

Epson (UK) Limited Pension Scheme ('the Scheme') – Implementation Statement 1st April 2022 – 31st March 2023

An Implementation Statement (the 'Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Pensions Regulator for the period 1st April 2022 through to 31st March 2023 ('the Scheme Year').

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

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

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

A summary of the key points is set out below.

BlackRock

BlackRock determined that there was no voting or engagement information to report in relation to the Short Duration Credit Fund due to the nature of the underlying holdings. However, Minerva did note that it was sceptical with regards to BlackRock's position in relation to engagement reporting since it has seen other fixed interest managers provide information on engagements. Minerva raised this concern with the manager and will inform the Trustee of any developments.

Legal and General Investment Management ('LGIM')

Summarised voting information across the Scheme Year was provided in relation to LGIM's Diversified, Buy and Maintain Credit, Future World Global Equity Index (Including GBP hedged variant) and Infrastructure Equity Funds. As a result, the reporting period did not match the Scheme's period of investment for the Future World Global Equity Index Funds whereby the Scheme disinvested from these holdings part way through the Scheme Year. However, from the information provided by LGIM, Minerva confirmed that the manager's voting policies and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices. It was also able to confirm that the manager's voting activity had followed the Trustee's policy.

LGIM provided engagement information at a fund level but only included summarised information for the following funds: Diversified, Buy and Maintain Credit, Future World Global Equity Index (Including GBP hedged variant), Infrastructure Equity and Sterling Liquidity. The reporting period did not match the Scheme's period of investment for the Future World Global Equity Index (including GBP hedged variant) Funds but instead matched the Scheme Year. That said, Minerva concluded that the manager's engagement policy was in line with the Trustee's own policy.

Where appropriate, the Trustee will continue to encourage LGIM to provide detailed information, in line with Scheme's investment periods, specifically in relation to engagements undertaken at fund level.

In relation to LGIM's Over 15 Year Gilts Index Fund and Over 15 Year Index-Linked Gilts Fund, it was determined that the Scheme's holdings had no voting or engagement information to report due to nature of the underlying holdings.

Columbia Threadneedle

In relation to the Scheme's holdings in the Columbia Threadneedle's Gilt Funds, it was determined that the Scheme's holdings had no voting information to report due to the nature of the underlying holdings.

The manager provided summarised firm level engagement information for the calendar year of 2022 rather than the Scheme Year. From this, Minerva concluded that the manager's engagement policy was consistent with the Trustee's policy, however noted that it believes that the manager should provide more detailed information relating to engagements undertaken at fund level.

AVCs

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

Final comments

Although the Trustee is aware that there has been an improvement in the information provided by LGIM over the last two years, Minerva also believes LGIM should be able to provide more detailed engagement information as is the case for Columbia Threadneedle.

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

Epson (UK) Limited Pension Scheme

Dalriada Trustees Limited

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

Scheme Reporting Period:
1st April 2022 to 31st March 2023

24th 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:

*Epson (UK) Limited Pension Scheme
Statement of Investment Principles
March 2021*



1.1 Financially Material Considerations

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

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

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

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

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

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

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

1.2 Non-Financial Considerations

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

1.3 Investment Manager Arrangements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The duration of the arrangement with the investment managers

The Trustee plans to hold each of its investments for the long term but will keep this under review. Changes in investment strategy or change in the view of the investment manager can lead to the duration of the arrangement being shorter than expected.

2 Sourcing of Voting and Engagement Information

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

Table 2.1: Summary of Available Information

Fund Manager	Investment Fund/Product	Voting Information	Significant Votes	Engagement Information
BlackRock	Short Duration Credit Fund	No Info to Report	No Info to Report	No Info to Report
Columbia Threadneedle	Reg Prof Level Nominal Gilt Fund	No Info to Report	No Info to Report	Part Info Available
	Reg Prof Lev Real Gilt Fund	No Info to Report	No Info to Report	Part Info Available
LGIM*	Buy & Maintain Credit Fund	Full Info Available	No Info to Report	Part Info Available
	Diversified Fund	Full Info Available	Full Info Available	Part Info Available
	Future World Global Equity Index Fund (including GBP hedged variant)	Part Info Available	Full Info Available	Part Info Available
	Infrastructure Equity Fund	Full Info Available	Full Info Available	Part Info Available
	Over 15yr Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Over 15yr Index-Linked Gilts Fund	No Info to Report	No Info to Report	No Info to Report
	Sterling Liquidity 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 Scheme's investments in the following funds:

- LGIM Buy & Maintain Credit Fund
- LGIM Diversified Fund
- LGIM Future World Global Equity Index Fund (including GBP hedged variant)
- LGIM Infrastructure Equity Fund

Significant Votes

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

- LGIM Diversified Fund
- LGIM Future World Global Equity Index Fund (including GBP hedged variant)
- LGIM Infrastructure Equity Fund

Engagement Activity

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

- Columbia Threadneedle Reg Prof Level Nominal Gilt Fund
- Columbia Threadneedle Reg Prof Lev Real Gilt Fund
- LGIM Buy & Maintain Credit Fund
- LGIM Diversified Fund
- LGIM Future World Global Equity Index Fund (including GBP hedged variant)
- LGIM Infrastructure Equity Fund
- LGIM Sterling Liquidity Fund

3 Voting and Engagement

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

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

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

3.1 Voting and Engagement Policy and Funds

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

The Trustee recognises its responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments.

The Trustee's policy on the exercise of rights attaching to investments, including voting rights and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations, is that these rights should be exercised by the investment managers on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. The investment managers should engage with companies to take account of ESG factors in the exercise of such rights as the Trustee believes this will be beneficial to the financial interests of members over the long term. The Trustee will review the investment managers' voting policies on a regular basis, with the help of its investment consultant, and decide if they are appropriate.

The Trustee seeks to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the Financial Reporting Council's UK Stewardship Code and expects investment managers to adhere to this where appropriate for the investments they manage.

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

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?
BlackRock	Short Duration Credit Fund	L&G Platform	DB Fund	01/04/22	19/10/22	N/A
Columbia Threadneedle	Reg Prof Level Nominal Gilt Fund	L&G Platform	DB Fund	01/04/22	31/03/23	N/A
	Reg Prof Lev Real Gilt Fund	L&G Platform	DB Fund	01/04/22	31/03/23	N/A
LGIM	Buy & Maintain Credit Fund	L&G Platform	DB Fund	01/04/22	31/03/23	N/A
	Diversified Fund	L&G Platform	DB Fund	01/04/22	31/03/23	ISS
	Future World Global Equity Index Fund (including GBP hedged variant)	L&G Platform	DB Fund	01/04/22	08/12/22	ISS
	Infrastructure Equity Fund	L&G Platform	DB Fund	01/04/22	31/03/23	ISS
	Over 15yr Gilts Index Fund	L&G Platform	DB Fund	08/12/22	31/03/23	N/A
	Over 15yr Index-Linked Gilts Fund	L&G Platform	DB Fund	08/12/22	31/03/23	N/A
	Sterling Liquidity Fund	L&G Platform	DB Fund	01/04/22	31/03/23	N/A

Minerva Says

As shown in the table above:

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

4 Exercise of Voting Rights

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

Table 4.1: LGIM's Approach to Voting

Asset manager	LGIM (Legal & General Investment Management)																		
Relevant Scheme Investment(s)	<ul style="list-style-type: none"> ▪ Diversified Fund ▪ Future World Global Equity Index Fund (including GBP hedged variant) ▪ Infrastructure Equity Fund 																		
Key Points of Manager's Voting Policy	<p>LGIM's Corporate Governance and Responsible Investing Policy sets out what the manager considers to be corporate governance best practice. It explains their expectations with respect to topics they believe are essential for an efficient governance framework, and for building a sustainable business model. LGIM expects all companies to closely align with their principles, or to engage with them where circumstances prevent them from doing so.</p> <p>LGIM's voting policy is built on the assessment of 5 key policy areas:</p> <table border="1"> <thead> <tr> <th>#</th> <th>Policy Area</th> <th>Example of Topics Covered</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Company Board</td> <td>Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation</td> </tr> <tr> <td>2</td> <td>Audit, Risk & Internal Control</td> <td>External Audit, Internal Audit and Whistleblowing</td> </tr> <tr> <td>3</td> <td>Remuneration</td> <td>Fixed Remuneration, Incentive Arrangements and Service Contracts and Termination Payments</td> </tr> <tr> <td>4</td> <td>Shareholder & Bondholder Rights</td> <td>Voting Rights and Share-class Structures, Shareholder Proposals and Political Donations</td> </tr> <tr> <td>5</td> <td>Sustainability</td> <td>Material ESG Risks & Opportunities, Target Setting, Public Disclosure and Engagement</td> </tr> </tbody> </table>	#	Policy Area	Example of Topics Covered	1	Company Board	Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation	2	Audit, Risk & Internal Control	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
#	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?	<p>Yes</p> <p>Some examples of the manager's voting activity are provided in Section 7 – Significant Votes</p>																		



Minerva Says

- 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 manager.

5 Manager Voting Policy

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

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

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

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice

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

Table Key

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 manager that responded to our information requests by providing voting information:

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

6 Manager Voting Behaviour

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

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

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
LGIM	Buy and Maintain Credit Fund	2	3	100.0%	100.0%	0.0%	0.0%
	Diversified Fund	9,541	99,252	99.8%	77.4%	21.9%	0.7%
	Future World Global Equity Index Fund (including GBP hedged variant)	5,067	54,368	99.9%	80.4%	18.6%	1.0%
	Infrastructure Equity Fund	86	1,073	100.0%	76.1%	23.9%	0.0%
Comments							
<p>The manager provided summarised voting records for the funds shown above, that covered the period from 01/04/22 to 31/03/23. This matched 3 of the Scheme's investment holding periods, but not the holding period for the Future World Global Equity Index Funds. (N.B. - LGIM are unable to provide bespoke client reporting period information).</p> <p>From the summarised information provided, we can see that the manager has voted at virtually all investee company meetings for the Funds, which is in line with the Trustee's expectations of their managers.</p>							



Minerva Says

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

The Trustee's policy on the exercise of rights attaching to investments, including voting rights and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations, is that these rights should be exercised by the investment managers on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

7 Significant Votes

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

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

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

Table 7.1 LGIM’s ‘Significant Votes’

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Diversified Fund	Twitter, Inc.	13/09/22	0.40%	Resolution 2 - Advisory Vote on Golden Parachutes	Against	95.0% of votes cast were in support of the resolution

Why a ‘Significant Vote?’

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

Manager’s Vote Rationale:

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

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

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so as to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of the Outcome:

It is worth noting that in Twitters 2022 AGM, we voted against their say on pay proposal, as did 42% of shareholders. LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated 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	Diversified Fund	Alphabet Inc.	01/06/22	0.10%	Resolution 7 - Report on Physical Risks of Climate Change	For	17.7% of votes cast were in support of the resolution

Why a 'Significant Vote?'

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

Manager's Vote Rationale:

Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated 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	Diversified Fund	Royal Dutch Shell Plc	24/05/22	0.33%	Resolution 20 - Approve the Shell Energy Transition Progress Update	Against	79.9% of votes cast were in support of the resolution

Why a 'Significant Vote'?

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

Manager's Vote Rationale:

Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned about the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.

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

Voted in line with management.

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated 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	Diversified Fund	Rio Tinto Plc	06/04/22	0.30%	Resolution 17 - Approve Climate Action Plan	Against	84.3% of votes cast were in support of the resolution

Why a 'Significant Vote'?

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

Manager's Vote Rationale:

Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated 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	Diversified Fund	Prologis, Inc.	04/05/22	0.26%	Resolution 1.9 - Elect Director Michael W. Ranger	Against	92.9% of votes cast were in support of the resolution

Why a 'Significant Vote?

LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.

Manager's Vote Rationale:

Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Future World Global Equity Fund (including GBP hedged variant)	Amazon.com, Inc.	25/05/22	1.80%	Resolution 1f - Elect Director Daniel P. Huttenlocher	Against	93.3% of votes cast were in support of the resolution
Why a 'Significant Vote?'							
LGIM pre-declared its vote intention for this resolution, demonstrating its significance.							
Manager's Vote Rationale:							
Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability			
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Future World Global Equity Fund (including GBP hedged variant)	Meta Platforms, Inc.	25/05/22	0.78%	Resolution 5 - Require Independent Board Chair	LGIM voted in favour of the shareholder resolution	16.7% of votes cast were in support of the resolution
Why a 'Significant Vote?							
LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).							
Manager's Vote Rationale:							
Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Future World Global Equity Fund (including GBP hedged variant)	Alphabet Inc.	01/06/22	0.89%	Resolution 7 - Report on Physical Risks of Climate Change	For	17.7% of votes cast were in support of the resolution

Why a 'Significant Vote'?

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

Manager's Vote Rationale:

Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Future World Global Equity Fund (including GBP hedged variant))	The Charles Schwab Corporation	17/05/22	0.18%	Resolution 1d - Elect Director Arun Sarin	Against	91.2% of votes cast were in support of the resolution
Why a 'Significant Vote?'							
LGIM views 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 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. Diversity: A vote against is applied as the company has an all-male Executive Committee. Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Future World Global Equity Fund (including GBP hedged variant)	Take-Two Interactive Software, Inc.	16/09/22	0.04%	Resolution 1a - Elect Director Strauss Zelnick	Against	93.0% of votes cast were in support of the resolution

Why a 'Significant Vote'?

Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

Manager's Vote Rationale:

Transparency: A vote against has been applied as the company has failed to report on their material ESG factors in line with the GRI or SASB reporting framework. Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

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

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit our engagement to shareholder meeting topics and vote decisions.

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity Fund	VINCI SA	12/04/22	2.88%	Resolution 4 - Reelect Xavier Huillard as Director	Against	90.8% of votes cast were in support of the resolution

Why a 'Significant Vote'?

LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.

Manager's Vote Rationale:

Joint Chair/CEO: A vote against is applied as LGIM expects companies not to combine the roles of Board Chair and CEO. 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
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity Fund	Getlink SE	27/04/22	1.84%	Resolution 26 - Approve Company's Climate Transition Plan (Advisory)	Against	97.3% of votes cast were in support of the resolution

Why a 'Significant Vote'?

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

Manager's Vote Rationale:

Climate change: A vote against is applied due to the lack of clarity around long-term goals and net zero ambitions.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity Fund	Sempra Energy	13/05/22	1.77%	Resolution 4 - Require Independent Board Chair	LGIM voted in favour of the shareholder resolution (management recommendation: against).	37.9% of votes cast were in support of the resolution
Why a 'Significant Vote?							
LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).							
Manager's Vote Rationale:							
Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability		
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity Fund	SBA Communications Corporation	12/05/22	1.75%	Resolution 1.2 - Elect Director Jack Langer	Against	82.3% of votes cast were in support of the resolution

Why a 'Significant Vote'?

LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change. LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

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. Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity Fund	Alliant Energy Corporation	19/05/22	0.79%	Resolution 1b - Elect Director John O. Larsen	Against	95.7% of votes cast were in support of the resolution

Why a 'Significant Vote'?

LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.

Manager's Vote Rationale:

Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach



Minerva Says

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

8 Manager Engagement Information

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

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. The investment managers should engage with companies to take account of ESG factors in the exercise of such rights as the Trustee believes this will be beneficial to the financial interests of members over the long term. The Trustee will review the investment managers' voting policies on a regular basis, with the help of its investment consultant, and decide if they are appropriate.

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

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

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

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
Columbia Threadneedle	YES	FIRM	PART	The manager provided <i>summarised firm level information</i> for the <i>period from 01/01/22 to 31/12/22</i> , rather than for the Scheme's specific reporting period
LGIM	YES	FUND	YES	The manager provided <i>basic fund level information</i> covering the period from <i>01/04/22 to 31/03/23</i> rather than for the Scheme's individual investments' specific investment holding periods

Table Key

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

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

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

Columbia Threadneedle

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
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	<p>Columbia Threadneedle's general approach to engagement is set out in a document titled 'Responsible Investment: Global Policy and Approach'. They go on to say the following, but do not set out any specific engagement priorities or themes in the document:</p> <p><i>'Proactive engagement is an integral part of our approach to research, investment and the stewardship of client capital. This includes a focus on sustainability risks, operational excellence, capital allocation policies and managerial incentives, among others. Underpinned by collaboration across asset classes and thematic and sectorial disciplines, we ensure an informed approach to our engagement. A consultative, research driven approach to engaging corporate leadership and management contributes to investment insights, appropriate escalation and our exercise of proxy voting rights.'</i></p> <p>They have the following additional commentary on their engagement approach in another report, but again have not identified any specific engagement priorities or themes:</p> <p><i>'Having identified the ESG issues we consider material to the creation and protection of long-term investor value, we use in-depth dialogue to encourage investee companies to improve performance and move towards best practice in managing those issues. Our engagement encompasses a spectrum of ESG issues, across a range of sectors and geographies. We monitor the outcomes of our engagement and report on our progress.'</i></p> <p><i>In encouraging companies to move towards best practice in managing ESG issues, we refer to international codes and standards where relevant, such as the International Labour Organization Core Conventions, UN Guiding Principles on Business and Human Rights, the UN Global Compact, and national corporate governance principles and codes of best practice. However, any such standards are often only a starting point, as we tailor our engagement to individual companies and to how the ESG issues under discussion apply to their specific circumstances.'</i></p> <p><i>Our preferred approach is to use constructive, confidential dialogue, typically working one-to-one with companies, but also taking a collaborative approach where this has more impact and is in line with our objectives. We engage at different levels within companies depending on the nature of our objectives, including the board, executive management and operational specialists.'</i></p>
Additional information on Engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives

	<ul style="list-style-type: none"> ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustee's policy	<p>The following example of firm-level engagement activity was provided by the manager:</p> <p><u>Nov 2022 – Australia & New Zealand Banking Group Ltd – Environmental-related Engagement</u></p> <p><u>Engagement Details:</u> 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.'</p> <p><u>Engagement Outcomes:</u> Not stated.</p>
Is Engagement Activity in Line with the Trustee's Policy?	<p>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more information relating to engagements undertaken at fund level.</p>

LGIM

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Buy & Maintain Credit Fund	01/04/22	31/03/23	327	29.1%	16.8%	44.3%	9.8%	Not Stated	Not Stated
Diversified Fund	01/04/22	31/03/23	1,547	37.2%	18.4%	36.5%	7.9%	Not Stated	Not Stated
Future World Global Equity Index Fund (including GBP hedged variant)	01/04/22	31/03/23	1,235	31.4%	18.1%	41.5%	9.0%	Not Stated	Not Stated
Infrastructure Equity Fund	01/04/22	31/03/23	53	58.5%	32.1%	3.8%	5.7%	Not Stated	Not Stated
Sterling Liquidity Fund	01/04/22	31/03/23	50	58.0%	4.0%	34.0%	4.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1) Identify the most material ESG issues 2) Formulate a strategy 3) Enhance the power of engagement (e.g., through public statements) 4) Collaborate with other stakeholders and policymakers 5) Vote 6) Report to shareholders <p>From LGIM's most recent Active Ownership Report the manager has identified the following as their top 5 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate Change 2. Remuneration 3. Diversity (Gender and Ethnicity) 4. Board Composition 5. Strategy
Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustee's policy	<p>Set out below is an example of engagement activity reported by LGIM in the Future World Equity Index Fund:</p> <p><u>05/10/22 - Procter & Gamble Co – Environmental-themed Engagement Activity</u></p> <p>Engagement Type: Conference Call.</p> <p>Issue Theme: Deforestation / Biodiversity.</p> <p>Engagement Details: Not provided.</p>

Engagement Outcome: Not provided.

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

Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more information relating to engagements undertaken at fund level.

Minerva Says

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

9 Conclusions

9.1 Assessment of Compliance

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

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

Table 9.1: Summary Assessment of Compliance

Fund / Product Manager	Investment Fund/ Product	Does the Manager's Reported Activity Follow the Scheme's Expectations:				UK Stewardship Code 2020 Signatory?	Overall Assessment
		Voting Activity	Significant Votes Identified	Engagement Activity	Use of a 'Proxy Voter?'		
BlackRock	Short Duration Credit Fund	N.I.R.	N.I.R.	N.I.R.	N/A	YES	N.I.R.
Columbia Threadneedle	Reg Prof Level Nominal Gilt Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
	Reg Prof Lev Real Gilt Fund	N.I.R.	N.I.R.	YES	N/A		COMPLIANT
LGIM*	Buy & Maintain Credit Fund	YES	N.I.R.	YES	N/A	YES	COMPLIANT
	Diversified Fund	YES	YES	YES	ISS		COMPLIANT
	Future World Global Equity Index Fund (including GBP hedged variant)	YES	YES	YES	ISS		COMPLIANT
	Infrastructure Equity Fund	YES	YES	YES	ISS		COMPLIANT
	Over 15yr Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Over 15yr Index-Linked Gilts Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Sterling Liquidity Fund	N.I.R.	N.I.R.	YES	N/A		COMPLIANT

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

Table Key

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

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

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

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

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

Minerva Says

Overall Assessment:

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

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are broadly in step with the Scheme's requirements
 - For the managers where Engagement information was available, their overall approaches are also broadly in step with the Scheme's requirements
- 2) All of the Scheme's investment managers are Signatories to the UK Stewardship Code.
- 3) We were slightly disappointed with the information provided by the Scheme's managers, in terms of either not specifically covering the Scheme's individual investment holding periods, or by providing little in the way of detail to support their engagement activities.
- 4) We were also slightly skeptical with regards BlackRock's position on their being no reportable engagements in the Short Duration Credit Fund, given our experience with the reporting provided by other fixed interest asset managers. The Trustee may wish to take this observation up with the manager directly.

LGIM Information Disclaimer

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

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

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