

Just Rollers Plc Pension Scheme ('the Scheme') – Implementation Statement 6th April 2024 – 5th April 2025

This Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Department for Work and Pensions, for the period from 6th April 2024 – 5th April 2025 ('the Scheme Year').

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

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

The 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 the nature of the underlying holdings.

BlackRock 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 BlackRock's own engagement approach and as such complies with the Scheme's approach.

BNY Mellon

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

BNY Mellon provided detailed fund-level information on engagements although this was not in line with the Scheme's reporting period. Despite this, Minerva was able to confirm that the activity appeared to broadly comply with the manager's own engagement approach and again as such complies with the Scheme's approach. Exposure to this fund was fully removed by the Scheme during the reporting period.

Columbia Threadneedle ('CT')

CT stated that there was no voting information to report due to the nature of the underlying holdings. CT did not provide any engagement information this year and stated that they are not currently able to complete the PLSA template for their property funds. This is in part due to differences in engagement relating to public listed entities/issuers and engagement within property funds where the holdings are directly made in physical real estate assets.

Legal and General Investment Management ('LGIM')

LGIM stated that there was no voting information to report for the Matching Core LDI Funds and the Investment Grade Corporate Bond All Stocks Index Fund due to the nature of the underlying

holdings. For this reason, the manager also stated there was no engagement information to report for the Matching Core LDI Funds.

In relation to the Dynamic Diversified Fund, 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 stating the policy is not 'compliant' with reference to the Scheme's requirements. LGIM provided a summarised voting record which 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. The manager provided basic fund-level information on engagements although this did not fully align to the Scheme's reporting period. Despite the basic level of information provided Minerva was able to confirm that the activity appeared to broadly comply with LGIM's own engagement approach and as such complied with the Scheme's approach.

M&G

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

The manager provided detailed fund-level information on engagements although this was slightly outside of 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

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

Vontobel provided detailed fund-level information on engagements although this was slightly outside of 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.

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

Since last year, BNY Mellon, M&G and Vontobel have continued to provide good levels of engagement information. The engagement information provided by BlackRock and LGIM has remained basic and these manager's could improve by increasing the level of detail provided. Additionally, LGIM could 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.

Last year, CT provided summarised firm-level information on engagements that was not in line with the Scheme's reporting period. This year, CT did not provide any engagement information and stated that they are not currently able to complete the PLSA template for their property funds.

Just Rollers Plc Pension Scheme

Dalriada Trustees Limited

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

Scheme Reporting Period:
6th April 2024 to 5th April 2025

3rd July 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:

*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 | No Info to Report | No Info to Report | Part Info Available |
| Columbia Threadneedle | Threadneedle Property Fund | No Info to Report | No Info to Report | No Info to Report |
| | Dynamic Diversified Fund | Part Info Available | Full Info Available | Part Info Available |
| LGIM* | Investment Grade Corporate Bond All Stocks Index Fund | No Info to Report | 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 |
| M&G | Sustainable 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 | Part Info Available |

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

Table Key

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



Minerva Says:

Voting Activity

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

- LGIM Dynamic Diversified Fund

Significant Votes

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

- 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
- LGIM Dynamic Diversified Fund
- LGIM Investment Grade Corporate Bond All Stocks Index Fund
- M&G Sustainable Total Return Credit Investment Fund
- Vontobel TwentyFour Strategic Income Fund

3 Voting and Engagement

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

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

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

3.1 Voting and Engagement Policy and Funds

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

The Trustees policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment 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 | 06/04/24 | 05/04/25 | N/A |
| BNY Mellon (Newton) | Global Dynamic Bond Fund | Mobius Platform | DB Fund | 06/04/24 | 16/10/24 | N/A |
| Columbia Threadneedle | Threadneedle Pensions Property Fund | Mobius Platform | DB Fund | 06/04/24 | 05/04/25 | N/A |
| | Dynamic Diversified Fund | Mobius Platform | DB Fund | 06/04/24 | 05/04/25 | ISS |
| LGIM | Investment Grade Corporate Bond All Stocks Index Fund | Mobius Platform | DB Fund | 06/04/24 | 05/04/25 | N/A |
| | LDI Matching Core Fund (4 funds) | Mobius Platform | DB Fund | 06/04/24 | 05/04/25 | N/A |
| M&G | Sustainable Total Return Credit Investment Fund | Mobius Platform | DB Fund | 17/10/24 | 05/04/25 | N/A |
| Vontobel | TwentyFour Strategic Income Fund | Mobius Platform | DB Fund | 06/04/24 | 05/04/25 | 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: LGIM's Approach to Voting

| Asset manager | LGIM (Legal & General Investment Management) | | | | | | | | | | | | |
|---------------------------------------|---|---|-------------|----------------------------|---|---------------|---|---|--------------------------------|--|---|--------------|---|
| Relevant Scheme Investment(s) | Dynamic Diversified Fund | | | | | | | | | | | | |
| Key Points of Manager's Voting Policy | <p>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:</p> <p><i>When developing our policies, we consider broader global guidelines and principles such as those provided by the United Nations Global Compact, OECD and ILO conventions and recommendations as well as local market regulatory expectations. 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.</i></p> <p>LGIM's voting policy is built on the assessment of 5 key policy areas:</p> <table><tr><th>#</th><th>Policy Area</th><th>Examples of Topics Covered</th></tr><tr><td>1</td><td>Company Board</td><td>Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement</td></tr><tr><td>2</td><td>Audit, Risk & Internal Control</td><td>External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks</td></tr><tr><td>3</td><td>Remuneration</td><td>Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments</td></tr></table> | # | Policy Area | Examples of Topics Covered | 1 | Company Board | Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement | 2 | Audit, Risk & Internal Control | External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks | 3 | Remuneration | Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments |
| # | Policy Area | Examples of Topics Covered | | | | | | | | | | | |
| 1 | Company Board | Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement | | | | | | | | | | | |
| 2 | Audit, Risk & Internal Control | External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks | | | | | | | | | | | |
| 3 | Remuneration | Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments | | | | | | | | | | | |

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

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 LGIM's voting approach is consistent with the Scheme's voting approach expectations of its investment managers.

5 Manager Voting Policy

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

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

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

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice

| Investment Manager | Audit & Reporting | Board | Capital | Corporate Actions | Remuneration | Shareholder Rights | Sustainability |
|--------------------|---|---------|---------|-------------------|--------------|---------------------|----------------|
| LGIM | Aligned | Aligned | Aligned | Aligned | Aligned | Limited Disclosures | Aligned |
| Comments | Shareholder Rights: LGIM has 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

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



Minerva Says

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

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

6 Manager Voting Behaviour

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

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

Table 6.1: Manager Voting Behaviour

| Manager | Fund | No. of Meetings | No. of Resolutions | | | | |
|---------|---|---------------------|---------------------|------------------|-------------------|--------------------|-----------|
| | | Eligible for Voting | Eligible for Voting | % Eligible Voted | % Voted in Favour | % of Voted Against | % Abstain |
| LGIM | Dynamic Diversified Fund | 10,106 | 102,057 | 99.8% | 76.7% | 22.5% | 0.8% |
| | Comments | | | | | | |
| | <p>The manager provided summarised voting records for the fund shown above covering the period from 01/04/24 to 31/03/25, rather than for the Scheme's investment holding period (the manager is unable to provide bespoke client investment holding period reporting).</p> <p>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.</p> | | | | | | |

Table Key

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

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

Information was not provided by the manager

Not Applicable



Minerva Says

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

The Trustees policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment 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 | Alphabet Inc. | 07/06/24 | 0.18% | Resolution 1d: Elect Director John L. Hennessy | Against | Pass |
| Why a Significant Vote? | | | | | | | |
| Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote. | | | | | | | |
| Manager's Vote Rationale: | | | | | | | |
| Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. 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 | SSE Plc | 18/07/24 | 0.13% | Resolution 18: Approve Net Zero Transition Report | 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 SSE Net Zero Transition Report. We commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting short and medium-term targets, in particular absolute scope 3 targets over the mid-term.

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 | Henkel AG & Co. KGaA | 22/04/24 | 0.05% | Resolution 7.1: Elect Simone Bagel-Trah to the Supervisory Board | 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: | | | | | | | |
| Independence: A vote against is applied as the director is not considered independent and their presence on the board is a concern as the board itself lacks a sufficient number of independent directors, which is a critical element for a board to protect shareholders' interests. Independence - Nomination Committee Chair: A vote against is applied as the board does not have a sufficient number of independent directors and the board's composition is the responsibility of chair of the nomination committee. Audit Committee independence: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Remuneration Committee independence: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least one-third of board members being women. We expect companies to increase female participation both on the board and in leadership positions over time. Remuneration - Accountability - Escalation - A vote against is applied as LGIM has had concerns with remuneration practices for consecutive years. Votes AGAINST Simone Bagel-Trah, Lutz Bunnenberg, Christoph Kneip, Anja Langenbucher, Thomas Manchot, Kaspar von Braun, Benedikt-Richard von Herman, and Konstantin von Unger are further warranted because they are beneficiaries of the company's unequal voting rights 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 | Realty Income Corporation | 30/05/24 | 0.15% | Resolution 1i: Elect Director Michael D. McKee | Against | N/A |

Why a Significant Vote?

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

Manager's Vote Rationale:

Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, 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:

| | | | | |
|---------------|--------------------------------|--------------|---------------------------------|----------------|
| 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 | Stanmore Resources Limited | 23/05/24 | Less than 0.01% | Resolution 2: Elect Jimmy Lim as Director | Against | N/A |

Why a Significant Vote?

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

Manager's Vote Rationale:

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

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

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

Next Steps / Implications of the Outcome:

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

Relevance to Manager’s Stated Policy:

| | | | | |
|---------------|--------------------------------|--------------|---------------------------------|----------------|
| Company Board | Audit, Risk & Internal Control | Remuneration | Shareholder & Bondholder Rights | Sustainability |
|---------------|--------------------------------|--------------|---------------------------------|----------------|

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

Minerva Says

LGIM’s reported ‘Significant Vote’ information seems to be consistent with their stated voting 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 | PART | The manager provided basic fund level information for the period from 01/04/24 to 31/03/25 rather than for the Scheme's specific reporting period |
| BNY Mellon (Newton) | YES | FUND | PART | The manager provided detailed fund level engagement information for the period from 01/01/24 to 31/12/24 , rather than for the Scheme's specific reporting period |
| LGIM | YES | FUND | PART | The manager provided basic fund level information for the period from 01/04/24 to 31/03/25 , rather than for the Scheme's specific reporting period |
| M&G | YES | FUND | PART | The manager provided detailed fund level engagement information for the period from 01/04/24 to 31/03/25 , rather than for the Scheme's specific reporting period |
| Vontobel (TwentyFour) | YES | FUND | PART | The manager provided detailed fund level engagement information for the period from 01/04/24 to 31/03/25 , rather than for the Scheme's specific reporting period |

Table Key

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

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

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

BlackRock

| | | | | Breakdown of Engagement Topics Covered | | | | Outcomes | |
|--|---|------------|--------------------|--|--------|------------|-------|------------|------------|
| Fund(s) | Period Start | Period End | No. of Engagements | Environmental | Social | Governance | Other | Resolved | Open |
| Aquila Life Up To 5 Year Corporate Bond Index Fund | 06/04/24 | 31/03/25 | 192 | 24.5% | 21.4% | 54.2% | 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 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>An example of a reported engagement for the Aquila Life Up To 5 Year Corporate Bond Index Fund is shown below:</p> <p><u>10/07/24 – Macquarie Group Ltd – Engagement on Governance and Social Issues</u></p> <p><u>Engagement Method:</u> Virtual Meeting/Call</p> <p><u>Engagement Details:</u></p> <p>Governance = Board Composition / Board Effectiveness and Director Qualifications / Business Oversight & Risk Management / Corporate Strategy (Disclosure/Governance) / Executive Management and Succession Planning / Governance Structure; and</p> <p>Social = Community Relations / Talent and Culture</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 and the information provided should match the Scheme's investment holding period. |

| BNY Mellon | | | | Breakdown of Engagement Topics Covered | | | | Outcomes | |
|----------------------------|--------------|------------|--------------------|--|--------|------------|-------|------------|------------|
| Fund(s) | Period Start | Period End | No. of Engagements | Environmental | Social | Governance | Other | Resolved | Open |
| Newton Global Dynamic Bond | 01/01/24 | 31/12/24 | 6 | 83.3% | 16.7% | 0.0% | 0.0% | Not Stated | Not Stated |

| 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 September 2024 has the following to say with regards the manager's engagement approach:</p> <p><i>'In seeking to be 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 mitigate risks that have the potential to cause material financial impact to our clients' best long-term economic interests. We prefer to engage with companies and support them to develop and enhance their practices or business models where appropriate, rather than using divestment or denial of capital as the only option.'</i></p> <p><i>'We emphasise purposeful dialogue with issuers to constructively challenge boards and management on financially material aspects of their decision-making where we believe it can result in improved long-term financial outcomes for our clients. We set clear and outcome-focused objectives which can be evaluated over a suitable time horizon and can be linked back to a relevant investment thesis.'</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: Climate / Nature and biodiversity / Pollution / Product life cycle / Water • Social: Human rights / Human capital management / Tax • Governance: Board leadership / Capital management / Anti-takeover mechanisms / Related-party transactions / Reporting and audit / Executive pay / Transparency, accountability and shareholder rights |
| 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>The following example of firm-level engagement activity was provided by the manager:</p> <p><u>2024 – Kraft Heinz Co. – Social-related engagement</u></p> <p>Topic: Social - Inequality</p> <p>Rationale for the engagement: <i>'This was a collaborative engagement we had with Kraft Heinz. As one of the world's largest food manufacturers, Kraft Heinz has a key role to play with regards to opportunities with respect to increased exposure to plant-based food products within its portfolio and how it considers</i></p> |

the risks associated with conventional animal agriculture/ proteins which contributes significantly to climate change, biodiversity loss and public health challenges.'

Description: 'Kraft considers protein diversification a key opportunity for portfolio growth and contribution to their SBTI FLAG targets, with the company currently assessing the level of ambition they will set as part of their 2030 pathways. A spectrum of formulation options are under investigation to offer lower carbon alternatives, with Kraft especially building on successes at the ingredient level and in food service.

Kraft is exploring strategies to decarbonize their key commodities through climate risk modelling assessments, collective learning through coalitions like the Dairy Methane Action Alliance and product innovation.

The company conducts direct policy engagement on sustainable and resilient food systems and engages in markets outside of the US through trade association membership, which they are considering stronger public disclosure on.

The company revealed that KPIs linked to sustainability progress are included in relevant executive team members' pay incentives and cascade throughout the organisation.

The company are not yet ready to make a commitment on just transition as they collect more industry data, but aim to reward innovative farmers and scale up good practices.

Kraft has a successful growth strategy targeting the cheaper end of the market, so sustainability and affordability are always parallel considerations in their plant-based product portfolio for broader consumer accessibility.

Taste is the main barrier to consumer uptake of plant-based products, but AI technology and an agile business model help optimize formulations for repeat purchase. Whilst taste is the leading marketing strategy, the company does include key nutritional information on pack for consumers looking for these functional benefits.

Many of the company's plant-based products are nutritious, but they continue to improve in this area through innovation and reformulation, setting a commitment for 85% of all products to meet their Global Nutrition targets by 2025.'

Outcomes and Next Steps: 'The engagement with Kraft Heinz has been productive. The company has demonstrated a clear understanding of the importance of protein diversification as a strategic opportunity for portfolio growth and its contribution to their SBTI targets. Kraft has shown progress in their approach and has expressed receptiveness to continuing the dialogue.

Discuss next steps with the collaboration group and reassess our approach for continued monitoring and engagement.'

Is Engagement
Activity in Line
with the Trustees'
Policy?

Whilst the activity seems consistent with the Manager's stated engagement approach, we believe that the information provided should match the Scheme's investment holding period.

| | | | | Breakdown of Engagement Topics Covered | | | | Outcomes | |
|---|---|------------|--------------------|--|--------|------------|-------|------------|------------|
| Fund(s) | Period Start | Period End | No. of Engagements | Environmental | Social | Governance | Other | Resolved | Open |
| Dynamic Diversified Fund | 06/04/24 | 31/03/25 | 4,208 | 73.6% | 13.1% | 10.2% | 3.1% | Not Stated | Not Stated |
| Investment Grade Corporate Bond All Stocks Index Fund | 06/04/24 | 31/03/25 | 599 | 54.3% | 10.4% | 24.2% | 11.2% | 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 2024 the manager has identified the following as their top 6 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate: Encouraging companies to tackle climate change and transition to a low-carbon economy 2. Nature: Four key sub-themes: natural capital management; deforestation; circular economy; and water, with a highlight on 'agriculture' 3. People: Priority topics: diversity and human capital management 4. Health: Safeguarding global health to limit negative consequences for the global economy (two key areas of health – antimicrobial resistance (AMR) and nutrition) 5. Governance: Strengthening accountability to deliver stakeholder value 6. Digitisation: Establishing minimum standards for how companies manage digitisation-related risks with a focus on the governance aspects of AI | | | | | | | | |
| 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>13/08/24 - ConocoPhillips- Social-themed Engagement Activity</u></p> <p><i>Engagement Type:</i> Written..</p> <p><i>Issue Theme:</i> Human Rights.</p> <p><i>Engagement Details:</i> Not provided.</p> <p><i>Engagement Outcome:</i> Not provided.</p> |
| Is Engagement Activity in Line with the Trustees' Policy? | <p>Whilst we believe that the Manager's engagement approach is consistent with the Scheme's approach, we believe that the Manager should be able to provide more information relating to engagements undertaken at fund level and the information provided should match the Scheme's investment holding period.</p> |

M&G

| | | | | Breakdown of Engagement Topics Covered | | | | Outcomes | |
|---|---|------------|--------------------|--|--------|------------|-------|----------|------|
| Fund(s) | Period Start | Period End | No. of Engagements | Environmental | Social | Governance | Other | Resolved | Open |
| Sustainable Total Return Credit Investment Fund | 17/10/24 | 31/03/25 | 18 | 83.3% | 11.1% | 5.6% | 0.0% | 94.4% | 5.6% |
| Aspect of Engagement Activity | Details | | | | | | | | |
| Key Points of the Manager's Engagement Policy | <p>M&G's approach to engagement is set out in their 'Engagement Policy'. M&G believe that the long-term success of companies is supported by effective investor stewardship and high standards of corporate governance. They believe that if a company is run well, and sustainably, it is more likely to be successful in the long run.</p> <p>To gain insight, establish relationships and/or to influence and affect change M&G undertake the following measures:</p> <ul style="list-style-type: none"> ▪ arranging regular meetings with executive management, the chair and/or other non-executive directors ▪ daily monitoring of company announcements ▪ reviewing company results (annual and interim) ▪ reviewing external research materials (eg, broker research reports) | | | | | | | | |

| | |
|---|--|
| | <ul style="list-style-type: none"> ▪ 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 <p>From M&G's most recent Annual Stewardship Report the manager has identified the following as their key engagement topics:</p> <ul style="list-style-type: none"> ▪ Leadership & Governance ▪ Environment ▪ Business Model and Innovation ▪ Social Capital ▪ Human Capital |
| Additional information on engagements provided by the Manager | <p>Whilst the manager provided a list of engagements undertaken on investments in the fund in the period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> ▪ engagement objectives ▪ collaborative engagements ▪ process for escalating ineffective engagement and ▪ whether any fintech solution was used to facilitate engagement |
| Comparison of the Manager's Engagement Activity vs the Trustees' policy | <p>Set out below is an example of engagement activity reported by M&G in the Sustainable Total Return Credit Investment Fund:</p> <p><u>31/01/25 – Coty Inc– Social-themed Engagement Activity</u></p> <p>Interaction Type: Call.</p> <p>Topic: Social - Workforce (Conditions, Health & Safety).</p> <p>Engagement Objective: 'To encourage the American multinational beauty company, Coty, to publicly disclose its chemical substances registration, thereby increasing transparency of the company's chemical safety and increase its MSCI score.'</p> |

| | |
|---|---|
| | <p>Result: 'Coty acknowledged that it scored poorly with MSCI and has subsequently identified the gaps in disclosure as well as benchmarking itself against its peer group. Coty feel that they are now up with best practice. It has phased out tier one ingredients and is in the process of phasing out ingredients up to tier 4 even though this is not mandatory and there will be more transparency in this by 2026. We look to see this improvement in the next MSCI assessment.</p> <p>We can expect increased disclosure on Coty's chemical safety by 2026. The company currently scores low on chemical safety on MSCI due to past lack of disclosure. As Coty works towards addressing its MSCI gaps in disclosure, we anticipate a higher chemical safety score by the end of Q1 2025 when the new MSCI scores are released. In terms of next steps, we will continue to monitor progress.'</p> <p>Action Taken: 'M&G met with the company to make our expectations known.'</p> <p>Status: Closed.</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 information that would match the Scheme's investment holding period.</p> |

Vontobel

| | | | | Breakdown of Engagement Topics Covered | | | | Outcomes | |
|----------------------------------|--------------|------------|--------------------|--|--------|------------|-------|----------|------|
| Fund(s) | Period Start | Period End | No. of Engagements | Environmental | Social | Governance | Other | Resolved | Open |
| TwentyFour Strategic Income Fund | 06/04/24 | 31/03/25 | 9 | 55.6% | 22.2% | 11.1% | 11.1% | 0% | 100% |

| 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 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>An example of a reported engagement undertaken for the Strategic Income Fund is:</p> <p><u>09/01/25 – Deutsche Bank – Climate risk</u></p> <p><u>Engagement Details:</u> 'We engaged with Deutsche Bank following a controversies flag alleging that they financed a Queensland coal mine. We asked from clarification if and why the funding went ahead despite the company's commitment to not directly or indirectly finance the construction of new coal-fired power plants or new mining projects for the extraction of coal.'</p> <p><u>Engagement Outcome:</u> 'Deutsche Bank were unable to comment on any existing client relationships for legal reasons, however in their response they made it clear that they adhere to their established policies and procedures in conducting business – suggesting they have complied with their policies in relation to this loan. Deutsche Bank has a set of requirements and guiding principles that they apply to the client and business selection processes. As part of this approach, Deutsche Bank conducts enhanced environmental and social due diligence for transactions in the thermal coal power and mining sector. The Bank will cease financing (lending and capital markets) for companies with a thermal coal revenue dependency of more than 50% that do not have credible plans to reduce this dependency to below 50% by 2025 in OECD countries, or below 30% by 2030 in non-OECD countries. This approach is essential to mitigate and manage negative impacts on the environment or society and to uphold the bank's commitments to international standards. In this context, the bank has defined criteria for evaluating transition plans for the phasing out of thermal coal. Phaseout from thermal coal is expected for companies in OECD countries by 2030 and for companies in non-OECD countries by 2040.'</p> <p><u>Status:</u> 'We have replied asking for explicit confirmation that the loan in question did not constitute as a breach of DB's coal financing policies. Happy to hold and await response.'</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 information that would match the Scheme's investment holding period.</p> |

Minerva Says

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

9 Conclusions

9.1 Assessment of Compliance

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

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

Table 9.1: Summary Assessment of Compliance

| Fund / Product Manager | Investment Fund/ Product | Does the Manager's Reported Activity Follow the Scheme's Expectations: | | | | UK Stewardship Code 2020 Signatory? | Overall Assessment |
|------------------------------|---|--|------------------------------|---------------------|-------------------------|-------------------------------------|-------------------------------------|
| | | Voting Activity | Significant Votes Identified | Engagement Activity | Use of a 'Proxy Voter?' | | |
| BlackRock | Aquila Up To 5 Year Corporate Bond Index Fund | N.I.R. | N.I.R. | YES | N/A | YES | COMPLIANT AN ISSUE EXISTS |
| BNY Mellon (Newton) | Global Dynamic Bond Fund | N.I.R. | N.I.R. | YES | N/A | YES | COMPLIANT AN ISSUE EXISTS |
| Columbia Threadneedle | Threadneedle Pensions Property Fund | N.I.R. | N.I.R. | N.I.R. | N/A | YES | N.I.R. |
| LGIM* | Dynamic Diversified Fund | YES | YES | YES | ISS | YES | COMPLIANT AN ISSUE EXISTS |
| | Investment Grade Corporate Bond All Stocks Index Fund | N.I.R. | N.I.R. | YES | N/A | | COMPLIANT AN ISSUE EXISTS |
| | LDI Matching Core Fund (4 funds) | N.I.R. | N.I.R. | N.I.R. | N/A | | N.I.R. |
| M&G | Sustainable Total Return Credit Investment Fund | N.I.R. | N.I.R. | YES | N/A | YES | COMPLIANT AN ISSUE EXISTS |
| Vontobel | TwentyFour Strategic Income Fund | N.I.R. | N.I.R. | YES | N/A | YES | COMPLIANT AN ISSUE EXISTS |

* 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 only limited engagement information disclosed by BlackRock and LGIM. Whilst they provide data on engagements undertaken in individual funds, they do not provide much in the way of details concerning the engagements.
- 4) We also remain somewhat disappointed with BNY Mellon's reporting on engagement activities: whilst the manager provides detailed information on the engagement activities, it does not cover the Scheme's reporting period.

LGIM Information Disclaimer

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

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

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