

## **The Highlands & Islands Superannuation Pension Scheme ('the Scheme') – Implementation Statement 6<sup>th</sup> April 2024 – 5<sup>th</sup> April 2025**

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

### **Aviva**

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

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

### **M&G Investments ('M&G')**

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

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

### **Baillie Gifford**

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

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

### **IFM Investors**

The manager stated there was no voting information to report due to the nature of the underlying assets. IFM Investors provided detailed fund-level information on engagements 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 their own engagement approach, and so complies with the Trustees' engagement policies.

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

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

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

For the Sterling Liquidity Fund, LGIM stated that there was no voting information to report due to the nature of the underlying holdings. LGIM provided detailed fund-level engagement information covering the Scheme's reporting period.

### **Annuities**

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

### **Final Comments**

In comparison to last year, the level of disclosures in public voting policies has worsened for Baillie Gifford - further improvement is needed. Aviva, M&G and Baillie Gifford could improve by providing information in line with the Scheme's reporting period. LGIM have improved by providing detailed fund-level engagement information covering the Scheme's reporting period for the Sterling Liquidity Fund however further improvement is required to provide detailed engagement information for all Funds and covering the Scheme's reporting period.

IFM Investors have improved by providing information that is in line with the Scheme's reporting period.

# Highlands and Islands Enterprise Superannuation Scheme

Spence & Partners Limited

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

Scheme Reporting Period:  
6<sup>th</sup> April 2024 to 5<sup>th</sup> April 2025

15<sup>th</sup> July 2025

# Contents

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1	SIP Disclosures	3
2	Sourcing of Voting and Engagement Information	7
3	Voting and Engagement	9
4	Exercise of Voting Rights	11
5	Manager Voting Policy	14
6	Manager Voting Behaviour	16
7	Significant Votes	18
8	Manager Engagement Information	34
9	Conclusion	46

# 1 SIP Disclosures

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

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

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

Source of Information:

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



## 1.1 Financially Material Considerations

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. They believe that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes that they are investing in.

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

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

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

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

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

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

## 1.2 Non-Financial Considerations

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

## 1.3 Investment Manager Arrangements

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

The Scheme invests in pooled funds and so the Trustees acknowledge the funds' investment strategies and decisions cannot be tailored to the Trustees' policies. However, the Trustees set their investment strategy and then select managers that best suits their strategy taking into account the fees being charged, which acts as the investment manager's incentive.

The Trustees use the fund objective/benchmark as a guide on whether their investment strategy is being followed and monitor this regularly.

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

The Trustees select managers based on a variety of factors including investment philosophy and process, which they believe should include assessing the long term financial and non-financial performance of the underlying company that they invest in.

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

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

The Trustees acknowledge that in the short term, these policies may not improve the returns they achieve, but do expect that by investing in those companies with better financial and non-financial performance over the long term will lead to better returns for the Scheme. The Trustees believe that the annual fee paid to the investment managers incentivises them to do this.

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

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

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

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

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

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

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

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

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

***The duration of the arrangement with the investment managers***

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

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



# 2 Sourcing of Voting and Engagement Information

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

**Table 2.1: Summary of Available Information**

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

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

## Table Key

### Full Info Available

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

### Part Info Available

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

### No Info to Report

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

### No Info Provided

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

### **Voting Activity**

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

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

### **Significant Votes**

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

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

### **Engagement Activity**

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

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

# 3 Voting and Engagement

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

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

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

## 3.1 Voting and Engagement Policy and Funds

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

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

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

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

*If the policies or level of engagement are not appropriate, the Trustees will engage with the specific investment manager, with the help of their investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.*

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

The following table sets out:

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

**Table 3.1: Scheme Investment/Product Information**

Fund Manager	Investment Fund/Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
<b>Aviva</b>	Aviva Lime Property Fund	Direct	DB Fund	06/04/2024	05/04/2025	N/A
<b>Baillie Gifford</b>	Emerging Markets Leading Companies Fund	Direct	DB Fund	06/04/2024	05/04/2025	ISS & GLASS LEWIS
<b>IFM Investors</b>	Global Infrastructure Fund	Direct	DB Fund	06/04/2024	05/04/2025	N/A
<b>LGIM</b>	Diversified Fund	Direct	DB Fund	06/04/2024	05/04/2025	ISS
	Matching Plus Fund (6 funds)	Direct	DB Fund	06/04/2024	05/04/2025	N/A
	Sterling Liquidity Fund	Direct	DB Fund	06/04/2023	05/11/2024	N/A
	World Equity Index Fund – GBP Currency Hedged	Direct	DB Fund	06/04/2024	05/04/2025	ISS
<b>M&amp;G</b>	Sustainable Total Return Credit Investment Fund	Direct	DB Fund	06/04/2024	05/04/2025	N/A

## Minerva Says

As shown in the table above:

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

# 4 Exercise of Voting Rights

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

**Table 4.1: Baillie Gifford's Approach to Voting**

Asset manager	Baillie Gifford															
Relevant Scheme Investment(s)	Emerging Markets Leading Companies Fund															
Key Points of Manager's Voting Policy	<p><a href="#">Baillie Gifford's Stewardship Principles 2024</a> sets out Baillie Gifford's stewardship approach and how they integrate environmental, social and governance (ESG) matters into their investment process. They say: 'Our long-term, active approach to investment means looking beyond the narrow scope of traditional financial analysis to consider the range of factors that may affect our holdings' ability to thrive over the long term. We aim to add value for clients by broadening our perspective to understand better what the future might bring and which investments stand the best chance of succeeding.</p> <p>We observe that, over the long run, financial performance and appropriate management of ESG factors are often intertwined. For example, companies that act as sustainable operators are less likely to face regulatory action, which could harm financial returns. Therefore, we integrate analysis of material ESG factors into our investment process because it strengthens our ability to deliver long-term returns.'</p> <p>Baillie Gifford's Voting Policy is built on the following 4 Policy Areas:</p>															
	<table><tr><th>#</th><th>Policy Area</th><th>Example of Topics Covered</th></tr><tr><td>1</td><td>Governance Fit for Purpose</td><td>Board composition (Independent, Qualified, Diverse)</td></tr><tr><td>2</td><td>Alignment in Vision and Practice</td><td>Remuneration</td></tr><tr><td>3</td><td>Long-Term Value Creation</td><td>Anti-takeover devices, Multi-class share structures, Equity issuances/repurchases, mergers and acquisitions</td></tr><tr><td>4</td><td>Sustainable Business Practices</td><td>Shareholder proposals, ESG (Human rights and labour rights Diversity and inclusion, Nature and biodiversity, Climate change), Routine shareholder matters, External auditors, Political donations</td></tr></table>	#	Policy Area	Example of Topics Covered	1	Governance Fit for Purpose	Board composition (Independent, Qualified, Diverse)	2	Alignment in Vision and Practice	Remuneration	3	Long-Term Value Creation	Anti-takeover devices, Multi-class share structures, Equity issuances/repurchases, mergers and acquisitions	4	Sustainable Business Practices	Shareholder proposals, ESG (Human rights and labour rights Diversity and inclusion, Nature and biodiversity, Climate change), Routine shareholder matters, External auditors, Political donations
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	<p>Baillie Gifford produce <a href="#">quarterly reports</a> disclosing their latest voting information, at firm level.</p>															
Is Voting Activity in Line with the Scheme's Policy?	<p>Yes</p> <p>Some examples of the manager's voting activity are provided in Section 7 – Significant Votes</p>															

**Table 4.2: LGIM's Approach to Voting**

<b>Asset manager</b>	LGIM (Legal & General Investment Management)																			
<b>Relevant Scheme Investment(s)</b>	<ul style="list-style-type: none"> <li>▪ Diversified Fund</li> <li>▪ World Equity Index Fund – GBP Currency Hedged</li> </ul>																			
<b>Key Points of Manager's Voting Policy</b>	<p>LGIM's latest '<a href="#">Global corporate governance and responsible investment policy</a>' 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 border="1"> <thead> <tr> <th>#</th><th>Policy Area</th><th>Examples of Topics Covered</th></tr> </thead> <tbody> <tr> <td>1</td><td><b>Company Board</b></td><td>Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement</td></tr> <tr> <td>2</td><td><b>Audit, Risk &amp; Internal Control</b></td><td>External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks</td></tr> <tr> <td>3</td><td><b>Remuneration</b></td><td>Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments</td></tr> <tr> <td>4</td><td><b>Shareholder &amp; Bondholder Rights</b></td><td>Voting Rights and Share-Class Structures, Amendments to Articles, Capital Management, Mergers and Acquisitions, Shareholder Proposals and Political Donations</td></tr> <tr> <td>5</td><td><b>Sustainability</b></td><td>Material ESG Risks &amp; Opportunities, Governance and Accountability, Sustainability Themes, Reporting and Disclosure</td></tr> </tbody> </table>		#	Policy Area	Examples of Topics Covered	1	<b>Company Board</b>	Board Leadership, Board Independence, Board Diversity, Board Committees, Succession Planning, Board Effectiveness, Stakeholder Engagement	2	<b>Audit, Risk &amp; Internal Control</b>	External and Internal Audit, Whistleblowing, Cybersecurity and Climate Risks	3	<b>Remuneration</b>	Remuneration Committee, Remuneration Transparency, Fixed Remuneration, Variable Pay, Service Contracts and Termination Payments	4	<b>Shareholder &amp; Bondholder Rights</b>	Voting Rights and Share-Class Structures, Amendments to Articles, Capital Management, Mergers and Acquisitions, Shareholder Proposals and Political Donations	5	<b>Sustainability</b>	Material ESG Risks & Opportunities, Governance and Accountability, Sustainability Themes, Reporting and Disclosure
#	Policy Area	Examples of Topics Covered																		
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5	<b>Sustainability</b>	Material ESG Risks & Opportunities, Governance and Accountability, Sustainability Themes, Reporting and Disclosure																		
<b>Is Voting Activity in Line with the Scheme's Policy?</b>	<p><b>Yes</b></p> <p>Some examples of the manager's voting activity are provided in Section 7 – Significant Votes</p>																			



## Minerva Says

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

# 5 Manager Voting Policy

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

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

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

**Table 5.1: Voting Policy Alignment**

**Manager Voting Policy Alignment with Current Good Practice**

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
Baillie Gifford	Limited Disclosures	Limited Disclosures	Limited Disclosures	Limited Disclosures	Limited Disclosures	Limited Disclosures	Limited Disclosures
Comments	<p><b>Audit &amp; Reporting:</b> The manager has limited disclosures relating to its approach towards Audit &amp; Reporting matters in its public voting policy. There is a lack of specific information on the approach taken by the manager in areas such as the assessment of investee companies' internal control systems and internal audit function. Furthermore, the manager's public voting policy does not set out a clear position on key areas concerning the level of non-audit fees paid to the external auditor, auditor rotation and financial reporting matters such as board level responsibility for risk management.</p> <p><b>Board:</b> The manager's public voting policy does not provide a clear view regarding the separation of the roles of the Chair and the CEO. There is a lack of disclosures regarding the manager's views on board diversity targets or policies. There is also a lack of information on their view of board operations such as the number of years since the last external evaluation, and the policy does not disclose the manager's view on overboarding by Directors.</p> <p><b>Capital:</b> The policy has limited information regarding the manager's views on authorized share capital, share capital increases, share repurchase matters and also lacks reference to views on dividend policy.</p>						



## Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
	<p><b>Corporate Actions:</b> There is a lack of information surrounding independent opinion on investment decisions.</p> <p><b>Remuneration:</b> The policy does not provide a clear view on transparency disclosures expected by the manager on remuneration practices. The manager has not provided specific details of its positions with regards to the issues surrounding executive directors' service contracts and notice periods, and has not disclosed whether they support a minimum shareholding level for executive directors, during their tenure and post-mandate.</p> <p><b>Shareholder Rights:</b> The policy does not mention the manager's views on the rights of shareholders to hold special meetings, nominate directors and the rights of shareholders at the AGM.</p> <p><b>Sustainability:</b> The policy does not provide details on key sustainability issues, such as independent verification of investee companies' sustainability reporting, human capital management, or disclosure of performance against key environmental performance indicators.</p>						
LGIM	Aligned	Aligned	Aligned	Aligned	Aligned	Limited Disclosures	Aligned
Comments	<p><b>Shareholder Rights:</b> LGIM has disclosed limited information publicly on its approach regarding anti-takeover provisions. The public policy also lacks details around the rights of shareholders to hold special meetings, and proxy access.</p>						

### Table Key

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

### Minerva Says

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

- The Baillie Gifford's publicly available voting policy provides limited information on key aspects of good corporate governance practice and LGIM's public voting policies are, in our view, broadly in line with good practice, and are what we would expect to see from such large asset stewards.

# 6 Manager Voting Behaviour

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

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

**Table 6.1: Manager Voting Behaviour**

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
Baillie Gifford	Emerging Markets Leading Companies Fund	73	750	92.4%	94.8%	3.3%	1.9%
	Comments						
	<p>The manager provided a summarised voting record for the Fund that covered the period from 01/04/24 to 31/03/25, rather than for the Scheme's specific investment holding period.</p> <p>From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for this Fund, which is in line with the Trustees' expectations of its managers.</p>						
LGIM	Diversified Fund	10,796	107,020	99.8%	76.5%	22.4%	1.1%
	World Equity Index Fund – GBP Currency Hedged	2,928	35,761	99.7%	79.1%	20.6%	0.3%
	Comments						
	<p>The manager provided a summarised voting record for the Funds that covered the period from 01/04/24 to 31/03/25, rather than for the Scheme's specific investment holding period (the manager does not provide bespoke reporting that covers clients' investment holding periods).</p> <p>From the summarised information provided, we can see that the manager has voted at almost all investee company meetings for these two Funds, which is in line with the Trustees' expectations of its managers.</p>						

## Table Key

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

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

**Information** was not provided by the manager

Not Applicable

### Minerva Says

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

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

# 7 Significant Votes

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

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

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

**Table 7.1 Baillie Gifford's 'Significant Votes'**

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	Emerging Markets Leading Companies Fund	PT BANK RAKYAT INDONESIA (PERSERO) TBK	24/03/25	1.54%	Elect Director(s)	Against	Not available
Why a 'Significant Vote?							
This resolution is significant because we opposed the election of a director.							
Manager's Vote Rationale:							
We opposed the changes to the composition of the company's management due to lack of disclosure of the changes.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No							
Next Steps / Implications of the Outcome:							

We will continue to monitor the company's disclosure of the proposed nominees and will continue to encourage details of the proposed director slate in order for us to gain comfort to support the resolution.

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

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	Emerging Markets Leading Companies Fund	PT BANK RAKYAT INDONESIA (PERSERO) TBK	24/03/25	1.54%	Non-Executive Remuneration	Against	Not available

**Why a 'Significant Vote'**

This resolution is significant because we opposed remuneration.

**Manager's Vote Rationale:**

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

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

No

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

We will continue to monitor the company's approach to non-executive remuneration and will keep encouraging removal of the performance-based element for NEDs.

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

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

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	Emerging Markets Leading Companies Fund	NASPERS LTD	22/08/24	1.43%	Remuneration	Against	The resolution passed
Why a 'Significant Vote?							
This resolution is significant because we opposed remuneration.							
Manager's Vote Rationale:							
We opposed the resolution to approve the remuneration report because of concerns with quantum and misalignment between pay and performance. Our concern also relates to the stretch of targets under the long-term incentive plan, all of which we do not deem to be in the best interest of long-term shareholders.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
After voting, we contacted the company to communicate our decision to oppose the remuneration report. We observed that the majority of the now former CEO's pay over the past year has derived from performance share units which were awarded in 2020 and vested in September 2023, valued at \$15.38 million. Over a three year period, CEO pay has been at approximately the 90th percentile, compared to total shareholder return (TSR) being at the 15th percentile. Beyond this pay for performance disconnect, we explained our preference to see more stretching targets attached to performance-based components of the long-term incentive going forward.							
Relevance to Manager's Stated Policy:							
Governance fit for purpose	Alignment in vision and practice		Long-Term Value Creation		Sustainable Business Practices		
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	Emerging Markets Leading Companies Fund	BRILLIANCE CHINA AUTOMOTIVE HOLDINGS	25/06/24	1.69%	Amendment of Share Capital	For	The resolution passed
Why a 'Significant Vote?							
This resolution is significant because it received greater than 20 per cent opposition.							
Manager's Vote Rationale:							
We supported the two share issuance authorities, as we were comfortable with the size, discount level and the previous issuances.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
We will continue assessing each request to issue shares on a case-by-case basis, also looking at the use of the authorities in previous years.							
Relevance to Manager's Stated Policy:							
Governance fit for purpose	Alignment in vision and practice	Long-Term Value Creation			Sustainable Business Practices	Governance fit for purpose	
We believe this voting activity is consistent with the manager's stated Policy, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
Baillie Gifford	Emerging Markets Leading Companies Fund	JSC KASPI.KZ	19/11/24	1.28%	Non-Executive Remuneration	Against	The resolution passed
Why a ‘Significant Vote?							
This resolution is significant because we opposed remuneration.							
Manager’s Vote Rationale:							
We opposed the resolution to approve the remuneration policy because of concerns with a special 'moonshot' award for the CEO, in addition to the regular long-term incentive plan. We do not believe that the conditions attached to the award promotes appropriate pay for performance.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
No.							
Next Steps / Implications of the Outcome:							
We reached out to the Company to explain our concerns with the practice of granting options. We asked to provide more detailed disclosure around the term of the plan and encouraged the board to consider the risks of granting options to independent NEDs.							
Relevance to Manager’s Stated Policy:							
Governance fit for purpose		Alignment in vision and practice		Long-Term Value Creation		Sustainable Business Practices	
We believe this voting activity is consistent with the manager’s stated approach, and so is also consistent with the Scheme's approach							



**Table 7.2 LGIM's 'Significant Votes'**

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote		
LGIM	Diversified Fund	Meta Platforms, Inc.	29/05/24	0.12%	Resolution 1.1: Elect Director Peggy Alford	Against	Not stated		
Why a 'Significant Vote?									
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.									
Manager's Vote Rationale:									
Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Lead Independent Director: A vote against is applied as LGIM expects companies to elect an independent lead director where there is a combined Board Chair and CEO. Remuneration: A vote against has been applied as LGIM expects companies to obtain annual shareholder approval of executive directors pay and non-executive directors fees. Remuneration: A vote against is applied because LGIM does not support the use of corporate jets for private use. Remuneration - Malus & Clawback: A vote against is applied as LGIM expects all incentives to be subject to clawback if the vested award is later deemed to be unjustified. Remuneration - Shareholding Guidelines: A vote against is applied as the company does not have a shareholding guideline in place for executives. LGIM believes a shareholding requirement is a good way to align with long term shareholder interests because executives are expected to maintain a proportion of earned shares at risk over the medium term. Remuneration - Performance conditions: A vote against is applied as LGIM expects a sufficient portion of share incentive awards to be assessed against long term performance conditions to ensure alignment of remuneration with company performance. Remuneration - Performance period: A vote against is applied as LGIM expects performance to be measured over a three year period. A WITHHOLD vote is further warranted for Peggy Alford in her capacity as chair of the compensation, nominating, & governance committee due to consecutive years of high director pay without reasonable rationale disclosed.									
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	Diversified Fund	Public Service Enterprise Group Incorporated	16/04/24	Less than 0.1%	Resolution 1.1: Elect Director Ralph A. LaRossa	Against	Not stated		
Why a 'Significant Vote?									
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.									
Manager's Vote Rationale:									
Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.									
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?									
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.									
Next Steps / Implications of the Outcome:									
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.									
Relevance to Manager's Stated Policy:									
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability	
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach									

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Diversified Fund	Glencore Plc	29/05/24	0.08%	Resolution 12: Approve 2024-2026 Climate Action Transition Plan	Against	The resolution passed
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:							
Remuneration - Accountability - Escalation: A vote against is applied as LGIM has had concerns with the remuneration practices for the past year. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Lead Director to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager’s Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager’s stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Diversified Fund	Hoa Sen Group	19/03/24	Less than 0.01%	Resolution 3: Approve Audited Separate and Consolidated Financial Statements for Financial Year 2023-2024, and Approve	Against	Not stated
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: <a href="https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/">https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/</a>							
Manager’s Vote Rationale:							
Accounts: A vote AGAINST is warranted given that the proposed related party transactions for 2024-2025 and the corresponding transaction values were not disclosed. Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management as set out in LGIM's public Climate Impact Pledge ratings.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager’s Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights	Sustainability	
We believe this voting activity is consistent with the manager’s stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	Diversified Fund	Mirvac Group	15/11/24	0.02%	Resolution 2.1: Elect Jane Hewitt as Director	Against	The resolution passed
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:							
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. Diversity: LGIM notes that following the AGM, the board will have 29% female representation. LGIM expects a company to have a diverse board, with at least one-third of board members being women. LGIM notes the out-of-cycle resignation of Samantha Mostyn which dips the company below one third female diversity and encourage the board to increase female participation both on the board and in leadership positions following the AGM.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote		
LGIM	World Equity Index Fund – GBP Currency Hedged	Emerson Electric Co.	04/02/25	Less than 0.09%	Resolution 1a: Elect Director Joshua B. Bolten	Against	Not stated		
Why a ‘Significant Vote?									
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.									
Manager’s Vote Rationale:									
Remuneration - Accountability: A vote against is applied as part of LGIM’s escalation strategy as we have had concerns with the remuneration practices for the past year. Diversity: A vote against is applied as LGIM expects a company to have at least one-third of women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Nominations/Governance Committee to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.									
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?									
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.									
Next Steps / Implications of the Outcome:									
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.									
Relevance to Manager’s Stated Policy:									
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability	
We believe this voting activity is consistent with the manager’s stated approach, and so is also consistent with the Scheme’s approach									

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund – GBP Currency Hedged	Accenture plc	06/02/25	0.3%	Resolution 1i: Elect Director Julie Sweet	Against	The resolution passed
Why a 'Significant Vote?							
Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.							
Manager's Vote Rationale:							
Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager's Stated Policy:							
Company Board		Audit, Risk & Internal Control	Remuneration		Shareholder & Bondholder Rights		Sustainability
We believe this voting activity is consistent with the manager's stated approach, and so is also consistent with the Scheme's approach							

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund – GBP Currency Hedged	Swiss Prime Site AG	13/03/25	0.01%	Resolution 7.2: Reelect Ton Buechner as Board Chair	Against	Not stated
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: <a href="https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/">https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/</a>							
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 as set out in LGIM's public Climate Impact Pledge ratings.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager’s Stated Policy:							
Company Board	Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights	Sustainability	
We believe this voting activity is consistent with the manager’s stated approach, and so is also consistent with the Scheme's approach							



Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote		
LGIM	World Equity Index Fund – GBP Currency Hedged	ORION Corp. (Korea)	26/03/25	Less than 0.01%	Resolution 2: Elect Lee Seung-jun as Inside Director	Against	Not stated		
Why a ‘Significant Vote?									
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.;Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.;Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.									
Manager’s Vote Rationale:									
Remuneration Committee: A vote against has been applied due to insufficient independence on the Committee. Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Board Chair and CEO to be separate. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board. Diversity: A vote against is applied as LGIM expects a company to have a diverse board, including at least one woman. We expect companies to increase female participation both on the board and in leadership positions over time. Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIM's deforestation policy.									
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?									
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.									
Next Steps / Implications of the Outcome:									
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.									
Relevance to Manager’s Stated Policy:									
Company Board		Audit, Risk & Internal Control		Remuneration		Shareholder & Bondholder Rights		Sustainability	
We believe this voting activity is consistent with the manager’s stated approach, and so is also consistent with the Scheme's approach									

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
LGIM	World Equity Index Fund – GBP Currency Hedged	Deere & Company	26/02/25	0.15%	Resolution 7: Report on a Civil Rights Audit	LGIM supported this shareholder resolution	Not stated
Why a ‘Significant Vote?							
Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.							
Manager’s Vote Rationale:							
Shareholder Resolution: A Civil Rights Audit: A vote in favour is applied as such an audit is a transparent way in which the company can demonstrate that its code of conduct is operating as it should, and that there are no inequalities based on gender or ethnicity, which may cause potential legal and/or financial risks to the company.							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.							
Next Steps / Implications of the Outcome:							
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.							
Relevance to Manager’s Stated Policy:							
Company Board		Audit, Risk & Internal Control		Remuneration	Shareholder & Bondholder Rights	Sustainability	
We believe this voting activity is consistent with the manager’s stated approach, and so is also consistent with the Scheme's approach							



## Minerva Says

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

# 8 Manager Engagement Information

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

*The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe this will be beneficial to the financial interests of members over the long term. Trustees also expect the investment managers to engage with investee companies on the capital structure and management of conflicts of interest.*

*If the policies or level of engagement are not appropriate, the Trustees will engage with the specific investment manager, with the help of their investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.*

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

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

**Table 8.1: Summary of Engagement Information Provided**

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
Aviva	YES	FUND	PART	The manager provided <i>detailed fund level engagement information</i> albeit for the <i>period from 01/01/24 to 31/12/24</i> , rather than for the Scheme's specific reporting period
Baillie Gifford	YES	FUND	PART	The manager provided <i>detailed fund level engagement information</i> for the <i>period from 01/04/24 to 31/03/25</i> , rather than for the Scheme's specific reporting period
IFM Investors	YES	FUND	YES	The manager provided <i>detailed fund level engagement information</i> covering the Scheme's specific reporting period
LGIM	YES	FUND	PART	The manager provided <i>detailed fund level engagement information</i> for the <i>period from 01/04/24 to 31/03/25</i> , rather than for the Scheme's specific reporting period for the Diversified Fund and the World Equity Index Fund – GBP Currency Hedged. However, for the Sterling Liquidity Fund the manager provided <i>detailed fund level engagement information</i> covering the Scheme's reporting period
M&G	YES	FUND	PART	The manager provided <i>detailed fund level engagement information</i> for the <i>period 01/04/24 to 31/03/25</i> rather than for the Scheme's specific reporting period

### Table Key

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

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

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

## Aviva

				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Lime Property Fund	01/01/24	31/12/24	19	100%	0.0%	0.0%	0.0%	0.0%	100%
Aspect of Engagement Activity	Details								
Key Points of the Manager's Engagement Policy	<p>The following description of the manager's engagement approach is set out in their Sustainability Review 2024:</p> <p><i>'We recognise the potential to maximise the long-term value of our clients' investments through engagement with various actors within the financial system – what we call 'holistic stewardship'. We have identified six levels of influence in the financial system where we see opportunities to engage and bring about change. There are many instances where we engage directly with our stakeholders in private markets – our occupiers, borrowers, suppliers and portfolio companies – with the aim of supporting their businesses to grow sustainably. Similarly in public markets, there are many scenarios where we engage in constructive dialogue with our investee companies, including on ESG issues, to encourage best practice; and we take a strategic approach to voting. We recognise there are limitations to how far, or how fast, companies can change without addressing the broader structural challenges that surround them. To address these system-wide challenges we take a holistic approach, working with a range of participants across the financial ecosystem.'</i></p> <p><i>'We have identified different levels of the system where there are opportunities to engage and bring about change, and which form component parts of our holistic approach to stewardship (...). Across all levels of engagement, Aviva Investors recognises the power of working collaboratively with fellow investors and financial actors. This can involve direct meetings or written communications with companies alongside other investors as part of a broader initiative, or participating in initiatives which support investors in engaging with sovereign issuers, with whom opportunities to engage major issuers are scarce.'</i></p> <p><i>We have determined our engagement priorities based on themes that we believe are important to the long-term value of our investments (...). We also incorporate preferences obtained through dialogue we conduct with clients throughout the year:</i></p>								

	Engagement Priority	Details
	1. Climate	• Financial system reform • Boosting low-carbon investment in the UK • Physical climate risk adaptation and mitigation measures • Net zero and decarbonisation
	2. Earth	• Nature and biodiversity risks and impacts • High-integrity nature and carbon markets • Growing the pipeline of investable projects • Deforestation • Land use • Water • Circular economy
	3. People	• Human rights • Decent work • Just transition • Education
	4. Governance	• Strategy • Capital allocation • Remuneration • Board oversight and effectiveness
Additional information on Engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> <li>▪ engagement objectives;</li> <li>▪ collaborative engagements;</li> <li>▪ process for escalating ineffective engagement; and</li> <li>▪ whether any fintech solution was used to facilitate engagement.</li> </ul>	
Comparison of the Manager's Engagement Activity vs the Scheme's Expectations	<p>The following is a reported engagement activity provided by the manager for the Aviva Lime Property Fund:</p> <p><b><u>2024 – Sainsbury's (Macclesfield)– Engagement on Environmental matters</u></b></p> <p><b>Rationale for Engagement:</b> <i>'Net zero due diligence audit &amp; EV'</i></p> <p><b>What we have done:</b> <i>'Carried out a net zero due diligence audit of the tenant's demise and proposed recommendations for improvements. After meeting with tenant, long term plans in place to add EV chargers onto site.'</i></p> <p><b>Outcome:</b> <i>'Tenant to feedback end of 2024 on picking up EV charging on site in 2025.'</i></p>	
Is Engagement Activity in Line with the Scheme's Expectations?	<p><b>Whilst the activity seems consistent with the Manager's stated engagement approach, we believe that more details could have been provided and that the information provided should have matched the Scheme's investment holding period.</b></p>	

# Baillie Gifford

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Emerging Markets Leading Companies Fund	06/04/24	31/03/25	42	33.3%	23.8%	26.2.0%	16.7%	0.0%	100.0%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>The manager sets out their approach to company engagement in the document titled <a href="#">ESG integration approach 2024</a>:</p> <p>'Engaging with the assets we hold on behalf of our clients is core to our role as effective stewards of our clients' capital and is an extension of our research process.</p> <p>Why do we engage?</p> <ul style="list-style-type: none"> <li>▪ To fact-find: As investors, our responsibility does not begin and end with the investment decision. Before allocating our clients' capital, we must decide whether a particular investment meets our criteria and will continue to do so over our investment horizons. We may meet with a leadership team many times before we decide to take a position. After investing, our meetings with the company may involve asking for more information on topics or seeking to clarify certain points.</li> <li>▪ To assess: Once we have invested, we will continue to monitor our holdings to ensure we remain aligned. Where our holdings have committed to certain actions or if we have previously raised an issue with the company, we will engage to assess progress.</li> <li>▪ To influence: There will be instances when our reason for engaging is to seek change. We have high expectations of the investments we make on behalf of our clients. When they do not live up to these, or where we have identified a specific objective for change, our starting point (where possible) is to see if the leadership team is willing and able to address the issues we believe may impact the ability to deliver long-term returns for our clients. Sometimes, the influence we seek is to encourage a holding to be more ambitious in seizing new opportunities. Where strategies have specific sustainability commitments, engagement may be integral to meeting that commitment.</li> </ul> <p>'Our patient approach, focused on building long-term relationships, means we often occupy a privileged position in terms of our access to leadership. We do not take this privilege lightly. We aim to ensure that our engagements are research-led and, particularly when the intention is to influence, focus on the issues we think are most material to a holding's long-term success. We generally prefer to engage one-to-one with our holdings. However, we recognise that, at times, working with like-minded investors and broader stakeholder groups has benefits. Collaborative approaches can increase the influence that we bring to bear on our clients' behalf and may, in some instances, be necessary to achieve our engagement objectives. For some asset classes (such as sovereign bonds) collaborative engagements may be our primary means of influence.'</p> <p>In the latest Investment Stewardship Activities Report the manager has said the following in relation to identifying engagement priorities:</p>

	<p><i>'We engage with companies for many reasons and the topics we prioritise will vary by individual issuer and investment strategy. Our proprietary investment research will inform this, supported and often facilitated by the prime contact. Often, the larger a position we hold in an entity and the longer our holding history, the greater our ability to engage with a realistic ability to influence. However, we engage with issuers on key issues across a range of market capitalisations, geographies and holding sizes. When we look at engagements in isolation, we can broadly categorise them as proactive, reactive and ongoing. However, we view this interplay as more nuanced, particularly as our relationships lengthen in duration, deepen our understanding and build trust. The following sections highlight examples of proactive, reactive and ongoing engagements.'</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 period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> <li>▪ engagement objectives;</li> <li>▪ collaborative engagements;</li> <li>▪ process for escalating ineffective engagement; and</li> <li>▪ whether any fintech solution was used to facilitate engagement.</li> </ul>
Comparison of the Manager's Engagement Activity vs the Scheme's Expectations	<p>An example of a reported engagement for the Emerging Markets Leading Companies Fund is reported below:</p> <p><b><u>12/08/24 - Coupang, Inc. – Engagement on Environmental Issues</u></b></p> <p><b>Objective:</b> <i>'To encourage Coupang to report scope 1 and 2 emissions to better understand its climate exposure and material risks.</i></p> <p><b>Discussion:</b> <i>Climate considerations are crucial to Coupang's success for two main reasons: urban pollution and regulatory compliance. Coupang operates in densely populated areas of Korea, with 70 per cent of the population living within seven miles of a fulfilment centre. Seoul, known for its narrow streets and high vehicle usage, ranks among the worst cities globally for air pollution. Additionally, as a company listed in the US, Coupang must adhere to the latest SEC requirements to disclose scope 1 and 2 emissions. Currently, the company prioritises recycling and green packaging over emissions disclosure.</i></p> <p><i>We recommended that Coupang begin disclosing its scope 1 and 2 emissions, though we advised against setting targets until the company has a clearer understanding of its carbon footprint. Furthermore, we offered the support of our Climate Team and agreed to provide examples of companies in similar sectors that we admire.</i></p> <p><b>Outcome:</b> <i>Following our meeting, the company indicated it is evaluating internally whether to include its scope 1 and 2 emissions in its forthcoming ESG report. We look forward to studying the report once published.'</i></p>
Is Engagement Activity in Line with the Scheme's Expectations?	<p><b>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.</b></p>



# LGIM

Fund(s)	Period Start	Period End	No. of Engagements	Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Diversified Fund	06/04/24	31/03/25	4,208	73.6%	13.1%	10.2%	3.1%	Not Stated	Not Stated
Sterling Liquidity Fund	06/04/24	05/11/24	19	89.5%	0.0%	10.5%	0.0%	Not Stated	Not Stated
World Equity Index Fund – GBP Currency Hedged	06/04/24	31/03/25	2323	64.4%	16.1%	14.7%	4.7%	Not Stated	Not Stated

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> <li>1. Identify the most material ESG issues</li> <li>2. Formulate a strategy</li> <li>3. Enhance the power of engagement (e.g., through public statements)</li> <li>4. Collaborate with other stakeholders and policymakers</li> <li>5. Vote</li> <li>6. Report to shareholders</li> </ol> <p>From LGIM's most recent <a href="#">Active Ownership Report 2024</a> the manager has identified the following as their top 6 engagement topics:</p> <ol style="list-style-type: none"> <li>1. Climate: Encouraging companies to tackle climate change and transition to a low-carbon economy</li> <li>2. Nature: Four key sub-themes: natural capital management; deforestation; circular economy; and water, with a highlight on 'agriculture'</li> <li>3. People: Priority topics: diversity and human capital management</li> <li>4. Health: Safeguarding global health to limit negative consequences for the global economy (two key areas of health – antimicrobial resistance (AMR) and nutrition)</li> </ol>

	<ol style="list-style-type: none"> <li>5. Governance: Strengthening accountability to deliver stakeholder value</li> <li>6. Digitisation: Establishing minimum standards for how companies manage digitisation-related risks with a focus on the governance aspects of AI</li> </ol>
Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> <li>▪ engagement objectives</li> <li>▪ collaborative engagements</li> <li>▪ process for escalating ineffective engagement and</li> <li>▪ whether any fintech solution was used to facilitate engagement</li> </ul>
Comparison of the Manager's Engagement Activity vs the Scheme's Expectations	<p>Set out below is an example of engagement activity reported by LGIM in the Dynamic Diversified Fund:</p> <p><b><u>06/06/24 - Woodside Energy Group Ltd- Environmental-themed Engagement Activity</u></b></p> <p><b>Issue Theme:</b> Climate.</p> <p><b>Engagement Rationale:</b> As one of the largest oil and gas companies in the world and a dominant company within the Asia Pacific region, we believe that Woodside Energy Group's approach to the energy transition has the potential to influence both its peers and the companies within its supply chain. Our engagement with Woodside has two strands: their management-proposed climate transition plan, and their inclusion within our Climate Impact Pledge engagement programme. The backdrop to our engagements has also been coloured by particular governance issues at the company relating to leadership which, while not the focus of this case study, have also permeated our discussions and actions.</p> <p>Our published expectations of management-proposed climate transition plans and the points against which we assess them are as follows. We expect such plans to include:</p> <ul style="list-style-type: none"> <li>• A public commitment to net zero by 2050;</li> <li>• Disclosure of short-term (up to 2025), medium-term (2026-2035) and long-term (2036-2050) targets covering scope 1 and 2 emissions and material scope 3 emissions;</li> <li>• Disclosure of current scope 1, 2 and material scope 3 emissions;</li> <li>• Credible targets that are aligned to a 1.5°C trajectory. Gaining approval and verification by SBTI (or other external independent parties as they develop) can help demonstrate the credibility and accountability of plans.</li> </ul> <p>At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in 20 climate-critical sectors. We select roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. Our in-depth engagement is focused on helping companies meet these minimum expectations, and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions).</p> <p>Under our Climate Impact Pledge, we assess oil and gas companies within our 'dial mover' engagement against the following expectations:</p>

- Has the company committed to net-zero operational emissions?
- Does the company have time-bound methane reduction/zero flaring targets?
- Does the company disclose its climate-related lobbying activities, including trade association memberships, and explain the action it will take if these are not aligned with a 1.5°C scenario?
- Additionally, we have introduced a new 'baseline' expectation for oil & gas companies regarding methane disclosure (except Oil & Gas refining and marketing sub-industry)

UN SDG 13: Climate action'

**What:** 'We have been engaging with Woodside Energy Group on climate change since 2021, through meetings and written engagements. In 2024, we have met with them twice. Levels of individual typically engaged with have included the Chair and the Finance Director.

Woodside's climate transition plan has been a matter of much shareholder discussion and dissent over recent years. Despite the significant proportion of shareholder votes (49%) against the company's climate report at their 2022 AGM, as well as the re-election of Ian Macfarlane at the 2023 AGM (34.7%), no material changes were incorporated in their 2024 climate transition plan. While we view in a positive light some of the steps that have been taken by Woodside, primarily around methane, and in better aligning executive compensation to climate-related targets, we remain concerned about the insufficiently robust emissions targets, lack of quantifiable disclosure on climate related risks and the quantum of capital to be allocated to low-carbon solutions. In addition to our vote against their climate transition plan once again in 2024 in view of a lack of progress on our areas of concern, we also voted against the re-election of the Chair, in line with our Climate Impact Pledge escalation.'

**Engagement Outcome:** 'We continue our direct engagement with Woodside under our Climate Impact Pledge, and will monitor the company's progress against our minimum expectations. The high levels of dissent on their climate transition plan have demonstrated that this is a concerns for shareholders of the companies more broadly, increasing the necessity to address the areas where they are perceived to be lagging, and to formulate a robust, ambitious and credible plan for transitioning their business to net zero.

The objectives set out above are considered to be "in progress".'

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

**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 the information that matches the Scheme's investment holding period.**

M&G				Breakdown of Engagement Topics Covered				Outcomes	
				Environmental	Social	Governance	Other	Resolved	Open
Fund(s)	Period Start	Period End	No. of Engagements						
Sustainable Total Return Credit Investment Fund	01/04/24	31/03/25	20	80.0%	15.0%	5.0%	0.0%	5.0%	95.0%

Aspect of Engagement Activity	Details
Key Points of the Manager's Engagement Policy	<p>M&amp;G's approach to engagement is set out in their <a href="#">'Engagement Policy'</a>. M&amp;G believe that the long-term success of companies is supported by effective investor stewardship and high standards of corporate governance. They believe that if a company is run well, and sustainably, it is more likely to be successful in the long run.</p> <p>To gain insight, establish relationships and/or to influence and affect change M&amp;G undertake the following measures:</p> <ul style="list-style-type: none"> <li>▪ arranging regular meetings with executive management, the chair and/or other non-executive directors</li> <li>▪ daily monitoring of company announcements</li> <li>▪ reviewing company results (annual and interim)</li> <li>▪ reviewing external research materials (eg, broker research reports)</li> <li>▪ attending company site visits and capital markets days for investors</li> <li>▪ attending broker meetings to discuss investment recommendations</li> <li>▪ 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)</li> <li>▪ 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)</li> <li>▪ 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)</li> <li>▪ corresponding with non-executive directors in instances where issues have been raised with management, but where progress on these issues is inadequate</li> <li>▪ maintaining a record of all interactions with companies</li> </ul> <p>From M&amp;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"> <li>▪ Leadership &amp; Governance</li> <li>▪ Environment</li> <li>▪ Business Model and Innovation</li> <li>▪ Social Capital</li> <li>▪ Human Capital</li> </ul>
Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the period shown above, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> <li>▪ engagement objectives;</li> </ul>

	<ul style="list-style-type: none"> <li>▪ collaborative engagements;</li> <li>▪ process for escalating ineffective engagement; and</li> <li>▪ whether any fintech solution was used to facilitate engagement.</li> </ul>
Comparison of the Manager's Engagement Activity vs the Scheme's Expectations	<p>An example of a reported engagement undertaken for the Sustainable Total Return Credit Investment Fund is:</p> <p><b><u>22/01/25- 22/01/2025 – HOLCIM FINANCE (LUXEMBOURG) SA - Environmental-themed Engagement/ CA 100+ Specific Engagements</u></b></p> <p><b>Engagement Objective:</b> 'As part of the ongoing Climate Action 100+ collaborative engagement, to encourage Swiss-based cement company Holcim to provide the following information in its upcoming 2024 annual disclosures: to provide an explicit statement of absolute emissions targets; to provide the annual disclosure of (average) GHG emission intensities (in CO2 t/m3 cement) per plant (or per country) to clarify the material climate risks it is exposed to and; to provide an updated clinker target in light of its roll-out of calcined clay cement..'</p> <p><b>Action Taken:</b> 'The Climate Action 100+ co-leads sent an email to the company to make our expectations known.'</p> <p><b>InteractionType:</b> 'Letter'</p> <p><b>Engagement Result:</b> 'Following our call with the company in December 2024 the co-leads took the opportunity to follow-up in writing on a number of disclosure-based points raised during the call ahead of its 2024 annual reporting.</p> <p>We highlighted Enel's carbon footprint reduction roadmap disclosure as an example of best practice when disclosing absolute emissions targets and encouraged the company to consider disclosing in a similar manner. From our previous conversations with the company, we understand its climate risks and solutions are very location specific and depend on the raw materials available in respective locations. The same applies to building norms and government grants. Therefore we believe the bottom-up plant by plant data is important for investors to understand the material climate risks the company is exposed to.</p> <p>In terms of next steps, we will review the 2024 annual disclosures when they become available in Q2 2025.'</p> <p><b>Engagement Status:</b> 'Closed'</p>
Is Engagement Activity in Line with the Scheme's Expectations?	<p><b>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 the information that would match the Scheme's investment holding period.</b></p>

# IFM Investors

				Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Global Infrastructure Fund	06/04/24	05/04/25	5	80.0%	20.0%	0.0%	0.0%	0.0%	100.0%
Aspect of Engagement Activity	Details								
Key Points of the Manager's Engagement Policy	<p>In the IFM Group <a href="#">Corporate Environmental, Social &amp; Governance (ESG) Policy</a> the manager had the following to say in terms of describing their approach to engagement:</p> <p><i>'IFM Investors considers company engagement a key part of its ownership responsibilities and consistent with the long-term nature of its investment approach. Engagement may be undertaken by IFM Investors in three ways:</i></p> <ul style="list-style-type: none"> <li>• <i>Where there is a significant negative change in a governance factor</i></li> <li>• <i>On an ad-hoc basis in response to issues arising for individual stocks</i></li> <li>• <i>Around pre-determined themes.'</i></li> </ul> <p>In the most recent Sustainable Business Report the manager prioritised three sustainability themes:</p> <ul style="list-style-type: none"> <li>• <i>Managing the risks of climate change and transitioning to a low carbon economy.</i></li> <li>• <i>Demonstrating workplace leadership with a focus on promoting fair, safe and inclusive standards for working people.</i></li> <li>• <i>Championing inclusion and diversity.</i></li> </ul>								
Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> <li>▪ engagement objectives</li> <li>▪ collaborative engagements</li> <li>▪ process for escalating ineffective engagement</li> <li>▪ whether any fintech solution was used to facilitate engagement</li> </ul>								
Comparison of the Manager's Engagement Activity vs the Scheme's Expectations	<p>An example of a reported engagement undertaken for the Global Infrastructure Fund is:</p> <p><b><u>2024 - Aqualia - Environment - Climate change -themed Engagement</u></b></p> <p><b>Engagement Rationale</b> <i>'IFM is targetting Net Zero across all asset classes, including GIF by 2050.</i></p>								

	<p><i>IFM engages with our assets through our active management approach, either at the Board level via our Board seats, or through frequent direct interactions with management.'</i></p> <p><b>Engagement Details:</b> <i>'Aqualia has successfully completed the audit process of the 2024 Corporate Sustainability Report, which is publicly available via the following weblink:  <a href="https://www.aqualia.com/en/web/aqualia-en/2024-sustainability-report">https://www.aqualia.com/en/web/aqualia-en/2024-sustainability-report</a>  Aqualia currently holds two nominations for the 2025 Global Water Awards in the categories of "Desalination Plant of the Year" and "Water Project of the Year".'</i></p> <p><b>Engagement Outcome and Next Steps:</b> <i>'In 2024, the Company reported 64.9% and 78.7% of EU Taxonomy-aligned revenues and capex respectively. The EU Taxonomy is a regulation tool designed to guide investments towards sustainable projects. This implies that the specified proportion of Aqualia's 2024 revenues and capex aligns with the ESG criteria set by the EU Taxonomy regulations which are deemed to be sustainable. The winners of the categories of the 2025 Global Water Awards are expected to be announced at the Global Water Summit in May 2025.'</i></p> <p><b>Engagement Status:</b> Not provided</p>
Is Engagement Activity in Line with the Scheme's Expectations?	<p><b>The activity appears to be consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.</b></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?'		
Aviva	Aviva Lime Property Fund	N.I.R.	N.I.R.	YES	N/A	YES	<b>COMPLIANT</b> AN ISSUE EXISTS
Baillie Gifford	Emerging Markets Leading Companies Fund	YES	YES	YES	ISS & GLASS LEWIS	YES	<b>COMPLIANT</b> AN ISSUE EXISTS
IFM Investors	Global Infrastructure Fund	N.I.R.	N.I.R.	YES	N/A	YES	<b>COMPLIANT</b>
LGIM*	Diversified Fund	YES	YES	YES	ISS	YES	<b>COMPLIANT</b> AN ISSUE EXISTS
	Matching Plus Fund (6 funds)	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Sterling Liquidity Fund	N.I.R.	N.I.R.	YES	N/A		<b>COMPLIANT</b>
	World Equity Index Fund – GBP Currency Hedged	YES	YES	YES	ISS		<b>COMPLIANT</b> AN ISSUE EXISTS
M&G	Sustainable Total Return Credit Investment Fund	N.I.R.	N.I.R.	YES	N/A	YES	<b>COMPLIANT</b> AN ISSUE EXISTS

**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 Matching Plus Funds)
  - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are in step with the Scheme's requirements
  - For the managers where Engagement information was available, their overall approaches are also in step with the Scheme's requirements
- 2) All of the Scheme's investment managers are signatories to the UK Stewardship Code.
- 3) We were disappointed with the inability of Aviva, Baillie Gifford, LGIM and M&G to provide reporting that specifically covered the Scheme's reporting period, and with the level of detail in some of the information disclosed.

## LGIM Information Disclaimer

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

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

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