Hydes' Brewery Limited Pension Scheme

Statement of Investment Principles

As at August 2023

SPENCE

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Executive Summary

This Statement of Investment Principles ("the Statement") has been commissioned by and addressed to the Trustees of the Hydes' Brewery Limited Pension Scheme ("the Scheme").

This document has been prepared by Simon Cohen, in his capacity as appointed Investment Consultant to the Scheme.

It has been prepared to comply with Section 35 of the Pensions Act 1995 as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005, and as amended by subsequent regulations.

For the purposes of this report, Hydes' Brewery Limited is referred to as the "Sponsor".

Introduction

This Statement sets out the principles governing decisions about investments for the Scheme and supersedes the previous Statement prepared by the Trustees.

In preparing this Statement, the Trustees have:

1. Consulted with the Sponsor, although responsibility for maintaining this Statement and setting investment policy rests solely with the Trustees.
2. Obtained and considered written professional advice and recommendations from Spence and Partners Limited ("Spence") who are the Trustees' appointed investment consultant. Spence is authorised and regulated by the Financial Conduct Authority ("FCA"). They have confirmed to the Trustees that they have the appropriate knowledge and experience to give the advice required by the Pensions Acts.

The Trustees will review this Statement at least once every three years to coincide with the triennial actuarial valuation or other advice relating to the statutory funding requirements. If there are any significant changes in any of the areas covered by this Statement, the Trustees will review it without further delay. Any changes made will be based on written advice from a suitably qualified individual and will follow on from consultation with the Sponsor.

The Scheme is a defined benefit ("DB") plan. The Trustees' investment powers are set out in the Trust Deed and Rules dated 15 August 1955 and subsequent amending deeds. This Statement is consistent with those powers.

Investment Objectives

The Trustee's overall investment policy is guided by the following objectives:

1. The Trustees invest the assets of the Scheme with the aim of ensuring that all members' accrued benefits can be paid.
2. The Trustees' investment objective is to achieve, over the long term, a return on the investments which is consistent with, or better than, the long-term assumptions made by the Trustees in determining the funding of the Scheme.
3. The objective is to achieve full funding on a low dependency basis and then fully fund on a proxy buy-out basis within 5 to 10 years.

The Scheme Actuary has confirmed during the process of revising the investment strategy that the investment objectives and resultant strategy are consistent with the actuarial valuation methodology and assumptions used in the statutory funding objective.

Investment Responsibilities

The Trustees

Under the legal documentation governing the Scheme, the power of investment is vested in the Trustees. Therefore, the Trustees are responsible for setting the investment objectives and determining the strategy to achieve those objectives. They set the overall investment target and then monitor the performance of their investment managers against the target. In doing so the Trustees consider the advice of their professional advisers, who they consider to be suitably qualified and experienced for this role.

Their duties and responsibilities include but are not limited to:

- Regular approval of this Statement and monitoring compliance with this Statement
- Appointment, removal (where applicable) and review of their investment managers or investment adviser and their performance relative to relevant benchmarks
- Assessment of the investment risks run by the Scheme
- Monitoring and review of the asset allocation
- Managing cashflow

Investment Adviser's Duties and Responsibilities

The Trustees have appointed Spence as their investment consultant. Spence provides advice when the Trustees require it and/or when Spence feels it suitable to do so. Areas on which it can provide advice are as follows:

- Setting investment objectives
- Determining strategic asset allocation
- Determining suitable funds and investment managers

It should be noted that the Trustees retain responsibility for all decisions.

Spence are generally remunerated on a pre-agreed fee basis.

Spence does not receive any commission or any other payments in respect of the Scheme for investment services that will affect the impartiality of their advice. Any investment manager discounts (net of Mobius' fee) received through the use of the investment platform are passed in full to the Scheme.

The Trustees are satisfied that this is a suitable adviser compensation structure.

Investment Managers' Duties and Responsibilities

The Trustees, after considering suitable advice, have appointed various investment managers who are detailed in Appendix 1 of this Statement. All the managers are compensated by fund-based charges on the value of the Scheme's assets that they hold.

The key duties of the managers in this regard are as follows:

- Stock Selection
- Asset Allocation (if managing a multi-asset portfolio)
- Exercise of voting rights and engagement with investee companies

The Scheme's agreed asset allocation is defined in the Appendix 1.

Setting the Investment Strategy

The Trustees have determined their investment strategy after considering the Scheme's liability profile, their own appetite for risk and the views, risk appetite and covenant of the Sponsor. They have also received written advice from their investment consultant.

Types of Investment

The Scheme's assets are invested on behalf of the Trustees by Mobius Life Limited ("Mobius"), through an investment platform, with underlying investment managers.

The Trustees are permitted to invest across a wide range of asset classes, including but not limited to equities, bonds, cash, property and alternative asset classes. The use of derivatives is as permitted by the guidelines that apply to the pooled funds. The Trustees understand that some asset classes provide a better match to the liabilities than others.

The Trustees will monitor from time-to-time the employer-related investment exposure of their portfolio as a whole and will take steps to alter this should they discover this to be more than 5% of the total portfolio.

Balance Between Different Types of Investment

The Scheme invests in assets that are expected to achieve the Scheme's objectives detailed previously. The allocation between the different asset classes is shown in Appendix 1 of this Statement.

The Trustees have considered the merits of both active and passive management for the different elements of the asset allocation and selected suitable types of management for each asset class. The current investment managers are shown in Appendix 1.

From time-to-time the Scheme may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate for any short-term cashflow requirements or any other unexpected events.

The Trustees may also hold insurance policies which are for the benefit of certain members to match part or all of their liabilities.

Expected Return on Investments

The Trustees have noted the long-run relationships that exist between the returns from different asset classes and have noted the different expected risk/return characteristics of the various asset classes.

In particular, they have noted that equities can be expected to deliver a greater long-run real return (over price inflation) than that expected from fixed interest gilts, index-linked gilts or cash but that typically equities are the most volatile asset class in terms of market returns.

The Trustees' chosen policy is to achieve a balance between stabilising the Scheme's funding level and pursuing higher expected returns to improve the Scheme's funding level.

Realisation of Investments

The Scheme's assets are invested in pooled vehicles, which in turn invest in securities traded on recognised exchanges. The Scheme's investments can generally be readily realised, if necessary.

Financially Material Considerations

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

In 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 investment managers and investment consultant to take account of financially material considerations when carrying out their respective roles.

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

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

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

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

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

Non-Financial Material Considerations

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

Stewardship

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

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

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

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

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

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 that the funds' investment strategies and decisions cannot be tailored to the Trustees' policies. However, the Trustees set their investment strategy and then select managers that best suits their strategy taking into account the fees being charged, which acts as the investment managers' incentives.

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

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

The Trustees select managers based on a variety of factors including investment philosophy and process, which they believe should include assessing the long term financial and non-financial performance of the underlying company that they invest in.

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

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

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

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

How the method (and time horizon) of the evaluation of the 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 compared to its objective.

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

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

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

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

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

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

The duration of the arrangement with the investment managers

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

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

Risks

The Trustees are aware and seek to take account of a number of risks in relation to the Scheme's investments. Under the Pensions Act 2004, the Trustees are required to state their policy regarding the ways in which risks are to be measured and managed. Overall, the Trustees measure and monitor their risks by receiving quarterly monitoring reports which report on the performance of their assets, their managers and the movements in the Scheme's liabilities. The key risks and the policies are as follows:

Solvency and Mismatching Risk	This is measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities. The risk is managed by setting a scheme specific asset allocation with an appropriate level of risk.
Concentration Risk	This is measured by comparing the underlying asset allocation to the strategic asset allocation. It is managed through the diversification of the Scheme's assets across a range of different funds with different investment styles and underlying securities, and different investment managers.
Investment Manager Risk	This is assessed as the deviation of actual risk and return relative to that specified in the investment manager's objectives. It is measured by monitoring on a regular basis the actual deviation of returns relative to investment manager's agreed objectives and an assessment of factors supporting the managers' investment process.
Sponsor Risk	This is assessed as the ability and willingness of the Sponsor to support the continuation of the Scheme and to make good any current or future deficit. This is managed by assessing the interaction between the Scheme and the Sponsor's business, as measured by a number of factors including the creditworthiness of the Sponsor and the size of the pension liability relative to the Sponsor.
Liquidity Risk	This is monitored according to the level of cashflows required by the Scheme over a specified time period. The Scheme's administrators will assess the cash requirements to limit the impact of cashflow requirements on the Scheme's investment policy. The risk is managed by having a suitable amount of readily realisable investments and by holding a certain level of cash type assets. The Scheme invests in assets that there are invested in quoted markets and are as readily realisable as the Trustees feel suitable given the Scheme's cashflow position and the expected development of the liabilities.
Currency Risk	The Scheme's liabilities are denominated in sterling. The Scheme may gain exposure to overseas currencies by investing in non-sterling assets or via

currency investment. Some currency hedging is used to manage this risk.

Loss of Investment Risk

There is a risk of loss of investment by each investment manager and potentially the custodian. This includes losses beyond those caused by market movements e.g. losses caused by fraud. The Trustees, through Mobius Life, undertake regular reviews of the internal controls and processes of the investment managers.

Environmental, Social and Governance (ESG) and Climate Change Risks

There is a risk that ESG issues and climate change are not considered as part of the investment process and so may expose the portfolio to unexpected risks. This can lead to losses that may not have been factored into any expectations of future investment returns. The Trustees have considered ESG issues including climate change as part of the investment process.

Compliance

The Trustees confirm that they have received and considered written advice from Spence on the establishment and implementation of their investment strategy.

The Trustees confirm that they have consulted with the Sponsor regarding their strategy. Copies of this statement and any subsequent amendments will be made available to the Sponsor, the investment managers, the Scheme Actuary and the Scheme auditor upon request. This statement will also be available on-line.

The Trustees will monitor compliance with this Statement at least every three years. This will include a review of the suitability of the investment strategy on an ongoing basis and consideration of the continued suitability of the appointed investment managers.

NAME (block capitals)

C. A HYDE

Signed

Trustee

Signed for and on behalf of the Trustees of the Hydes' Brewery Limited Pension Scheme

Date of Signing: 12 09 2023

NAME (block capitals)

N. E. BROOKS

Signed

Trustee

Signed for and on behalf of the Trustees of the Hydes' Brewery Limited Pension Scheme

Date of Signing: 12 09 2023

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Appendix

Strategic Asset Allocation

The Scheme has a strategic asset allocation as set out in the table below:

Portfolio	Allocation	Control Range	Asset Class	Allocation
Leveraged Liability Driven Investment ("LLDI")	30%	N/A	LLDI	30%
Equity	10%	+/- 2%	LGIM -World Equity Index (hedged)	5%
			LGIM -World Equity Index (unhedged)	5%
Multi-Asset Credit ("MAC")	15%	+/- 3%	Multi-Asset Credit (M&G)	15%
Property	15%	N/A	Property	15%
Corporate Bonds	30%	+/- 6%	UK Corporate Bonds	30%
Total	**100%**			**100%**

Given the illiquid nature of property, it is not expected that the property fund will be re-balanced. LDI will also not be rebalanced in order to maintain a liability hedge ratio.

Rebalancing and Cashflow management

The Trustees recognise that the asset allocation of investments will vary over time due to market movements. The Trustees seek to keep the asset allocation in line with its benchmark but are cognisant of the costs of rebalancing.

Where possible, cash outflows will be met from the income of the Scheme's assets to minimise transaction costs. Where income is insufficient, monies will be raised through the sale of assets so as to move the allocation closer to the central benchmark allocation subject to consideration of liquidity issues, transaction costs, market conditions and the speed with which monies are required. Similarly, where cashflows in are received, the money will be invested in such a way as to bring the allocation into line with the central benchmark allocation.

Investment Managers

The Trustees invest the assets of the Scheme through an insurance policy with Mobius Life. One of Spence's key responsibilities is to recommend suitable underlying investment managers. Mobius Life provides investment administration for the Scheme and so carries out the day-to-day management of the investment managers.

The table below shows the underlying investment managers appointed to carry out the day-to-day management of the assets, as well as the funds that they manage, their benchmarks and relevant objectives.

The investment managers' performance will be monitored on a quarterly basis.

Investment Manager	Fund	Benchmark	Objective
Legal & General Investment Management	Matching Core Funds	An investible index of gilts and swaps	Hedging
	World Equity Index Fund - GBP Hedged	FTSE World Index – GBP Currency Hedged	Track benchmark within +/- 0.50% p.a. for two years out of three
	World Equity Index Fund	FTSE World Index	Track benchmark within +/- 0.50% p.a. for two years out of three
M&G Investments	Total Return Credit Investment Fund	SONIA	Outperform benchmark by 3% to 5% p.a. gross of fees over a cycle
Aviva Investors	Property Fund	MSCI/AREF UK Long Income Property Fund Index	Outperform benchmark
BlackRock Investment Management	BlackRock Corporate Bond Up To 5 Years Index Fund	iBoxx Sterling Non-Gilts 1-5 Year Index	Track Benchmark

Fees

The fee arrangements for the investment managers are summarised below:

Investment Manager	Fund	Annual Management Charge % p.a.
Legal & General Investment Management	Matching Core Funds	0.25% p.a.
	World Equity Index Fund – GBP Currency Hedged	0.15% p.a.
	World Equity Index Fund	0.125% p.a.
M&G Investments	Total Return Credit Investment Fund	0.45% p.a.
Aviva Investors	Property Fund	0.48% p.a.
BlackRock Investment Management	BlackRock Corporate Bond Up To 5 Years Index Fund	0.09% p.a.

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Hydes' Brewery Limited Pension Scheme ('the Scheme') – Implementation Statement 6th April 2022 - 5th April 2023

An Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Pensions Regulator for the period from 6th April 2022 - 5th April 2023 ('the Scheme Year').

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

The Trustees have used Minerva Analytics ('Minerva') to obtain voting and investment engagement information ('VEI') on the Scheme's behalf. The VEI in the statement is based on the Statement of Investment Principles ('SIP') currently in force, dated September 2020. This SIP details the old investment strategy. A new SIP reflecting the new investment strategy is pending sign-off from the Trustees.

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

A summary of the key points is set out below.

BlackRock

It was determined that the Scheme's holdings in the BlackRock Corporate Bond Up to 5 Year Index and Fixed Income Global Opportunities Funds had no voting or engagement information to report due to the nature of the underlying holdings. However, Minerva noted that they were sceptical that there were no reportable engagements for the Corporate Bond Up to 5 Years Index Fund given their experience with engagement information provided by other corporate bond managers. Minerva raised this concern with the manager and will inform the Trustees of any developments.

Legal and General Investment Management ('LGIM')

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

Voting information was provided for the World Equity Index Fund (including GBP hedged variant) although this was not in line with the Scheme's investment holding period. From this, Minerva confirmed that the manager's voting policies and disclosures broadly comply with the International Corporate Governance Network (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 fund level engagement information in line with the Scheme's investment holding period. However, the information provided was limited. The Trustees will continue to encourage LGIM to provide detailed information but acknowledge that the information provided was in line with their own policies.

M&G

It was determined by Minerva that the Scheme's holdings in the Total Return Credit Investment Fund had no voting information to report due to the nature of the underlying holdings. M&G provided detailed fund level engagement information, including information on 11 engagements over a reporting period which differed slightly from the Scheme's investment holding period. Based on the

information provided, Minerva was able to determine that M&G had followed the Trustees' engagement policy.

abrdn

abrdn provided voting information for the Global Absolute Return Strategies Fund, although this was not in line with the Scheme's investment holding period. From this, Minerva confirmed that the manager's voting policies and disclosures broadly comply with the International Corporate Governance Network (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. abrdn provided detailed fund level engagement information, including information on 241 engagements over a reporting period which differed slightly from the Scheme's investment holding period. Based on the information provided, Minerva was able to determine that abrdn had followed the Trustees' engagement policy.

Aviva

It was determined by Minerva that the Scheme's holdings in the Lime Property Fund had no voting information to report due to the nature of the underlying holdings. Aviva provided fund level engagement information however the reporting period did not match the Scheme Year and the information provided was limited. The Trustees will continue to encourage Aviva to provide detailed information but acknowledge that the information provided was in line with their own policies.

Columbia Threadneedle ('CT')

It was determined by Minerva that the Scheme's holdings in the LDI funds had no voting information to report due to the nature of the underlying holdings. CT provided basic firm level engagement information outside the Scheme's reporting period, which is as expected for LDI funds. Minerva was able to confirm that the manager's engagement activity for the these funds was in line with the Trustees' own policies.

Final Comments

Although there has been an improvement in the information provided by LGIM over the last two years, LGIM could improve further by providing more detail on engagements. All of the Scheme's investment managers could improve by providing information in line with the investment holding period for each fund. M&G and abrdn provided good levels of engagement information, while the information provided by Aviva was limited.

Minerva will seek any outstanding information and will agree a way forward on any actions identified with the Trustees once this information is available.

MINERVA ANALYTICS
A SOLACTIVE COMPANY

Hydes' Brewery Limited Pension Scheme

Spence & Partners Limited

Implementation Statement (IS):

Voting & Engagement Information (VEI) Report

Scheme Reporting Period:
6th April 2022 to 5th April 2023

27th July 2023

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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:

Hydes' Brewery Limited Pension Scheme
Statement of Investment Principles
September 2020

1.1 Financially Material Considerations

A non-exhaustive list of risks and financially material considerations that the Trustees have considered and sought to manage are contained in the Scheme's SIP.

The Trustees recognise that positive ESG factors can have a positive influence on the long-term stability and returns of investments. However, mandates are selected with the purpose of maximising the chance of achieving the return objectives as set out in their mandates, which in combination aim to optimize the chance of achieving the Scheme's overall strategic objective.

The extent to which ESG and ethical considerations are taken into account in these decisions is delegated to the investment managers, acting within the guidelines and objectives set by the Trustees where practically possible.

1.2 Non-Financial Considerations

Non-financial matters are not taken into account in the selection, retention or realisation of investments.

1.3 Investment Manager Arrangements

How the investment managers are incentivised to align their investment strategy and decisions with the Trustees policies

As the Scheme is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustees policies. However, the Trustees invest in a portfolio of pooled funds that are aligned to the strategic objective.

How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term

The Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements.

The Trustees will monitor the investment managers' engagement and voting activity on an annual basis as part of the implementation statement that supplements the Scheme's annual report and accounts. By doing this, the Trustees may indirectly incentivise the investment managers to make decisions based on non-financial information.

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

The Trustees review the performance of all the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives.

The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range

The Trustees do not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.

The duration of the Scheme's arrangements with the investment managers

The duration of the arrangements is considered in the context of the type of fund the Scheme invests in.

For open ended funds (in which the Scheme invests), the duration is flexible and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.

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
abrdn	Global Absolute Return Strategies Fund	Full Info Available	Full Info Available	Part Info Available
Aviva	Lime Property Fund	No Info to Report	No Info to Report	Part Info Available
BlackRock	Corporate Bond Up to 5 Years Index Fund	No Info to Report	No Info to Report	No Info to Report
	Fixed Income Global Opportunities Fund (GBP hedged variant)	No Info to Report	No Info to Report	No Info to Report
Columbia Threadneedle	LDI Fund (2 funds)	No Info to Report	No Info to Report	Part Info Available
LGIM*	Matching Core LDI Fund (4 funds)	No Info to Report	No Info to Report	No Info to Report
	World Equity Index Fund (including GBP hedged variant)	Part Info Available	Full Info Available	Part Info Available
M&G	Total Return Credit Investment 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*

Minerva Says:

Voting Activity

There was voting information disclosed for the following Scheme investments:

- abrdn Global Absolute Return Strategies Fund
- LGIM World Equity Index Fund (including GBP hedged variant)

Significant Votes

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

- abrdn Global Absolute Return Strategies Fund
- LGIM World Equity Index Fund (including GBP hedged variant)

Engagement Activity

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

- abrdn Global Absolute Return Strategies Fund
- Aviva Lime Property Fund
- Columbia Threadneedle LDI Fund (2 funds)
- LGIM World Equity Index Fund (including GBP hedged variant)
- M&G Total Return Credit Investment Fund

3 Voting and Engagement

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

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

The voting and engagement activity undertaken by the Scheme's managers, as reported by them and set out in this document, has been in the scheme members' best interests insomuch 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 monitor and engage with the Scheme's investment managers and other stakeholders on a variety of issues.

The investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues.

The Trustees will monitor the investment managers' engagement and voting activity on an annual basis as part of the implementation statement that supplements the Scheme's annual report and accounts

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?
abrdn	Global Absolute Return Strategies Fund	Mobius Platform	DB Fund	06/04/2022	24/03/2023	ISS
Aviva	Lime Property Fund	Mobius Platform	DB Fund	06/04/2022	05/04/2023	N/A
BlackRock	Corporate Bond Up to 5 Years Index Fund	Mobius Platform	DB Fund	14/03/2023	05/04/2023	N/A
	Fixed Income Global Opportunities Fund (GBP hedged variant)	Mobius Platform	DB Fund	06/04/2022	24/03/2023	N/A
Columbia Threadneedle	LDI Fund (2 funds)	Mobius Platform	DB Fund	06/04/2022	27/03/2023	N/A
LGIM	Matching Core LDI Fund (4 funds)	Mobius Platform	DB Fund	10/03/2023	05/04/2023	N/A
	World Equity Index Fund (including GBP hedged variant)	Mobius Platform	DB Fund	14/03/2023	05/04/2023	ISS
M&G	Total Return Credit Investment Fund	Mobius Platform	DB Fund	06/04/2022	05/04/2023	N/A

Minerva Says

As shown in the table above:

- abrdn and LGIM each 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: abrdn's Approach to Voting

Asset manager	abrdn
Relevant Scheme Investment(s)	Global Absolute Return Strategies Fund
Key Points of Manager's Voting Policy	In their 'Listed Company Stewardship Guidelines' the manager states that good governance and stewardship are vital to safeguard the way in which a company is managed and to ensure that it operates responsibly in relation to its customers, employees, shareholders, and the wider community. The manager also states that they believe that markets and companies which adopt best practices in corporate governance and risk management – including the management of environmental and social risks – are more likely to deliver sustainable, long-term investment performance. The manager's voting policy is set out in terms of the following specific guideline areas:

#	Guideline	Areas Covered
1	**Companies should be run to generate long-term sustainable business success**	Protecting shareholder value; clarity around business drivers; honest and open reporting; demonstration of a clear strategy
2	**Companies should maintain and protect investor rights**	Protection of minority shareholders' interests; transparency around changes to corporate structure; simple capital structures
3	**Companies should communicate openly and clearly**	Boards should present a fair, balanced and understandable assessment of the company's position; TCFD reporting is encouraged; independent audit required; limits on audit firm tenure; consistency in public statements
4	**Companies should be led and overseen by effective and genuinely independent boards**	Separate CEO & Chairman; regular re-election of Directors; investors should be able to propose directors for election: board diversity in terms of gender, skills and experience; succession planning; remuneration, audit and nomination committees expected as a minimum

5	**Companies need to manage key opportunities and risks actively and effectively**	Clear process for potential and emerging business opportunities, including sustainability matters; Environmental responsibility; Employee relations; Human rights and international operations; Business ethics
6	**Pay structures should be long term and aligned with the corporate strategy**	Robust and independent remuneration committees sought, with at least three independent NEDs and a formal and transparent process for handling executive remuneration; policies and pay aligned with strategy; Directors service contracts should not exceed 12 months without justification
7	**Companies should establish and work to maintain an effective and positive corporate culture**	The manager did not expand upon this specific guideline in their written documentation.

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

Yes

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

Table 4.2: LGIM's Approach to Voting

Asset manager

LGIM (Legal & General Investment Management)

Relevant Scheme Investment(s)

World Equity Index Fund (including GBP hedged variant)

Key Points of Manager's Voting Policy

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.

LGIM's voting policy is built on the assessment of 5 key policy areas:

#	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

Minerva Says

- abrdn and LGIM have 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
abrdn	Limited Disclosures	Aligned	Limited Disclosures	Aligned	Limited Disclosures	Limited Disclosures	Aligned

Comments

Audit & Reporting: the policy successfully covers auditing and reporting. However, limited information is available on the auditor rotation, associated fees, and non-audit work breakdowns.

Capital: the policy is missing disclosures regarding the number of shares issued, issuance of new shares, share classes and the return of capital to shareholders.

Remuneration: the policy has an overarching view of Long Term Incentive Plans (LTIPs) and bonus performance, including transparency and vesting periods. However, the policy does not disclose any information on bailing out or repricing options, Non-Executive Director (NED) remuneration, malus or forfeiture measures and description of salary.

Shareholder Right: The policy successfully covers shareholder rights with reference to anti-takeover provision. However, it lacks information on the rights of shareholders to hold special meetings and the rights of shareholders at the AGM.

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
Comments	LGIM's voting policy and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices.						

Table Key

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:

- abrdn's and 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 large asset stewards.

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

		No. of Meetings	No. of Resolutions				
Manager	Fund	Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
abrdn	Global Absolute Return Strategies Fund	20	277	81.6%	81.9%	18.1%	-
	Comments						
	The manager provided a summarised voting record for the Fund that covered the Scheme's 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 Trustees' expectations of its managers.						
LGIM	World Equity Index Fund (including GBP hedged variant)	3,145	38,823	99.9%	78.8%	20.5%	0.7%
	Comments						
	The manager provided a summarised voting record for the Fund that covered the period from 01/04/22 to 31/03/23, rather than for the Scheme's 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 Trustees' expectations of its managers.						

Table Key

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

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

Information was not provided by the manager

Not Applicable

Minerva Says

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

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 abrdn'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
abrdn	**Global Absolute Return Strategies Fund**	**Tyson Foods, Inc.**	**09/02/23**	**Not stated**	Comply with World Health Organization Guidelines on Antimicrobial Use Throughout Supply Chains	Against	Not stated
Why a 'Significant Vote?							
This resolution was proposed by shareholders.							
Manager's Vote Rationale:							
Shareholder proposal: The company's current commitments align to some, but not all, WHO recommendations on antibiotic use. They currently meet industry standards and expectations. Thus, support for this proposal is not warranted currently.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
Not stated.							
Next Steps / Implications of the Outcome:							
Not stated.							

Relevance to Manager's Stated Policy:						
Companies should be run to generate long-term sustainable business success	Companies should maintain and protect investor rights	Companies should communicate openly and clearly	Companies should be led and overseen by effective and genuinely independent boards	Companies need to manage key opportunities and risks actively and effectively	Pay structures should be long term and aligned with the corporate strategy	Companies should establish and work to maintain an effective and positive corporate culture
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
abrdn	Global Absolute Return Strategies Fund	Hormel Foods Corporation	31/01/23	Not stated	Comply with World Health Organization Guidelines on Antimicrobial Use Throughout Supply Chains	Against	Not stated

Why a 'Significant Vote?

This resolution was proposed by shareholders.

Manager's Vote Rationale:

Shareholder proposal: The company's acknowledgement of the issue and current commitments (including targets to reduce the use of medically important antibiotics) is aligned to industry standards and expectations. Thus, support for this proposal is not warranted currently.

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

Not stated.

Next Steps / Implications of the Outcome:

Not stated.

Relevance to Manager's Stated Policy:						
Companies should be run to generate long-term sustainable business success	Companies should maintain and protect investor rights	Companies should communicate openly and clearly	Companies should be led and overseen by effective and genuinely independent boards	Companies need to manage key opportunities and risks actively and effectively	Pay structures should be long term and aligned with the corporate strategy	Companies should establish and work to maintain an effective and positive corporate culture
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
abrdn	Global Absolute Return Strategies Fund	The Kroger Co.	23/06/22	Not stated	Report on Efforts to Reduce Plastic Use	For	Not stated

Why a 'Significant Vote?

This resolution was proposed by shareholders.

Manager's Vote Rationale:

We commend the steps made so far in reducing plastic packaging and increasing the recyclability of own brand packaging. However, we believe that better disclosure of metrics and baselines will allow shareholders to more fully understand company's management of this issue.

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

Not stated.

Next Steps / Implications of the Outcome:

Not stated.

Relevance to Manager's Stated Policy:

Companies should be run to generate long-term sustainable business success	Companies should maintain and protect investor rights	Companies should communicate openly and clearly	Companies should be led and overseen by effective and genuinely independent boards	Companies need to manage key opportunities and risks actively and effectively	Pay structures should be long term and aligned with the corporate strategy	Companies should establish and work to maintain an effective and positive corporate culture

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
abrdn	Global Absolute Return Strategies Fund	The Kroger Co.	23/06/22	Not stated	Report on Human Rights and Protection of Farmworkers	Against	Not stated

Why a 'Significant Vote?

This resolution was proposed by shareholders.

Manager's Vote Rationale:

While shareholders would benefit from increased transparency on the human rights risks the company is already in the process of addressing this. Kroger have committed to publishing an updated Human Rights Due Diligence framework later on this year. Therefore, a vote in favour of this resolution is not warranted at this time.

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

Not stated.

Next Steps / Implications of the Outcome:

Not stated.

Relevance to Manager's Stated Policy:

Companies should be run to generate long-term sustainable business success	Companies should maintain and protect investor rights	Companies should communicate openly and clearly	Companies should be led and overseen by effective and genuinely independent boards	Companies need to manage key opportunities and risks actively and effectively	Pay structures should be long term and aligned with the corporate strategy	Companies should establish and work to maintain an effective and positive corporate culture

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
abrdn	Global Absolute Return Strategies Fund	Visa Inc.	24/01/23	Not stated	Require Independent Board Chair	Against	Not Stated

Why a 'Significant Vote?

This resolution was proposed by shareholders.

Manager's Vote Rationale:

While we would prefer the separation of roles and have been supportive of similar resolutions in the past, the wording of this proposal suggests the immediate separation of roles which we would not be in favour of.

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

Not stated.

Next Steps / Implications of the Outcome:

Not stated.

Relevance to Manager's Stated Policy:

Companies should be run to generate long-term sustainable business success	Companies should maintain and protect investor rights	Companies should communicate openly and clearly	Companies should be led and overseen by effective and genuinely independent boards	Companies need to manage key opportunities and risks actively and effectively	Pay structures should be long term and aligned with the corporate strategy	Companies should establish and work to maintain an effective and positive corporate culture

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

Table 7.2 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund (including GBP hedged variant)	Starbucks Corporation	23/03/23	0.21%	Resolution 1e - Elect Director Jorgen Vig Knudstorp	Against	Not available
Why a 'Significant Vote?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website 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	World Equity Index Fund (including GBP hedged variant)	KT&G Corp.	28/03/23	0.01%	Resolution 7.1 - Elect Kim Myeong-cheol as Outside Director	Against	Not available

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' 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
LGIM	World Equity Index Fund (including GBP hedged variant)	Swiss Prime Site AG	21/03/23	0.01%	Resolution 8.2 - Reelect Ton Buechner as Board Chair	Against	Not available

Why a 'Significant Vote?

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

Manager's Vote Rationale:

Climate Impact Pledge: 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's Climate Impact Pledge assessments are publicly available on our website, including identifying which indicators could potentially lead of a vote against. Where companies are at risk of a vote against, we generally inform the company in advance. This communication is normally sent in Q4.

Next Steps / Implications of the Outcome:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund (including GBP hedged variant)	Doosan Enerbility Co., Ltd.	29/03/23	0.01%	Resolution 3.1 - Elect Park Ji-won as Inside Director	Against	Not available

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 the roles of Board Chair and CEO to be separate. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility 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

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund (including GBP hedged variant)	Amorepacific Corp.	17/03/23	0.01%	Resolution 1 - Approve Financial Statements and Allocation of Income	Against	Not available

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

Minerva Says

abrdn's and LGIM's reported 'Significant Vote' information seems to be consistent with their stated voting policies, 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 Trustees will monitor the investment managers' engagement and voting activity on an annual basis as part of the implementation statement that supplements the Scheme's annual report and accounts.

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
abrdn	YES	FUND	YES	The manager provided *detailed fund level information* albeit for the *period from 01/04/22 to 31/03/23*
Aviva	YES	FUND	YES	The manager provided *basic fund level information* for the *period from 01/01/22 to 31/12/22*
Columbia Threadneedle	YES	FIRM	PART	The manager provided *summarised firm level information* for the *period from 01/01/22 to 31/12/22*,
LGIM	YES	FUND	YES	The manager provided *basic fund level information* that covered the Scheme's investment holding period
M&G	YES	FUND	YES	The manager provided *detailed fund level information* albeit for the *period from 01/04/22 to 31/03/23,*

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

abrdn

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Global Absolute Return Strategies Fund	01/04/22	31/03/23	241	39.5%	29.0%	31.5%	-	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	The following description of the manager's engagement policy is set out in their 2022 'Stewardship Report': *'We believe it's our duty to be active and engaged owners of the assets in which we invest. Our aim is to both enhance and preserve the value of our clients' investments by considering a broad range of factors that impact on the long-term success of the company. Through our engagement we seek to improve the financial resilience and performance of investments, sharing insights from our ownership experiences across geographies and asset classes. Where we believe we need to catalyse change, we will endeavour to do so through our strong stewardship capabilities.* *We maintain close contact with the companies and assets in which we invest, whether through listed equity, corporate bonds or private markets. For listed assets and direct investments, we generally meet representatives of investee companies at least once a year. We recognise the importance of effective communication and the value of focused dialogue with directors and senior executives.* *These meetings are ideal opportunities to monitor the performance of companies and their management. Our analysts are supported by stewardship and ESG resource embedded in each investment team, as well as our specialist central Investments Vector Sustainability Group. Our activities include a regular engagement programme to discuss various relevant ESG issues. These include, but are not limited to, areas such as strategy and performance, risk management, board composition, remuneration, audit, climate change, labour issues, diversity and inclusion, human rights, bribery and corruption'.* The manager has not identified any engagement priorities.
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 Trustees' policy

The following is a reported engagement activity provided by the manager for the Global Absolute Return Strategies Fund:

29/08/22 – DANSKE BANK A/S – Engagement on Environmental, Social and Governance Issues

Description of Issues: *Danske Bank acquired the Finnish bank Sampo in 2007. The Baltic operations were incorporated and the Estonian branch was established. Allegations were made in 2017 concerning money laundering by clients in its non-residential portfolio of its Estonian branch between 2007-2015. It is currently still under criminal investigation by several authorities. Since 2018 the bank has made progress in governance, executed on an investment program to improve the AML process and KYC and developed the 2023 strategy to become a 'Better bank'. We engaged with Danske Bank to follow up on the milestones set.*

Key Points and Management Response: *Background: Danske Bank acquired the Finnish bank Sampo in 2007. The Baltic operations were incorporated and the Estonian branch was established. Allegations were made in 2017 concerning money laundering by clients in its non-residential portfolio of its Estonian branch between 2007-2015. Since 2017, Danske Bank continues to be under criminal and regulatory investigations by authorities in Denmark (including the Danish State Prosecutor for Serious Economic and International Crime), France and the US (DOJ and SEC) In December 2020, the US Department of the Treasury's Office of Foreign Assets (OFAC) decided to close its investigation into the alleged fraud with no action. It does not preclude OFAC to take future enforcement action.*

Strategy: Danske Bank announced in 2019 to become a better bank for customers, employees, society and shareholders. In 2020, it has also continued to strengthen its risk and compliance set up. It has taken active measures to address and resolve legacy issues. It is promoting a culture where mistakes are addressed, discussed and resolved in a responsible manner. It is a key element in its ambition to become a better bank that works in the interest of all shareholders. It is now one year into its transformation.

Governance Board Structure: new independent Chair, Martin Blessing since 2021. The Board size has increased to nine directors with the addition of 3 new NEDs. Total: independent Chair, 2 shareholder reps (non-independent), 4 employee reps and 6 NEDS (independent) of which 3 new members: Jacob Dahl, Allan Pollack and Hele Valentin. Martin Blessing followed up Karsten Dybvad as independent Chair as Karsten Dybvad's was not seeking re-election (background in public service, as one of the highest ranked officials in government). Martin Blessing was recently Co-President Global Wealth at UBS Switzerland and before that at UBS Corporate Banking. He has held positions at Commerzbank and Dresdner bank. CEO Chris Vogelzang (2019) has resigned and Carsten Egeriis is now CEO. Carsten Egeriis is Danish and has a background in risk.

Board Skills: Danske believes it has the team in place to execute its strategy.

Anti-Money Laundering: Measures were introduced to improve IT systems to enhance monitoring, introducing tighter control, adding more resources to AML activities and training of staff. The execution of the plan is on track based on on-going dialogue with the regulators.

Investment Programme: In 2019-2020 the bank allocated DKK 4.5bn on compliance and remediation; in 2021 about DKK 3.0-3.2bn will be spend and in 2023 aim to invest DKK 1.5-1.7bn. Monitoring processes will be digitalised as much as possible. A high number of temporary staff have been employed to help with the KYC process. The financial transformation will be completed by 2023.

Sustainability Committee: the business integrity unit has several subcommittees and sets the direction for the units. There is also a sustainable financial council below the sustainable committee. Outstanding controversies cases: initial discussion started the end of April with the Danish and Us authorities on a resolution for the Estonia case. Remediation costs are estimated in the range of DKK 25.5bn (assumptions made on the cost side). The bank has accumulated surplus capital as a result of the Estonia case as it was not allowed to pay out dividends by the regulator. The other outstanding case of the debt collection was settled in Denmark on 31st August '22. Danske will set the debt for about 90,000 of its debt collection customers in Denmark to Zero. Danske's plan is to compensate affected customers

	for potential overcollection in relation to their overdue debt in the past. It also plans to review the cases of about 7,000 customers before resuming debt collection. Danske is also working on a better process to assess its debt customers instead of a case by case basis. *Environment: Climate Sustainability Strategy was updated in 2020. Progress is monitored against the 2023 targets. ESG is integrated now in KPI for performance management. The current three KPIs are Environmental Footprint, Employee well-being & diversity, Governance & Integrity.* *Green Bond Framework: green bonds now DKK 192bn (new lending and re-financing) or 20% of loan book. It aims to have DKK 300bn by 2023.* *Materiality Map: 3 sectors to focus on: shipping, oil and offshore and utilities which are the highest Financed Emitters. The aim is to reduce emissions by 50% by 2030 with base year 2020. For the rest of the book targets have also been set. Danske is a member of the Net Zero banking alliance and will be Net zero by 2050.* *Cyber security: Cyber security is monitored through all risk committees. Limited in what can be disclosed.* **Outcome:** *Asset manager in ongoing discussions.*
Is Engagement Activity in Line with the Trustees' Policy?	**The engagement activity seems consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach**

Aviva

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Lime Property Fund	01/01/22	31/12/22	21	100.0%	-	-	-	-	100.0%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	The following description of the manager's engagement policy is set out in their most recent Responsible Investment Annual Review: *'Effective and responsible active ownership has long been part of our fundamental approach to investment at Aviva Investors. We believe that persistent and constructive dialogue with issuers, corporates and sovereign representatives is vital to preserve and enhance the value of assets on behalf of our beneficiaries and clients. This is achieved through voicing our support for more sustainable practices and gathering insights to inform investment decisions. Through written correspondence, face-to-face meetings, phone calls and more collaborative formats, we encourage sovereigns and companies to consider the whole picture of sustainability because this is how they will create the greatest return for investors while helping to build a better future for society.* *Aviva Investors operates a fully integrated approach to investment and ownership, combining the skills of our fund managers, investment analysts and ESG specialists across asset classes. During daily, weekly and quarterly discussion forums, we will continually monitor an entity's management and performance,*

including developments which may have a significant impact on valuation or risk profile. As part of our analysis, we track areas of performance, including management of key ESG areas. If we feel we do not have enough information or have identified gaps, improvements in an entity's awareness or management of their ESG risks and opportunities, we will establish dialogue. This dialogue will be conducted in close cooperation with, and often led by, portfolio managers and research analysts. Key insights are disseminated in written company, industry and thematic notes to feed into idea generation, analysis, forecasts and conclusions about further escalation.'

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

Stewardship Priority	Details
1. Stakeholder business models	*Businesses must ensure there is a clear link between its stated corporate purpose, strategy, stakeholder welfare and board decision making. Our expectation is that companies will:* ▪ *Define a corporate purpose that transcends a narrow focus on immediate shareholder returns;* ▪ *Identify key stakeholders and create a value proposition for each group, ensuring compliance with international human rights frameworks as a minimum baseline;* ▪ *Build corporate strategy and business plans to maximise multi-stakeholder value generation;* ▪ *Identify, set targets, monitor and report against key stakeholder performance indicators.*
2. Diversity and social inclusion	*The balanced representation of board directors with respect to gender, ethnicity, and social backgrounds is a critical business issue, one that is essential for ensuring a deep understanding of key stakeholders and securing the best available talent. (We view diversity through the broadest lens, including disability and sexual orientation).* ▪ *Additionally, companies have a responsibility to actively promote social inclusivity and help break down rather than reinforce social barriers. Our expectation is that companies will:* ▪ *Appoint at least one racially and ethnically diverse director to the board;* ▪ *Develop a strategy to increase the number of ethnically and socially diverse employees in senior management and report against targets;* ▪ *Publish ethnicity data, including ethnic pay gaps, to facilitate external monitoring of progress;* ▪ *Build a more inclusive work culture through targeted programmes such as reverse mentoring and cultural awareness initiatives;* ▪ *Proactively support minority owned businesses within supply chains.*
3. Executive remuneration	*Boards should show restraint when determining executive pay during periods of low wage inflation, cost-cutting initiatives and when there has been a significant erosion in stakeholder value. A strong tone from the top in sharing the burden of austerity is essential in maintaining staff morale and engagement. Our expectation is that companies will:* ▪ *Align executive management incentives with shareholder outcomes, whilst developing a clear framework for adjusting pay to reflect the experience of wider stakeholders;*

		▪ *Ensure management do not benefit from unjustified windfall gains at the point of vesting of long-term incentive awards, that are linked primarily to shifts in market sentiment;* ▪ *Commit to paying employees at least the living wage;* ▪ *Integrate robust and measurable strategic and operational sustainability targets (notably indicators linked to the climate transition) into variable incentive plans.*
	4. Climate change	*We are aligned with the Intergovernmental Panel on Climate Change (IPCC) position that the world needs to limit the temperature rise to no more than 1.5 degrees Celsius above pre-industrial levels. We expect all companies to align with this ambition, and clearly articulate climate strategies and transition pathways that will deliver net zero emissions by the middle of the century. Climate plans must integrate biodiversity impacts and associated mitigation strategies. Our expectation is that companies will:* ▪ *Adopt a target to achieve net zero emissions by 2050 and commit to the Science Based Targets Initiative framework;* ▪ *Integrate climate goals into their business strategy and financial targets, including their capex framework;* ▪ *Publish a transition roadmap, including short- and medium-term climate targets and milestones;* ▪ *Report on progress using the Taskforce on Climate-related Financial Disclosures framework (TCFD) and consider the option of providing investors with an advisory vote on the report.*
	5. Effective dynamic leadership	*All businesses and industries are experiencing disruptive forces linked to evolving regulation, technology, competition, consumer behaviours and sustainability expectations. Companies that are slow to react will not survive. Our expectation is that companies will:* ▪ *Ensure their boards and senior management teams have the right balance of skills and experience to identify, react and where appropriate drive industry disruption;* ▪ *Foster a corporate culture that is dynamic, forward looking and embraces changes;* ▪ *Be bolder in taking decisive action to revise corporate strategy, replace leadership teams, reorganise corporate structures or reallocate capital to maintain corporate competitiveness, regardless of short-term repercussions.*

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 Trustees' policy	The following is a reported engagement activity provided by the manager for the Lime Property Fund: ***2022 – Glasgow City Council – Engagement on Environmental matters***

	Rationale for Engagement: *Onsite renewables & EV.* **Action:** *Held initial Occupier Engagement Programme meeting. Council is seeking funding for battery/EV combined installation.* **Outcome:** *Asset manager in ongoing discussions.*
Is Engagement Activity in Line with the Trustees' Policy?	**Whilst the activity seems consistent with the Manager's stated engagement approach, we believe that more details could have been provided**

Columbia Threadneedle

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
LDI Funds (Firm level engagement information)	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	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: *'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.'* They have the following additional commentary on their engagement approach in another report, but again have not identified any specific engagement priorities or themes: *'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.* *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. *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.'*
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 Trustees' policy	The following example of engagement activity was provided by the manager: **Nov 2022 – Australia & New Zealand Banking Group Ltd – Environmental-related Engagement** ***Engagement Details:*** *In November 2022 ANZ updated their climate change strategy and expanded climate targets to four additional sectors: oil & gas, aluminium, cement, and steel. This is in addition to power generation and large scale commercial real estate. This was published alongside an updated TCFD report, as well as an announcement that the bank had set a new $100 billion target for sustainable solutions by 2030. In December 2020 we voted FOR a climate-related resolution at the companies AGM and emailed the company in advance sharing our rationale. In their 2021 AGM we again supported another climate-related resolution seeking enhanced disclosure of the company's transition plan.'* ***Engagement Outcomes:*** Not stated.
Is Engagement Activity in Line with the Trustees' Policy?	**The engagement activity seems to be broadly consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach**

LGIM

				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
World Equity Index Fund (including GBP hedged variant)	14/03/23	31/03/23	78	80.8%	6.4%	6.4%	6.4%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	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: 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 From LGIM's most recent Active Ownership Report the manager has identified the following as their top 5 engagement topics: 1. Climate Change 2. Remuneration 3. Diversity (Gender and Ethnicity) 4. Board Composition 5. Strategy
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 Trustees' policy	Set out below is an example of engagement activity reported by LGIM in the World Equity Index Fund: **28/03/23 - Exxon Mobil Corp – Environmental and Other-themed Engagement Activity** ***Engagement Type:*** *Not stated.* ***Issue Theme:*** *Environmental /Energy & Other / Strategy.* ***Engagement Details:*** *Not provided.*

	Engagement Outcome: Not provided.
Is Engagement Activity in Line with the Trustees' 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.

M&G

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Total Return Credit Investment Fund	01/04/22	31/03/23	11	45.4%	36.3%	18.2%	0.0%	100.0%	-

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	M&G's approach to engagement is set out in their ESG Investment Policy from January 2022. M&G believe that the long-term success of companies is supported by effective investor stewardship and high standards of corporate governance. They believe that if a company is run well, and sustainably, it is more likely to be successful in the long run. To gain insight, establish relationships and/or to influence and affect change M&G undertake the following measures: ▪ Company meetings – As part of company monitoring, updates on trading strategy, capital allocation etc ▪ ESG informed meetings – In company monitoring meetings they may ask questions relating to ESG, which could include remuneration and more general governance meetings ▪ ESG engagements – M&G's engagement activity should have a specific time bound objective, action and outcome which is measurable, and will be tracked over time. An ESG objective seeks to influence a company's behaviour or disclosures and cannot be merely to increase understanding. Each engagement is assessed for its effectiveness and is designated a red, green or amber traffic light colour coding. Green indicates a positive engagement outcome. Amber suggests further monitoring is required. Red indicates an unsuccessful outcome. Each engagement is assessed for its effectiveness and is designated a red, green or amber traffic light colour coding. Green indicates a positive engagement outcome. Amber suggests further monitoring is required. Red indicates an unsuccessful outcome. From M&G's most recent Annual Stewardship Report the manager has identified the following as their key engagement topics: ▪ Leadership & Governance ▪ Environment ▪ Business Model and Innovation ▪ Social Capital

	▪ Human Capital
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 Trustees' policy	An example of a reported engagement undertaken for the Total Return Credit Investment Fund is: **09/05/22 – ArcelorMittal - Environmental-themed Engagement** **Engagement Objective:** *'To ask international steelmaker, ArcelorMittal, to commit a short term carbon reduction target, such as to 2025'.* **Action Taken:** *'M&G met with CFO and head of IR in person.'* **Engagement Result:** *'We previously engaged to encourage the company to report on Scope 3 targets, but specifically we wanted to add short term Scope 1 and 2 targets to the agenda. ArcelorMittal have committed to clear carbon reduction targets by 2030, committed to become carbon neutral by 2050, their SBTi has been submitted and the company is TCFD aligned. They have also linked a capex budget to the 2030 target of $10bn. The capex they have deployed now for this won't meaningfully reduce emissions until 2028 at the earliest, which is a common issue for steelmakers. They also note that some projects are slow moving due to agreement on funding in the EU between member states and Brussels. Hence, having 2025 reduction target seems a bit unrealistic at this stage. We didn't raise the request straight away, because it has been answered through other questions raised.'* ***Engagement Status:*** *'Closed'*
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.**

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

		Does the Manager's Reported Activity Follow the Scheme's Expectations:					
Fund / Product Manager	Investment Fund/ Product	Voting Activity	Significant Votes Identified	Engagement Activity	Use of a 'Proxy Voter?'	UK Stewardship Code 2020 Signatory?	Overall Assessment
abrdn	Global Absolute Return Strategies Fund	YES	YES	YES	ISS	YES	COMPLIANT
Aviva	Lime Property Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
BlackRock	Corporate Bond Up to 5 Years Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A	YES	N.I.R.
	Fixed Income Global Opportunities Fund (GBP hedged variant)	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
Columbia Threadneedle	LDI Fund (2 funds)	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
LGIM*	Matching Core LDI Fund (4 funds)	N.I.R.	N.I.R.	N.I.R.	N/A	YES	N.I.R.
	World Equity Index Fund (including GBP hedged variant)	YES	YES	YES	ISS		COMPLIANT
M&G	Total Return Credit Investment 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:

- There was nothing to report for a number of the Scheme's investments, due to the nature of those investments (e.g., LGIM LDI Funds)
- For the managers where Voting and 'Significant Vote' information was available, their overall approaches are in step with the Scheme's requirements
- For the managers where Engagement information was available, their overall approaches are also 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 all managers to provide reporting that specifically covered the Scheme's individual investment holding periods, and with some of the information disclosed.

4) We are also slightly skeptical with regards BlackRock's position on their being no reportable engagements in the Corporate Bond Up To 5 Years Index Fund, given our experience with the reporting provided by other corporate bond managers. We have raised this with both them and Mobius, but as yet have not had a response from either.

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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Source: Unless otherwise indicated all data contained are sourced from Legal & General Investment Management Limited.

About Minerva

Minerva helps investors and other stakeholders to overcome data disclosure complexity with robust, objective research and voting policy tools. Users can quickly and easily identify departures from good practice based on their own individual preferences, local market requirements or apply a universal good practice standard across all markets.

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

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