

## **Rehau Limited Retirement Benefits Scheme ('the Scheme') – Implementation Statement 1<sup>st</sup> January 2024 – 31<sup>st</sup> December 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 1<sup>st</sup> January 2024 – 31<sup>st</sup> December 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**

For the Aviva Lime Property Fund, Aviva stated that the Scheme's holdings had no voting information to report due to the nature of the underlying holdings.

Aviva provided basic firm-level engagement information that was in line with the Scheme's reporting period. Despite the basic level of information and that this information was at firm-level rather than fund-level, Minerva was able to confirm that the activity appeared to broadly comply with Aviva's own engagement approach, and so complies with the Scheme's approach.

### **BlackRock**

For the Up To 5 Year Corporate Bond Index Fund, BlackRock stated that the Scheme's holdings had no voting information to report due to the nature of the underlying holdings.

BlackRock provided basic fund-level information on engagements that was in line with the Scheme's reporting period. Despite the basic level of information, Minerva was able to confirm that the activity appeared to broadly comply with BlackRock's own engagement approach, and so complies with the Scheme's approach.

### **Columbia Threadneedle ('CT')**

For the Global Equity-Linked Inflation Fund, Overseas Equity-Linked Inflation Fund and UK Equity-Linked Inflation Fund, CT stated that the Scheme's holdings had no voting information to report due to nature of the underlying holdings. Whilst the Fund's do have equity exposure, the exposure is gained through exchange traded futures, thus no voting information is reportable.

CT provided basic firm-level information on engagements although this was not in line with the Scheme's reporting period. Despite the basic level of information and that this information was at firm-level rather than fund-level, Minerva was able to confirm that the activity appeared to broadly comply with CT's own engagement approach, and so complies with the Scheme's approach.

## **JP Morgan**

For the Infrastructure Investments Fund, JP Morgan stated that the Scheme's holdings had no voting information to report due to nature of the underlying holdings.

Minerva request engagement information through Mobius in the first instance as Mobius collect VEI for the funds held on the platform. Mobius informed Minerva that fund managers do not produce engagement information for infrastructure funds and therefore they did not request this for the JP Morgan Infrastructure Investments Fund. As JP Morgan provided engagement information last year, Minerva reached out to JP Morgan directly but have yet to receive a response. As a result, Minerva were unable to assess if the manager's engagement policies were in line with the Trustees' own policies over the Scheme year.

## **Legal and General Investment Management ('LGIM')**

For the Matching Core Funds, LGIM stated that there was no voting or engagement information to report due to nature of the underlying holdings.

In relation to Global Equity Fixed Weights (50:50) Index Fund, Infrastructure Equity MFG Fund - GBP Currency Hedged and World (ex-UK) Equity Index Fund - GBP Currency Hedged, it was determined by Minerva that LGIM's public voting policy and disclosures contain minor divergences from good practice due to limited disclosures on Shareholder Rights, specifically regarding its approach on anti-takeover provisions. However, the information gap was not sufficiently material to justify saying the policy is not 'compliant' with the Scheme's requirements. LGIM provided summarised voting records for these funds although these were 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 information on engagements that was in line with the Scheme's reporting period for these funds. Despite the basic level of information, 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.

## **M&G**

For the Total Return Credit Investment Fund, M&G stated that the Scheme's holdings had no voting information to report due to nature of the underlying holdings.

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

## **Vontobel**

For the TwentyFour Strategic Income Fund, Vontobel stated that the Scheme's holdings had no voting information to report due to nature of the underlying holdings.

Vontobel provided detailed fund-level information on engagements that was in line with the Scheme's reporting period. From this, Minerva was able to confirm that the activity appeared to broadly comply with Vontobel's own engagement approach, and so complies with the Scheme's approach.

## **AVCs**

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

## **Annuities**

The Scheme invests in an annuity and given the nature of the policy, the Trustees' view is that voting and engagement practices of the provider does not need to be covered.

## **Final Comments**

Since last year, Vontobel and M&G have continued to provide good levels of engagement information. However, M&G could improve by providing this information in line with the Scheme's reporting period.

Last year, Aviva did not provide engagement information in time for the production of the Implementation Statement and stated that as the Fund invests in real estate, acquiring engagement data take longer than for equity funds. This year Aviva provided basic firm-level engagement information. Whilst it is an improvement to receive this information in time for the production of the Implementation Statement, Aviva could improve further by providing more detail on engagements at fund-level.

Last year, JP Morgan provided basic fund-level engagement information. This year, Minerva have not received a response to their request for VEI.

In line with last year, BlackRock and LGIM could improve by providing more detail on engagements. The information provided by CT has deteriorated when compared with last year. This year CT provided basic firm-level engagement information that was not in line with the Scheme's reporting period, whereas last year, CT provided detailed fund-level engagement information that was in line with Scheme's reporting period.

LGIM could also improve by providing further detail on Shareholder Rights in their public voting policy and disclosures. Minerva's voting policy assessment has been updated for 2025 to reflect their latest thinking on what constitutes good practice and this year, Minerva determined that there were limited disclosures on Shareholder Rights. Last year, Minerva determined that LGIM's public voting policy and disclosures were aligned with good practice across all assessed policy pillars.



# Rehau Limited Retirement Benefits Scheme

Spence & Partners Limited

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

Scheme Reporting Period:

31<sup>st</sup> December 2023 to 31st December 2024

20<sup>th</sup> May 2025

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# 1 SIP Disclosures

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

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

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

Source of Information:

*Rehau Limited Retirement Benefits Scheme  
Statement of Investment Principles  
January 2023*



## 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 endeavoring 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 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 fund 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 fund 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 fund 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<sup>2</sup>**

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
BlackRock	Up To 5 Year Corporate Bond Index Fund	No Info to Report	No Info to Report	Part Info Available
Columbia Threadneedle	Global Equity-Linked Inflation Fund	No Info to Report	No Info to Report	Part Info Available
	Overseas Equity-Linked Inflation Fund	No Info to Report	No Info to Report	Part Info Available
	UK Equity-Linked Inflation Fund	No Info to Report	No Info to Report	Part Info Available
JP Morgan	Infrastructure Investments Fund	No Info to Report	No Info to Report	No Info Provided **
LGIM*	Global Equity Fixed Weights (50:50) Index Fund	Full Info Available	Full Info Available	Part Info Available
	Infrastructure Equity MFG Fund - GBP Currency Hedged	Full Info Available	Full Info Available	Part Info Available
	Matching Core Funds (4 funds)	No Info to Report	No Info to Report	No Info to Report
	World (ex-UK) Equity Index Fund - GBP Currency Hedged	Full Info Available	Full Info Available	Part Info Available
M&G	Total Return Credit Investment Fund	No Info to Report	No Info to Report	Part Info Available
Vontobel	TwentyFour Strategic Income Fund	No Info to Report	No Info to Report	Full Info Available

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

\*\* Mobius have stated that Fund Managers do not produce ESG information for infrastructure funds. As engagement information was received for this fund last year, we reached out to JP Morgan directly but have yet to receive a response.

### Table Key

<b>Full Info Available</b>	The manager has provided either a PLSA Voting Template or voting data that <b>precisely</b> matches the specific investment's holding / reporting period
<b>Part Info Available</b>	The manager has provided either a PLSA Voting Template or voting data that <b>partially</b> matches the specific investment's holding / reporting period
<b>No Info to Report</b>	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
<b>No Info Provided</b>	At the time of preparing this report, the manager has either not formally responded to the information request or has not provided information when we believe there should be information to report

### Minerva Says:

#### Voting Activity

There was voting information disclosed for the following Scheme investments:

- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM Infrastructure Equity MFG Fund - GBP Currency Hedged
- LGIM World (ex-UK) Equity Index Fund - GBP Currency Hedged

#### Significant Votes

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

- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM Infrastructure Equity MFG Fund - GBP Currency Hedged
- LGIM World (ex-UK) Equity Index Fund - GBP Currency Hedged

## Engagement Activity

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

- Aviva Lime Property Fund
- BlackRock Up To 5 Year Corporate Bond Index Fund
- Columbia Threadneedle Global Equity-Linked Inflation Fund
- Columbia Threadneedle Overseas Equity-Linked Inflation Fund
- Columbia Threadneedle UK Equity-Linked Inflation Fund
- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM Infrastructure Equity MFG Fund - GBP Currency Hedged
- LGIM World (ex-UK) Equity Index Fund - GBP Currency Hedged
- M&G Total Return Credit Investment Fund
- Vontobel TwentyFour Strategic Income Fund

# 3 Voting and Engagement

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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 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?
<b>Aviva</b>	Aviva Lime Property Fund	Mobius	DB Fund	01/01/2024	31/12/2024	N/A
<b>BlackRock</b>	Up To 5 Year Corporate Bond Index Fund	Mobius	DB Fund	01/01/2024	31/12/2024	N/A
<b>Columbia Threadneedle</b>	Global Equity-Linked Inflation Fund*	Mobius	DB Fund	07/05/2024	20/11/2024	N/A
	Overseas Equity-Linked Inflation Fund*	Mobius	DB Fund	01/01/2024	07/05/2024	N/A
	UK Equity-Linked Inflation Fund*	Mobius	DB Fund	01/01/2024	07/05/2024	N/A
<b>JP Morgan</b>	Infrastructure Investments Fund	Mobius	DB Fund	01/01/2024	21/03/2024	N/A
<b>LGIM*</b>	Global Equity Fixed Weights (50:50) Index Fund	Mobius	DB Fund	01/01/2024	31/12/2024	<b>ISS</b>
	Infrastructure Equity MFG Fund - GBP Currency Hedged	Mobius	DB Fund	01/01/2024	31/12/2024	<b>ISS</b>
	Matching Core Funds (4 funds)	Mobius	DB Fund	01/01/2024	31/12/2024	N/A
	World (ex-UK) Equity Index Fund - GBP Currency Hedged	Mobius	DB Fund	01/01/2024	31/12/2024	<b>ISS</b>
<b>M&amp;G</b>	Total Return Credit Investment Fund	Mobius	DB Fund	01/01/2024	31/12/2024	N/A
<b>Vontobel</b>	TwentyFour Strategic Income Fund	Mobius	DB Fund	01/01/2024	31/12/2024	N/A

\* On 7 May 2024, the CT UK Equity-Linked Inflation Fund was closed by the Fund Manager and the CT Overseas Equity-Linked Inflation Fund changed its allocation and was rebranded as the CT Global Equity-Linked Inflation Fund. On this date, the Scheme's holdings in the CT UK Equity-Linked Inflation Fund were invested into the CT Global Equity-Linked UK Inflation Fund.



## Minerva Says

As shown in the previous table:

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

# 4 Exercise of Voting Rights

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

**Table 4.1: LGIM's Approach to Voting**

<b>Asset manager</b>	LGIM (Legal & General Investment Management)
<b>Relevant Scheme Investment(s)</b>	<ul style="list-style-type: none"> <li>• Global Equity Fixed Weights (50:50) Index Fund</li> <li>• Infrastructure Equity MFG Fund - GBP Currency Hedged</li> <li>• World (ex-UK) Equity Index Fund - GBP Currency Hedged</li> </ul>

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

**Key Points of Manager's Voting Policy**

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

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

#	Policy Area	Example of Topics Covered
1	<b>Company Board</b>	Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement
2	<b>Audit, Risk &amp; Internal Control</b>	External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks

3	Remuneration	Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments
4	Shareholder & Bondholder Rights	Voting Rights and Share-Class Structures, Amendments to Articles, Capital Management, Mergers and Acquisitions, Shareholder Proposals and Political Donations
5	Sustainability	Material ESG Risks & Opportunities, Governance and Accountability, Sustainability Themes, Reporting and Disclosure

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

## Table Key

<b>Aligned</b>	This aspect of the manager's voting policy is aligned with good practice
<b>Limited Disclosures</b>	This policy pillar could only be partially assessed on the information available in the manager's voting policy
<b>No Disclosures</b>	This policy pillar could not be assessed due to a lack of information in the manager's voting policy
<b>Not Available</b>	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 publicly available voting policy provides limited information on key aspects of good corporate governance practice.

# 6 Manager Voting Behaviour

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

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

**Table 6.1: Manager Voting Behaviour**

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
LGIM	Infrastructure Equity MFG Fund - GBP Hedged	94	1,174	98.6%	72.6%	26.5%	0.9%
	Global Equity Fixed Weights (50:50) Index Fund	2,971	37,861	99.7%	81.9%	17.8%	0.3%
	World (ex-UK) Equity Index Fund - GBP Currency Hedged	2,795	33,453	99.7%	78.1%	21.6%	0.3%
	<b>Comments</b>						
	The manager provided a summarised voting record for the Funds shown above that covered the Scheme's reporting period.						
	From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for these three Funds, which is in line with the Trustees' expectations of its managers.						

## Table Key

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

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

**Information** was not provided by the manager

Not Applicable



## Minerva Says

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

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

# 7 Significant Votes

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

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

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

**Table 7.1 LGIM's 'Significant Votes'**

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity Fixed Weights (50:50) Index Fund	Microsoft Corporation	10/12/24	0.99%	Resolution 9: Report on AI Data Sourcing Accountability	For	FAIL
<b>Why a 'Significant Vote?'</b>							
High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.							
<b>Manager's Vote Rationale:</b>							
Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models							
<b>Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?</b>							
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	Global Equity Fixed Weights (50:50) Index Fund	Unilever Plc	01/05/24	2.16%	Resolution 4: Approve Climate Transition Action Plan	For	PASS

**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 1.5C scenario. Given the high-profile nature 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 FOR the CTAP is applied as we understand it to meet LGIM's minimum expectations. 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 a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, we note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. We therefore remain supportive of the net zero trajectory of the company at this stage.

**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	Global Equity Fixed Weights (50:50) Index Fund	Berkshire Hathaway Inc.	04/05/24	0.19%	Resolution 1.1: Elect Director Warren E. Buffett	Against	PASS

**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:**

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	Global Equity Fixed Weights (50:50) Index Fund	TotalEnergies SE	24/05/24	0.30%	Resolution 6: Reelect Patrick Pouyanne as Director	Against	N/A

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 CFO.

Manager's Vote Rationale:

Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Board Chair and CEO to be separate and not to be recombined once separated. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Global Equity Fixed Weights (50:50) Index Fund	Hanon Systems	28/03/24	0.01%	Elect Two Members of Audit Committee (Bundled)	Against	N/A

**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 Expertise: A vote against has been applied as LGIM expects the Chair of the Audit Committee to have financial expertise.

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

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

**Next Steps / Implications of the Outcome:**

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

**Relevance to Manager's Stated Policy:**

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity MFG Fund - GBP Currency Hedged	Sempra	09/05/24	1.81%	Resolution 1d: Elect Director Jeffrey W. Martin	Against (against management recommendation)	N/A

**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

**Manager's Vote Rationale:**

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

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity MFG Fund - GBP Currency Hedged	National Grid Plc	10/07/24	2.97%	Resolution 17: Approve Climate Transition Plan	For	PASS

#### 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 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

#### Manager's Vote Rationale:

Climate Change: LGIM is voting in favour of the National Grid Climate Transition plan. We commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science based targets. We also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.

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

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

#### Next Steps / Implications of the Outcome:

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

#### Relevance to Manager's Stated Policy:

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity MFG Fund - GBP Currency Hedged	SBA Communications Corporation	23/05/24	1.10%	Resolution 1.4: Elect Director George R. Krouse, Jr.	Against	N/A

**Why a 'Significant Vote?**

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

**Manager's Vote Rationale:**

Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis. 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.

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

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

**Next Steps / Implications of the Outcome:**

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

**Relevance to Manager's Stated Policy:**

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity MFG Fund - GBP Currency Hedged	Crown Castle Inc.	22/05/24	1.76%	Resolution 1f: Elect Management Nominee Director Tammy K. Jones	Abstain	N/A

#### Why a 'Significant Vote'?

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

#### Manager's Vote Rationale:

Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.

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

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

#### Next Steps / Implications of the Outcome:

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

#### Relevance to Manager's Stated Policy:

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Infrastructure Equity MFG Fund - GBP Currency Hedged	OGE Energy Corp.	16/05/24	0.38%	Resolution 4: Adopt Simple Majority Vote	For	PASS

#### Why a 'Significant Vote'?

High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

#### Manager's Vote Rationale:

Shareholder Resolution - Shareholder rights: A vote in favour is applied as reducing the supermajority vote requirement will improve minority shareholder 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
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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 (ex-UK) Equity Index Fund - GBP Currency Hedged	Tesla, Inc.	13/06/24	0.68%	Resolution 2: Advisory Vote to Ratify Named Executive Officers' Compensation	Against	PASS

#### Why a 'Significant Vote'?

High Profile meeting: This resolution is considered significant as it pertains to one of our key stewardship 'sub-themes', executive pay.

#### Manager's Vote Rationale:

Remuneration - Quantum - One-off Awards: A vote against is applied as LGIM believes that the approved remuneration policy should be sufficient to retain and motivate executives. A vote AGAINST this proposal is warranted. While most NEOs received modest or no compensation for FY23, one executive was granted an outsized, time-based stock option award upon his promotion, the magnitude and design for which are not adequately explained. The grant does not require the achievement of pre-set performance criteria in order to vest and the value is considered to be excessive.

#### 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 (ex-UK) Equity Index Fund - GBP Currency Hedged	Costco Wholesale Corporation	18/01/24	0.44%	Elect Director Jeffrey S. Raikes	Against	N/A

**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 ---

**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. 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 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:**

<b>Company Board</b>	<b>Audit, Risk &amp; Internal Control</b>	<b>Remuneration</b>	<b>Shareholder &amp; Bondholder Rights</b>	<b>Sustainability</b>
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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 (ex-UK) Equity Index Fund - GBP Currency Hedged	Chevron Corporation	29/05/24	0.40%	Resolution 4: Report on Analyzing the Risks Arising from Voluntary Carbon-Reduction Commitments	Against	N/A

#### Why a 'Significant Vote'?

Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant due to misleading proposals (shareholder resolutions brought with the aim of undermining positive environmental, social and governance behaviours) are a relatively recent phenomenon. Such proposals often appear to be supportive of, for example, the energy transition but, when considered in depth, are actually designed to promote anti-climate change views.

#### Manager's Vote Rationale:

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

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

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

#### Next Steps / Implications of the Outcome:

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

#### Relevance to Manager's Stated Policy:

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World (ex-UK) Equity Index Fund - GBP Currency Hedged	Booking Holdings Inc.	06/04/24	0.18%	Resolution 4: Amend Clawback Policy	For	FAIL

**Why a 'Significant Vote?**

High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

**Manager's Vote Rationale:**

Shareholder Resolution - Remuneration: LGIM believes that clawback is an important safeguard for the compensation committee to enable them to clawback any compensation payments that were unjustly paid out.

**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 (ex-UK) Equity Index Fund - GBP Currency Hedged	Swedbank AB	26/03/24	0.32%	Reelect Kerstin Hermansson as Director	Against	N/A

**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 Expertise: A vote against has been applied as the Chair of the Audit Committee does not appear to have a financial background.

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

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

**Next Steps / Implications of the Outcome:**

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

**Relevance to Manager's Stated Policy:**

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



## **Minerva Says**

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

# 8 Manager Engagement Information

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

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

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

*If the policies or level of engagement are not appropriate, the Trustees will engage with the 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 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	FIRM	YES	The manager provided <b>basic firm level engagement information</b> covering the Scheme's reporting period.
BlackRock	YES	FUND	YES	The manager provided <b>basic fund level engagement information</b> covering the Scheme's reporting period.
Columbia Threadneedle	YES	FIRM	PART	The manager provided <b>basic firm level engagement information</b> for the period from <b>01/01/24 to 31/12/24 and 01/07/23 - 30/06/24</b> rather than for the Scheme's reporting period
JP Morgan	NO	-	-	Mobius was not able to provide the information.
LGIM	YES	FUND	YES	The manager provided <b>basic fund level engagement information</b> covering the Scheme's reporting period.

M&G	YES	FUND	PART	The manager provided <b>detailed fund level engagement information</b> for the period from <b>09/04/24 to 31/12/24</b> , rather than for the Scheme's reporting period
Vontobel	YES	FUND	YES	The manager provided <b>detailed fund level engagement information</b> covering the Scheme's reporting period

**Table Key**

**GREEN = A positive result.** The manager has provided engagement information / fund level info available / matches the Scheme's reporting / investment holding period  
**ORANGE = A 'partial' result.** We had to try to source engagement information / firm level info available / does not match the Scheme's reporting / investment holding period  
**RED = A negative result.** No engagement information was located at any level

## 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	01/01/24	31/12/24	2,370	47.7%	12.4%	39.9%	0.1%	Not Stated	Not Stated

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>

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 -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
<b>1. Tackling the cost-of-living crisis</b>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> <li>• <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></li> <li>• <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></li> <li>• <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></li> <li>• <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></li> </ul>

<p><b>2. Transitioning to a low-carbon economy</b></p>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <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> <ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul> </li> <li>• <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></li> </ul>
<p><b>3. Reversing nature loss</b></p>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> <li>• <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></li> <li>• <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></li> </ul>

**Additional information on Engagements provided by the Manager**

Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme’s holding period, no additional information was provided in terms of:

- engagement objectives;
- collaborative engagements;
- process for escalating ineffective engagement; and
- whether any fintech solution was used to facilitate engagement.

**Comparison of the Manager’s Engagement Activity vs the Trustees’ policy**

The following example of engagement activity was provided by the manager for the Aviva Lime Property Fund.

**Anchor Hanover – Environment - Climate change Issues**

***Rationale for the engagement: Energy strategy***

**Engagement Details:** Held initial Occupier Engagement Programme meeting. Occupier is interested to deliver renewable electricity, and anything that can be done in relation to building fabric/insulation.

**Engagement Outcome:** Asset manager in ongoing discussions..

Is Engagement Activity in Line with the Trustees' Policy?

**Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more details in relation to engagement activity undertaken at fund level.**

## BlackRock

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Up To 5 Year Corporate Bond Index Fund	01/01/24	31/12/24	275	25.5%	21.8%	52.7%	0.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
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**Key Points of the Manager's Engagement Policy**

BlackRock explains their approach to engagement in their ['Investment Stewardship, Engagement Priorities Summary'](#) document:

*'BIS takes a constructive, long-term approach to our engagement with companies, reflecting the investment horizons of the majority of our clients. An engagement is a meeting between BIS and a company's board and management that helps improve our understanding of the company's business model and material risks and opportunities, to inform our voting decisions on behalf of clients who authorize us to vote on their behalf. In these two-way conversations, we listen to and learn directly from company directors and executives and ask questions relevant to their business. Either a company or BIS can request an engagement. Many of the engagements are initiated by companies to discuss their long-term strategy, risk and opportunity set, and management's plan to deliver financial returns through business cycles. The ongoing, multiyear nature of our engagements allows us to build strong relationships with company leadership and mutual understanding on key matters of corporate governance and the drivers of long-term financial performance. BIS' Engagement Priorities reflect the five themes on which we most frequently engage companies, where they are relevant and a source of material business risk or opportunity. As such, how these themes are managed may have an impact on companies' ability to deliver the long-term financial returns on which our clients depend to meet their investing goals. The majority of BIS' engagements are focused on corporate governance because, in our experience, sound governance is critical to the success of a company, long-term financial value creation, and the protection of investors' financial interests.'*

BlackRock's Engagement Priorities:

1. Board quality and effectiveness - quality leadership, board composition, effectiveness, diversity and accountability

2. Strategy, purpose, and financial resilience - *'We engage on long-term corporate strategy, purpose, and financial resilience to understand how boards and management are aligning their business decision-making with the company's purpose and adjusting strategy and/or capital allocation plans as necessary as business dynamics change.'*

3. Incentives aligned with financial value creation - *'Executive compensation is an important tool used by companies to support long-term financial value creation. In our experience, well-structured compensation policies reward the successful delivery of strategic, operational, and/or financial goals, encourage an appropriate risk appetite, and align the interests of shareholders and executives through equity ownership. For these reasons, appropriate and transparent compensation policies are a focus in many of BIS' engagements with companies our clients are invested in. To aid our understanding, we find it helpful when companies make clear in their disclosures the connection between compensation policies and outcomes and the financial interests of long-term shareholders.'*

4. Climate and natural capital - *'BIS' approach under our benchmark policies to material climate-related risks and the opportunities presented by the low-carbon transition is based on our fundamental role as a fiduciary to our clients. The low-carbon transition may present different challenges and potential rates of change for companies across sectors. With this in mind, when discussing climate- and transition-related risks with companies, we generally focus our conversations where the transition is most likely to materially impact a company's long-term financial performance.'*

*'The management of nature-related risks and opportunities is a component of the ability to generate long-term financial returns for companies whose strategies or supply chains are materially reliant on natural capital. For these companies, we rely on disclosures to assess the board's risk oversight and to understand how nature-related impacts and dependencies are considered within their strategies. While natural capital is a broad term, we focus on three key components – land use and deforestation, water, and biodiversity – which can affect the long-term financial returns of companies with material exposure. Based on our assessment, companies with material nature-related risks and opportunities stand to benefit from the robust management of these components, which may lead to operational efficiency, management capabilities, and innovation.'*

5. Company impacts on people - *'In our engagements, BIS focuses on understanding the effectiveness of boards and management in ensuring a company has the workforce necessary for delivering long-term financial performance. Our discussions cover material workforce-related risks and opportunities, which may include how a company's business practices foster a workforce culture inclusive of a variety of perspectives; enhance job quality and employee engagement; enable career development; promote positive labor relations, safe working conditions, and fair wages; and consider human rights. BIS finds it helpful when companies provide shareholders with the necessary information to understand their approach to human capital management (HCM) and how it aligns with the company's stated strategy and business model.'*

*'BIS engages with companies on how they manage the human rights issues that are material to their businesses and monitor the effectiveness of their human rights practices on a best-efforts basis. We are focused on the governance of this business risk, where appropriate.'*

**Additional information on Engagements provided by the Manager**

Whilst the manager provided a list of engagements undertaken on investments 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

<p>Comparison of the Manager's Engagement Activity vs the Trustees' Policy</p>	<p>The following example of engagement activity was provided by the manager for the Black Rock Up To 5 Year Corporate Bond Index Fund:</p> <p><b><u>16/12/2024 – HSBC Holdings PLC – Engagement on Environmental and Social Issues</u></b></p> <p><i>Engagement Method: Conference Call</i></p> <p><i>Engagement Details:</i></p> <ul style="list-style-type: none"> <li>Governance - Corporate Strategy</li> </ul> <p><i>Engagement Outcome: Not stated.</i></p>
<p>Is Engagement Activity in Line with the Trustees' Policy?</p>	<p><b>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we are disappointed with the lack of details provided in relation to the engagement activity undertaken.</b></p>

## Columbia Threadneedle

				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Firm Level Data	01/01/24	20/11/24	20	45.0%	15.0%	40.0%	0.0%	Not Stated	Not Stated
Firm Level Data	01/07/23	07/05/24	33	51.5%	18.2%	30.3%	0.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
<p>Key Points of the Manager's Engagement Policy</p>	<p>Columbia Threadneedle's general approach to engagement is set out in their <a href="#">'Responsible Investment Engagement Policy'</a>:</p> <p><i>'At Columbia Threadneedle Investments we strive to be responsible stewards of our clients' assets allocating their capital within our framework of robust research and good governance. We embrace our role as active investors to encourage positive change both for our managed assets and reo clients. We dynamically interact with issuers to enhance their long-term viability, performance, and sustainability to create value for our clients as well as society. Targeted Responsible Investment engagement with issuers is an important part of our investment approach, as it enhances insights, encourages active dialogue, and helps create future value. In addition, we believe that engagement on environmental, social, and governance (ESG) issues can have a positive impact on corporate performance and investment returns, as well as on society or the environment.</i></p> <p><i>We define engagement for the purposes of this policy as having constructive dialogue with issuers on environmental, social and governance topics that could have a material impact on financial results. Our purpose with engagement is to support long-term investment returns by increasing transparency of key risks and, opportunities, and reducing any material negative impact that our investment decisions could have on these factors. We believe that we can play a part in</i></p>

building a more sustainable and resilient global economy by consulting with issuers, helping them to appreciate the potential impact of material ESG factors on the sustainability of their businesses.’

‘Our preferred approach to conducting engagement is to use constructive, confidential dialogue, typically interacting one-to one with issuers and building a relationship of trust over time as long-term investors. When it is more effective to take a collaborative approach to enhance our understanding of an issuer, we may participate with other investors, non-governmental organisations (NGOs) or industry groups, where we believe this will be in our clients’ best long-term economic interests. Collaborations can help build knowledge and skills whilst enhancing engagement efficiency. We are a member of several investor coalitions actively pursuing collaborative engagements.’

They have identified the following specific engagement priorities/themes:

- Climate change
- Environmental stewardship, including biodiversity
- Labour standards
- Human rights
- Business conduct
- Corporate governance.

‘Underlying each theme is a range of subthemes to help focus our engagement. We monitor the outcomes of our engagement and report on our progress to our clients and through public reporting. These six high level themes and associated subtheme are in line with the achievement of the United Nations Sustainable Development Goals (SDGs).’

#### Additional information on Engagements provided by the Manager

Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme’s holding period, no additional information was provided in terms of:

- engagement objectives
- collaborative engagements
- process for escalating ineffective engagement and
- whether any fintech solution was used to facilitate engagement

#### Comparison of the Manager’s Engagement Activity vs the Trustees’ Policy

The following example of engagement activity was provided by the manager:

##### **Q1 2024 – Barclays PLC – Environment-related Engagement**

###### **Engagement Details:**

‘We have engaged several times with Barclays on their climate risk management, including as a co-lead investor through the IIGCC bank working group.’

**Engagement Outcomes:** ‘The company provide significantly enhanced climate risk management in their latest climate updates. The company introduced additional financed emissions targets for agriculture, commercial real estate, and aviation. They also provided updates to their residential real estate target. The company became the first UK bank to publish a transition finance framework. They also updated their climate change statement introducing restrictions and tightened conditions for financing to the oil and gas sector. This is significant as Barclays have lagged in this specific area and faced reputational risks as a result.’

Is Engagement Activity in Line with the Trustees' Policy?

Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we were disappointed with the lack of engagement details at fund level.

## JP Morgan

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Infrastructure Investments Fund	-	-	-	-	-	-	-	-	-

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>The following is a description of the manager's engagement policy, as set out in their 2023 Investment Stewardship Report:</p> <p>'Engaging investee companies in dialogue and encouraging sound environmental, social and governance (ESG) practices is an important component of how we deliver our investment stewardship strategy. Our engagement is based on our in-depth investment research on companies, alongside our assessment of macroeconomic drivers, sector-specific factors and financially material ESG themes.</p> <p>This research insight enables us to act proactively and encourage investee companies to acknowledge issues and improve practices before risks are realized and opportunities are missed. This is how we seek to drive impact in our investment stewardship activity and advocate for sound practices at our investee companies. We believe this will ultimately preserve and enhance asset value.</p> <p>Our engagement is based on these four principles:</p> <ul style="list-style-type: none"> <li>• <b>Intentionality:</b> We are determined to act in the best interests of our clients by encouraging investee companies to focus on prudent allocation of capital and long-term value creation.</li> <li>• <b>Materiality:</b> We strive to understand how factors impacting sustainability are financially significant to individual companies over time, understanding that the regions, cultures, and organizations in which we invest differ greatly.</li> <li>• <b>Additionality:</b> We focus on strategic issues that are most urgently in need of our involvement in order to deliver better long-term returns to our clients. We believe that as large investors, we have the ability to put our resources to work towards achieving the outcomes we seek on behalf of our clients.</li> </ul>

	<ul style="list-style-type: none"> <li>• Transparency: We seek to be clear about the investment stewardship work we do and take steps to be transparent to our stakeholders, as we expect the same from investee companies.</li> </ul> <p>(...) We have identified six Investment Stewardship Priorities that we believe can be broadly applied in our engagement efforts and will remain relevant through market cycles. These priorities address the ESG issues that pose the most significant long-term material financial risks to our investments, while also presenting the greatest opportunities. Engaging on these topics is therefore important to delivering value to our clients.</p> <ol style="list-style-type: none"> <li>1) Climate change</li> <li>2) Natural capital and ecosystems</li> <li>3) Human capital management</li> <li>4) Stakeholder engagement</li> <li>5) Governance</li> <li>6) Strategy alignment with the long term</li> </ol>
<p>Additional information on Engagements provided by the Manager</p>	<p>At the time of writing this report, there was no additional information available on engagements undertaken on investments in the fund during the Scheme's holding period.</p>
<p>Comparison of the Manager's Engagement Activity vs the Trustees' Policy</p>	<p>Information received from Fund Manager:</p> <p><i>'Please note, the fund managers have stated that they do not produce ESG information for property or infrastructure funds.'</i></p> <p>Information regarding this fund has been previously provided by its manager. Accordingly, we have requested confirmation from Mobius. As of the date of this report, no response has been received.</p>
<p>Is Engagement Activity in Line with the Trustees' Policy?</p>	<p><b>The Manager did not provide the information, therefore we were unable to assess whether the engagement activities are consistent with the Manager's stated engagement approach and the Scheme's approach.</b></p>

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Global Equity Fixed Weights (50:50) Index Fund	01/01/2024	31/12/2024	2,667	52.7%	18.0%	17.5%	8.0%	Not Stated	Not Stated
Infrastructure Equity MFG Fund - GBP Currency Hedged	01/01/2024	21/03/2024	20	50.0%	0.0%	30.0%	20.0%	Not Stated	Not Stated
World (ex-UK) Equity Index Fund - GBP Currency Hedged	01/01/2024	31/12/2024	2,205	59.1%	18.1%	18.2%	4.5%	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"> <li>1. Identify the most material ESG issues</li> <li>2. Formulate a strategy</li> <li>3. Enhance the power of engagement (e.g., through public statements)</li> <li>4. Collaborate with other stakeholders and policymakers</li> <li>5. Vote</li> <li>6. Report to shareholders</li> </ol> <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"> <li>1. Climate: Keeping 1.5°C alive</li> <li>2. Nature: Supporting a world that lives in harmony with nature, recognising the economic value of natural capital</li> <li>3. People: Improving human capital across the corporate value chain</li> <li>4. Health: Safeguarding global health to limit negative consequences for the global economy</li> <li>5. Governance: Strengthening accountability to deliver stakeholder value</li> <li>6. Digitisation: Establishing minimum standards for how companies manage digitisation-related risks</li> </ol>
Additional information on engagements	<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>

provided by the Manager	<ul style="list-style-type: none"> <li>engagement objectives</li> <li>collaborative engagements</li> <li>process for escalating ineffective engagement and</li> <li>whether any fintech solution was used to facilitate engagement</li> </ul>
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 Infrastructure Equity MFG Fund - GBP Currency Hedged Fund:</p> <p><b><u>12/11/2024 – Southern Co/The – Governance-themed Engagement Activity</u></b></p> <p><i>Engagement Type: 'Face-to-face'.</i></p> <p><i>Issue Theme: 'Environmental – Climate Change.'</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 Trustees' Policy?	<p><b>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we are disappointed with the lack of details provided in relation to the engagement activity undertaken.</b></p>

## M&G

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Total Return Credit Investment Fund	09/04/2024	31/12/2024	6	83.3%	0.0%	16.7%	0.0%	83.3%	16.7%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>M&amp;G's approach to engagement is set out in their '<a href="#">Engagement Policy</a>'. M&amp;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>

To gain insight, establish relationships and/or to influence and affect change M&G undertake the following measures:

- arranging regular meetings with executive management, the chair and/or other non-executive directors
- daily monitoring of company announcements
- reviewing company results (annual and interim)
- reviewing external research materials (eg, broker research reports)
- attending company site visits and capital markets days for investors
- attending broker meetings to discuss investment recommendations
- engaging in specific discussions with companies on material topics, including: strategy, performance and non-financial matters (including environmental, social and corporate governance factors; capital structures; board performance and understanding how boards are fulfilling their responsibilities; succession planning; remuneration; and culture)
- attending company engagement / corporate governance meetings (arranged by companies to enhance the engagement process and provide a forum for governance and responsible investment subjects to be discussed)
- meetings with remuneration committee chairs (in particular where the company is reviewing its remuneration policy, or prior to general meetings where sensitive or contentious resolutions are being put to a shareholder vote)
- corresponding with non-executive directors in instances where issues have been raised with management, but where progress on these issues is inadequate
- maintaining a record of all interactions with companies

From M&G's most recent Annual Stewardship Report the manager has identified the following as their key engagement topics:

- Leadership & Governance
- Environment
- Business Model and Innovation
- Social Capital
- Human Capital

**Additional  
information on  
Engagements  
provided by the  
Manager**

Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:

- engagement objectives
- collaborative engagements
- process for escalating ineffective engagement and
- whether any fintech solution was used to facilitate engagement

An example of a reported engagement for the Total Return Credit Investment Fund is:

**30/10/2024 – HSBC HOLDINGS PLC – Governance – themed Engagement**

**Engagement Objective:** *'To ask HSBC to consider some changes to financial metrics in executive remuneration and to provide feedback on the overall structure.'*

**Action Taken:** *'M&G held a call with the chair of the remuneration committee.'*

**Engagement Result:** *'HSBC is considering changes to its executive remuneration policy in light of the removal of the 2:1 variable to fixed pay cap, to rebase the overall structure and ensure the overall remuneration package is competitive. The cap was first introduced in 2014 by the EU in response to the financial crisis in 2008 and removed in the UK in October 2023. The proposal around re-introducing the pre-2014 structure of the annual bonus and long term incentive scheme for both the CEO and CFO seem sensible. In terms of the performance measures, we suggested cutting back on the number of metrics used, and when considering the changes being proposed to metrics, they should reflect what the strategy of the business is. We did agree that bringing in financed emission targets as soon as possible is the right thing to do, although the bank is not yet ready to do so.'*

*The bank will report back on its consultation in the New Year.'*

**Engagement Status:** *'Follow Up Planned'*.

Comparison of the  
Manager's  
Engagement  
Activity vs the  
Trustees' Policy

Is Engagement  
Activity in Line  
with the Trustees'  
Policy?

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

# Vontobel

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Ongoing
TwentyFour Strategic Income Fund	01/01/24	31/12/24	12	66.7%	8.3%	16.7%	8.3%	0.0%	100.0%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>TwentyFour have made the following statement in terms of their approach towards engagement activity:</p> <p><i>'The decision to engage with the management of an investee company is primarily based on what TwentyFour investment professionals believe will maximise bondholder value in the long-term, specifically the value of its clients' investments.</i></p> <p><i>TwentyFour's investment professionals may engage with company management on a variety of issues, including ESG matters that present a potential material risk to a company's financial performance. The Firm believes that its investment professionals are in the best position to evaluate the potential impact that ESG issues or the outcome of a given proposal will have on bondholder value. As such, all of the Firm's engagement activities are the responsibility of investment professionals and are fully integrated into its investment process.</i></p> <p><i>TwentyFour engages with the company management through periodic meetings, visits, and telephone calls during which Firm investment professionals discuss and pose questions on operational, strategic, and other management issues.</i></p> <p><i>TwentyFour's investment professionals communicate internally on the status of engagement activities and any outcomes arising.</i></p> <p><i>As a fixed income company TwentyFour's proxy voting rights are limited.'</i></p>
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"> <li>• engagement objectives</li> <li>• collaborative engagements</li> <li>• process for escalating ineffective engagement and</li> <li>• whether any fintech solution was used to facilitate engagement</li> </ul>
Comparison of the Manager's	<p>The following example of an engagement activity undertaken in the Strategic Income Fund was provided by the manager</p>

Engagement Activity vs the Trustees' Policy

**10/01/2024 - NatWest - Environmental-themed Engagement**

**Engagement Details:** 'We engaged with NatWest for more information on their environmental policies as part of our Carbon Emissions Engagement Policy. We were particularly focused on their green product offering and the decarbonisation of their AUM'.

**Engagement Outcome:** 'NatWest have a target to provide £100 billion of climate and sustainable funding and financing between 1 July 2021 and the end of 2025. As part of this they aim to provide at least £10 billion in lending for EPC A and B rated residential properties between 1 January 2023 and the end of 2025. During H1 2023 they provided £16.0 billion of climate and sustainable funding and financing, which included £2.3 billion in lending for residential properties with EPC ratings A and B.

Additionally, NatWest have expanded their operational net zero target to now include emissions reduction targets for their operational value chain targeting a 50% reduction by 2030 (not just own operations). Regarding their AUM they have a target to reduce the carbon intensity by 50% for in scope assets by 2025 from a 2019 baseline. NatWest also plan to move 70% of in scope AUM to a net zero trajectory by 2025.'

**Issue Status:** 'Ongoing'.

Is Engagement Activity in Line with the Trustees' Policy?

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

**Minerva Says**

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

# 9 Conclusions

## 9.1 Assessment of Compliance

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

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

**Table 9.1: Summary Assessment of Compliance**

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	<u>YES</u>	N/A	YES	<u>COMPLIANT</u> AN ISSUE EXISTS
BlackRock	Up To 5 Year Corporate Bond Index Fund	N.I.R	N.I.R	<u>YES</u>	N/A	YES	<u>COMPLIANT</u> AN ISSUE EXISTS
Columbia Threadneedle	Global Equity-Linked Inflation Fund	N.I.R	N.I.R	<u>YES</u>	N/A	YES	<u>COMPLIANT</u> AN ISSUE EXISTS
	Overseas Equity-Linked Inflation Fund	N.I.R	N.I.R	<u>YES</u>	N/A	YES	<u>COMPLIANT</u> AN ISSUE EXISTS
	UK Equity-Linked Inflation Fund	N.I.R	N.I.R	<u>YES</u>	N/A	YES	<u>COMPLIANT</u> AN ISSUE EXISTS
JP Morgan**	Infrastructure Investments Fund	N.I.R	N.I.R	N.I.P	N/A	YES	N.I.P
LGIM*	Global Equity Fixed Weights (50:50) Index Fund	YES	YES	<u>YES</u>	ISS		<u>COMPLIANT</u> AN ISSUE EXISTS
	Infrastructure Equity MFG Fund - GBP Currency Hedged	YES	YES	<u>YES</u>	ISS		<u>COMPLIANT</u> AN ISSUE EXISTS
	Matching Core Funds (4 funds)	N.I.R	N.I.R	N.I.R	N/A	YES	N.I.R
	World (ex-UK) Equity Index Fund - GBP Currency Hedged	YES	YES	<u>YES</u>	ISS		<u>COMPLIANT</u> AN ISSUE EXISTS
M&G	Total Return Credit Investment Fund	N.I.R	N.I.R	<u>YES</u>	N/A	YES	<u>COMPLIANT</u> AN ISSUE EXISTS
Vontobel	TwentyFour Strategic Income Fund	N.I.R	N.I.R	YES	N/A	YES	COMPLIANT

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

\*\* Mobius have stated that Fund Managers do not produce ESG information for property or infrastructure funds.

## Table Key

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

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

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

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

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

## Minerva Says

### Overall Assessment:

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

### Notes

- 1) The preceding table shows that Minerva has been able to determine that:
  - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are broadly in step with the Scheme's expectations
  - For the managers where Engagement information was available, their overall approaches are also broadly in step with the Scheme's requirements
- 2) All of the Scheme's investment managers are signatories to the UK Stewardship Code.
- 3) Most of the information provided by the Scheme's managers covered the reporting periods.
- 4) We remain disappointed with a number of the Scheme's managers in terms of limited engagement information provided.

## LGIM Information Disclaimer

- i. Carbon dioxide equivalent (CO<sub>2</sub>e) 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 CO<sub>2</sub>e/GDP, Carbon Emissions Footprint uses: CO<sub>2</sub>e/Total Capital Stock.
- ix. The carbon reserves intensity of a company captures the relationship between the carbon reserves the company owns and its market capitalisation. The carbon reserves intensity of the overall benchmark reflects the relative weights of the different companies in the benchmark.
- x. Green revenues % represents the proportion of revenues derived from low-carbon products and services associated with the benchmark, from the companies in the benchmark that have disclosed this as a separate data point.
- xi. Engagement figures do not include data on engagement activities with national or local governments, government related issuers, or similar international bodies with the power to issue debt securities.
- xii. LGIM's temperature alignment methodology computes the contribution of a company's activities towards climate change. It delivers an specific temperature value that signifies which climate scenario (e.g.3°C, 1.5°C etc.) the company's activities are currently aligned with. The implied temperature alignment is computed as a weighted aggregate of the company-level warming potential.

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

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

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