

LS Starrett Company Limited Retirement Benefits Scheme ('the Scheme') – Implementation Statement 1st July 2024 – 30th June 2025

This Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Department for Work and Pensions, for the period from 1st July 2024 – 30th June 2025 ('the Scheme Year').

The Scheme's reporting period for each fund is the holding period of that fund across the Scheme Year.

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

The Scheme's Statement of Investment Principles ('SIP') was updated over the Scheme Year. The SIP dated July 2023 was replaced by the SIP dated March 2025. There has been no change to the Trustees' policy in relation to the exercise of voting rights but the Trustees' policy on Financially Material Considerations has been updated to note that whilst the Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process, the time horizon of the Scheme is expected to be short (likely less than 2 years) and therefore ESG considerations are not expected to impact the Scheme's investment strategy.

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

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

A summary of the key points is set out below.

Columbia Threadneedle ('CT')

Columbia Threadneedle stated that there was no voting information to report due to the nature of the underlying holdings. The manager provided basic firm-level information on engagements that was for the calendar year of 2024 rather than the Scheme's reporting period. This information relates to CT's engagement approach for all LDI funds, rather than for a specific LDI fund. Despite this, Minerva was able to confirm that the activity appeared to broadly comply with Columbia Threadneedle's own engagement approach, and so complies with the Scheme's approach.

Blackrock

BlackRock stated that there was no voting information to report due to the nature of the underlying holdings. The manager provided basic fund-level information on engagements that was in line with the Scheme's reporting period. Despite the basic level of information, Minerva was able to confirm that the activity appeared to broadly comply with BlackRock's own engagement approach, and so complies with the Scheme's approach.

Legal and General Investment Management ('LGIM')

For the Active Corporate Bond – All Stocks Fund, LGIM stated there was no voting information to report due to the nature of the underlying holdings. For the All Stocks Index-Linked Gilt Fund, the

Over 15 Year Gilt Fund and the Over 15 Year Index-Linked Gilt Fund there was no voting or engagement information due to the nature of the underlying holdings.

In relation to the Diversified Fund, it was determined by Minerva that LGIM's public voting policy and disclosures contains minor divergences from good practice due to limited disclosures on Shareholder Rights, specifically regarding its approach on anti-takeover provisions. However, the information gaps were not sufficiently material to justify saying the policy is not 'compliant' with the Scheme's requirements. Significant votes were also provided.

LGIM provided basic fund-level information on engagements for both the Diversified Fund and the Active Corporate Bond – All Stocks Fund that was in line with the Scheme's reporting period. Despite this basic information, Minerva was able to confirm that the activity appeared to broadly comply with the manager's own engagement approach, and so complies with the Scheme's approach.

M&G

M&G stated that there was no voting information to report due to nature of the underlying holdings. The manager provided detailed fund-level information on engagements that was in line with the Scheme's reporting period. From this, Minerva was able to confirm that the activity appeared to broadly comply with M&G's own engagement approach, and so complies with the Scheme's approach.

Standard Life

Standard Life stated that there was no voting information nor engagement information to report due to nature of the underlying holdings.

Vontobel

Vontobel stated that there was no voting information to report due to nature of the underlying holdings. The manager provided detailed fund-level information on engagements that was in line with the Scheme's reporting period. From this, Minerva was able to confirm that the activity appeared to broadly comply with Vontobel's own engagement approach, and so complies with the Scheme's approach.

Final Comments

In line with last year, M&G and Vontobel have continued to provide good levels of engagement information. CT have continued to provide basic firm-level information on engagements and could improve by providing detailed information at fund-level. BlackRock and LGIM could both improve by increasing the level of detail in engagement information provided. LGIM could also improve by providing further detail on Shareholder Rights in their public voting policy and disclosures. Minerva's voting policy assessment has been updated for 2025 to reflect their latest thinking on what constitutes good practice and this year, Minerva determined that there were limited disclosures on Shareholder Rights. Last year, Minerva determined that LGIM's public voting policy and disclosures were aligned with good practice across all assessed policy pillars.

LS Starrett Company Limited Retirement Benefits Scheme

Spence & Partners Limited

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

Scheme Reporting Period:
1st July 2024 to 30th June 2025

31st October 2025

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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:

*LS Starrett Company Limited Retirement Benefits Scheme
Statement of Investment Principles
March 2025*



1.1 Financially Material Considerations

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. However, as the time horizon of the Scheme is short (likely to be less than 2 years), ESG considerations are not expected to have an impact on/be relevant to the Scheme's investment strategy.

1.2 Non-Financial Considerations

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

1.3 Investment Manager Arrangements

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

The Scheme invests in pooled funds and so the Trustees acknowledge 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 monitors 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 especially since the Scheme may buy-out in the short-term. Changes in investment strategy or changes in the view of the investment managers can lead to the duration of the arrangement being shorter than expected.

2 Sourcing of Voting and Engagement Information

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

Table 2.1: Summary of Available Information

Fund Manager	Investment Fund/Product	Voting Information	Significant Votes	Engagement Information
BlackRock	Up to 5 Year Corporate Bond Fund	No Info to Report	No Info to Report	Part Info Available
Columbia Threadneedle	LDI Fund (2 funds)	No Info to Report	No Info to Report	Part Info Available
	Active Corporate Bond - All Stocks Fund	No Info to Report	No Info to Report	Part Info Available
LGIM*	All Stocks Index-Linked Gilt Fund	No Info to Report	No Info to Report	No Info to Report
	Diversified Fund	Part Info Available	Full Info Available	Part Info Available
	Over 15 Year Gilt Fund	No Info to Report	No Info to Report	No Info to Report
M&G	Over 15 Year Index-Linked Gilt Fund	No Info to Report	No Info to Report	No Info to Report
	Total Return Credit Investment Fund	No Info to Report	No Info to Report	Full Info Available
Standard Life	Pooled Property Pension Fund	No Info to Report	No Info to Report	No Info to Report
Vontobel	TwentyFour Strategic Income Fund	No Info to Report	No Info to Report	Full Info Available

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

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 Diversified Fund

Significant Votes

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

- LGIM Diversified Fund

Engagement Activity

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

- BlackRock Up to 5 Year Corporate Bond Fund
- Columbia Threadneedle LDI Funds (2 funds)
- LGIM Active Corporate Bond
- LGIM Diversified Fund
- M&G Total Return Credit Investment Fund
- Vontobel TwentyFour Strategic Income Fund

3 Voting and Engagement

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

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

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

3.1 Voting and Engagement Policy and Funds

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

The Trustees' policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment 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.

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	Up to 5 Year Corporate Bond Fund	Mobius Platform	DB Fund	28/11/2024	30/06/2025	N/A
Columbia Threadneedle	LDI Fund (2 funds)	Mobius Platform	DB Fund	01/07/2024	09/12/2024	N/A
	Active Corporate Bond - All Stocks Fund	Mobius Platform	DB Fund	01/07/2024	30/06/2025	N/A
	All Stocks Index-Linked Gilt Fund	Mobius Platform	DB Fund	28/11/2024	30/06/2025	N/A
LGIM*	Diversified Fund	Mobius Platform	DB Fund	01/07/2024	06/12/2025	ISS
	Over 15 Gilt Fund	Mobius Platform	DB Fund	28/11/2024	30/06/2025	N/A
	Over 15 Year Index-Linked Gilt Fund	Mobius Platform	DB Fund	28/11/2024	30/06/2025	N/A
M&G	Total Return Credit Investment Fund	Mobius Platform	DB Fund	01/07/2024	06/12/2024	N/A
Standard Life	Pooled Property Pension Fund	Mobius Platform	DB Fund	01/07/2024	06/12/2024	N/A
Vontobel	TwentyFour Strategic Income Fund	Mobius Platform	DB Fund	01/07/2024	06/12/2024	N/A

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

Minerva Says

As shown in the table above:

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

4 Exercise of Voting Rights

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

Table 4.1: LGIM's Approach to Voting

Asset manager	LGIM (Legal & General Investment Management)
Relevant Scheme Investment(s)	Diversified Fund

Key Points of Manager's Voting Policy

LGIM's latest '[Global corporate governance and responsible investment policy](#)' sets out what the manager considers to be corporate governance best practice. It explains their expectations with respect to topics they believe are essential for an efficient governance framework, and for building a sustainable business model. LGIM have this to say in terms of their overall approach:

When developing our policies, we consider broader global guidelines and principles such as those provided by the United Nations Global Compact, OECD and ILO conventions and recommendations as well as local market regulatory expectations. The extent to which we apply these policies allows some leeway for those markets that are still developing their governance policies. Although there is no 'one-size-fits-all' solution to building a sustainable business model, we look for the companies in which we invest to demonstrate that sustainability is effectively integrated into their long-term strategy and daily operations. Companies should aim to minimise any negative impact their businesses have on the environment, while innovating to find better solutions. Their strategies should include ways to make a positive impact on society, embrace the value of their workforce and supply chains, while delivering positive long-term returns to shareholders.

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

#	Policy Area	Examples of Topics Covered
1	Company Board	Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement
2	Audit, Risk & Internal Control	External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks
3	Remuneration	Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments

4	Shareholder & Bondholder Rights	Voting Rights and Share-Class Structures, Amendments to Articles, Capital Management, Mergers and Acquisitions, Shareholder Proposals and Political Donations
5	Sustainability	Material ESG Risks & Opportunities, Governance and Accountability, Sustainability Themes, Reporting and Disclosure

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

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

Yes

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

Minerva Says

- LGIM 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 approach is 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
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Limited Disclosures	Aligned
Comments	Shareholder Rights: LGIM has publicly disclosed limited information on its approach regarding anti-takeover provisions. The public policy also lacks details around the rights of shareholders to hold special meetings, and proxy access.						

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:

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

6 Manager Voting Behaviour

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

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

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
LGIM	Diversified Fund	10,851	108,048	99.8%	76.7%	22.4%	0.9%
	Comments						
	<p>The manager provided a summarised voting record for the Diversified Fund that covers period from 1/01/24 to 31/12/24 , rather than for the Scheme's specific investment holding period (the manager does not provide bespoke reporting that covers clients' investment holding periods).</p> <p>From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for the Fund, which is in line with the Trustees' expectations of their managers.</p>						

Table Key

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

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

Information was not provided by the manager

Not Applicable



Minerva Says

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

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

7 Significant Votes

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

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

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

Table 7.1 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Diversified Fund	Mirvac Group	15/11/24	0.02%	Resolution 2.1: Elect Jane Hewitt as Director	Against	The resolution passed
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:							
Auditor independence - Accountability: LGIM notes concerns with the auditor's independence given their long tenure and/or excessive non-audit fees being paid. As shareholders are not afforded a separate resolution to vote on the auditor's ratification, a vote against the Audit Committee member is warranted to highlight our concerns. Diversity: LGIM notes that following the AGM, the board will have 29% female representation. LGIM expects a company to have a diverse board, with at least one-third of board members being women. LGIM notes the out-of-cycle resignation of Samantha Mostyn which dips the company below one third female diversity and encourage the board to increase female participation both on the board and in leadership positions following the AGM.							
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	Diversified Fund	Mapletree Pan Asia Commercial Trust	29/07/24	0.13%	Resolution 1: Adopt Report of the Trustee, Statement by the Manager, Audited Financial Statements and Auditors' Report	Against	The resolution passed

Why a 'Significant Vote'?

Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: <https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/>

Manager's Vote Rationale:

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

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

LGIM publicly communicates its vote instructions on its website 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	JR Global REIT	26/09/24	0.78%	Resolution 1: Approve Financial Statements	Against	Not stated

Why a 'Significant Vote'?

Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: <https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/>

Manager's Vote Rationale:

Accounts: A vote against is applied as the Company has not provided the accounts in time ahead of the meeting. Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board

Audit, Risk & Internal Control

Remuneration

Shareholder & Bondholder Rights

Sustainability

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	Polycab India Limited	16/07/24	0.06%	Resolution 6: Approve Reappointment and Remuneration of Inder T. Jaisinghani as Managing Director	Against	Not Stated

Why a 'Significant Vote'?

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

Manager's Vote Rationale:

Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors. 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. Remuneration: A vote against is applied as LGIM expects all incentive plans to be capped either as a percentage of salary or a fixed number of shares. Remuneration - Performance conditions: A vote against is applied as the level of disclosures in respect of performance conditions does not allow shareholders to make a fully informed assessment of remuneration.

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	Bid Corp. Ltd.	31/10/24	Less than 0.01%	Resolution 2.3: Re-elect Nigel Payne as Director	Against	N/A

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 a diverse board, with at least one-third of board members being women. We expect companies to increase female participation both on the board and in leadership positions over time. Remuneration - Accountability - Escalation - A vote against is applied as LGIM has had concerns with remuneration practices for consecutive years.

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

Minerva Says

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

8 Manager Engagement Information

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

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

If the policies or level of engagement are not appropriate, the Trustees will engage with the 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 also expect the investment managers to engage with investee companies on the capital structure and management of conflicts of interest.

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
BlackRock	YES	FUND	YES	The manager provided basic fund level information covering the Scheme's reporting period.
Columbia Threadneedle	YES	FIRM	YES	The manager provided basic firm level engagement information for the period from 01/01/24 to 31/12/24 , rather than for the Scheme's specific reporting period
LGIM	YES	FUND	YES	The manager provided basic fund level information covering the Scheme's reporting period.
M&G	YES	FUND	YES	The manager provided detailed fund level engagement information covering the Scheme's reporting period.
Vontobel	YES	FUND	YES	The manager provided detailed fund level engagement information covering the Scheme's reporting period.

Table Key

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

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

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

BlackRock

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Ongoing
Up to 5 Year Corporate Bond Fund	28/11/24	30/06/25	57	29.8%	17.5%	52.6%	0.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>BlackRock explains their approach to engagement in their Investment Stewardship, Engagement Priorities Summary document:</p> <p><i>'BIS takes a constructive, long-term approach to our engagement with companies and focuses on the management and oversight of the drivers of risk and financial value creation in a company's business model. Engagement is core to our stewardship efforts as it provides us with the opportunity to improve our understanding of a company's business model and the risks and opportunities that are material to how they create financial value. Engagement may also inform our voting decisions for those clients who have given us authority to vote on their behalf, particularly on issues where company disclosures are not sufficiently clear or complete, or management's approach seems misaligned with the financial interests of long-term shareholders.'</i></p> <p>BlackRock's Engagement Priorities:</p> <ol style="list-style-type: none"> 1. Board quality and effectiveness- quality leadership, board composition, effectiveness, diversity and accountability 2. Strategy, purpose, and financial resilience- <i>'Clear purpose supports a clear sense of direction in corporate leadership, and helps companies to compete, navigate short-term challenges, and achieve long-term growth.'</i> 3. Incentives aligned with financial value creation- Appropriate incentivizing and rewarding executives for the successful delivery of strategic goals and financial outperformance against peers drives financial long-term value creation

	<p>4. Climate and natural capital- <i>'BlackRock's approach to climate-related risk, and the opportunities presented by the low-carbon transition, is based on our fundamental role as a fiduciary to our clients. Our role is to help our clients navigate investment risks and opportunities; it is not our role to engineer a specific decarbonization outcome in the real economy. The management of nature-related risks and opportunities is a component of the ability to generate long-term financial returns for companies whose strategies or supply chains are materially reliant on natural capital. For these companies, we look for disclosures to assess risk oversight and to understand how nature-related impacts and dependencies are considered within the company's strategy.'</i></p> <p>5. Company impacts on people- <i>'BIS focuses on understanding the effectiveness of boards and management in ensuring a company has the workforce necessary for delivering long-term financial performance. BIS looks to companies to demonstrate a robust approach to human capital management (HCM) and provide shareholders with the necessary information to understand how the approach taken aligns with the company's stated strategy and business model. BIS engages with companies on how they manage the human rights issues that are material to their businesses and monitor the effectiveness of their human rights practices on a best-efforts basis.'</i></p>
<p>Additional information on Engagements provided by the Manager</p>	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund in the period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and whether any fintech solution was used to facilitate engagement
<p>Comparison of the Manager's Engagement Activity vs the Trustees' policy</p>	<p>An example of a reported engagement for the Up to 5 Year Corporate Bond Fund is shown below:</p> <p><u>17/04/25 – Citigroup Inc – Engagement on Governance Issues</u></p> <p><u>Engagement Method:</u> Video</p> <p><u>Engagement Details:</u></p> <p>Governance = Business Oversight & Risk Management / Corporate Strategy / Governance Issues</p> <p><u>Engagement Outcome:</u> Not stated.</p>
<p>Is Engagement Activity in Line with the Trustees' Policy?</p>	<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>

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*	01/01/24	31/12/24	20	45.0%	15.0%	40.0%	0.0%	Not Stated	Not Stated

* Information provided by Columbia Threadneedle relates to their engagement approach for all LDI funds, rather than for a specific LDI fund

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 their 'Responsible Investment Engagement Policy':</p> <p><i>'At Columbia Threadneedle Investments we strive to be responsible stewards of our clients' assets, allocating their capital within our framework of robust research and good governance. We dynamically interact with issuers with a view to helping them to enhance their performance, viability, and sustainability to create long-term economic value for our clients. Targeted Responsible Investment engagement with issuers that can align with our clients' investment goals is an important part of our investment approach, as it may enhance insight, encourage active dialogue, and help create future value. In addition, we believe that engagement on environmental, social, and governance (ESG) issues in certain cases can have a positive impact on corporate performance and investment returns (...) We define engagement for the purposes of this policy as having constructive dialogue with issuers on environmental, social and governance topics that could have a material impact on financial results. Our purpose with engagement is to support long-term investment returns for our clients by increasing transparency of key risks and, opportunities, and reducing any material negative impact that our investment decisions could have on these factors.'</i></p> <p><i>'Our preferred approach to conducting engagement is to use constructive, confidential dialogue, typically interacting one-to-one with issuers and building a relationship of trust over time as long-term investors (...) When it is more effective to take a collaborative approach to enhance our understanding of an issuer, we may participate with other investors, non-governmental organisations (NGOs) or industry groups, where we believe this will be in our clients' best long-term economic interests and subject in all cases to such participation being in full compliance with the requirements of applicable law and/or regulation. Collaborations can help build knowledge and skills whilst enhancing engagement efficiency. We are a member of several investor coalitions actively pursuing collaborative engagements.'</i></p> <p>They have identified the following specific engagement priorities/themes:</p> <ul style="list-style-type: none"> • Climate change • Environmental stewardship, including biodiversity • Labour standards • Human rights • Business conduct • Corporate governance.

	<i>'Underlying each theme is a range of subthemes to help focus our engagement. We monitor the outcomes of our engagement and report on the results to our clients and through public reporting. These six high level themes and associated subtheme are in line with the achievement of the United Nations Sustainable Development Goals (SDGs).'</i>
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 Scheme's Policy	<p>An example of a reported engagement for the Columbia Threadneedle LDI Funds is shown below:</p> <p><u>Barclays PLC - 2024</u></p> <p><u>Engagement Activity Description:</u> <i>'Barclay's latest annual report highlights continued progress on their efforts to enhance their approach to biodiversity risk management with a comprehensive update to their forestry and agricultural commodities statement, with significantly enhanced criteria for the sector regarding deforestation. They have also started to pilot the TNFD framework and assessment for certain sectors, and have actively contributed to the TNFD consultation. We have previously discussed this topic with them through meetings, and followed up with them to share our biodiversity best practices and findings from engagement with other banks.'</i></p>
Is Engagement Activity in Line with the Scheme's Policy?	Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more details in relation to engagement activity undertaken at fund level and also provide information that matches the investment holding period.

LGIM				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Ongoing
Active Corporate Bond - All Stocks Fund	01/07/24	06/12/24	122	51.6%	16.4%	27.9%	4.1%	Not Stated	Not Stated
Diversified Fund	01/07/24	06/12/24	993	31.9%	49.8%	15.3%	3.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
<p>Key Points of the Manager's Engagement Policy</p>	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1. Identify the most material ESG issues 2. Formulate a strategy 3. Enhance the power of engagement (e.g., through public statements) 4. Collaborate with other stakeholders and policymakers 5. Vote 6. Report to shareholders <p>From LGIM's most recent Active Ownership Report 2024 the manager has identified the following as their top 6 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate: Encouraging companies to tackle climate change and transition to a low-carbon economy 2. Nature: Four key sub-themes: natural capital management; deforestation; circular economy; and water, with a highlight on 'agriculture' 3. People: Priority topics: diversity and human capital management 4. Health: Safeguarding global health to limit negative consequences for the global economy (two key areas of health – antimicrobial resistance (AMR) and nutrition) 5. Governance: Strengthening accountability to deliver stakeholder value 6. Digitisation: Establishing minimum standards for how companies manage digitisation-related risks with a focus on the governance aspects of AI
<p>Additional information on engagements provided by the Manager</p>	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
<p>Comparison of the Manager's Engagement Activity vs the Trustees' policy</p>	<p>Set out below is an example of engagement activity reported by LGIM in the Diversified Fund:</p> <p><u>13/08/24 - Clearway Energy Inc- Engagement on Social Issues</u></p> <p><i>Engagement Type: Written</i></p>

	<p>Issue Theme: Social / Human Rights</p> <p>Engagement Details: Not provided.</p> <p>Engagement Outcome: Not provided.</p>
Is Engagement Activity in Line with the Trustees' 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>

M&G

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Ongoing
Total Return Credit Investment Fund	01/07/24	06/12/24	5	80.0%	0%	20.0%	0.0%	80.0%	20.0%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>M&G's approach to engagement is set out in their 'Engagement Policy'. 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.</p> <p>To gain insight, establish relationships and/or to influence and affect change M&G undertake the following measures:</p> <ul style="list-style-type: none"> ▪ arranging regular meetings with executive management, the chair and/or other non-executive directors ▪ daily monitoring of company announcements ▪ reviewing company results (annual and interim) ▪ reviewing external research materials (eg, broker research reports) ▪ attending company site visits and capital markets days for investors ▪ attending broker meetings to discuss investment recommendations ▪ engaging in specific discussions with companies on material topics, including: strategy, performance and non-financial matters (including environmental, social and corporate governance factors; capital structures; board performance and understanding how boards are fulfilling their responsibilities; succession planning; remuneration; and culture)

- attending company engagement / corporate governance meetings (arranged by companies to enhance the engagement process and provide a forum for governance and responsible investment subjects to be discussed)
- meetings with remuneration committee chairs (in particular where the company is reviewing its remuneration policy, or prior to general meetings where sensitive or contentious resolutions are being put to a shareholder vote)
- corresponding with non-executive directors in instances where issues have been raised with management, but where progress on these issues is inadequate
- maintaining a record of all interactions with companies

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:

20/08/24- CAPITAL ONE FINANCIAL CORPORATION – Environmental - themed Engagement

Method of Engagement: *Conference Call*

Engagement Objective: *'US financial company Capital One is set to acquire Discover Financial Services - which offers credit cards, student loans and banking services - at the end of 2024. As part of our due diligence, we wanted to ensure that Capital One's sustainability credentials were of a similar calibre to Discover's, and specifically we asked the company to set a scope 2 emissions reduction target (it currently has scope 1 and scope 3 targets), to publish its scope 3 category 15 emissions, and to include that in its scope 3 target.'*

Action Taken: *'M&G met with the company's head of climate and a member of the investor relations team.'*

Engagement Result: *'M&G acknowledges steps taken by Samsung Life to improve shareholder value (namely the move to IFRS 17 accounting standards and to target 50% total payout over the next 3 years). Nevertheless, M&G believes there is more that the company can do in order to realise the underlying value of*

the business in the long term. M&G offered advice on additional measures that, if implemented, we believe could improve the corporate value of Samsung Lif Capital One currently reports 100% renewable energy use, primarily through RECs with a degree of onsite, and as such felt that a scope 2 target was inappropriate. Having previously spoken with the Science Based Target initiative and its approach, which informed us that 'maintenance targets' could be set in these circumstances, we suggested that the company publish such a target to help ensure it would remain focused on renewable sourcing. It was not aware of maintenance targets, and said this would be considered. In terms of category 15 'financed emissions', the company informed us that it was currently in the second generation of estimating those emissions, and that it would be publishing the number once it was confident with the calculation. In terms of target setting, Capital One is primarily a consumer finance business, and reductions are dependent on consumer preference - it has made estimates on credit card use - while auto financing is primarily driven by the rate of change to EVs. While the commercial business is relatively small, it has also begun making estimates, but these clients are primarily middle market, often private companies, and disclosure can vary. Additional target setting would be considered, and we will follow up once the acquisition has completed.'

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.

Vontobel

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Ongoing
TwentyFour Strategic Income Fund	01/07/24	06/12/24	6	66.8%	0%	16.6%	16.6%	50.0%	50.0%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>TwentyFour have made the following statement in terms of their approach towards engagement activity:</p> <p><i>'The decision to engage with the management of an investee company is primarily based on what TwentyFour investment professionals believe will maximise bondholder value in the long-term, specifically the value of its clients' investments.</i></p> <p><i>TwentyFour's investment professionals may engage with company management on a variety of issues, including ESG matters that present a potential material risk to a company's financial performance. The Firm believes that its investment professionals are in the best position to evaluate the potential impact that ESG issues or the outcome of a given proposal will have on bondholder value. As such, all of the Firm's engagement activities are the responsibility of investment professionals and are fully integrated into its investment process.</i></p> <p><i>TwentyFour engages with the company management through periodic meetings, visits, and telephone calls during which Firm investment professionals discuss and pose questions on operational, strategic, and other management issues.</i></p>

	<p><i>TwentyFour's investment professionals communicate internally on the status of engagement activities and any outcomes arising.</i></p> <p><i>As a fixed income company TwentyFour's proxy voting rights are limited.'</i></p>
<p>Additional information on engagements provided by the Manager</p>	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
<p>Comparison of the Manager's Engagement Activity vs the Trustees' policy</p>	<p>An example of a reported engagement undertaken for the Strategic Income Fund is:</p> <p><u>15/07/24 - SSE - Environment - Energy usage</u></p> <p>Engagement Details: <i>'We have been a long-term investor in SSE, supporting its transition from coal to a low carbon energy generation company. We met with the Group Treasurer George Duncan to discuss the company's latest results and environmental plan regarding renewables.'</i></p> <p>Engagement Outcome: <i>'SSE highlighted that the company will not invest in any new gas plants that are unabated or do not have CCS (carbon capture and storage) plans. They continue to grow their renewables portfolio with Dogger Bank, which is expected to be completed next year, which will be the world's largest offshore wind farm. Berwick Bank is the same scale as Dogger and is expected to be the next site SSE will target to expand their offshore wind portfolio – they said we can expect news on this next year. Solar is not a key generation avenue for the company and current exposure is small but they said we should also expect further investment there as well. Away from energy generation, they continue to expand their electricity grid networks, specifically with a focus on High Voltage Direct Current (HVDC) cables from the North Sea to northern England.'</i></p> <p>Issue Resolved or Follow Up Planned: <i>'Strong engagement, continue to hold. We believe SSE continue to prove they are a leader in the energy transition with the continual investment in renewables and electrification.'</i></p>
<p>Is Engagement Activity in Line with the Trustees' Policy?</p>	<p>The engagement activity is consistent with the Manager's stated Engagement Policy, and so is also consistent with the Scheme's approach.</p>

Minerva Says

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

9 Conclusions

9.1 Assessment of Compliance

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

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

Table 9.1: Summary Assessment of Compliance

Fund / Product Manager	Investment Fund/ Product	Does the Manager's Reported Activity Follow the Scheme's Expectations:				UK Stewardship Code 2020 Signatory?	Overall Assessment
		Voting Activity	Significant Votes Identified	Engagement Activity	Use of a 'Proxy Voter?'		
BlackRock	Up to 5 Year Corporate Bond Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT AN ISSUE EXISTS
Columbia Threadneedle	LDI Fund (2 funds)	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT AN ISSUE EXISTS
	Active Corporate Bond - All Stocks Fund	N.I.R.	N.I.R.	YES	N/A		COMPLIANT AN ISSUE EXISTS
LGIM*	All Stocks Index-Linked Gilt Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Diversified Fund	YES	YES	YES	ISS	YES	COMPLIANT AN ISSUE EXISTS
	Over 15 Gilt Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Over 15 Year Index-Linked Gilt Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
M&G	Total Return Credit Investment Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
Standard Life	Pooled Property Pension Fund	N.I.R.	N.I.R.	N.I.R.	N/A	YES	N.I.R.
Vontobel	TwentyFour Strategic Income Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT

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

Table Key

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

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

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

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

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

Minerva Says

Overall Assessment:

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

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are in step with the Scheme's requirements
 - For the managers where Engagement information was available, their overall approaches are broadly in step with the Scheme's requirements
- 2) All of the Scheme's investment managers are signatories the UK Stewardship Code.
- 3) We were disappointed with the limited engagement information provided by LGIM and CT. While LGIM is now able to provide information on engagements undertaken within individual funds, it is still unable to provide much detail regarding those engagements. CT is still unable to provide information on engagements undertaken within individual funds; instead, they have provided data at the group-of-funds level.

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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