

Just Rollers Plc Pension Scheme ('the Scheme') – Implementation Statement 6th April 2023 – 5th April 2024

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

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

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

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

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

A summary of the key points is set out below.

BlackRock

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

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

BNY Mellon

The manager confirmed they do not have a formal proxy voting policy for bond investments. In instances where bonds have voting rights, typically in relation to corporate actions, a case-by-case approach to determine the votes to cast is adopted. Given the nature of the investments in this fund, Minerva has concluded that the manager's approach is in the best financial interest of the Scheme beneficiaries. BNY Mellon provided a summarised voting record, although this was not in line with the Scheme's reporting period. From this, Minerva was able to confirm that the manager's voting activity was in line with the Trustees' policy.

BNY Mellon 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 the manager's own engagement approach, and so complies with the Scheme's approach.

Columbia Threadneedle ('CT')

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

CT provided summarised firm-level information on engagements that was not in line with the Scheme's reporting period. Despite this, Minerva was able to confirm that the activity appeared to

broadly comply with the manager's own engagement approach, and so complies with the Scheme's approach.

Legal and General Investment Management ('LGIM')

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

In relation to the Investment Grade Corporate Bond All Stocks Index Fund, LGIM confirmed they do not have a formal proxy voting policy for bond investments. In instances where bonds have voting rights, typically in relation to corporate actions, a case-by-case approach to determine the votes to cast is adopted. Given the nature of the investments in this Fund, Minerva concluded that the manager's approach is in the best financial interest of the Scheme beneficiaries.

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

Vontobel

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

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

Annuities

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

Final Comments

BNY Mellon and Vontobel have continued to provide good levels of information.

In line with last year, further improvements are needed from CT and LGIM to provide information in line with the Scheme's reporting period.

CT, LGIM and BlackRock could all improve their responses by providing more detail on engagements. Further improvement is also needed from CT to provide fund-level, rather than firm-level engagement.

Just Rollers Plc Pension Scheme

Dalriada Trustees Limited

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

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

18th July 2024

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1 SIP Disclosures

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

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

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

Source of Information:

*Just Rollers Plc Pension Scheme
Statement of Investment Principles
September 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. It believes that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes that it is investing in.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest through pooled funds. The Trustees acknowledge that it cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest. However, the Trustees does 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 policies on socially responsible investment. The Trustees will assess that this corresponds with its responsibilities to the beneficiaries of the Scheme with the help of its investment consultant.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new managers and these policies are also reviewed regularly for existing managers with the help of the investment consultant. The 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 monitor financially material considerations through the following means:

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

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

1.2 Non-Financial Considerations

The 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. The Trustees acknowledge that the fund's investment strategy and decisions cannot be tailored to the Trustees policies. However, the Trustees set their investment strategy and then selects managers that best suits its strategy taking into account the fees being charged, which acts as the investment managers' incentive.

The Trustees use the fund objective/benchmark as a guide on whether the Scheme's investment strategy is being followed and monitors this regularly.

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

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

The Trustees also consider each managers' voting and ESG policies and how they engage with the investee companies as it believes that these factors can improve the medium to long-term performance of the investee companies.

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

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

The Trustees believe the annual fees paid to the investment managers incentivises them to execute their investment policies consistently, as the longer the units are held the larger income to the investment manager.

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, it will use these factors in deciding whether to retain or terminate a manager.

How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the 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 individual funds over at least a 3-5 year period or over a market cycle, if appropriate, 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 a percentage of the assets held in each fund so the amount each manager receives is based upon the value of assets held with them. The remuneration paid out by the Scheme will depend upon the asset allocation. The charges are considered as part of the manager selection process. The charges are monitored regularly with the help of the investment consultant to ensure they are in line with the Trustees policies for each fund. The Trustees believe that its own and each investment manager's goals are aligned.

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

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

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

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

The duration of the arrangement with the investment managers

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

Changes in investment strategy or change in the view of an investment manager can lead to the duration of the arrangement being shorter than expected.

2 Sourcing of Voting and Engagement Information

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

Table 2.1: Summary of Available Information

Fund Manager	Investment Fund/Product	Voting Information	Significant Votes	Engagement Information
BlackRock	Aquila Life Up To 5 Year Corporate Bond Index Fund	No Info to Report	No Info to Report	Part Info Available
BNY Mellon (Newton)	Global Dynamic Bond Fund	Part Info Available	No Info to Report	Full Info Available
Columbia Threadneedle	Threadneedle Pensions Property Fund	No Info to Report	No Info to Report	Part Info Available
	Dynamic Diversified Fund	Part Info Available	Full Info Available	Part Info Available
LGIM*	Investment Grade Corporate Bond All Stocks Index Fund	Part Info Available	No Info to Report	Part Info Available
	LDI Matching Core Fund (4 funds)	No Info to Report	No Info to Report	No Info to Report
Vontobel	TwentyFour Strategic Income Fund	No Info to Report	No Info to Report	Full Info Available

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

Table Key

- Full Info Available** The manager has provided either a PLSA Voting Template or voting data that **precisely** matches the specific investment’s holding / reporting period
- Part Info Available** The manager has provided either a PLSA Voting Template or voting data that **partially** matches the specific investment’s holding / reporting period
- No Info to Report** The manager has explicitly stated that there is no voting or engagement information to report for this specific investment or that it is not expected there will be any voting or engagement information to report due to the nature of the underlying investments
- No Info Provided** At the time of preparing this report, the manager has either not formally responded to the information request or has not provided information when we believe there should be information to report



Minerva Says:

Voting Activity

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

- BNY Mellon (Newton) Global Dynamic Bond Fund
- LGIM Dynamic Diversified Fund
- LGIM Investment Grade Corporate Bond All Stocks Index Fund

Significant Votes

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

- LGIM Dynamic Diversified Fund

Engagement Activity

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

- BlackRock Aquila Life Up To 5 Year Corporate Bond Index Fund
- BNY Mellon (Newton) Global Dynamic Bond Fund
- Columbia Threadneedle Pensions Property Fund
- LGIM Dynamic Diversified Fund
- LGIM Investment Grade Corporate Bond All Stocks Index Fund
- Vontobel TwentyFour Strategic Income Fund

3 Voting and Engagement

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

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

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

3.1 Voting and Engagement Policy and Funds

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

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

The investment managers 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 its investment consultant, and decide if they are appropriate.

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

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

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

The following table sets out:

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

Table 3.1: Scheme Investment/Product Information

Fund Manager	Investment Fund/Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
BlackRock	Aquila Up To 5 Year Corporate Bond Index Fund	Mobius Platform	DB Fund	06/04/23	05/04/24	N/A
BNY Mellon (Newton)	Global Dynamic Bond Fund	Mobius Platform	DB Fund	06/04/23	05/04/24	N/A
Columbia Threadneedle	Threadneedle Pensions Property Fund	Mobius Platform	DB Fund	06/04/23	05/04/24	N/A
	Dynamic Diversified Fund	Mobius Platform	DB Fund	06/04/23	05/04/24	ISS
LGIM	Investment Grade Corporate Bond All Stocks Index Fund	Mobius Platform	DB Fund	06/04/23	05/04/24	N/A
	LDI Matching Core Fund (4 funds)	Mobius Platform	DB Fund	06/04/23	05/04/24	N/A
Vontobel	TwentyFour Strategic Income Fund	Mobius Platform	DB Fund	06/04/23	05/04/24	N/A

Minerva Says

As shown in the table above:

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

4 Exercise of Voting Rights

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

Table 4.1: BNY Mellon's Approach to Voting

Asset manager	BNY Mellon (Newton)
Relevant Scheme Investment(s)	Global Dynamic Bond Fund
Key Points of Manager's Voting Policy	Newton have confirmed to us that they do not have a formal bond voting policy as such. Typically, bonds do not have the same kind of voting rights associated with them as listed equities. Any votes cast tend to be in relation to corporate actions that require a case-by-case approach to determine the votes to cast.
Is Voting Activity in Line with the Scheme's Policy?	Yes By voting in the specific manner that they have in relation to corporate actions on investments, we believe that the manager is doing so in the best financial interests of the Scheme beneficiaries.

Table 4.2: LGIM's Approach to Voting

Asset manager	LGIM (Legal & General Investment Management)
Relevant Scheme Investment(s)	Dynamic Diversified Fund <i>(N.B. – Whilst the Investment Grade Corporate Bond All Stocks Index Fund has some voting activity reported, this relates to corporate actions in fixed interest investments, and so this activity is not applicable in the context of the managers listed equity voting policy)</i>
Key Points of Manager's Voting Policy	LGIM's latest Corporate Governance and Responsible Investing Policy sets out what the manager considers to be corporate governance best practice. It explains their expectations with respect to topics they believe are essential for an efficient governance framework, and for building a sustainable business model. LGIM have this to say in terms of their overall approach:

When developing our policies, we consider broader global guidelines and principles, such as those provided by the United Nations Global Compact, OECD and ILO conventions and recommendations, as well as local market regulatory expectations. We expect all companies to closely align with our principles, or to engage with us when exceptional circumstances prevent them from doing so. Although there is no 'one-size-fits-all' solution to building a sustainable business model, we look for companies we invest in to demonstrate that sustainability is effectively integrated into their long-term strategy and their daily operations. Companies should aim to minimise any negative impacts their businesses have on the environment, while innovating to find better solutions. Their strategies should include ways to make a positive impact on society, embrace the value of their workforce and supply chains and deliver positive long-term returns to shareholders.

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

#	Policy Area	Example of Topics Covered
1	Company Board	Board Leadership, Board Independence, Board Diversity, Succession Planning and Board Evaluation
2	Audit, Risk & Internal Control	External Audit, Internal Audit and Whistleblowing
3	Remuneration	Fixed Remuneration, Incentive Arrangements and Service Contracts and Termination Payments
4	Shareholder & Bondholder Rights	Voting Rights and Share-class Structures, Shareholder Proposals and Political Donations
5	Sustainability	Material ESG Risks & Opportunities, Target Setting, Public Disclosure and Engagement

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

Yes

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

Minerva Says

- Newton have confirmed that they do not have a formal bond voting policy.
- 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
BNY Mellon (Newton)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comments	Newton have confirmed that they do not have a formal bond voting policy. Typically, bonds do not have the same kind of voting rights associated with them as listed equities. Any votes cast tend to be in relation to corporate actions that require a case-by-case approach to determine the votes to cast.						
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
Comments	LGIM's voting policy and disclosures broadly comply with the ICGN Voting Guidelines Principles and good corporate governance practices.						

Table Key

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



Minerva Says

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

- BNY Mellon (Newton) confirmed that they do not have a formal voting policy for bond investments.
- LGIM's public voting policy is, in our view, broadly in line with good practice, and is what we would expect to see from such a large asset steward.

6 Manager Voting Behaviour

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

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

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
BNY Mellon (Newton)	Global Dynamic Bond Fund	1	8	0.0%	0.0%	0.0%	0.0%
	Comments						
	The manager provided a summarised voting record for the Global Dynamic Bond Fund covering the period from 01/04/2023 to 31/03/2024, rather than for the Scheme's investment holding period.						
	From the summarised information provided, we can see that the manager did not vote where they were eligible to vote. Set out below is the comment provided by the manager to support their action: <i>'We actively decided not to vote at one of the meetings we were eligible to vote at - the iShares IV plc - iShares China CNY Bond UCITS ETF. This decision was made as the custodian would have 'blocked' the underlying security which means if we want to trade the holding, it has to be re-registered therefore reducing our ability to freely trade. In the case of this vote, the resolution was not sufficiently contentious to warrant voting against and nor was our support required - therefore, we took an active decision not to vote in order to permit us to be able to trade the holdings freely during the vote period.'</i>						
LGIM	Dynamic Diversified Fund	9,651	98,900	99.8%	76.7%	23.1%	0.2%
	Investment Grade Corporate Bond All Stocks Index Fund	2	2	100.0%	100.0%	0.0%	0.0%
	Comments						
The manager provided summarised voting records for the 2 funds shown above covering the period from 01/04/23 to 31/03/24, rather than for the Scheme's investment holding period (the manager is unable to provide bespoke client investment holding period reporting).							

From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for the Funds, which is in line with the Trustees' expectations of their 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 managers 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	Dynamic Diversified Fund	Aflac Incorporated	01/05/23	0.02%	Resolution 1a - Elect Director Daniel P. Amos	Against (against management recommendation)	98.3% of votes cast were in support of the resolution
Why a ‘Significant Vote?’							
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). Thematic - Investor Rights: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of one-share one-vote and our support for equality of voting rights.							
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. Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

Company Board

Audit, Risk & Internal Control

Remuneration

Shareholder & Bondholder Rights

Sustainability

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Shell Plc	23/05/23	0.28%	Resolution 25 - Approve the Shell Energy Transition Progress	Against (against management recommendation)	80% of votes cast were in support of the resolution

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 of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Manager's Vote Rationale:

Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.

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

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

Next Steps / Implications of the Outcome:

LGIM continues to undertake extensive engagement with Shell on its climate transition plans.

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	Dynamic Diversified Fund	AAON, Inc.	16/05/23	Less than 0.01%	Resolution 1.2 - Elect Director Stephen O. LeClair.	Against (against management recommendation)	86.8% of votes cast were in support of the resolution

Why a 'Significant Vote'?

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

Manager's Vote Rationale:

Remuneration - Accountability - Escalation: A vote against is applied as LGIM has had concerns with the remuneration practices for the past year. Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis. 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 the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Next Steps / Implications of the Outcome:

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

Relevance to Manager's Stated Policy:

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Dominion Energy, Inc.	10/05/23	0.09%	Resolution 1H - Elect Director Pamela J. Royal	Against (against management recommendation)	83.2% of votes cast were in support of the resolution
Why a 'Significant Vote?'							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager's Vote Rationale:							
Diversity: A vote against is applied as LGIM expects a company to have 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 the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	Sustainability

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Dynamic Diversified Fund	Public Storage	02/05/23	0.17%	Resolution 5 - Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For (against management recommendation)	34.7% of votes cast were in support of the resolution

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 - Climate change: A vote in favour is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.

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

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

Next Steps / Implications of the Outcome:

LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.

Relevance to Manager's Stated Policy:

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



Minerva Says

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

8 Manager Engagement Information

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

The investment managers 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 its investment consultant, and decide if they are appropriate.

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

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

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

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

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
BlackRock	YES	FUND	YES	The manager provided basic fund level information covering the Scheme's reporting period
BNY Mellon (Newton)	YES	FUND	YES	The manager provided detailed fund level engagement information covering the Scheme's reporting period
Columbia Threadneedle	YES	FIRM	PART	The manager provided summarised firm level information for the period from 01/01/23 to 31/12/23 rather than for the Scheme's specific reporting period
LGIM	YES	FUND	PART	The manager provided basic fund level information for the period from 01/04/23 to 31/03/24 , rather than for the Scheme's specific reporting period
Vontobel (TwentyFour)	YES	FUND	YES	The manager provided detailed fund level engagement information covering the Scheme's reporting period

Table Key

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

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

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

BlackRock

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Aquila Life Up To 5 Year Corporate Bond Index Fund	06/04/23	05/04/24	294	24.5%	23.8%	51.7%	0.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager’s Engagement Policy	<p>BlackRock explains their approach to engagement in their Investment Stewardship, Engagement Priorities Summary document:</p> <p><i>‘BIS takes a constructive, long-term approach to our engagement with companies and focuses on the management and oversight of the drivers of risk and financial value creation in a company’s business model. Engagement is core to our stewardship efforts as it provides us with the opportunity to improve our understanding of a company’s business model and the risks and opportunities that are material to how they create financial value. Engagement may also inform our voting decisions for those clients who have given us authority to vote on their behalf, particularly on issues where company disclosures are not sufficiently clear or complete, or management’s approach seems misaligned with the financial interests of long-term shareholders.’</i></p> <p>BlackRock’s Engagement Priorities:</p> <ol style="list-style-type: none"> 1. Board quality and effectiveness- quality leadership, board composition, effectiveness, diversity and accountability 2. Strategy, purpose, and financial resilience- <i>‘Clear purpose supports a clear sense of direction in corporate leadership, and helps companies to compete, navigate short-term challenges, and achieve long-term growth.’</i> 3. Incentives aligned with financial value creation- Appropriate incentivizing and rewarding executives for the successful delivery of strategic goals and financial outperformance against peers drives financial long-term value creation 4. Climate and natural capital- <i>‘BlackRock’s approach to climate-related risk, and the opportunities presented by the low-carbon transition, is based on our fundamental role as a fiduciary to our clients. Our role is to help our clients navigate investment risks and opportunities; it is not our role to engineer a specific decarbonization outcome in the real economy. The management of nature-related risks and opportunities is a component of the ability to generate long-term financial returns for companies whose strategies or supply chains are materially reliant on natural capital. For these companies, we look for disclosures to assess risk oversight and to understand how nature-related impacts and dependencies are considered within the company’s strategy.’</i>

	5. Company impacts on people- 'BIS focuses on understanding the effectiveness of boards and management in ensuring a company has the workforce necessary for delivering long-term financial performance. BIS looks to companies to demonstrate a robust approach to human capital management (HCM) and provide shareholders with the necessary information to understand how the approach taken aligns with the company's stated strategy and business model. BIS engages with companies on how they manage the human rights issues that are material to their businesses and monitor the effectiveness of their human rights practices on a best-efforts basis.'
Additional information on Engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> engagement objectives collaborative engagements process for escalating ineffective engagement and whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustees' policy	<p>An example of a reported engagement for the Aquila Life Up To 5 Year Corporate Bond Index Fund is shown below:</p> <p><u>29/11/23 – Citigroup Inc – Engagement on Environmental, Social and Governance Issues</u></p> <p><u>Engagement Method:</u> Video</p> <p><u>Engagement Details:</u></p> <p><i>Environmental = Climate Risk Management / Other company impacts on the environment</i> <i>Governance = Board Composition and Effectiveness / Business Oversight & Risk Management / Corporate Strategy / Executive Management / Governance Structure / Remuneration / Sustainability Reporting; and</i> <i>Social = Human Capital Management / Social Risks & Opportunities</i></p> <p><u>Engagement Outcome:</u> Not stated.</p>
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 information relating to engagements undertaken at fund level.

BNY Mellon				Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Fund(s)	Period Start	Period End	No. of Engagements						
Newton Global Dynamic Bond Fund	06/04/23	05/04/24	3	66.6%	0.0%	33.3%	0.0%	0%	100%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>BNY states in its latest stewardship policy disclosure statement that each of the investment managers has its own unique engagement policy with issuers in all of the jurisdictions in which they invest. Accordingly, Newton's 'Stewardship and Sustainability Policy' from August 2023 has the following to say with regards the manager's engagement approach:</p> <p><i>'As an active steward, Newton is committed to the responsible allocation, management and oversight of capital to create long-term economic value for our clients.'</i></p> <p><i>'Our core approach to investing is about engagement rather than exclusion, and about trying to make a real-world impact in pursuit of our clients' best long-term economic interests. We prefer to engage with companies and help them to change their practices or business models where appropriate, rather than using divestment as the only option.'</i></p> <p><i>'We emphasise continuing engagement with issuers centred on purposeful dialogue as we seek to add value or to reduce risk for an investment. Clear objectives requiring actionable change by the issuer are set for each of our engagements, against which we can track and measure progress. Our focused engagements are distinct from investment research and information gathering, although the latter remains a principal element of our active investment approach. Issuers are prioritised for engagement based on a combination of factors that include the materiality of the issues to be raised, our likelihood to meaningfully engage, the aggregated amount of our invested interest and, where relevant, our past engagement and voting activity. Our investment teams act as stewards and participate in engagements alongside the responsible investment team.'</i></p> <p>In their Stewardship and Sustainability Policy, the manager identified the following key engagement themes:</p> <ul style="list-style-type: none"> ▪ Environmental: Biodiversity / Climate / Pollution / Product Life Cycle / Water ▪ Social: Human Rights / Human Capital Management / Tax • Governance: Board Leadership / Capital Management / Related-party Transactions / Reporting & Audit / Executive Pay / Transparency, Accountability & Shareholders Rights
Additional information on Engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustees' policy	<p>An example of a reported engagement for the Global Dynamic Bond Fund is:</p> <p><u>07/10/23 – Iceland Bondco Plc – Engagement on Governance Issues</u></p> <p>ESG Factor: Board diversity</p> <p>Engagement Goal: <i>'To increase the size/diversity of the board by adding independent members.'</i></p>

	<p>Engagement Activity: 'We have specifically been asking for Iceland to add an independent board member as previously it has been family controlled.'</p> <p>Engagement Outcome: 'While the company has added a non-family member there are doubts if there are truly independent. It should also be noted that the new board member has been convicted in due breach of his fiduciary duties at previous company. Clearly this raises concerns of his suitability as a board member / involvement with the Audit committee.'</p> <p>Objective Status: Ongoing.</p> <p>Next Steps: 'Continue to ask Iceland to add truly independent board members, monitor progress with current board members.'</p>
Is Engagement Activity in Line with the Trustees' Policy?	<p>The engagement activity is consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.</p>

Columbia Threadneedle

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Only firm level engagement info provided	01/01/23	31/12/23	2,135	27.7%	25.6%	34.5%	12.2%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>Columbia Threadneedle's general approach to engagement is set out in their 'Responsible Investment Engagement Policy':</p> <p>'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 (RI) engagement with issuers is an important part of our investment approach. Active ownership enhances insights, encourages change, and helps create future value. In addition, we believe that engagement on environmental, social, and governance issues can have a positive impact on corporate performance and investment returns, as well as on society or the environment. We define engagement for the purposes of this policy as having constructive dialogue with issuers on environmental, social and governance (ESG) risks that could have a material negative impact on their businesses and, where necessary, encouraging improvement in ESG management practices. Our purpose with engagement is to support long-term investment returns by mitigating risk, capitalising on opportunities linked to ESG factors, and reducing any material negative impact that our investment decisions could have on these factors. We believe that we can play a part in building a more sustainable and resilient global economy by encouraging issuers to improve their ESG practices. This can also help drive positive impacts for the environment and society that are in line with the achievement of the United Nations Sustainable Development Goals (SDGs).'</p>

'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 bring about change, we may form or join coalitions with other investors, non-governmental organisations (NGOs) or industry groups, whilst ensuring that we adhere to all applicable anti-trust competition legal and regulatory requirements and any other applicable limitations when doing so. (...) Speaking with a unified voice can allow investors to communicate their concerns more effectively, whilst gaining power and legitimacy from the perspective of corporate management. Furthermore, collaborations can help build knowledge and skills whilst enhancing engagement efficiency. We are a member of several investor coalitions actively pursuing collaborative engagements. We engage at different levels within issuers depending on the nature of our Objectives, including with the board, executive management, investor relations, sustainability leadership, and operational specialists.'

They have identified the following specific engagement priorities/themes:

'Our engagements focus on financial performance, sustainability risks and opportunities, operational excellence, capital allocation policies and managerial incentives, among other topics. Collaboration across asset classes and thematic and sectoral disciplines ensures an informed approach. Our engagement programme is structured around seven high level themes:

- *Climate change*
- *Environmental stewardship, including biodiversity*
- *Labour standards*
- *Human rights*
- *Public health*
- *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.'

Additional information on Engagements provided by the Manager

Whilst the manager provided a list of engagements undertaken on investments in the period shown above, 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 firm-level engagement activity was provided by the manager:

2023 – CoStar Group Inc – Governance and Environment-related Engagement

Engagement Details: *'CoStar is a US based company within the professional services industry. We reached out to the company ahead of the AGM to discuss the company's board composition, as we consider them to have excessive tenure with an average board tenure of 16 years vs our threshold of 13 years. Their last director was added in 2019. The company also received a shareholder proposal on adopting GHG emissions reduction targets aligned with Paris Agreement Goals – we discussed their approach to addressing the concerns raised by the proponent.*

The company emphasized they are looking to add new directors as well as update the mandates of the Gov. Committee by adding more responsibilities and incorporating an additional level of scrutiny, a gap analysis on skills, when assessing the board quality to inform their board refreshment. Regarding the shareholder

proposal, while the company had begun its first steps in disclosing on climate risk mitigation, as it released its first emissions report in February and added ESG responsibilities to the board in December, we expressed that given their lack of reduction targets (failing our Net Zero Model expectations), they lag their peers. The company noted they were likely to move towards setting targets—the ask of the proposal—but also expressed hesitations. We underscored that companies should improve their public disclosure and strategy setting in relation to climate change in a timely manner and signalled we would likely support the proposal.’

Engagement Outcomes: ‘Two days after our engagement, the company signed a public commitment letter to set near term and long-term science-based greenhouse gas emission reduction targets in accordance with Science Based Targets Initiative (SBTi). We believe the company demonstrated receptivity to our feedback on climate risk disclosure in subsequently signing the SBTi commitment letter. After our dialogue with the company, we voted against two heavily tenured directors, one serving CoStar for 36 years and another serving CoStar for 21 years, as they also lead two key committees. We will continue to monitor the evolution of the board composition and the mandates of the Gov. Committee.’

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 information relating to engagements undertaken at fund level.

LGIM

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Dynamic Diversified Fund	06/04/23	31/03/24	2,136	61.5%	10.3%	22.8%	5.4%	Not Stated	Not Stated
Investment Grade Corporate Bond All Stocks Index Fund	06/04/23	31/03/24	380	35.3%	9.5%	35.3%	20.0%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager’s Engagement Policy	<p>LGIM’s Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1) Identify the most material ESG issues 2) Formulate a strategy 3) Enhance the power of engagement (e.g., through public statements) 4) Collaborate with other stakeholders and policymakers 5) Vote 6) Report to shareholders

	<p>From LGIM's most recent Active Ownership Report the manager has identified the following as their top 6 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate: Keeping 1.5°C alive 2. Nature: Supporting a world that lives in harmony with nature, recognising the economic value of natural capital 3. People: Improving human capital across the corporate value chain 4. Health: Safeguarding global health to limit negative consequences for the global economy 5. Governance: Strengthening accountability to deliver stakeholder value 6. Digitisation: Establishing minimum standards for how companies manage digitisation-related risks
Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustees' policy	<p>Set out below is an example of engagement activity reported by LGIM in the Dynamic Diversified Fund:</p> <p><u>11/01/24 - Nestle SA- Social-themed Engagement Activity</u></p> <p><i>Engagement Type: Conference Call.</i></p> <p><i>Issue Theme: Nutrition.</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>Whilst we believe that the Manager's engagement approach is consistent with the Scheme's approach, we believe that the Manager should be able to provide more information relating to engagements undertaken at fund level.</p>

Vontobel

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
TwentyFour Strategic Income Fund	06/04/23	05/04/24	57	63.2%	15.8%	21.1%	0.0%	Not Stated	Not Stated

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"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Trustees' policy	<p>An example of a reported engagement undertaken for the Strategic Income Fund is:</p> <p><u>19/05/23 – Vodafone Group – Carbon emissions</u></p> <p><u>Engagement Details:</u> <i>'Issue: We have noted a steady decline in Vodafone's Scope 1 and 2 emissions over the last few years, but the rate of the company's emission reduction has slowed recently so we spoke to management in order to ascertain how they intend to ensure their emissions begin falling again.</i></p> <p><i>Response: They were happy to engage on this subject and said that the slowdown in their emission reduction is driven by the expansion of their networks and the significant increase in data traffic volumes. They now carry 7 times more mobile data compared to just five years ago, yet their total energy consumption has remained roughly consistent over the same period. They have further emphasised their commitment to continually improving their energy efficiency, particularly the efficiency of base station sites and technology centres, which accounted for 96% of total energy consumption in FY22. They said that their strategy to optimise energy usage and improve energy efficiency includes modernising our networks.'</i></p> <p><u>Engagement Outcome:</u> <i>'Overall, this was a satisfactory response showing reasons for the slowdown in progress and solid plans to improve it. We remain happy to invest.'</i></p>

The engagement activity is 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?'		
BlackRock	Aquila Up To 5 Year Corporate Bond Index Fund	N.I.R.	N.I.R.	YES	N/A	YES	<u>COMPLIANT</u>
BNY Mellon (Newton)	Global Dynamic Bond Fund	YES	N.I.R.	YES	N/A	YES	<u>COMPLIANT</u>
Columbia Threadneedle	Threadneedle Pensions Property Fund	N.I.R.	N.I.R.	YES	N/A	YES	<u>COMPLIANT</u>
	Dynamic Diversified Fund	YES	YES	YES	ISS		<u>COMPLIANT</u>
LGIM*	Investment Grade Corporate Bond All Stocks Index Fund	YES	N.I.R.	YES	N/A	YES	<u>COMPLIANT</u>
	LDI Matching Core Fund (4 funds)	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
Vontobel	TwentyFour Strategic Income Fund	N.I.R.	N.I.R.	YES	N/A	YES	<u>COMPLIANT</u>

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

Table Key

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

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

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

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

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



Minerva Says

Overall Assessment:

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

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - There was nothing to report for a number of the Scheme's investments, due to the nature of those investments (e.g., LGIM LDI Funds)
 - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are in step with the Scheme's requirements
 - For the managers where Engagement information was available, their overall approaches are also in step with the Scheme's requirements
- 2) All of the Scheme's investment managers are signatories to the UK Stewardship Code.
- 3) We were disappointed with the inability of Columbia Threadneedle to provide fund-level engagement reporting that specifically covered the Scheme's reporting period.
- 4) We also remain somewhat disappointed with the inability of LGIM to provide reporting that specifically covered the Scheme's reporting period as well as only limited engagement information disclosed by LGIM and BlackRock. Whilst they provide data on engagements undertaken in individual funds, they do not provide much in the way of details concerning the engagements.

LGIM Information Disclaimer

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

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

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