

Delco Remy UK Employee Pension Scheme ('the Scheme')

Implementation Statement 1st August 2023 – 31st July 2024

This Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Department for Work and Pensions and The Pensions Regulator, for the period from 1st August 2023 – 31st July 2024 ('the Scheme Year').

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

Under applicable legislation, the Scheme, for the purpose of this Statement, is a Hybrid scheme as it provides both Defined Benefit ('DB') and Defined Contribution ('DC') benefits. There are arrangements for members to invest Additional Voluntary Contributions ('AVCs') into any of the investment options available under the DC Section.

Following the insolvency of Remy Automotive UK Limited (the 'Employer') on 28 February 2022, Independent Trustee Services Limited ('the Trustee') were appointed as a sole corporate professional Trustee in place of the former Trustees with effect from 25 March 2022 and the Scheme is currently in the Pension Protection Fund ('PPF') assessment period.

In this Statement we seek to:

- set out how, and the extent to which the DB and DC Statements of Investment Principles ('SIP') have both been followed during the Scheme Year;
- describe the review of the DB and DC SIP;
- set out the Trustee's policies; and
- comment on the voting and engagement behaviour and how the Trustee policy has been followed during the Scheme Year.

SIP review and changes during the Scheme Year

In July 2022 the Trustee commissioned a review of the DB Section's investment strategy from the Scheme's investment consultants Spence & Partners.

Investment advice was received by the Trustee in August 2022 and transition to the new strategy with Legal & General Investment Managements ("LGIM") was completed in December 2022, with the Trustee adopting the following strategic asset allocation with LGIM for the DB section.

Asset Class	Fund	Strategic Asset Allocation (%)
Index Linked Gilts	LGIM Under 15 Year Index-Linked Gilts Index Fund	13.0
	LGIM Over 15 Year Index-Linked Gilts Index Fund	13.7
Fixed Interest Gilts	LGIM 5 to 15 Year Gilts Index Fund	12.8
	LGIM Over 15 Year Gilts Index Fund	60.5
Total		100.0

A revised DB SIP was put in place with effect from January 2023 in relation to this change in strategy.

The Trustee continues the process of reviewing the options to discharge each members' DC benefits to an alternative arrangement as part of the wind-up of the DC Section of the Scheme.

How the DB and DC SIPs have been followed during the Scheme Year

The Trustee believes, to the best of its knowledge, that the policies in the SIPs have broadly been followed.

Based on the Trustee's understanding of the Scheme, the following can be noted in respect of the DB and DC Sections over the year:

- The Trustee invests the assets of the Scheme with the aim of ensuring that all members' benefits can be paid. The Trustee believes this objective was met during the Scheme year and all cashflow requirements were met.
- There have been no changes to the default investment strategy or self-select options available to members in the DC Section over the year. The last review was completed in February 2016, and this review considered the aims and objectives of the default strategy, along with other self-select investment options.
- There were no changes to the investment manager, which remained LGIM throughout the period.
- The Trustee receives performance reports on a quarterly basis from LGIM which include an analysis of fund performance to check that return levels meet expectations. Performance is reviewed against benchmarks that have been agreed with the investment managers.
- The Trustee has the appropriate knowledge and understanding to ensure its policies on financially and non-financially material considerations, as well as engagement and voting activities, are and remain appropriate for the Scheme. More detail on engagement and voting is provided later in this Statement.
- The Trustee is a professional Trustee and has measures in place to ensure compliance with the requirements regarding its knowledge and understanding including investment matters, pension and trust law. This, together with the advice available from service providers, enables the Trustee to exercise its functions and run the Scheme properly and effectively.
- The Scheme does not hold any employer related investments that would contravene the Pensions Act 1995 and underlying regulations.

The Trustee is committed to engaging with its investment managers and other stakeholders. However, now the Scheme has entered the PPF assessment period, it will need to consider how it can effectively comply with the requirements such as the following:

- how the investment managers have engaged with issues regarding ESG;
- discussing investment matters at each meeting with their investment adviser present;
- performing a review of investment manager fees, including portfolio turnover costs;
- in respect of the DC benefits, how information on investment performance, charges and transaction costs is reviewed on an annual basis alongside the annual chair statement.

Voting and Engagement

The Trustee has 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 Trustee over the Scheme Year.

A summary of the key points is set out overleaf:

Legal and General Investment Management ('LGIM')

LGIM stated that there was no voting or engagement information to report for the 5 to 15 Year Gilts Index Fund, Cash Fund, Over 15 Year Gilts Index Fund, Over 15 Year Index-Linked Gilts Index Fund, Over 5 Year Index-Linked Gilts Index Fund and Under 15 Year Index-Linked Gilts Index Fund due to nature of the underlying holdings.

It was determined by Minerva that the manager's public voting policies and disclosures for the Global Equity (70:30) Index Fund are broadly in line with good practice as represented by the International Corporate Governance Network ('ICGN') Voting Guidelines Principles, bearing in mind the Scheme's stewardship expectations.

LGIM provided a summarised voting record although this was not in line with the Scheme's reporting period as LGIM are only able to provide this information quarterly. Significant votes were also provided. From this, Minerva was able to confirm that the manager's voting activity was in line with the Trustee's policy.

LGIM provided basic fund-level information on engagements that 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 Scheme's approach.

AVCs

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

Final Comments

In line with last year, further improvement is needed from LGIM to provide more detail on engagements and to provide information in line with the Scheme's reporting period.

This year, LGIM have stated that engagement information is not applicable to cash and fixed income funds. Last year, engagement information was provided for the Cash Fund and the Over 5 Year Index-Linked Gilts Index Fund.

Signed:

Signed by Paul Sherman on 3 February 2025

Paul Sherman

Associate Director

Independent Trustees Services (trading as the Independent Governance Group)

Date: 3 February 2025

Delco Remy UK Employee Pension Scheme

Spence & Partners Limited

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

Scheme Reporting Period:
1st August 2023 to 31st July 2024

21st October 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:

*Delco Remy UK Employee Pension Scheme- Defined Benefit Section
Statement of Investment Principles
January 2023*



1.1 Financially Material Considerations

The Trustee has 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. It believes that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes it is investing in.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds.

The DB Section is invested in gilts and index linked gilts and there is limited scope to take into account financially material considerations and socially responsible investment. However, the Trustee does expect its fund manager and investment adviser to take account of financially material considerations when carrying out their respective roles, where possible.

The Trustee will only invest with investment managers that are signatories for the United Nations supported Principles of Responsible Investment ('UN PRI') or other similarly recognised standard.

1.2 Non-Financial Considerations

The Trustee has not considered non-financial 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 DB Section invests in pooled funds and so the Trustee acknowledges that decisions cannot be tailored to the Trustee's policies. However, the Trustee sets its investment strategy and then selects managers that best suits its strategy, taking into account the fees being charged, which acts as the fund manager's incentive..

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 DB Section invests passively solely in gilts and index linked gilts and so there is no scope to consider long-term financial and non-financial performance of UK government bonds..

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

The Trustee will receive and review the quarterly asset statements from the investment manager and will review the performance reporting on a 6 monthly basis (performance is on a gross of fees basis).

The Trustee assesses the performance of the funds, where possible, over at least a 3-5 year period when selecting a manager and will always consider this when looking to select or terminate a manager together with other relevant factors other than performance after obtaining advice from the investment consultant.

The fund manager's remuneration is considered as part of the manager selection process and will only be looked at in greater detail if it increases.

As the timeframe before the assets are sold is 12-24 months the Trustee will only take action to replace the manager in extreme circumstances on receipt of advice from the investment consultant.

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

The Trustee does not monitor portfolio turnover costs incurred by the asset manager as it is not a financially material concern over the investment time horizon.

The duration of the arrangement with the fund managers

The Scheme is in the PPF assessment period and is only expected to hold the investments until it is transferred into the PPF, which is likely to be relatively short.

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
LGIM*	5 to 15 Year Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Cash Fund	No Info to Report	No Info to Report	No Info to Report
	Global Equity (70:30) Index Fund	Part Info Available	Full Info Available	Part Info Available
	Over 15 Year Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Over 15 Year Index-Linked Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Over 5 Year Index-Linked Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report
	Under 15 Year Index-Linked Gilts Index Fund	No Info to Report	No Info to Report	No Info to Report

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

Table Key

Full Info Available

The manager has provided either a PLSA Voting Template or voting and/or engagement 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 and/or engagement 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 recipient of our information request has either not formally responded to the information request or has not provided information when we believe there should be information to report



Minerva Says:

Voting Activity

There was voting information disclosed for the following Scheme investments with LGIM:

- Global Equity (70:30) Index Fund

Significant Votes

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

- Global Equity (70:30) Index Fund

Engagement Activity

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

- Global Equity (70:30) Index 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 Stewardship

The Trustees' policy on Voting & Engagement from the Scheme's SIP is set out below:

The Trustee's 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 Trustee's 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 Trustee believes this will be beneficial to the financial interests of members over the long term.

The DB Section is invested in gilts and index linked gilts and so there are no voting rights and limited scope to engage in the investments.

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

The following table sets out:

- The funds and products in which the Scheme was invested during the Scheme's reporting period;
- The holding period for each fund or product; and
- Whether each investment manager made use of a 'proxy voter', as defined by the Regulations

Table 3.1: Scheme Investment/Product Information

Fund Manager	Investment Fund/Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
	5 to 15 Year Gilts Index Fund	L&G Platform	DB Fund	01/08/23	31/07/24	N/A
	Cash Fund	L&G Platform	DC Fund	01/08/23	31/07/24	N/A
	Global Equity (70:30) Index Fund	L&G Platform	DC Fund	01/08/23	31/07/24	ISS
LGIM	Over 15 Year Gilts Index Fund	L&G Platform	DB Fund	01/08/23	31/07/24	N/A
	Over 15 Year Index-Linked Gilts Index Fund	L&G Platform	DB Fund	01/08/23	31/07/24	N/A
	Over 5 Year Index-Linked Gilts Index Fund*	L&G Platform	DC Fund	01/08/23	31/07/24	N/A
	Under 15 Year Index-Linked Gilts Index Fund	L&G Platform	DB Fund	01/08/23	31/07/24	N/A

Minerva Says

As shown in the table above:

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

4 Exercise of Voting Rights

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

Table 4: LGIM's Approach to Voting

Asset manager	Legal & General Investment Management (LGIM)												
Relevant Scheme Investment(s)	Global Equity (70:30) Index Fund												
Key Points of Manager's Voting Policy	<p>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:</p> <p><i>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.</i></p> <p>LGIM's voting policy is built on the assessment of 5 key policy areas:</p> <table border="1"> <thead> <tr> <th>#</th> <th>Policy Area</th> <th>Example of Topics Covered</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Company Board</td> <td>Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation</td> </tr> <tr> <td>2</td> <td>Audit, Risk & Internal Control</td> <td>External Audit, Internal Audit and Whistleblowing</td> </tr> <tr> <td>3</td> <td>Remuneration</td> <td>Fixed Remuneration, Incentive Arrangements and Service Contracts and Termination Payments</td> </tr> </tbody> </table>	#	Policy Area	Example of Topics Covered	1	Company Board	Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation	2	Audit, Risk & Internal Control	External Audit, Internal Audit and Whistleblowing	3	Remuneration	Fixed Remuneration, Incentive Arrangements and Service Contracts and Termination Payments
#	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

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

5 Manager Voting Policy

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

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

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

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice

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

Table Key

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



Minerva Says

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

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

6 Manager Voting Behaviour

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

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

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
	Global Equity (70:30) Index Fund	7,288	73,103	99.8%	80.7%	18.6%	0.8%
Comments							
The manager provided summarised voting record for the Global Equity (70:30) Index Fund that covered the period from 01/07/23 to 30/06/24 rather than for the Scheme's investment holding period.							
From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for the Fund, which is in line with the Trustees' expectations of its managers.							

Table Key

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

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

Information was not provided by the manager

Not Applicable



Minerva Says

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

The Trustee's 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 Trustee's behalf, having regard to the best financial interests of the beneficiaries.

7 Significant Votes

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

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

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

Table 7.1 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity (70:30) Index	NIKE, Inc.	12/09/23	0.06%	Resolution 5: Report on Median Gender/Racial Pay Gap	For	30% of votes cast were in support of the resolution
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:							
Shareholder Resolution - Inequality - Gender Pay Gap transparency: A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap.							
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
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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	Global Equity (70:30) Index	Sun Art Retail Group Limited	16/08/23	Less than 0.01%	Resolution 3a: Elect Huang Ming-Tuan as Director	Against	3% of votes cast were in support of the resolution

Why a 'Significant Vote?'

Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.

Manager's Vote Rationale:

Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors.

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
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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	Global Equity (70:30) Index	Alimentation Couche-Tard Inc.	07/09/23	0.02%	Resolution 2.11: Elect Director Melanie Kau	Against	14% 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:

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.

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
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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	Global Equity (70:30) Index	Suncorp Group Limited	26/09/23	Less than 0.01%	Resolution 3b: Elect Simon Machell as Director	Against	5% of votes cast were in support of the resolution

Why a 'Significant Vote'?

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

Manager's Vote Rationale:

Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least one-third of board members being women. We expect companies to increase female participation both on the board and in leadership positions over time. Auditor independence - Accountability: LGIM notes concerns with the auditor's independence given their long tenure and/or excessive non-audit fees being paid. As shareholders are not afforded a separate resolution to vote on the auditor's ratification, a vote against the Audit Committee member is warranted to highlight our concerns.

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	Global Equity (70:30) Index	Value and Indexed Property Income trust PLC	02/08/23	Less than 0.01%	Resolution 5: Re-elect John Kay as Director	Against	7% 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:

Chair tenure: A vote against the Chair's re-election is applied because we believe the role of Board Chair should be refreshed regularly in line with best practice. Independence: A vote against is applied to the (re-)election of a non-independent director due to lack of independence on the board. Chair independence: A vote against is applied to the (re-)election of a non-independent Chair due to concerns regarding the lack of independence on the board. Committee independence: A vote against is applied because the director is not independent and sits on a Board Committee that should be comprised solely 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 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
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We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach



Minerva Says

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

8 Manager Engagement Information

The 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...as the Trustee believes this will be beneficial to the financial interests of members over the long term.

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
LGIM	YES	FUND	PART	The manager provided <i>basic fund level engagement information</i> for <i>the period from 01/07/23 to 30/06/24</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

LGIM

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Global Equity (70:30) Index Fund	01/08/23	30/06/24	3,123	67.5%	7.4%	18.7%	6.3%	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 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 period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustees' policy	<p>Set out below is an example of engagement activity reported by LGIM in the Global Equity (70:30) Index Fund):</p> <p><u>15/02/24 – Sojitz Corp – Environmental and Governance-themed Engagement Activity</u></p> <p>Engagement Type: <i>Conference Call.</i></p> <p>Issue Theme: <i>Environmental /Climate Change and Governance/Board Composition, Capital Management and Remuneration.</i></p> <p>Engagement Details: <i>Not provided.</i></p> <p>Engagement Outcome: <i>Not provided.</i></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 and the information provided should match the Scheme's investment holding period.

Minerva Says

As can be seen from the table above, the Scheme's manager's 'Engagement Activity' appears to broadly comply with their own engagement approach, 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?'		
LGIM*	5 to 15 Year Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A	YES	N.I.R.
	Cash Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Global Equity (70:30) Index Fund	YES	YES	YES	ISS		COMPLIANT
	Over 15 Year Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Over 15 Year Index-Linked Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Over 5 Year Index-Linked Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Under 15 Year Index-Linked Gilts Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.

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

Table Key

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

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

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

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

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



Minerva Says

Overall Assessment:

We believe that the Scheme's manager has 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:
 - Where Voting and 'Significant Vote' information was available, LGIM's overall approach was broadly in step with the Scheme's requirements.
 - Where Engagement information was available, LGIM's overall approach was also broadly in step with the Scheme's requirements.
- 2) The Scheme's investment manager is signatory to the UK Stewardship Code.
- 3) We were disappointed with LGIM's inability to provide reporting that specifically covered the Scheme's holding period.
- 4) We were also disappointed with the limited engagement information provided by LGIM. Whilst the manager provides 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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For more information please email hello@minerva.info or call + 44 (0)1376 503500

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