



SIEMENS BENEFITS SCHEME

# DB Implementation Statement Year Ended 30 September 2024

# Contents

## Table of Contents

<b>Introduction .....</b>	<b>3</b>
<b>Summary of how investment decisions are taken.....</b>	<b>3</b>
<b>Changes to the SIP over theperiod .....</b>	<b>4</b>
<b>How the Trustee has met the Objectives &amp; Policies outlined inthe SIP .....</b>	<b>4</b>
<b>Concluding Remarks .....</b>	<b>8</b>
<b>Contact Details .....</b>	<b>8</b>
<b>Appendix .....</b>	<b>10</b>

# Introduction

Under the regulatory requirements covering occupational pension schemes, the Trustee is required to produce an annual Implementation Statement, setting out how the policies described in the Scheme's Statement of Investment Principles ("SIP") have been followed.

This annual Statement prepared by the Trustee of the Siemens Benefits Scheme will be included in the Scheme's Report & Accounts and made public online. In preparing this Statement, the Trustee has taken advice from its professional advisors. This Statement focuses on the Defined Benefit ("DB") Section of the Scheme. A separate Statement relating to the Defined Contribution ("DC") Section can be found [\[here\]](#).

This Implementation Statement covers the period 1 October 2023 to 30 September 2024, the Scheme's reporting year, in line with the regulations that came into force in October 2019. The document sets out, at a high level, how the Trustee's policies under the terms of the SIP have been implemented.

The Trustee has set out its beliefs and commitments regarding responsible investment in its 'Responsible Investment Policy' which can be found in section 8 of the Scheme's SIP. This Statement also contains a summary of how the Trustee's policies on stewardship, voting and engagement have been implemented during the reporting period.

From 1 October 2022, further Department of Work and Pensions ('DWP') guidance on the reporting of stewardship activities through Implementation Statements came into effect. This Statement aligns with the latest guidance and with the DWP's updated stewardship expectations.

Overall, the Trustee is comfortable that the policies set out in the SIP have been properly adhered to over the period.

This Implementation Statement should be read in conjunction with the SIP which was in effect during the reporting period. This SIP was updated over the period as detailed below, and the latest version can be accessed [\[here\]](#).

## Summary of how investment decisions are taken

The Trustee has established an Investment, Covenant and Funding Committee ("ICFC") which considers issues, including investments, the Trustee faces in managing the Scheme. The ICFC's remit includes developing and implementing investment strategies, as well as monitoring Redington (the "Investment Advisor"), fund managers and investments. This is done in conjunction with the Scheme's Investment Advisor, reporting to the Full Board for approval of specific decisions as required by the Committee's Terms of Reference. The ICFC then regularly monitors these investments and strategies to ensure they are meeting expectations and to make changes where necessary. The Trustee has also appointed an Investment Executive to assist in carrying out these duties.

For the DB Section, the investment strategy is set with the aim of ensuring that the Scheme can meet its obligations to the beneficiaries when they fall due. The Trustee has sought guidance and obtained advice from its Investment Advisor as appropriate when undertaking investment decisions to meet this objective. For example, the Trustee received formal written advice from its advisor in June 2024 to recommend redeeming all holdings from the Aviva REaLM Commercial Assets Fund due to a growing redemption queue, and from the Aviva REaLM Ground Rent Fund due to uncertainty and concerns over liquidity generation given the potential impacts of recent legislation.

# Changes to the SIP over the period

The SIP covering the reporting period was last reviewed and amended by the Trustee in September 2024.

The updates to the most recent SIP included the following:

- Updated to remove any reference to the Defined Contribution (“DC”) section, following the transfer of the DC assets to a Master Trust in October 2023.
- Updated to reference three buy-ins, including the third buy-in inherited after the integration of Electrium in May 2022.

## How the Trustee has met the Objectives & Policies outlined in the SIP

### 1. Investment Governance

There were no changes to the Scheme’s governance structure over the year to 30 September 2024. The Scheme’s governance structure includes the role of the ICFC, the role of the Investment Executive, and the way in which the ICFC takes professional advice. The Trustee engages the services of an Investment Advisor whose role is to provide advice and recommendations across all investment-related matters.

The ICFC continued to receive training on relevant topics from its actuarial, investment and legal advisors and its investment managers as appropriate. The ICFC also monitored the Scheme’s managers on a quarterly basis using reporting provided by the Investment Advisor, as well as attending “manager days” to speak directly with the managers on matters including performance, investment strategy, investment process, responsible investment, stewardship and engagement. The Trustee also received an additional training session on the role of Liability Driven Investment (“LDI”) in the Scheme’s portfolio in May 2024, delivered by the Investment Advisor and the Scheme’s LDI manager, LGIM.

The Competition and Markets Authority (“CMA”) requires Trustees of occupational pension schemes to set strategic objectives for the provider of their investment consultancy services. As such, the ICFC have agreed objectives against which they score their Investment Advisor on a semi-annual basis. Over the period, the Trustee used qualitative and quantitative evidence to score its advisor against a range of areas including: demonstration of added value; delivery of specialist services; proactivity of advice; support with management and compliance; and relationship and service standards. The Trustee also considers climate-related work as part of this review.

The Trustee is satisfied that the investment governance processes in place for the Scheme are consistent with the SIP and are appropriate for the circumstances of the Scheme.

### 2. Investment Strategy and Risk Management

As at 30 September 2024, the Scheme is more than 100% funded on a low dependency basis (Gilts + 0.25%) and invests the Scheme’s assets in a manner that allows the Scheme to maintain full funding on this basis. The dominant investment risks are equity and credit risk, which are accepted in order to target asset out-performance over gilts. The Scheme hedges its interest rate and inflation risk arising from pension liabilities and hedges 50% of the foreign exchange risk arising from equity assets.

The Trustee has set a longer-term objective to reach full funding on a more prudent “Solvency” basis by 2032 (this basis broadly serves as a proxy for pricing which might be expected from a buy-out transaction with an insurer) and has adopted an Investment Strategy consistent with this.

In accordance with the SIP, the Scheme’s progress vs. its strategic objectives is managed and monitored using a Pensions Risk Management Framework (“PRMF”), which is prepared by the Investment Advisor and is reviewed by the Trustee on at least a quarterly basis. Over the period, the Trustee used the PRMF to monitor various risks as outlined in the SIP, and in particular to ensure that:

- The expected return on investments is sufficient to reach full funding on the Solvency basis by 2032.
- The expected return on investments is sufficient for the Scheme to retain full funding on the Gilts + 0.25% basis (i.e. sufficient to support the valuation assumptions).
- Investment risk (including that which arises due to the mismatch between assets and liabilities) is being kept below agreed levels.
- The Scheme’s hedging strategy remains in line with the agreed proportion of the Scheme liabilities (as measured on the low dependency basis).
- The Scheme maintains suitable liquid assets to meet member benefits and collateral requirements on its hedging portfolio.
- The level of diversification within the investment strategy remains appropriate.

The ICFC receives quarterly reporting from the Investment Advisor on the performance of its managers against their objectives as well as detailed risk analysis on the Scheme’s overall position against its objectives.

Given the Trustee’s longer-term objective of achieving full funding on the “Solvency” basis by 2032, the Investment Advisor and Scheme Actuary, Aon, conducted analysis in March 2024 to explore the feasibility of the Scheme carrying out an additional buy-in. The analysis indicated that a near-term transaction was not feasible due to unattractive buy-in pricing and a lack of free excess collateral to fund the transaction. Therefore, the Trustee decided to reconsider a transaction in the future when the Scheme is better funded.

In May 2024, the Trustee decided to sell the Scheme’s full interest in the Hermes Absolute Return Credit (‘ARC’) Fund. While the Trustee had been monitoring the performance of the Fund over the year, the final disinvestment decision was prompted by the departure of Hermes’ Head of Fixed Income – Public Markets, Fraser Lundie, which raised concerns about the repeatability of the strategy’s investment process and the team’s ability to meet the Fund’s stated objectives. The proceeds from this disinvestment were invested into the PIMCO Low Duration Opportunities Fund in August 2024.

In June 2024, The Trustee placed full redemption requests for both the Aviva REaLM Ground Rents and Commercial Assets Funds, due to uncertainty and concerns over liquidity generation. The Trustee will continue to engage with Aviva, with assistance from the Investment Advisor, on the timelines for receipt of these redemption proceeds.

For the year under review, the Scheme had a target asset allocation of 60% LDI, 15% liquid markets and 25% liquid and semi-liquid credit (excluding buy-ins and Orelle i.e. the Scheme’s SPV structure), as set out in the SIP. As at 30<sup>th</sup> September 2024, the Scheme was in line with this agreed target asset allocation. These metrics are reported to the Trustee on a quarterly basis and where the metrics move outside of target, a discussion around whether to rebalance is triggered at the quarterly Trustee Board meeting.

For completeness, and as set out in the SIP, the Trustee continues to consider all of its bespoke illiquid assets (a Scottish Limited Partnership asset-backed funding arrangement (“Orelle”) and three buy-in policies) when monitoring the investment strategy.

The Trustee continues to monitor collateral levels within the Scheme’s LDI portfolio and has a collateral framework in place to effectively adhere to a protocol for a) when portfolio rebalancing will be conducted, and b) set out the levels at which the Scheme’s LDI manager is granted discretion to sell down the non-LDI assets it manages on behalf of the Scheme (e.g. credit and equities), in order to top up collateral levels in the LDI portfolio (to support the Scheme’s liability hedging strategy). This framework is kept under review by the Scheme’s Investment Advisor to make sure it is aligned with best practice and reflects the latest requirements as set out by regulations (and also the Scheme’s LDI manager). In December 2023, the Trustee revised the definition of collateral monitored by LGIM within the Investment Management Agreement to also include the Network Rail bond held within the LDI portfolio, given LGIM can use this bond as collateral if needed. The Trustee considered redeploying the Scheme’s excess LDI collateral above its 400bps strategic target at various points throughout the Scheme year. For example, in June 2024, following receipt of the Scheme’s 2023 valuation results, the Trustee considered redeploying excess collateral (which included the proceeds

from the sale of the Equitix Fund III) pro-rata across the Scheme's liquid return-seeking assets. The Trustee ultimately decided to retain the excess collateral in LDI as the Scheme was already projected to achieve full funding ahead of the 2032 target, hence there was no strong incentive to reinvest the collateral.

Following the volatility experienced during the gilts crisis in September/October 2022, which led to the implementation of the new strategic asset allocation, the Trustee, throughout the Scheme year, considered how it might prepare for other "tail risk" scenarios that could push the Scheme off track vs its 2032 objective. Although the Trustee decided in November 2023 not to actively pursue tail risk hedging solutions, the Trustee did decide to explore contingency planning for extreme downside scenarios. This resulted in the production of a high-level "playbook", produced with the assistance of the Investment Advisor, to help guide responses to future extreme downside scenarios.

As set out in the SIP, over the period, the Trustee maintained a risk log (overseen by the Finance, Audit and Risk committee) which was used to track any risks identified, quantify them and outline any mitigations put in place – this was reviewed at each Trustee / Committee meeting.

The Trustee is satisfied that the implementation of the investment strategy and risk management for the Scheme is consistent with the SIP and is appropriate for the circumstances of the Scheme.

### **3. Asset managers (reviews, selection and implementation)**

The Scheme's Investment Advisor leads the Scheme's engagement with its investment managers. Investment managers are reviewed from a fee, strategy, stewardship and ESG perspective when they are selected and as part of ongoing reviews.

Over the period, no new mandates were selected within the Scheme's DB section. However, the Trustee fully divested from the Hermes ARC Fund in late July 2024 following concerns regarding the repeatability of the strategy's investment processes and the team's ability to meet the fund's stated objectives following the departure of Fraser Lundie, Hermes' Head of Fixed Income – Public Markets, the head of the strategy. In June 2024, the Trustee evaluated options for reinvesting the Hermes proceeds, considering both the PIMCO Absolute Return Bond ('ARB') mandate and a potential new ARB mandate. Ultimately, the Trustee decided to allocate the proceeds to PIMCO in August 2024, given the continued strong conviction in the manager and noting that the small allocation size would offer minimal diversification benefits if invested with a new ARB manager.

In April 2024, the Trustee reviewed the Siemens Diversified Growth Fund ("DGF") run by Siemens Fonds Invest ("SFI") to assess its potential suitability for inclusion in the Scheme's portfolio, following a request from the Sponsor. Ultimately, the Trustee decided not to consider an investment at this time as the fund was likely to provide limited diversification benefits given its high correlation to equity market returns, with the Scheme already having a large allocation to equities.

The Trustee also continued to monitor and review its existing investments over the year. For example, in February 2024, the Investment Executive and Investment Advisor met with PIMCO for an update on the Fund's performance and its approach to ESG and stewardship, having previously identified the manager as lagging behind peers in these areas. The Trustee noted that, despite poor performance in late 2022, the Fund's performance had notably improved from late 2023 and the Trustee was comfortable that the manager had taken adequate corrective action in the Fund's positioning, whilst noting that ESG efforts would continue to be monitored closely. The Investment Executive and Investment Advisor also arranged an ad-hoc meeting with CQS in April 2024 to review the Fund's performance and ESG integration, following the Scheme's recent investment in April 2023. Following this meeting, the Trustee was assured that the Fund was performing as expected and fulfilling its strategic role within the portfolio, noting that ESG integration would continue to be monitored.

In addition to this, the ICFC has regularly scheduled 'Investment Manager Presentation Days' which provide the ICFC with the opportunity to ask questions to ensure that the managers' alignment with the Scheme's SIP are monitored on an ongoing basis, and not just at inception. The ICFC used one of these to meet with the Scheme's two existing ARB managers, PIMCO and Hermes, in May 2024, with a focus on performance and ESG integration similar to the previous year. In particular, the focus was on Hermes given the recent departure of Fraser Lundie as head of the strategy. Informed by the views of the Investment Advisor and the Investment Executive, the Trustee decided shortly after this meeting to fully divest from the strategy. The Trustee was also supportive of retaining PIMCO, noting the Fund's improved performance and the additional insights provided into its ESG integration.

The Trustee continues to remain confident that the fees charged by the Scheme's managers are competitive. A detailed

fee review is conducted on a triennial basis to ensure that fees remain fair and competitive, with the next review scheduled for 2026.

The Trustee continues to monitor each of the Scheme's managers against the 'Mandate Monitoring Framework' – a series of quantitative and qualitative triggers pre-agreed by the ICFC for reviewing each of the Scheme's liquid mandates. The Trustee is comfortable that over the period the majority of mandates continued to meet the agreed criteria by playing both strategic roles in the portfolio and performing in line with the agreed benchmark or peer group. Although PIMCO's performance continued to fall short of its target return, this underperformance was considered by the ICFC to be due to the poor Fund performance in 2022 affecting the three-year measurement period. As such, the Trustee remains confident in the strategy, noting the rebound in performance in 2023, and anticipates that PIMCO will no longer breach the performance trigger as the impact of 2022 diminishes over time.

The Trustee has also received information relating to cost transparency and portfolio turnover for each of its asset managers over the period, as well as examples that were related to the Trustee's agreed stewardship theme of climate change; these have been included in the appendix for completeness. The Trustee confirms that these metrics are in line with expectations and that no immediate action is required.

The Trustee confirms that its policies with regards to selecting, implementing, and monitoring of its asset managers as set out in the SIP have been appropriately followed throughout the period.

#### **4. Responsible Investment**

##### **a. Environmental, Social and Governance ("ESG") Considerations**

Over the period covered by this Statement, with assistance from the Investment Advisor, the Trustee continued to integrate ESG into the DB investment strategy, monitoring and decision-making processes – continuing to align the Scheme with the recommendations of the TCFD requirements. As part of this process, the Trustee reviewed the Scheme's previous TCFD Report against both regulation and feedback from the Pension Regulator's ("tPR") most recent review of other published TCFD reports published in April 2024 to align with emerging best practice. Following this, the Trustee worked through all the relevant steps to publish its fourth TCFD-aligned Statement (for the year ended 30 September 2024), further detail of this can be found via the following link: [TCFD Statement link](#).

In setting the Scheme's investment strategy, the Trustee seeks to act in the best financial interests of the Scheme and its beneficiaries, recognising that ESG factors, including climate change, can have a material financial impact on the value of investments held over the time horizon of the Scheme if not understood and evaluated properly. The Trustee continued to take account of these factors by taking advice from the Investment Advisor when setting the Scheme's asset allocation, when selecting managers and when monitoring performance.

The Trustee used information provided by the Investment Advisor, where relevant and available, to monitor the extent to which the Scheme's managers have integrated ESG into their processes (including associated climate change risks). Analysis of carbon metrics associated with the Scheme's mandates and referenced within the Scheme's annual TCFD-aligned reporting are also provided to the Trustee on an annual basis.

ESG integration and stewardship continued to be explicit topics of discussion between the Trustee, the Investment Advisor and the Scheme's asset managers. Continued work on the subject is planned for the next Scheme year and any such work will be reported in the next iteration of the Implementation Statement.

##### **b. Stewardship, engagement and voting behaviour**

Being cognisant of the DWP's updated guidance emphasising the need for asset owners to be more "active" in their approach to stewardship, the Trustee adhered to its updated Stewardship Policy over the Scheme year which was set in May 2023. See the SIP for the Stewardship Policy.

In September 2024, the Trustee, through its Investment Advisor, considered what further steps they could take to enhance the Scheme's approach to stewardship. Since the Scheme already meets regulatory requirements and is aiming for a 2032 buy-out target, limiting future engagement to a few years, a light touch approach was deemed appropriate. It was decided that the Investment Executive would consider how the Sponsor's annual ESG survey could be used to further facilitate engagement with managers. Further details on the outcome of this discussion will be included in the next iteration of this Statement.

The Trustee has adhered to their voting and engagement policies by receiving regular updates from the Investment Advisor on the investment managers' performance, including receiving ratings for each manager that factor in ESG and

stewardship as key selection criteria. The Trustee also receives reporting from the Investment Advisor assessing ESG and carbon metrics at both the Scheme and Fund level on an annual basis. The Trustee is also informed of any changes to the Investment Advisor's overall ratings of the managers, for example the downgrade of the Hermes ARC Fund in May 2024. This reporting is discussed at ICFC meetings together with whether the managers are performing in line with the wider objectives of the Scheme.

The Trustee meets its managers periodically, where the managers will present on their stewardship activities and the Trustee holds the managers accountable to the standards expected from the Trustee. In October 2023, the Trustee met with LGIM and it was discussed why the Buy and Maintain ("B&M") Portfolio was not on track to meet its temperature alignment objective to manage the portfolio along a pathway to achieve a temperature of 2.0°C or lower from 31 December 2025. Following this, the Trustee met with LGIM again in March and September 2024 where the lack of progress towards the target was once again discussed. These discussions led to the Trustee's decision to make minor trades to realign the portfolio with the temperature alignment target. Further progress regarding this target will be reported in the next iteration of this Statement.

Following the meeting with LGIM in March 2024, it was also noted that the ESG exclusions currently applied to the LGIM Paris-aligned equities were not being applied to the B&M portfolio, meaning in theory the Scheme could be excluding a company on the basis of ESG-considerations in the equity allocation, but then finance the company via debt in the B&M portfolio. As such, the Trustee agreed to update the exclusions for the B&M Portfolio to align with those of the LGIM Paris aligned equities, with the proposed trading improving the wider climate metrics of the portfolio without negatively impacting the return or credit rating. The Trustee views this as a pragmatic step to continue to progress towards their ESG-related goals and further detail on the impact of these trades will be included in the next iteration of this Statement.

All of the Scheme's investment managers are signatories to the UK Stewardship Code with the exception of Savills (property manager for the Farm Holdings). Although the Trustee expects the Scheme managers to be signatories to the Stewardship Code, the Trustee understands that there are valid reasons as to why a manager may not be a signatory. There are no immediate concerns with the fact that Savills is not a signatory to the UK Stewardship Code. Further information on how each of the Scheme's managers have followed the stewardship and engagement policies set out by the Trustee, as well as full disclosure on which ESG-focused standards, codes and memberships the Scheme's managers are members of, can be found in the appendix.

The Scheme also holds a listed equity allocation (the LGIM ESG Paris Aligned World Equity Index Fund), where stewardship and engagement, including the use of voting rights, are likely to be financially material. The Trustee holds LGIM accountable for voting activity and how they have voted in significant votes. Under DWP guidance, it is the Trustee's responsibility to define the significance of votes placed on its behalf and be transparent with stakeholder and beneficiaries regarding outcomes (see appendix for further details).

The Trustee confirms that the stewardship, engagement and voting behaviour policies have all been adequately followed over the Scheme year.

## Concluding Remarks

The Trustee confirms that the policies set out in the SIP have been appropriately followed over the year to 30 September 2024.

## Contact Details

If you have any questions or wish any additional information in relation to this Statement, please contact the Pensions, Secretary to the Scheme at:

Email: [siemens@thpa.co.uk](mailto:siemens@thpa.co.uk)

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# Appendix

## 1. Cost Transparency

The Trustee confirms that the transaction costs provided by its managers were within expectations given the nature of each of the mandates, and as such, the Trustee is confident that no action is required on the back of these responses. This information will continue to be reviewed on an annual basis in case any calls to action arise and is expected to evolve over time.

- a. **Legal and General Buy and Maintain Credit** – For the period 1 July 2023 to 30 June 2024 the transaction costs were -0.010% (updated information beyond 30 June 2024 is not yet available).
- b. **Legal and General Segregated LDI Portfolio**– For the period 1 July 2023 to 30 June 2024 the transaction costs were 0.076% (updated information beyond 30 June 2024 is not yet available).
- c. **Legal and General ESG Paris Aligned World Equity Fund** - For the period 1 July 2023 to 30 June 2024 the transaction costs were -0.005% (updated information beyond 30 June 2024 is not yet available).
- d. **Hermes Absolute Return Credit ('ARC') Fund** – For the period 1 October 2023 to 31 July 2024 the transaction costs were 0.11%<sup>1</sup>.
- e. **CQS Dynamic Credit Multi Asset Fund** – For the period 1 October 2023 to 30 September 2024 the transaction costs were 0.59%.
- f. **PIMCO Low Duration Opportunities Fund** – For the period 1 October 2023 to 30 September 2024 the transaction costs were 0.16%.
- g. **Aviva REaLM Commercial Assets Fund** - For the period 1 April 2023 to 30 September 2024 the transaction costs were 0%.
- h. **Aviva REaLM Ground Rents Fund** – For the period 1 April 2023 to 30 September 2024 the transaction costs were 0%.
- i. **Farm Holdings (managed by Savills (UK) Ltd)** – For the period 1 October 2023 to 30 September 2024 the transaction costs were 0%.

## 2. Portfolio Turnover

The Trustee confirms that the portfolio turnover provided by its managers were within expectations given the nature of each of the mandates, and as such, the Trustee is confident that no action is required on the back of these responses. This information will continue to be reviewed on an annual basis in case any calls to action arise.

- a. **Legal and General Buy and Maintain Credit** - For the period 1 October 2023 to 30 September 2024 portfolio turnover was 5.4%.
- b. **Legal and General Segregated LDI Portfolio** – Portfolio turnover is not applicable for LDI.
- c. **Legal and General ESG Paris Aligned World Equity Fund** - For the period 1 October 2023 to 30 September 2024 portfolio turnover was 17%.
- d. **Hermes Absolute Return Credit Fund** – For the period 1 October 2023 to 31 July 2024 portfolio turnover was 2.6%<sup>1</sup>.
- e. **CQS Dynamic Credit Multi Asset Fund** – For the period 1 October 2023 to 30 September 2024 portfolio turnover was 152.8%<sup>2</sup>.
- f. **PIMCO Low Duration Opportunities Fund** – For the financial year ending 31 December 2023 portfolio turnover was 33%. PIMCO are unable to provide portfolio turnover details for custom time periods, however it is not expected to be materially different for the period 1 October 2023 to 30 September 2024.
- g. **Aviva REaLM Commercial Assets Fund & Aviva REaLM Ground Rents Fund** – For both funds there is very little-to-no turnover, e.g., a 99-year ground rent is purchased, then after 50 years it is extended.
- h. **Farm Holdings (managed by Savills (UK) Ltd)** – For the period 1 October 2023 to 30 September 2024 portfolio turnover was 0%.

<sup>1</sup> Transaction costs and portfolio turnover provided up 31<sup>st</sup> July, noting the Trustee fully divested from the Hermes ARC Fund on 2 August.

<sup>2</sup> The Trustee is comfortable that the turnover for CQS is within the typical range for the daily dealt Dynamic Credit Multi Asset Fund.

### 3. ESG focused standards, codes and/or industry memberships of the Scheme's managers

#### Membership of Scheme's Managers

	LGIM	CQS	Hermes	PIMCO	Aviva	Savills
CA100+	✓	✓	✓	✗	✓	✗
Ceres	✗	✗	✓	✗	✓	✗
GRESB	✓	✗	✓	✗	✓	✓
IIGCC	✓	✓	✓	✓	✓	✗
PRI	✓	✓	✓	✓	✓	✗
SASB	✓	✗	✓	✓	✓	✗
UKSIF	✗	✗	✓	✗	✓	✗
UK Stewardship Code	✓	✓	✓	✓	✓	✗
UNEP FI	✓	✗	✗	✗	✓	✗
UN Global Compact	✓	✗	✓	✓	✓	✗

#### Glossary:

**UN Global Compact** – A non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

**UNEP FI** – The United Nations Environment Programme Finance Initiative is a global partnership established between the United Nations Environment Program (UNEP) and the financial sector.

**UK Stewardship Code** – The stewardship code is part of UK company law concerning principles that institutional investors are expected to follow. Its principal aim is to make institutional investors be active and engage in corporate governance in the interests of their beneficiaries.

**UKSIF** – The UK Sustainable Investment and Finance Association is a membership organisation for those in the finance industry committed to growing sustainable and responsible finance in the UK.

**SASB** – The Sustainability Accounting Standards Board is a non-profit organisation founded to develop sustainability accounting standards.

**PRI** – The Principles of Responsible Investment is a United Nations supported international network of investors working together to implement its six aspirational principles.

**IIGCC** – The Institutional Investors Group on climate change is a leading global investor membership body and the largest one focusing specifically on climate change.

**GRESB** – Established by a group of large pension funds who wanted to have access to comparable and reliable data on the ESG performance of their investments, GRESB has become the leading ESG benchmark for real estate and infrastructure investments across the world.

**Ceres** – A sustainability non-profit organisation working with the most influential investors and companies to build leadership and drive solutions throughout the economy.

**CA100+** – Climate Action 100+ is a five-year initiative led by investors to engage systemically important greenhouse gas emitters and other companies to drive the clean energy transition and achieve the goals of the Paris Agreement.

#### 4. Managers approach to Stewardship and Engagement

In addition to requiring its managers to present on stewardship and engagement when the Trustee meets with them, the Trustee also requires each manager to produce an annual Statement on their approach to stewardship. Direct responses from each of the Scheme's investment managers, including examples of successful engagement, where appropriate, can be found below. The Trustee has focused on examples related to climate change, as it is their primary focus for stewardship.

The Trustee is comfortable with the responses from its managers on this matter and is confident that no action is required on the back of these responses. This will continue to be reviewed on at least an annual basis in case any calls to action arise.

##### a. Legal and General Investment Management

"Our purpose is to create a better future through responsible investing.

In partnership with, and on behalf of, our clients we target a broad range of ESG objectives. These include striving to reach net-zero greenhouse gas emissions by 2050 or sooner across all assets under management, setting an interim target of 70% of eligible AUM to be managed in alignment with this net-zero ambition by 2030, and achieving net-zero across our real estate portfolio by 2050. In 2023, our stewardship activities involved: formalising our approach on human rights, expanding our diversity voting sanctions to the executive committee level for the largest companies in the US and the UK, applying vote sanctions for the first time on companies not meeting our expectations on deforestation, and initiating a campaign on income inequality at supermarkets across five continents.

We recognise that change is a journey that is typically delivered in steps, not leaps. We believe that constructive engagement with companies and policymakers is the best way to deliver this long-term, systemic change. Indeed, we celebrate those that take action to improve ESG outcomes. But those that do not engage, or take heed of our drive for minimum standards, will find that we will use the range of stewardship tools seeking to influence a better outcome. These include voting against specific resolutions at these companies, filing shareholder resolutions ourselves or, as a last resort, withholding investment, while continuing to engage. That's because we believe divestment is a blunt and often ineffective tool, which may result in investors overlooking the problem they are trying to solve."

##### 1. Example of engagement (Paris-Aligned Equity Fund): Barclays

"We believe that the financial services sector's lending activities, corporate facilitation, insurance and asset management activities are key to speeding up or delaying the transition to a low-carbon economy. Banks have a major role to play in the climate transition and need to shift their attention to aligning their lending portfolios to be consistent with the Paris Agreement.

Barclays is a large global bank and a prominent UK high-street name which LGIM has engaged extensively and productively with for many years on its approach to climate risks and opportunities. Barclays has historically shown receptiveness to investor engagement.

Following a climate-related shareholder resolution at Barclays' 2020 AGM that we supported, there have been important advancements in climate management at the bank. Despite positive developments as part of its emissions coverage, concerns remained with the progress made on target ranges.

The company had not explained how their stated target ranges would contribute to bringing about the required real-world change in line with the Paris Agreement. Our engagements have included both one-to-one discussions and collaborative meetings with other investors who had been considering filing a shareholder resolution related to Barclays' approach to financing the oil & gas sector.

Throughout these discussions, we obtained substantial background information, including contemplated proposals, related to strengthening Barclays' policy and due diligence processes. These met many of our expectations and enabled LGIM to withdraw from the co-filing group ahead of the AGM.

We will continue to engage with Barclays to ensure that they remain committed through words and actions in playing their part in addressing the systemic risk of climate change.

Separately from this engagement, we recently expanded our discussions with the bank to consider their exposure to and mitigation activity in the areas of nature and agriculture, especially in their UK home market."

## 2. *Example of engagement (Buy & Maintain Portfolio): Croda*

“Chemical business Croda is a leading global producer of high-performance ingredients and technologies based on natural ingredients across consumer care and life science industries. Positive portfolio action and performance will not only have beneficial carbon avoidance and land impact, but it will help transform the emission pathways of consumer care and life science industries through its innovation developments.

We regularly engage with C-suite level management and the sustainability team, having met four times in the past twelve months. Further, we also presented to the Croda exec team and board at an ESG strategy event earlier this year, sharing our views on ESG investing and shareholder expectations. This is the second time in three years that we have presented in this forum. As part of a rigorous sustainability strategy, the company commits to become Climate, Land and People positive by 2030.

Engagement with Croda management has been extremely progressive, and we are pleased by the evolution of their sustainability strategy, reporting and KPI measurement. Whilst we will continue to monitor the company's progress and engage further on MT targets, we will look for management to provide more disclosure on its R&D pipeline and collaboration across the value chain, particularly in areas of raw material sourcing and product lifecycle developments, where we consider to be the most significant areas of double materiality.

New product innovation and increased natural inputs represent an indicator of commitment to reposition the portfolio towards more sustainable outcomes, which we believe to be a significant contributor to future revenue and profit growth.”

Since the previous iteration of this Statement, the Trustee noted the marked improvement in LGIM's engagement, notably through their efforts in engaging to seek change. Nevertheless, the Trustee challenged LGIM on the outcomes of their engagement. Specifically, the Trustee informed the manager that they would like to see a clearer statement of engagement objectives, with more explicit links between those objectives and the resulting outcome.

### **b. Hermes Investment Management Limited**

“EOS, our in-house stewardship team, leads our stewardship activities at Federated Hermes Limited.

Our comprehensive three-year forward-looking Engagement Plan incorporates EOS clients' common and specific objectives as well as changes in the market and regulatory environment in different countries and sectors around the world. It outlines 12 key themes and 32 related sub-themes for engagement, as directed by the EOS client consultation process and our view of key market-wide or systemic risks.

We aim to focus on the issues that are most material to the individual companies. Our global Engagement Programme consists of proactive corporate engagements: systematic and ongoing dialogue with around 400 companies over an extended period.

We also undertake reactive engagements with companies on an ad-hoc basis. This is typically in response to issues that arise unexpectedly such as voting related issues or international norms violations (e.g., UN Global Compact Principles). Most of our engagement is undertaken individually and takes place behind closed doors for the most part. We believe this approach leads to more successful engagement outcomes in the long run. However, we may, as a means of escalating engagement, take more public approaches, although this happens less frequently.”

## 1. *Example of engagement: Berry Global*

“In 2021 packaging company Berry Global announced a plan to reduce its emissions in line with a 1.5°C-aligned scenario. Our objective is for the company to increase its climate commitments by setting a net-zero target for 2050 or sooner. We expect it to include at least 95% of its Scope 1 and 2 emissions in this target and to cover the most relevant Scope 3 emissions. We first wrote to the company in 2022 to share our climate expectations that are aligned with the Net Zero Asset Managers Initiative (14 and 15). In 2023, the company said it would likely focus on setting a 2030 target after reaching its 2025 target and that it had escalated our previous written expectations for a net-zero commitment. At the same time, the company sought our advice on what to include in its next sustainability report. Shortly after this, the

company did announce a commitment to achieve net-zero emissions across its global operations and supply chain by 2050. In Q1 2024, we were able to discuss this new target during a call with the company, and we are pleased to know that it is aiming for a 90% reduction in Scope 1, 2 and 3 emissions, which completed our objective.”

## 2. *Example of engagement: Bank of Ireland*

“Bank of Ireland is a commercial bank with a strong franchise in the Republic and in the UK. As a financial institution, the bank’s main carbon footprint lies in its lending and investing activities. When we began engaging with the bank on this topic, we set an objective for the bank to disclose a complete accounting of these risk exposures and outline its key strategies for derisking, mitigating and adapting to these challenges.

The bank has significantly improved its assessment and reporting of exposure to transition and physical climate-related risks over the past three years. To tackle its significant mortgage portfolio, we started engagement by pointing to some peer approaches to incentivising energy efficiency improvements among homeowners as examples of best practice to consider. In 2021, the bank launched its own green mortgage product line. Following this achievement, we suggested that incentivising the retrofit of less energy-efficient buildings would be the next step to increase the effectiveness and inclusivity of its approach. In 2024, the bank entered the retrofit space by launching its EcoSaver mortgage product, significantly expanding the reach of its strategy. During a Q3 2024 engagement, we congratulated the bank on this series of achievements. We commented that there are future opportunities for the bank to support its client base in responding to physical climate risks. However, recognising the extensive progress made to date on the bank’s efforts to respond to climate-related risks and opportunities, we marked this objective as complete.

As a key lender to the Irish agricultural sector, we have had early conversations with the bank on creating a reporting strategy in line with the Taskforce on Nature-Related Financial Disclosures (TNFD) initiative. Following these conversations, we set an objective in Q2 2024 for the bank to formalise a holistic strategy on nature and provide best-practice reporting on its implementation.”

The Trustee is comfortable with the responses provided by Hermes. Hermes provided the Trustee with two engagement examples, both related to climate change, where Hermes successfully engaged with companies over a prolonged period of time. Following the Scheme’s full disinvestment from the Hermes ARC Fund over the Scheme year, the Trustee will no longer be monitoring Hermes’ engagement but is content with the progress made over the duration of the Scheme’s investment in the fund.

### c. **CQS (UK) LLP**

“We have a three-pronged approach to engagement - our Targeted Engagement Programme, our day-to-day engagement as part of the research process, and collaborative engagements. Primary areas of engagement as part of the framework are: sustainable business practices; good governance and financial disclosure; climate risk management and encouraging disclosure; and diversity within a company. Engagement activity also contributes to ongoing enhancement of our climate database.

Portfolio managers are responsible for selecting the specific companies with whom they wish to engage as part of the Targeted Engagement Programme, and overseeing progress made. Conducting ongoing engagements, implementing the targeted engagement programmes, and feeding back to portfolio managers, is the responsibility of the research team, led by the Head of Research. The MCQS Engagement Group, comprised of a broad representation of Portfolio Managers and Research Analysts, and chaired by the Head of Research, reviews targeted engagement activity and outcomes. This internal collaboration is important as it enables co-ordination across the platform and capital structure. Collaborative engagements are proposed and agreed at quarterly Responsible Investment Committee Governance meetings, while collaborative engagement on the back of default re-organisation occurs ad hoc where relevant.”

## 1. *Example of engagement: Summit Midstream*

“We identified Summit Midstream as a top emissions contributor to the Fund. Despite improving on ESG over the past few years, the company has yet to formalise any long-term targets. We sought to engage with the company on their upcoming 2023 ESG report, and whether it would outline any Scope 1 & 2 emissions reduction targets.

We had a one-to-one meeting with the CFO and Director of the company, to gain clarity on their upcoming ESG report. The company confirmed that while they will continue to operate without formal emissions reduction targets at this

time, their 2023 report will feature enhanced ESG data and statistics relative to prior years. This improved data collection is helping the company establish baselines that future targets will be set against. They also want to ensure that when targets are eventually set, they will be in a strong position to be able to achieve them.

We were pleased with the answers we received. The company has since released its 2023 report, which includes commitment to carbon reduction and D&I targets, alongside other ESG disclosures.”

#### *2. Example of engagement: CBR Fashion Group*

“As part of our “Climate Targeted Engagement Programme”, we engaged with CBR to encourage carbon emissions disclosures, the setting of decarbonisation targets and a public commitment to Net-Zero.

We met with the CFO and the Investor Relations Team at the JP Morgan EU HY Conference to discuss any progress they had made with establishing a baseline, whether the business had considered its water consumption, and if they were looking to incorporate sustainable materials into their business. Despite expressing that the current tools and data available in the market are not sophisticated enough to accurately capture all of their emissions, the company plans to publish an ESG section in annual report in line with EU regulation, in addition to implementing projects that help reduce emissions such as replacing conventional lighting, using less resources and less air freight.

While the company was open to discussing our points, we do not expect carbon emissions disclosures from them in the near-term. We will continue to encourage future progress towards a Net-Zero pathway, including encouraging setting targets.”

The Trustee challenged the engagement examples provided by CQS. Whilst it recognises CQS are continuing to evolve in the area of stewardship and ESG integration, the Trustee has communicated to the manager the need for clearer examples of CQS actively seeking change and more comprehensive links between the objectives and outcomes of the engagement.

#### **d. Pacific Investment Management Company LLC (PIMCO)**

“PIMCO’s structure helps to support our sustainability efforts and stewardship activities across key areas of the organisation, including portfolio management, client management, product strategy group and business management, supported by our legal and compliance team. PIMCO’s Sustainability Leadership team (outlined further below) guide and help to develop our stewardship frameworks, and our team of 80+ research analysts, among other colleagues with sustainability-related responsibilities, are responsible for implementing this day to day, including our team of 10+ research analysts who are focussed on ESG research and engagement (PIMCO’s ESG Research Analysts).

PIMCO’s sustainability team is not a separate business unit, but continues to be integrated across all functions of the firm from portfolio management to client-facing, executive office to product strategy, compliance to marketing. This ensures that sustainability is integrated into PIMCO’s broad research process and includes staff at every point along the value chain. As mentioned, PIMCO also has a team of 10+ ESG Research Analysts dedicated to ESG research, engagement and integration across portfolio management groups. With guidance and direction from this group, we believe it is important to have all of our expert credit analysts monitor the ESG risks that are relevant to their particular sector and universe of securities. This ensures that ESG risk factors and opportunities are integrated into our investment decision making, as opposed to being an “add-on” separate from our financial analysis.”

#### *1. Example of engagement: Volkswagen*

“PIMCO has previously engaged on the topics of supply chain due diligence and the alignment of their disclosures with the TCFD. The issuer has made strides in their broad sustainability efforts by incorporating ESG criteria into their compensation strategies and by actively seeking to demonstrate their UNGC compliance.

We reaffirmed our recommendations emphasizing the critical need for an external public evaluation of their global norms status through a second party opinion report. We highlighted several areas of their sustainability disclosure and strategy that could benefit from improvements, such as clearer articulation of their target statuses and broader integration of circular economy principles. The issuer acknowledges our feedback on issues with the format of their disclosure (e.g. clarification of their target's status, expansion to circular economy) and remain in the process of

streamlining it.”

## 2. Example of Engagement: Goldman Sachs

“PIMCO has engaged with Goldman Sachs for several years and has previously discussed topics including feedback on the Sustainable Financing Framework, their collaborative engagement with other investors and effort in methane abatement, where the issuer has demonstrated progress. PIMCO encouraged more transparency on how the issuer will leverage their in-house pathways to meet methane targets and achieve those targets in alignment with IEA pathways. We highlighted our view on various alignment methodology and encouraged the issuer to take deforestation into account as part of its decarbonization strategy and target setting. We encouraged the issuer to clearly outline the governance structure and key levers to demonstrate robust pathway to reduce scope 1, 2 and 3 GHG emissions in the context of their sectoral targets.”

Both examples above highlight engaged issuers within the PIMCO GIS Low Duration Opportunities Fund. The Investment Advisor followed up with PIMCO regarding the lack of detail provided on the outcomes of these engagements. PIMCO clarified that the engagements had occurred recently, and thus, significant outcomes were not yet expected as PIMCO view engagement as a multi-year process whereby outcomes can take time to materialize, particularly when related to strategy changes and disclosure updates for large corporates such as the two mentioned above. PIMCO have said they can provide updates on the progress on these engagements in due course. Although there were no immediate calls to action raised by the information provided by PIMCO, stewardship and ESG integration is an area which the Trustee is monitoring closely with the manager as it has previously been identified as a laggard in this regard. The outcome of the Trustee’s efforts with PIMCO regarding stewardship and ESG integration will be reported in the next iteration of this Statement.

### e. Aviva Investors

“The Private Markets Responsible Investment and Sustainability Risk Policy (<https://www.avivainvestors.com/en-gb/capabilities/sustainable-finance-disclosure-regulation/>) sets out our approach to responsible investment in addition to risks which are addressed by the overarching framework of policies, procedures, governance structures and controls across Aviva Investors. This policy defines our responsible investment approach throughout the investment process: origination, due diligence, approval, asset management, disposition/termination and reporting. It feeds into our portfolio decisions and is linked to our investment philosophy pillars of believing in effectively managed, informed risk and investing with conviction for the long term. Responsible investment is embedded throughout the investment process by harnessing quantitative tools and qualitative research.

We believe being active asset owners through engagement with our stakeholders is critical to creating positive environmental and social outcomes for our clients and society. Engagement in Private Markets can be defined as structured interactions on environmental and social issues with our customers, including borrower and occupiers, as well as the communities we operate in.

At a Fund level, our occupier engagement programmes create relationships with tenants in the buildings owned by our clients. Through engagement we hope to understand how the building is performing, what possible steps could be practically implemented to decarbonise the asset and how we can work with the occupier to deliver this.

We play an active role in reforming Private Markets and the built environment. This extends to collaboration with our peers, engagement with our extended network of suppliers, partners, and engagement with industry and government on material ESG and stakeholder matters. We hold a broad range of memberships in industry bodies and third sector groups and use these to drive positive change. Our current memberships include the UK Green Building Council, Better Buildings Partnership, and the Global Real Estate Sustainability Benchmark Infrastructure Advisory Council.

We advocate policy measures to support efficient and sustainable capital markets at national, EU and UN levels to improve outcomes for clients. We also use our influence as a large institutional investor to advocate for policy reforms that address market failures and help build more sustainable private markets. We are a proud founding signatory of the UN Principles for Responsible Investment (UNPRI) and are committed to complying with these Principles across all asset classes.”

## 1. Example of Engagement (Aviva REaLM Commercial Assets Fund): Lincoln College

The focus of this engagement was climate change with Aviva carrying out a net zero due diligence audit of the tenant’s premise and proposing recommendations for improvements. Since the engagement, the tenant has applied for grants to

complete further optimisation initiatives and solar. They also recently received a £1m funding pot to improve the energy efficiency of two buildings, with discussions on the net zero due diligence audit ongoing.

*2. Example of engagement (Aviva REaLM Commercial Assets Fund): University of Gloucestershire*

The focus of this engagement was Climate Change. Aviva pushed solar consultants to be instructed to carry out photovoltaic (PV)<sup>3</sup> surveys to ascertain viability and the tenant exhibited a keenness to explore this. Aviva has instructed and is currently waiting for the Solar consultants to carry out their work later in 2024.

The Trustee recognises that the nature of engagement for real assets and private markets is fundamentally different to listed equity and fixed income. As a result of this, the Trustee is comfortable with the responses provided by Aviva, noting that redemption requests for both Funds were submitted over the Scheme year. Although Aviva was unable to provide an engagement example for the Ground Rents Fund, the Trustee recognises the portfolio management team have been focussed on the regulatory issues the Fund has been facing (namely the impact of the Leasehold Reform and Building Safety Acts) over the last 12 months and they have been engaging heavily with the key parties involved including the Department of Trade and Treasury.

**f. Farm Holdings (managed by Savills (UK) Ltd)**

“In the context of greenhouse gas emissions now at an all-time high, cutting into the time remaining to limit warming and with global progress against the United Nations Sustainable Development Goals (SDGs) faltering, there remains an urgent need to support the SDGs. As a business, we have selected the 9 most material SDGs as a blueprint for our Sustainability Strategy. Our strategy spans three core areas, Climate, Culture and Community which are each addressed in this report.

Savills embraces our responsibility to be ambitious with our decarbonisation efforts. We are proud to share that our Savills PLC near term decarbonisation targets have been approved by the Science Based Targets Initiative (SBTi) which we detail in this report. Separately, we continue to work towards net zero carbon for all three emission scopes by 2040. Before then, Savills UK will continue to work towards operational net zero carbon by 2030 in accordance with World Green Building Council guidance.

At Savills, we strive for responsible and sustainable real estate, and we invite our clients and peers to join us on this journey. Our specialised division, Savills Earth, comprises a team of sustainability and energy experts who provide customised consultancy services to our clients. Together with our clients, we create and execute innovative sustainability strategies that respond to the rapidly changing landscape of opportunities and challenges.”

The nature of engagement that Savills conducts is different to the Scheme’s other allocations, given the nature of the asset. This engagement is limited to the planning and development process and as such there are no specific examples available.

**5. Managers approach to Voting**

The Trustee delegates responsibility for the exercising of rights (including voting rights) attaching to investments to the Scheme’s investment managers. The Trustee is not aware of any material departures from the managers’ stated voting policies.

In a similar way to engagement, in future, the Trustee plans to consider how best to assess the voting activity of the Scheme’s managers and how best to then engage with the managers where necessary. For this Implementation Statement, the Trustee has asked its voting manager, LGIM, to provide details of significant votes which took place in one of the Fund’s top 25 largest holdings (proxying where the Scheme itself has most exposure), related to the Trustee’s agreed theme of climate change.

The using of voting rights is most likely to be financially material in the section of the portfolios where physical equities are held. Voting is therefore most relevant to the LGIM ESG Paris Aligned World Equity Fund. As these investments are made via a pooled fund, the investment manager is responsible for voting and engagement on the underlying assets rather than the Trustee and the Trustee’s ability to influence voting activities undertaken is therefore limited.

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<sup>3</sup> Photovoltaic refers to the process of converting light into electricity using semiconducting materials.

Given the nature of this mandate and the fact that voting activities were undertaken in line with the managers' policies, the Trustee is satisfied that the voting policies have all been adequately followed over the Scheme year.

A summary of voting activity for the LGIM ESG Paris Aligned World Equity Fund (including both the GBP hedged and unhedged allocations) over the year 1 October 2023 to 30 September 2024 is provided in the table below.

Key Voting Statistics (1 October 2023 – 30 September 2024)	LGIM
Number of equity holdings at period end	1092
Value of Trustees' Assets	£224m
Number of meetings eligible to vote during the period	1169
Number of resolutions eligible to vote during the period	16,953
% of resolutions voted	99.4%
% of resolutions voted with management	78.1%
% of resolutions voted against management	21.5%
% of resolutions abstained	0.5%
In what % of meetings, for which you did vote, did you vote at least once against management?	78.7%
% of resolutions where manager voted contrary to recommendation of proxy advisor	15.8%
Any use of proxy voting services during the period	LGIM's Investment Stewardship team uses Institutional Shareholder Services' 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure the proxy provider votes in accordance with LGIM's position on ESG, a custom voting policy with specific voting instructions has been put in place.

### Significant votes

The Trustee has considered votes with the following criteria (reviewed annually) to be considered 'significant':

- Votes relating to the key stewardship theme (climate change);
- Votes relating to an issuer to which the Scheme has a large £ exposure (or any other currency);
- Votes identified due to potential controversy, driven by the size and public significance of a company, the nature of the resolution, and the weight of shareholder vote against management recommendation.

An example of a significant vote is provided below:

Company name	Unilever Plc
Date of vote	1 <sup>st</sup> May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.36%
Summary of the resolution	Resolution 4 – Approve Climate Transition Action Plan
How the manager voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate change: A vote FOR the CTAP was applied as LGIM understand it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, LGIM note that the company has recently submitted near term 1.5°C aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. LGIM therefore remain supportive of the net zero trajectory of the company at this stage.
Outcome of the vote	Pass
Implications of the outcome e.g. were there any lessons learned and what likely future steps will the manager take in response to the outcome?	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Why has the Trustee determined this vote to be significant?	Thematic - Climate: The Trustee considers this vote to be significant as it is related to their key stewardship theme, climate change. The Trustee is comfortable that LGIM have applied this vote as a so-called "Say on Climate" vote with LGIM expecting transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario.