

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - There was nothing to report for some of the Scheme's investments, due to the nature of those investments (e.g., LGIM Over 15 Year Gilt Fund).
 - 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 Columbia Threadneedle's and LGIM's inability to provide bespoke reporting that matches their clients' own reporting periods.
- 4) Whilst LGIM have recently started providing a breakdown of engagement information on a fund basis, we were disappointed with the lack of detail available in the reported information.

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 a 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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