

The Highlands & Islands Superannuation Pension Scheme ('the Scheme') – Implementation Statement 6th April 2023 – 5th April 2024

An Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Department for Work and Pensions, for the period from 6th April 2023 – 5th April 2024 ('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 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.

Aviva

Aviva stated that there was no voting information to report due to the nature of the underlying holdings.

Aviva provided detailed fund-level information on engagements although this was not in line with the Scheme's reporting period as Aviva are not able to provide part month or monthly data, only yearly. Despite this, Minerva was able to conclude that the manager had followed the Trustees' engagement policy.

M&G Investments ('M&G')

The manager stated there was no voting information to report due to the nature of the underlying assets.

M&G provided detailed fund-level engagement information but this was outside the Scheme's reporting period as the manager is not able to provide part month data, only monthly. Based on the information provided, Minerva was able to determine that M&G followed the Trustees' engagement policies.

Baillie Gifford

Minerva concluded that Baillie Gifford's voting policies and disclosures contain minor divergences from good practice due to limited disclosures in Auditing & Reporting and Remuneration. However, the information gaps were not sufficiently material to justify saying the policy is not "compliant" with the Scheme's requirements. Baillie Gifford provided a summarised voting record, although this was not in line with the Scheme's reporting period. Significant votes were also provided. From this, Minerva was able to confirm that the manager's voting activity was in line with the Trustees' policy.

Baillie Gifford provided detailed fund-level information on engagements although this was not in line with the Scheme's reporting period. Minerva was able to confirm that Baillie Gifford's activity appeared to broadly comply with their own engagement approach, and so complies with the Trustees' engagement policies.

IFM Investors

The manager stated there was no voting information to report due to the nature of the underlying assets. IFM Investors provided detailed fund-level information on engagements although this was not in line with the Scheme's reporting period. Despite this, Minerva was able to confirm that the activity

appeared to broadly comply with their own engagement approach, and so complies with the Trustees' engagement policies.

Legal and General Investment Management ('LGIM')

For the 6 Matching Plus funds and the Sterling Liquidity Fund, LGIM stated that there was no voting or engagement information to report due to the nature of the underlying holdings.

For the Diversified Fund and the World Equity Index Fund – GBP Hedged, it was determined by Minerva that LGIM's public voting policy and disclosures are in line with good practice as represented by the International Corporate Governance Network ('ICGN') Voting Guidelines Principles. LGIM provided a summarised voting record although this was not in line with the Scheme's reporting period. Significant votes were also provided. From this, Minerva was able to confirm that the manager's voting activity was in line with the Trustees' policy. LGIM provided basic fund-level engagement information although this was not in line with the Scheme's reporting period. Despite this, Minerva was able to confirm that the activity appeared to broadly comply with LGIM's own engagement approach, and so complies with the Trustees' engagement policies.

Annuities

The Scheme invests in annuities and given the nature of the policies, the Trustees' view is that voting and engagement practices of the providers do not need to be covered.

Final Comments

In line with last year, further improvement is needed from Baillie Gifford to improve the level of disclosures in their public voting policies. Aviva, LGIM, IFM Investors, M&G and Baillie Gifford could improve by providing information in line with the Scheme's reporting period. LGIM have continued to provide basic engagement information and could improve by increasing the level of detail provided.

It should be noted that last year, engagement information was provided for the LGIM Sterling Liquidity Fund. However, this year LGIM have stated that engagement information is not applicable to this Fund.



Highlands and Islands Enterprise Superannuation Scheme

Spence & Partners Limited

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

Scheme Reporting Period:
6th April 2023 to 5th April 2024

15th July 2024

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1 SIP Disclosures

This section sets out the policies in the Statement of Investment Principles ('SIP') in force at the Scheme year-end relating to the following:

1. Financially Material Considerations
2. Non-Financial Considerations
3. Investment Manager Arrangements

Stewardship - including the exercise of voting rights and engagement activities - is set out in the 'Voting and Engagement' section.

Source of Information:

*Highlands and Islands Enterprise Superannuation Scheme
Statement of Investment Principles
August 2022*



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. They believe that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes that they are investing in.

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

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

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

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

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

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

1.2 Non-Financial Considerations

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

1.3 Investment Manager Arrangements

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

The Scheme invests in pooled funds and so the Trustees acknowledge the 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 manager's incentive.

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 a 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 will lead to better returns for the Scheme. The Trustees believe that the annual fee paid to the investment managers incentivises them to do this.

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

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

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

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

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

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

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

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

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

The duration of the arrangement with the investment managers

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

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

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
Aviva	Aviva Lime Property Fund	No Info to Report	No Info to Report	Part Info Available
Baillie Gifford	Emerging Markets Leading Companies Fund	Part Info Available	Full Info Available	Part Info Available
IFM Investors	Global Infrastructure Fund	No Info to Report	No Info to Report	Part Info Available
LGIM*	Diversified Fund	Part Info Available	Full Info Available	Part Info Available
	Matching Plus Fund (6 funds)	No Info to Report	No Info to Report	No Info to Report
	Sterling Liquidity Fund	No Info to Report	No Info to Report	No Info to Report
	World Equity Index Fund – GBP Currency Hedged	Part Info Available	Full Info Available	Part Info Available
M&G	Sustainable Total Return Credit Investment Fund	No Info to Report	No Info to Report	Part Info Available

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

Table Key

Full Info Available

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

Part Info Available

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

No Info to Report

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

No Info Provided

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



Minerva Says:

Voting Activity

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

- Baillie Gifford Emerging Markets Leading Companies Fund
- LGIM Diversified Fund
- LGIM World Equity Index Fund – GBP Currency Hedged

Significant Votes

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

- Baillie Gifford Emerging Markets Leading Companies Fund
- LGIM Diversified Fund
- LGIM World Equity Index Fund – GBP Currency Hedged

Engagement Activity

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

- Aviva Lime Property Fund
- Baillie Gifford Emerging Markets Leading Companies Fund
- IFM Global Infrastructure Fund
- LGIM Diversified Fund
- LGIM World Equity Index Fund – GBP Currency Hedged
- M&G Sustainable Total Return Credit Investment Fund

3 Voting and Engagement

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

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

The voting and engagement activity undertaken by the Scheme's managers, as reported by them and set out in this document, has been in the scheme members' best interests 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 specific 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 that 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?
Aviva	Aviva Lime Property Fund	Direct	DB Fund	06/04/2023	05/04/2024	N/A
Baillie Gifford	Emerging Markets Leading Companies Fund	Direct	DB Fund	06/04/2023	05/04/2024	ISS & GLASS LEWIS
IFM Investors	Global Infrastructure Fund	Direct	DB Fund	30/09/2023	05/04/2024	N/A
LGIM	Diversified Fund	Direct	DB Fund	06/04/2023	05/04/2024	ISS
	Matching Plus Fund (6 funds)	Direct	DB Fund	06/04/2023	05/04/2024	N/A
	Sterling Liquidity Fund	Direct	DB Fund	09/01/2024	05/04/2024	N/A
	World Equity Index Fund – GBP Currency Hedged	Direct	DB Fund	06/04/2023	05/04/2024	ISS
M&G	Sustainable Total Return Credit Investment Fund	Direct	DB Fund	06/04/2023	05/04/2024	N/A

Minerva Says

As shown in the table above:

- Baillie Gifford identified Institutional Shareholder Services, or 'ISS' and Glass Lewis as their 'Proxy Voters'
- LGIM also identified '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: Baillie Gifford's Approach to Voting

Asset manager	Baillie Gifford
Relevant Scheme Investment(s)	Emerging Markets Leading Companies Fund

[Baillie Gifford's Stewardship Principles 2024](#) sets out Baillie Gifford's stewardship approach and how they integrate environmental, social and governance (ESG) matters into their investment process. They say: *'Our long-term, active approach to investment means looking beyond the narrow scope of traditional financial analysis to consider the range of factors that may affect our holdings' ability to thrive over the long term. We aim to add value for clients by broadening our perspective to understand better what the future might bring and which investments stand the best chance of succeeding.*

We observe that, over the long run, financial performance and appropriate management of ESG factors are often intertwined. For example, companies that act as sustainable operators are less likely to face regulatory action, which could harm financial returns. Therefore, we integrate analysis of material ESG factors into our investment process because it strengthens our ability to deliver long-term returns.'

Baillie Gifford's Voting Policy is built on the following 4 Policy Areas:

Key Points of Manager's Voting Policy	#	Policy Area	Example of Topics Covered
	1	Governance fit for purpose	Board composition (Independent, Qualified, Diverse)
2	Alignment in vision and practice	Remuneration	
3	Long-Term Value Creation	Anti-takeover devices, Multi-class share structures, Equity issuances/repurchases, mergers and acquisitions	
4	Sustainable Business Practices	Shareholder proposals, ESG (Human rights and labour rights Diversity and inclusion, Nature and biodiversity, Climate change), Routine shareholder matters, External auditors, Political donations	

Baillie Gifford produce [quarterly reports](#) disclosing their latest voting information, at firm 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

Table 4.2: LGIM's Approach to Voting

Asset manager	LGIM (Legal & General Investment Management)
Relevant Scheme Investment(s)	<ul style="list-style-type: none"> ▪ Diversified Fund ▪ World Equity Index Fund – GBP Currency Hedged

Key Points of Manager's Voting Policy

LGIM's latest [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 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. We expect all companies to closely align with our principles, or to engage with us when exceptional circumstances prevent them from doing so. Although there is no 'one-size-fits-all' solution to building a sustainable business model, we look for companies we invest in to demonstrate that sustainability is effectively integrated into their long-term strategy and their daily operations. Companies should aim to minimise any negative impacts 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 and deliver positive long-term returns to shareholders.

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

#	Policy Area	Example of Topics Covered
1	Company Board	Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation
2	Audit, Risk & Internal Control	External Audit, Internal Audit and Whistleblowing
3	Remuneration	Fixed Remuneration, Incentive Arrangements and Service Contracts and Termination Payments

4	Shareholder & Bondholder Rights	Voting Rights and Share-class Structures, Shareholder Proposals and Political Donations
5	Sustainability	Material ESG Risks & Opportunities, Target Setting, Public Disclosure and Engagement

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

Yes

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

Minerva Says

- Both LGIM and Baillie Gifford have set out how they approach their stewardship responsibilities for listed companies on behalf of their clients.
- From the information available, we believe that the voting approaches are consistent with the Scheme's voting approach expectations of its investment managers.

5 Manager Voting Policy

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

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

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

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
Baillie Gifford	Limited Disclosures	Aligned	Aligned	Aligned	Limited Disclosures	Aligned	Aligned
Comments	<p>Audit & Reporting – Baillie Gifford have shown a medium level of sensitivity to issues related to Audit & Reporting based on its voting policy disclosures. There is a lack of specific disclosure on the approach taken by the manager in areas of concern such as the assessment of investee companies' internal control systems and internal audit function. Furthermore, the manager's published voting policy does not contain a clear position on key areas concerning the level of non-audit fees paid to the external auditor and reporting expectations on Corporate Social Responsibilities.</p> <p>Remuneration – Baillie Gifford's public voting policy does not provide a full view on transparency disclosures expected by the manager on remuneration practices. Baillie Gifford has not provided specific details of its positions with regards to the issues surrounding executive directors' service contracts and notice periods and it has not disclosed whether they support a minimum shareholder level for executive directors, during their tenure and post-mandate.</p>						
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned

Manager Voting Policy Alignment with Current Good Practice

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

Table Key

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

Minerva Says

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

- Baillie Gifford's and LGIM's public voting policies are, in our view, broadly in line with good practice, and are what we would expect to see from such large asset stewards.

6 Manager Voting Behaviour

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

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

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
Baillie Gifford	Emerging Markets Leading Companies Fund	67	663	90.8%	93.5%	4.5%	2.0%
	Comments						
	<p>The manager provided a summarised voting record for the Fund that covered the period from 01/04/23 to 31/03/24, rather than for the Scheme's specific investment holding period.</p> <p>From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for this Fund, which is in line with the Trustees' expectations of its managers.</p>						
LGIM	Diversified Fund	8,997	93,090	99.8%	76.6%	23.1%	0.3%
	World Equity Index Fund – GBP Currency Hedged	2,982	37,017	99.9%	79.1%	20.8%	0.1%
	Comments						
<p>The manager provided a summarised voting record for the Funds that covered the period from 01/04/23 to 31/03/24, 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 these two Funds, which is in line with the Trustees' expectations of its managers.</p>							

Table Key

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

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

Information was not provided by the manager

Not Applicable

Minerva Says

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

The Trustees' policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment 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 Baillie Gifford’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
Baillie Gifford	Emerging Markets Leading Companies Fund	CHINA MERCHANTS BANK CO LTD	28/06/23	1.58%	Appoint/Pay Auditors	Against	The resolution passed
Why a ‘Significant Vote’							
This resolution is significant because we opposed the election of auditors.							
Manager’s Vote Rationale:							
We opposed the auditor's reappointment due to the lack of disclosure around high level of non-audit fees, which raises concern over the independence and objectivity of the auditor.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No							

Next Steps / Implications of the Outcome:

Prior to voting, we sought additional explanation from the company to understand the nature of fees. Not having heard back, we decided to escalate to flag our concern. We will re-iterate our expectation again and seek escalation if our concerns remain unaddressed.

Relevance to Manager's Stated Policy:

Governance fit for purpose

Alignment in vision and practice

Long-Term Value Creation

Sustainable Business Practices

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	Emerging Markets Leading Companies Fund	B3 SA - BRASIL BOLSA BALCAO	01/06/23	1.37%	Elect Director(s)	Against	The resolution failed

Why a 'Significant Vote'?

This resolution is significant because we opposed the election of a director.

Manager's Vote Rationale:

We opposed a resolution to confer our votes on unknown directors should the slate of directors change.

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

No.

Next Steps / Implications of the Outcome:

We opposed a resolution to confer our votes on unknown directors should the slate of directors change. We routinely oppose these resolutions.

Relevance to Manager's Stated Policy:

Governance fit for purpose	Alignment in vision and practice	Long-Term Value Creation	Sustainable Business Practices
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We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	Emerging Markets Leading Companies Fund	PT BANK RAKYAT INDONESIA (PERSERO) TBK	01/03/24	2.73%	Non-Executive Remuneration	Against	The resolution passed

Why a 'Significant Vote?

This resolution is significant because we opposed remuneration.

Manager's Vote Rationale:

We opposed the remuneration for the board as independent directors and commissioners receive incentive-based pay which we believe could compromise their objectivity.

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

No.

Next Steps / Implications of the Outcome:

We were concerned by the lack of performance target disclosure for the STIP and the lack of sufficiently stretching targets for the LTIP. We will seek to engage with the company to convey our concerns.

Relevance to Manager's Stated Policy:

Governance fit for purpose		Alignment in vision and practice			Long-Term Value Creation		Sustainable Business Practices	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach								
Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote	
Baillie Gifford	Emerging Markets Leading Companies Fund	CHINA MERCHANTS BANK CO LTD	27/06/23	1.58%	Elect Director(s)	Against	The resolution passed	
Why a 'Significant Vote'?								
This resolution is significant because we opposed the election of a director.								
Manager's Vote Rationale:								
We opposed the election of a director as despite not being independent, they will join the audit committee, contrary to our expectation for such a committee to be fully independent.								
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?								
No.								
Next Steps / Implications of the Outcome:								
We will relay our expectation to the Company and re-iterate our position on the board composition, and we will be monitoring their progress going forward.								
Relevance to Manager's Stated Policy:								
Governance fit for purpose		Alignment in vision and practice		Long-Term Value Creation		Sustainable Business Practices		Governance fit for purpose
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach								

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	Emerging Markets Leading Companies Fund	BYD COMPANY LTD	08/06/23	0.58%	Approve Provision of Guarantee	Against	The resolution passed
Why a 'Significant Vote?							
This resolution is significant because it received greater than 20% opposition.							
Manager's Vote Rationale:							
We opposed two resolutions to approve the provision of guarantees which together with existing guarantees would exceed the company's net assets and pose a risk to shareholders.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
We opposed the request to approve provision of guarantees as these would exceed net assets of the Company. Prior to submitting our votes, we contacted the company in an effort to seek clarification on this resolution. We did not receive a response before the deadline and therefore decided to oppose the resolution.							
Relevance to Manager's Stated Policy:							
Governance fit for purpose		Alignment in vision and practice		Long-Term Value Creation		Sustainable Business Practices	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Table 7.2 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Diversified Fund	Banco Santander SA	21/03/24	0.5%	Approve Remuneration Policy	Against	Not stated
Why a 'Significant Vote?'							
<p>Thematic: Governance (executive pay): in our published expectations on executive pay (global and regional), we set out our expectations of companies, with an emphasis on 'pay for performance'. We consider companies' pay structures and their alignment with long-term sustainable performance and stakeholder experience. This vote is considered significant because we believe that executive remuneration is a financially material issue for companies, and therefore for our clients.</p>							
Manager's Vote Rationale:							
<p>Remuneration - Performance conditions: A vote against has been applied because awards are permitted to vest for below median relative performance which therefore fails the pay for performance hurdle. We also highlight that the 5% salary raises for 2024 and future year increases to be given to the Executive Directors, including the Chair, will likely exacerbate existing concerns with the significant pay packages.</p>							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
<p>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.</p>							
Next Steps / Implications of the Outcome:							
<p>LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>							
Relevance to Manager's Stated Policy:							
Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability			
<p>We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach</p>							

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	Ninety One Plc	26/07/23	Less than 0.01%	Resolution 11: Approve Climate Strategy	Against	Not stated

Why a 'Significant Vote'?

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

Manager's Vote Rationale:

Climate Change: A vote against this proposal is applied as LGIM expects companies to introduce credible, temperature-aligned transition plans. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal. We note the improvements in disclosures and the development of a more detailed climate strategy at Ninety One, alongside a commitment to seek SBTi validation once the methodology for the Financials sector has been defined. However, gaps continue to be highlighted regarding the Company's climate reporting and target setting. In particular, the lack of short-term targets and the use of merely a portfolio coverage target to address Scope 3 emissions from investments which account for a significant portion of the total GHG emissions. Without a defined interim target for Scope 3 emissions from investments, it is difficult to ascertain the steps the company intends to take to achieve their targets. We will continue to monitor the company's work and disclosures in this area.

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

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

Next Steps / Implications of the Outcome:

LGIM will continue to engage with the company and monitor progress.

Relevance to Manager's Stated Policy:

Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability
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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	Atmos Energy Corporation	07/02/24	0.03%	Elect Director Richard K. Gordon	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:							
Remuneration - Accountability - Escalation: A vote against is applied as LGIM has had concerns with the remuneration practices for the past year. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Lead Director to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	Sustainability
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Diversified Fund	Mapletree Logistics Trust	20/07/23	0.02%	Resolution 1: Adopt Report of the Trustee, Statement by the Manager, Audited Financial Statements and Auditors' Report	Against	98% of votes cast were in support of the resolution
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 the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board	Audit, Risk & Internal Control	Remuneration	Shareholder & Bondholder Rights	Sustainability			
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Diversified Fund	Simon Property Group, Inc.	04/05/23	0.13%	Resolution 1.9 - Elect Director Michael W. Ranger	Against	Not stated

Why a 'Significant Vote'?

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

Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executives officers to include at least 1 female. Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

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	World Equity Index Fund – GBP Currency Hedged	Ellaktor SA	22/06/23	Less than 0.01%	Resolution 13 - Elect Members; Approve Type, Term and Composition of the Audit Committee	Against	Not stated
Why a 'Significant Vote'?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Remuneration - Accountability - Escalation - A vote against is applied as LGIM has had concerns with remuneration practices for consecutive years. 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. A vote AGAINST this item is warranted because the company states that the audit committee term is of five 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							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund – GBP Currency Hedged	Berkshire Hathaway Inc.	06/05/23	0.68%	Resolution 8 - Require Independent Board Chair	LGIM supported this shareholder resolution	10.9% 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:

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board

Audit, Risk & Internal Control

Remuneration

Shareholder & Bondholder Rights

Sustainability

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund – GBP Currency Hedged	SKF AB	26/03/24	0.01%	Reelect Hakan Buskhe as 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 independence: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Remuneration Committee independence: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Audit Committee Expertise: A vote against has been applied as the Chair of the Audit Committee does not appear to have a financial background. A vote AGAINST Haakan Buskhe (Item 14.4) and Richard Nilsson (Item 14.9) is warranted because the company maintains a share structure with unequal voting rights, and the candidates represent the primary beneficiary of the superior voting rights.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board

Audit, Risk & Internal Control

Remuneration

Shareholder & Bondholder Rights

Sustainability

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund – GBP Currency Hedged	GPS Participacoes e Empreendimentos SA	05/04/23	Less than 0.01%	Resolution 5 - Elect Directors	Against	Not stated
Why a 'Significant Vote?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Bundled: Diversity: A vote against is applied as LGIM expects a company to have a diverse board, including at least one woman. We expect companies to further increase female participation on the board and leadership positions over time. Bundled: Audit Committee independence: A vote against is applied as LGIM expects the Committee to be comprised of independent directors.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights	Sustainability	
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund – GBP Currency Hedged	Tyson Foods, Inc.	08/02/24	0.21%	Accelerate Efforts to Eliminate Deforestation from Company's Supply Chains	LGIM supported this shareholder resolution	Not stated
Why a 'Significant Vote?							
Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.							
Manager's Vote Rationale:							
Shareholder Resolution: Deforestation: A vote for is applied. We note the relatively short timeline in the resolution text but the company should accelerate efforts to eliminate deforestation from its supply chain as we deem this to be a material risk.							
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

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

8 Manager Engagement Information

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

The 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. 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 specific 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 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
Aviva	YES	FUND	PART	The manager provided <i>detailed fund level engagement information</i> albeit for the <i>period from 01/01/23 to 31/12/23</i>
Baillie Gifford	YES	FUND	PART	The manager provided <i>detailed fund level engagement information</i> for the <i>period from 01/04/23 to 31/03/24</i> , rather than for the Scheme's specific reporting period
LGIM	YES	FUND	PART	The manager provided <i>basic fund level information</i> for the <i>period from 01/04/23 to 31/03/24</i> , rather than for the Scheme's specific reporting period
IFM Investors	YES	FUND	PART	The manager provided <i>detailed fund level engagement information</i> for the <i>period 1/01/2023 to 31/12/2023</i> Scheme's reporting period, rather than for the Scheme's specific reporting period
M&G	YES	FUND	PART	The manager provided <i>detailed fund level engagement information</i> for the <i>period 01/04/23 to 31/03/24</i> rather than for the Scheme's specific 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

Aviva

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Lime Property Fund	01/01/23	31/12/23	20	100%	0.0%	0.0%	0.0%	0.0%	100%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>The following description of the manager's engagement policy is set out in their most recent Responsible Investment Annual Review:</p> <p><i>'Effective and responsible active ownership is fundamental to our investment approach. We believe persistent and constructive dialogue with issuers, corporates and sovereign representatives is vital to preserve and enhance the value of assets on behalf of our beneficiaries and clients. This is achieved through voicing support for more sustainable practices and gathering insights to inform investment decisions. The mechanism for engagement varies but typically we engage through emails or letters, which result in one-to-one meetings with company representatives such as board members, senior executives and managers of specialist areas. We also engage with company advisers and stakeholders through phone calls to obtain more information on a company or sovereign entity. Most of our engagement is a solitary endeavour; however, we also engage with other investors in group meetings and collaboratively through participation in dedicated initiatives.</i></p> <p><i>We have a fully integrated approach to investment and ownership, combining the skills of fund managers, analysts and ESG specialists. During daily, weekly and quarterly discussion forums, we continually monitor an entity's management and performance, including developments that may have a significant impact on their valuation or risk profile. As part of our analysis, we track areas of performance, including improvements in an entity's awareness or management of ESG risks and opportunities. Here, we use information from several external ESG research firms as one input into our own company assessments to be questioned, examined and built on. Our sustainable investment team has extensive networks within its respective field. Information is drawn from publicly available corporate information and company meetings, broker reports, industry bodies, research organisations, thinktanks, legislators, consultants, NGOs and academics. Through this, we aim to evaluate the relevance and materiality of ESG factors on the sustainability of future earnings growth and as potential risk factors. For sovereign entities, this enables us to evaluate -</i></p>

Investment case embedded throughout ESG factors on the stability of the entity and earnings potential. If we feel we do not have enough information or have identified gaps, we will engage with the entity to discuss these issues in more detail. This dialogue is conducted in close cooperation with, and often led by, portfolio managers and research analysts.

Key insights are published internally on our centralised research platform, presented at investment team meetings and are easily accessible to analysts and portfolio managers. These include company, industry and thematic notes to feed into idea generation, analysis, forecasts and conclusions about further escalation.’

The manager also separately identified the following as their stewardship priorities:

Stewardship Priority	Details
<p>1. Tackling the cost-of-living crisis</p>	<ul style="list-style-type: none"> • <i>Pay a living wage: Companies should commit to paying a “living wage” for all workers, provide secure contracts, predictable hours and appropriate holiday and sick pay. Companies should also seek to mandate comparable obligations on suppliers and contractors.</i> • <i>Offer financial support: Companies should consider providing additional financial support to their most vulnerable workers, including one off cash payments or other temporary benefits.</i> • <i>Engage with trade unions: Companies must engage with trade unions in good faith and seek a balanced outcome recognising the impact of high inflation on real wages, and the physical and mental toll the pandemic has had on frontline workers. Companies should disclose policies for engaging with unions and report on outcomes and resolutions.</i> • <i>Uphold human rights: Companies must commit to upholding human rights, undertake robust due diligence, establish appropriate whistleblowing and grievance mechanisms, and provide regular reporting on their efforts to eradicate modern slavery. As part of these steps, we expect companies operating in high-impact sectors to implement the Employer Pays Principle to ensure ethical or responsible recruitment in their own businesses and supply chains.</i> • <i>Show responsibility on executive pay: As the workforce are increasingly being forced to make trade-offs to afford essential spending, it would be inappropriate for highly paid executives to be fully insulated from the impacts of inflation. We expect any increases to executive base salaries to be below the average for the wider workforce.</i> <p>• <i>Support vulnerable customers: Companies should review their approach to identifying vulnerable and financially stressed customers, exploring opportunities to adapt their products, services and pricing models to provide financial support to those in need. Companies should also consider developing strategic relationships with charitable initiatives to help build greater financial resilience in the communities they serve.</i></p>
<p>2. Transitioning to a low-carbon economy</p>	<ul style="list-style-type: none"> • <i>Business models: Describe key impacts of the transition plan on products and services, asset acquisitions and disposals, organisational design, resource allocation, and operational and capital expenditures.</i> • <i>Financial planning: Estimate the impact of the plan on the financial position of the company, including future revenues, costs, cashflows and investment returns. The transition plan should be fully costed and accompanied by sources of funding to implement the strategy.</i> • <i>Incentives and remuneration: Integrate climate targets and metrics into variable incentive arrangements for executives and senior management. The percentage of total compensation linked to climate targets should reflect the extent to which transition plans will fundamentally reshape the business model, growth profile and investment thesis of the company.</i>

	<ul style="list-style-type: none"> • <i>Engagement with value chain: Develop strategies to engage and incentivise customers, suppliers and partners to collectively drive the decarbonisation of the entire value chain. Companies should set Scope 3 emissions reduction targets and monitor and report on the success of upstream and downstream initiatives</i> • <i>Engagement with governments: Engage with governments, regulators, public sector organisations and civil society to help create a coherent, holistic and effective transition pathway. Companies should seek to evidence alignment between government engagement activities and corporate climate commitments, covering direct lobbying as well as indirect influence through trade associations.</i> <p>3. Reversing nature loss</p> <ul style="list-style-type: none"> • <i>Locate interfaces with nature: Companies should begin by mapping the location of individual assets, business processes, value chains and downstream products to each ecosystem, to enable the appropriate prioritisation of issues and areas for assessment.</i> • <i>Evaluate dependencies and impacts: Companies must identify and quantify all ecosystem services that support the generation of revenues, cashflows and enterprise value for each business process and location and measure the impact the business is having on nature.</i> • <i>Assess risks and opportunities: Companies should determine the risks and opportunities associated with its dependencies and impact on nature, outline existing risk mitigation and identify additional potential actions.</i> • <i>Prepare to respond: Companies should build on the outcomes of the previous steps to define a comprehensive biodiversity strategy. This should include the setting of short-, medium- and long-term targets and action plans to reduce and reverse the impacts of the business on nature. Companies should then determine the scope and substance of financially relevant public disclosures to be made against the TNFD framework.</i>
<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 Scheme’s Expectations</p>	<p>The following is a reported engagement activity provided by the manager for the Aviva Lime Property Fund:</p> <p><u>2023 – Glasgow City Council – Engagement on Environmental matters</u></p> <p>Rationale for Engagement: ‘Onsite renewables & EV’ Action: ‘Held initial Occupier Engagement Programme meeting. Council is looking to extend battery/EV installation.’</p> <p>Outcome: ‘Asset manager in ongoing discussions.’</p>
<p>Is Engagement Activity in Line</p>	<p>Whilst the activity seems consistent with the Manager’s stated engagement approach, we believe that more details could have been provided and that the information provided should have matched the Scheme’s investment holding period.</p>

with the Scheme's Expectations?

Baillie Gifford

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Emerging Markets Leading Companies Fund	06/04/23	31/03/24	50	32.0%	22.0%	46.0%	0.0%	48.1%	48.1%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>The manager sets out their approach to company engagement in the document titled ESG integration approach 2024:</p> <p><i>'Engaging with the assets we hold on behalf of our clients is core to our role as effective stewards of our clients' capital and is an extension of our research process.</i></p> <p><i>01. To learn and to monitor: As investors, our responsibility does not begin and end with the investment decision. Before allocating our clients' capital, we must decide whether a particular investment meets our criteria and will continue to do so over our investment horizons. We may meet with a leadership team many times before we decide to take a position. Once we have invested, we will continue to monitor our holdings to ensure we remain aligned and decide if we need to course-correct.</i></p> <p><i>02. To support: Over our investment time horizons, our holdings will likely encounter challenges. On these occasions, it may be helpful (and even necessary) for us to communicate our support to the leadership of the investments we've made. We may encourage them to remain focused on the long term and occasionally offer the chance to learn from other investments that have faced similar challenges. Sometimes, this will include public support for a holding, eg through pre-declaring voting intentions.</i></p> <p><i>03. To influence: There will be instances when our reason for engaging is to seek change. We have high expectations of the assets we invest in. When they do not live up to these, or where we have identified a specific objective for change, our starting point is to see if the leadership team is willing and able to address the issues we believe may impact the ability to deliver long-term returns for our clients. Sometimes, the influence we seek to have is to encourage a holding to be more ambitious in seizing new opportunities. Where strategies have specific sustainability commitments, engagement may be integral to meeting that commitment.</i></p> <p><i>Our patient approach, focused on building long-term relationships, means we often occupy a privileged position in terms of our access to leadership. We do not take this privilege lightly. We aim to ensure that our engagements are research-led and, particularly when the intention is to influence, focus on the one or two issues we think are most material to a holding's long-term success. We generally prefer to engage one-to-one with our holdings. However, we recognise that, at times, working with like-minded investors and broader stakeholder groups has benefits. Collaborative approaches can increase the influence that we bring to bear</i></p>

on our clients' behalf and may, in some instances, be necessary to achieve our engagement objectives. For some asset classes (such as sovereign bonds) collaborative engagements are our primary means of influence.'

In the latest Investment Stewardship Activities Report the manager has said the following in relation to identifying engagement priorities:
'We engage with companies for many reasons and the topics we prioritise will vary by individual issuer and investment strategy. Our proprietary investment research will inform this, supported and often facilitated by the prime contact. Often, the larger a position we hold in an entity and the longer our holding history, the greater our ability to engage with a realistic ability to influence. However, we engage with issuers on key issues across a range of market capitalisations, geographies and holding sizes. When we look at engagements in isolation, we can broadly categorise them as proactive, reactive and ongoing. However, we view this interplay as more nuanced, particularly as our relationships lengthen in duration, deepen our understanding and build trust. The following sections highlight examples of proactive, reactive and ongoing engagements.'

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 Scheme's Expectations

An example of a reported engagement for the Emerging Markets Leading Companies Fund is reported below:

27/09/23 - Zijin Mining Group Company Limited- Engagement on Environmental Issues

'Objective: *To visit the Zijin Ashele copper mine and the surrounding villages to deepen our understanding of Zijin's ESG management at the group level.*

'Discussion: *We were invited to visit the Ashley Copper Mine in Habahe County, Xinjiang Uygur Autonomous Region. During our visit, we toured the reprocessing plant for Zinc-Sulfur separation tailings, the tailing site, and the surrounding worker villages. At the seminar, we discussed the Group's current strategies and future plans on various topics, including achieving carbon neutrality by 2050, building a human rights system, developing employees and communities, and maintaining a responsible supply chain. To achieve its carbon-neutral target, the Group plans to use clean fuel substitution, develop demonstration sites, use carbon capture technology, and create ecological carbon sinks. The Group will involve more stakeholders, such as NGOs, in its human rights governance, engage with authoritative organisations to discuss human rights standards and practices, and gradually conduct human rights risk audits for its mining projects. Zijin is also promoting revitalisation projects globally to enhance the self-reliance and sustainability of local communities.*

Outcomes: Outcome: The company's willingness to communicate with investors is encouraging. ESG topics remained a key discussion point during the two-day trip, which together with the recent improved ESG practices shows that the management has put great emphasis on the Group's sustainability development. We are keen to keep the dialogue with the company and will visit other mining sites when there are opportunities.'

Is Engagement Activity in Line with the Scheme's Expectations?

The engagement activity is consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.

LGIM

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Diversified Fund	06/04/23	31/03/24	2180	61.7%	10.1%	22.5%	5.7%	Not Stated	Not Stated
World Equity Index Fund – GBP Currency Hedged	06/04/23	31/03/24	1165	45.30%	12.30%	32.40%	10.00%	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 6 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate: Keeping 1.5°C alive 2. Nature: Supporting a world that lives in harmony with nature, recognising the economic value of natural capital 3. People: Improving human capital across the corporate value chain

	<ol style="list-style-type: none"> 4. Health: Safeguarding global health to limit negative consequences for the global economy 5. Governance: Strengthening accountability to deliver stakeholder value 6. Digitisation: Establishing minimum standards for how companies manage digitisation-related risks
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 Expectations	<p>Set out below is an example of engagement activity reported by LGIM in the Dynamic Diversified Fund:</p> <p><u>20/10/23 - Starbucks Corp – Environmental-themed Engagement Activity</u></p> <p><i>Engagement Type: Written.</i></p> <p><i>Issue Theme: Deforestation.</i></p> <p><i>Engagement Details: Not provided.</i></p> <p><i>Engagement Outcome: Not provided.</i></p>
Is Engagement Activity in Line with the Scheme's Expectations?	<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				Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Fund(s)	Period Start	Period End	No. of Engagements						
Sustainable Total Return Credit Investment Fund	06/04/23	31/03/24	11	54.5%	27.3%	18.2%	0.0%	Not stated	Not stated

Aspect of Engagement Activity	Details
<p>Key Points of the Manager’s Engagement Policy</p>	<p>M&G's approach to engagement is set out in their ESG Investment Policy from March 2024. 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"> ▪ Company meetings – As part of company monitoring, updates on trading strategy, capital allocation etc ▪ ESG informed meetings – In company monitoring meetings they may ask questions relating to ESG, which could include remuneration and more general governance meetings ▪ ESG engagements – M&G's engagement activity should have a specific time bound objective, action and outcome which is measurable, and will be tracked over time. An ESG objective seeks to influence a company’s behaviour or disclosures and cannot be merely to increase understanding. Each engagement is assessed for its effectiveness and is designated a red, green or amber traffic light colour coding. Green indicates a positive engagement outcome. Amber suggests further monitoring is required. Red indicates an unsuccessful outcome. Each engagement is assessed for its effectiveness and is designated a red, green or amber traffic light colour coding. Green indicates a positive engagement outcome. Amber suggests further monitoring is required. Red indicates an unsuccessful outcome. <p>From M&G most recent Annual Stewardship Report the manager has identified the following as their key engagement topics:</p> <ul style="list-style-type: none"> ▪ Leadership & Governance ▪ Environment ▪ Business Model and Innovation ▪ Social Capital ▪ Human Capital
<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 Scheme's Expectations</p>	<p>An example of a reported engagement undertaken for the Sustainable Total Return Credit Investment Fund is:</p> <p><u>31/10/23- 01/11/2023 – Westlake Corp - Environmental-themed Engagement</u></p> <p>Engagement Objective: 'To ask Westlake, the North American chemical company, to set a Net Zero target for scope 1,2 and 3 emissions verified by SBTi, increase its scope 1&2 reduction targets for 2030 from 20% to 30%, disclose scope 3 emissions and its decarbonisation strategy and report under TCFD.'</p> <p>Action Taken: 'M&G met with a mixture of the finance and sustainability teams including the CFO.'</p> <p>Engagement Result: 'Westlake explained the company is not going to commit to a Net Zero target until it has a clear pathway to get there. It is dialoguing with SBTi and as Westlake gets closer to achieving 20% reduction for scope 1 &2 it is considering what the next steps will be. The next sustainability report will be published in the next few weeks and the company is working on TCFD and scope 3 emission disclosures. In terms of decarbonisation most of the investment is currently expensed in engineering resource rather than through capex. M&G will review the sustainability report upon its publication and follow up with the company next year.'</p> <p>Engagement Status: Not provided</p>
<p>Is Engagement Activity in Line with the Scheme's Expectations?</p>	<p>The activity appears to be consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.</p>

IFM Investors

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Global Infrastructure Fund	01/01/23	31/12/23	7	71.4%	28.6%	0.0%	0.0%	-	-

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	In the IFM Group Corporate Environmental, Social & Governance (ESG) Policy the manager had the following to say in terms of describing their approach to engagement:

	<p><i>'IFM Investors considers company engagement a key part of its ownership responsibilities and consistent with the long-term nature of its investment approach. Engagement may be undertaken by IFM Investors in three ways:</i></p> <ul style="list-style-type: none"> • <i>Where there is a significant negative change in a governance factor</i> • <i>On an ad-hoc basis in response to issues arising for individual stocks</i> • <i>Around pre-determined themes.'</i> <p>In the most recent Sustainable Business Report the manager prioritised three sustainability themes:</p> <ul style="list-style-type: none"> • <i>Managing the risks of climate change and transitioning to a low carbon economy.</i> • <i>Demonstrating workplace leadership with a focus on promoting fair, safe and inclusive standards for working people.</i> • <i>Championing inclusion and diversity.</i>
<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 ▪ whether any fintech solution was used to facilitate engagement
<p>Comparison of the Manager's Engagement Activity vs the Scheme's Expectations</p>	<p>An example of a reported engagement undertaken for the Global Infrastructure Fund is:</p> <p><u>2023 – Aleatica - Social - Human rights -themed Engagement</u></p> <p>Engagement Rationale <i>'IFM believes we have both responsibilities and opportunities to engage with and contribute to the sustainability of the communities in which we operate. Our activities include a range of corporate-led and people-led initiatives and programmes.</i></p> <p><i>IFM takes an active ownership approach and we seek board representation at every asset.'</i></p> <p>Engagement Details: <i>'IFM owns a 100% stake in Aleatica and we made our first investment in this assets in April 2015.</i></p> <p><i>IFM engages with Aleatica through our active management approach, either at the Board level where we have five seats, or through frequent direct interactions with Aleatica management.</i></p> <p><i>We have had an active programme to integrate the consideration of the 'S' factors across our portfolios, including Aleatica. Our commitment to consider social factors is anchored in deep social dialogue, in line with OECD guidelines.</i></p> <p><i>Social factors that we have considered for Aleatica have included:</i></p>

- Organisational workforce practices (labour rights and health and safety)
- Supply chains and modern slavery
- Inequality across income, wealth, and opportunity
- Inclusion and diversity.'

Engagement Outcome and Next Steps: 'One of eight grant recipients from IFM's 2022 programme was from Aleatica for Community grant funding helping at-risk women in Ecatepec, Mexico. The project was delivered in collaboration with community organisation Instituto para la Investigación de los Derechos Humanos y los Estudios de Género A.C ("IIDHEG").

The project, carried out in 2022, was called 'Network of Women for the Prevention and Attention of Gender-Based Violence against Women in Ecatepec Municipality. Through the project, Aleatica and IIDHEG identified and trained 27 "at-risk" women, including raising awareness of different human rights issues and training in basic and intermediate plumbing and accounting skills. Nearly 7,400 training hours were provided to the women and seven women decided to move forward with an additional 5,000+ hours of training in 2023, to learn advanced plumbing techniques and complete their advanced certification (having already been certified in intermediate plumbing).

Aleatica has continued to work with the Network in 2023 to develop a business model that will generate economic income for the women members of the Network. We are proud of the Aleatica team and the leadership and vision it has shown in defining this important project.

In July 2023, Aleatica Mexico received a perfect score (tied for the highest), in Transparencia Mexicana and Mexicans Against Corruption and Impunity's Corporate Integrity 500 Index ("IC 500"). Conmex also tied for the 3rd highest score.'

Engagement Status: Not provided

Is Engagement Activity in Line with the Scheme's Expectations?

Whilst the activity seems consistent with the Manager's stated engagement approach, we believe that more details could have been provided and that the information provided should have matched the Scheme's investment holding period.

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?'		
Aviva	Aviva Lime Property Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
Baillie Gifford	Emerging Markets Leading Companies Fund	YES	YES	YES	ISS & GLASSLEWIS	YES	COMPLIANT
IFM Investors	Global Infrastructure Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
LGIM*	Diversified Fund	YES	YES	YES	ISS	YES	COMPLIANT
	Matching Plus Fund (6 funds)	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Sterling Liquidity Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	World Equity Index Fund – GBP Currency Hedged	YES	YES	YES	ISS		COMPLIANT
M&G	Sustainable Total Return Credit Investment Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT

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

Overall Assessment:

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

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - There was nothing to report for a number of the Scheme's investments, due to the nature of those investments (e.g., LGIM Matching Plus Funds)
 - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are in step with the Scheme's requirements
 - For the managers where Engagement information was available, their overall approaches are also in step with the Scheme's requirements
- 2) All of the Scheme's investment managers are signatories to the UK Stewardship Code.
- 3) We were disappointed with the inability of Aviva, Baillie Gifford, IFM Investors, LGIM and M&G to provide reporting that specifically covered the Scheme's reporting period, and with some of the information disclosed.
- 4) We also remain somewhat disappointed with the limited engagement information provided by LGIM. Whilst they are now able to provide information on engagements undertaken in individual funds, they are not yet able to provide much in the way of details concerning the engagements.

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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