Ransomes Pension Scheme

Implementation Statement for the year ending 31 December 2024

Introduction

This implementation statement has been prepared by the Trustee of the Ransomes Pension Scheme (the Scheme) in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. The Scheme provides benefits calculated on a defined benefit (DB) basis for members in the DB Section and benefits calculated on a defined contribution (DC) basis for members in the Contracted Out Money Purchase Scheme (COMPS) Section.

The statement:

- sets out how, and the extent to which, the policies set out in the Statement of Investment Principles (the SIP) have been followed during the year;
- describes any review of the SIP, including an explanation of any changes made; and
- describes the voting behaviour by, or on behalf of, the Trustee over the same period, including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustee's policies contained in the SIP are underpinned by their investor beliefs, which have been developed in consultation with their investment consultant. The SIP was updated in September 2024 to reflect the 2024 General Code and the changes to the Scheme's investment strategy from October 2023 to September 2024.

Trustee's overall assessment

In the opinion of the Trustee, the policies as set out in the SIP have been followed during the year ending 31 December 2024.

Review of the SIP

The Trustee's policies have been developed over time by the Trustee in conjunction with their investment consultant and are reviewed and updated periodically and at least every three years.

The SIP was reviewed during the scheme year as a result of changes in investment strategy. The Scheme fully disinvested from abrdn corporate bonds, Baillie Gifford global equities and BlackRock equity, corporate bond, gilt and index-linked gilt funds. The proceeds were reinvested into three LGIM funds covering global equities (currencyhedged), conventional gilts, and index-linked gilts. The updated SIP as at September 2024 reflects the new asset allocations.

Policy in relation to the kinds of investments to be held

The Trustee has full regard to their investment powers under the Trust Deed and Rules and the suitability of the various types of investments, the need to diversify, the custodianship of assets and any self-investment.

Investment strategy and objectives

Investment strategy (DB Section)

The Scheme's investment strategy has been agreed by the Trustee having taken into consideration advice from the investment consultant and takes due account of the Scheme's liability profile along with the level of disclosed surplus or deficit.

The Trustee's agreed investment strategy is based on consideration of the Scheme's liability profile, the required investment return and the returns expected from the various asset classes over the long-term. Long-term returns from equities are expected to exceed the returns from bonds and cash, although returns and capital values may demonstrate higher volatility. The Trustee is prepared to accept this higher volatility in order to aim to achieve the overall investment objectives.

Policy in relation to the balance between various kinds of investments and the realisation of investments (DB Section)

The appointed investment managers will hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market each manager will maintain a diversified portfolio of securities.

In the event of an unexpected need to liquidate all or part of the assets of the portfolio, the Trustee requires the investment managers to be able to liquidate the Scheme's investments in a reasonable timescale by reference to the market conditions existing at the time the disposal is required and subject to the best interests of the Scheme. The majority of the assets are not expected to take an undue time to liquidate.

During the year, the Trustee discussed the performance of the asset classes invested in and the attributes of the asset classes that contributed to that.

Policy in relation to the expected return on investments (DB Section)

The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary's published actuarial valuation report in order to reach then maintain a fully funded status under the agreed assumptions.

COMPS Section

The Scheme provides members in the COMPS Section with a range of funds in which to invest. The fund range has been designed having taken due regard to the membership profile of the Scheme, including consideration of the ways members may choose to use their savings to fund their retirement.

The objective of the investment options available is to allow members to tailor their investments based on their individual investment requirements, while avoiding complexity. The range should assist members in achieving the following:

- maximising the value of retirement benefits;
- protecting the value of benefits in the years approaching retirement against equity market falls and (should they decide to purchase an annuity) fluctuations in annuity costs; and
- tailoring a member's investments to meet his or her own needs, and to how the member intends to make use of their benefits at and through retirement.

In considering these factors, the Trustee believes they have complied with their SIP regarding investment considerations.

Policy in relation to the balance between various kinds of investments and the realisation of investments (COMPS Section)

The investment managers will maintain a diversified portfolio of stocks or bonds within each of the funds offered under the Scheme.

Investments within the COMPS Section are subject to the same liquidity requirements as the DB Section of the Scheme.

The funds in the COMPS Section did not experience any liquidity issues that had any impact on members during the year.

During the year, the Trustee monitored the performance of the funds invested in and the attributes of the asset classes that contributed to that.

Suitability of Investments (COMPS Section)

The Trustee is satisfied that the funds offered to members and the appointed investment managers are consistent with the objectives of the Scheme, particularly in relation to diversification, risk, expected return and liquidity.

Risk capacity and risk appetite

Policy in relation to risks (DB Section)

Although the Trustee acknowledges that the main risk is that the Scheme will have insufficient assets to meet its liabilities, the Trustee recognises other contributory risks, including the following. Namely the risk:

- associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors.
- of the Scheme having insufficient liquid assets to meet its immediate liabilities.
- of the investment managers failing to achieve the required rate of return.
- of insufficient diversification of investments.
- of failure of the Scheme's Sponsoring Employer to meet its obligations.

The Trustee manages and measures these risks on a regular basis via actuarial and investment reviews, and in the setting of investment objectives and strategy.

The Trustee undertakes monitoring of the investment managers' performance against their targets and objectives on a regular basis. Four monitoring reports were received during the year. These did not highlight any significant concerns over the level of risk being run within the Scheme.

Policy in relation to risks (COMPS Section)

The Trustee has considered risk from a number of perspectives. These are the risk that:

- the investment return over members' working lives may not keep pace with inflation and does not, therefore, secure an adequate retirement income,
- investment market movements in the period prior to retirement lead to a substantial reduction in the anticipated level of pension or other retirement income,
- investment market movements in the period just prior to retirement lead to a substantial reduction in the anticipated cash lump sum benefit,
- fees and transaction costs reduce the return achieved by members by an inappropriate extent.

The investment options have been chosen to provide members with the flexibility to address these risks for themselves.

The Trustee monitors these risks through the annual performance monitoring reports.

One monitoring report was received during the year. The report did not highlight any significant concerns over the level of risk being run within the Scheme.

The self-select funds available have been chosen to provide members with the flexibility to address these risks for themselves.

Stewardship in relation to the Scheme assets

Policies in relation to investment manager arrangements

The Scheme's assets are invested in pooled funds which have their own policies and objectives and charge a fee, set by the investment manager, for their services. The

Trustee has very limited to no influence over the objectives of these funds or the fees they charge (although fee discounts can be negotiated in certain circumstances).

There have been no changes to the benchmark/objectives of the funds in which the Scheme invests over the year.

The Trustee, in conjunction with its investment consultant, has processes in place to review investment turnover costs incurred by the Scheme on an annual basis. The Trustee receives a report which includes the turnover costs incurred by the investment managers used by the Scheme.

The Trustee does not explicitly monitor turnover, set target turnover or turnover ranges. The Trustee believes that the investment managers should follow their stated approach with a focus on risk and net return, rather than on turnover. In addition, the individual mandates are unique and bespoke in nature and there is the potential for markets to change significantly over a short period of time.

In addition, the Trustee receives information on any trading costs incurred as part of asset transfer work within either the DB or the COMPS Section, as and when these occur. The exercise is only undertaken if the expected benefits outweigh the expected costs. The Trustee notes that, in respect of the COMPS Section, trading costs are also incurred in respect of member switches (including within the lifestyle strategy).

There were three Trustee-led asset transfers during the year, and information on switching costs incurred was included in the 6 February, 9 September, 7 November 2024 post transfer reports from the investment consultant.

The investment managers have invested the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation. In return the Trustee has paid their investment managers a fee which is a fixed percentage of assets under management.

The investment consultant has reviewed and evaluated the investment managers on behalf of the Trustee, including performance reviews, manager oversight meetings and operational due diligence reviews.

Investment manager monitoring and changes

During the year the Trustee received quarterly and annual reports from the investment consultant for the DB and COMPS Sections, respectively, examining the performance of the pooled funds used.

Appropriate written advice will be taken from the investment consultant before the review, appointment, or removal of the investment managers.

Stewardship of investments

The Trustee has a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns, within an acceptable level of risk, for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

The Trustee, in conjunction with its investment consultant, appoints its investment managers and chooses the specific pooled fund to use in order to meet specific Scheme policies. It expects that its investment managers make decisions based on assessments about the financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustee also expects its investment managers to take non-financial matters into account as long as the decision does not involve a risk of detriment to members' financial interests.

During the year, the Trustee received an update on regulatory information from their investment consultant on ESG issues, including stewardship and engagement.

Stewardship - monitoring and engagement

The Trustee recognises that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustee acknowledges that the concept of stewardship may be less applicable to some of its assets, particularly for gilt investments. As such the Scheme's investments in this asset class are not covered by this engagement policy implementation statement.

The Trustee's policy is to delegate responsibility for engagement and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustee's policy is also to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The Trustee has not set out its own voting policy but follow that of the investment managers. The investment managers are expected to provide regular reports for the Trustee detailing their voting activity.

The Trustee has not set out its own stewardship priorities but follow that of the investment managers.

Investment manager engagement policies

The Scheme's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustee with information on how each investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on each investment manager's website.

The latest available engagement information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

Engagement

	LGIM World ex-UK Developed Equity Index Fund (£-Hedged	IFP Global Equity Fund
Period	01/01/2024 -31/12/2024	01/01/2024 -31/12/2024
Engagement definition	Purposeful, targeted communication with an entity (e.g., company, industry body, collaborative engagements) with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	Their definition of engagement has focussed on purposeful, targeted communication. They manage concentrated equity portfolios of typically 20-40 positions. They think about ESG engagement and risks at a company-specific level as part of their consideration of all financially material risks and opportunities. Therefore, with the exception of their engagement on climate, they have provided single entity engagement case studies, detailing their engagements with each of the companies, rather than on a theme basis.
Number of companies engaged with over the year	863	11
Number of engagements over the year	1,417	21

Engagement

	Aviva Pension BlackRock UK Equity	Aviva BlackRock (60:40) Global Equity	Aviva Life & Pensions UK Limited Secure Growth
Period	01/01/2024-31/12/2024	01/01/2024-31/12/2024	01/01/2024-31/12/2024
Engagement definition	n/a	n/a	n/a
Number of companies engaged with over the year	n/a	n/a	n/a
Number of engagements over the year	n/a	n/a	n/a

**n/a indicates the investment manager did not provide this information when requested*

Exercising rights and responsibilities

The Trustee recognises that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers. All investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights, however, all three equity managers for the DB Scheme vote in line with their in-house policy and not with the proxy voting providers' policies. The Trustee does not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustee considers the proportion of votes cast, and the proportion of votes against management and believe this to be an important (but not the only) consideration of investor behaviour.

The Trustee has been provided with details of what each investment manager considers to be the most significant votes. The Trustee has not influenced the manager's definitions of significant votes but has reviewed these and are satisfied that they are all reasonable and appropriate.

The Trustee has selected the three votes affecting the largest asset holdings for inclusion in this statement. The Trustee did not communicate with the manager in advance about the votes it considered to be the most significant.
The latest available information provided by each investment manager (for mandates that contain public equities) is as follows:

Voting behaviour	LGIM World ex-UK Developed Equity Index Fund (£-Hedged)	IFP Global Equity Fund

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Period	01/01/2024-31/12/2024	01/01/2024-31/12/2024
Number of meetings eligible to vote at	2,140	29
Number of resolutions eligible to vote on	26,760	470
Proportion of votes cast	99.6%	100%
Proportion of votes for management	77.0%	94.7%
Proportion of votes against management	22.7%	3.6%
Proportion of resolutions abstained from voting on	0.4%	1.7%

Voting behaviour	Aviva Pension BlackRock UK Equity	Aviva BlackRock (60:40) Global Equity
Period	01/01/2024-31/12/2024	01/01/2024-31/12/2024
Number of meetings eligible to vote at	669	2,357
Number of resolutions eligible to vote on	9,941	8,803
Proportion of votes cast	99.4%	93.3%
Proportion of votes for management	94.8%	70.7%
Proportion of votes against management	5.2%	27.6%
Proportion of resolutions abstained from voting on	0.0%	1.8%

Voting behaviour	Schroder Global Climate Change Fund (part of the Aviva Life & Pensions UK Limited Secure Growth)	Schroder Strategic Global Equity Fund (part of the Aviva Life & Pensions UK Limited Secure Growth)
Period	01/01/2024-31/12/2024	01/10/2024-31/12/2024

Number of meetings eligible to vote at	66	304
Number of resolutions eligible to vote on	1,027	4,674
Proportion of votes cast	96.6%	92.9%
Proportion of votes for management	89.0%	87.0%
Proportion of votes against management	11.0%	13.0%
Proportion of resolutions abstained from voting on	0.0%	0.2%

Voting behaviour	Schroder UK Listed Equity ex Tobacco (part of the Aviva Life & Pensions UK Limited Secure Growth)	Schroder Global Equity Alpha fund (part of the Aviva Life & Pensions UK Limited Secure Growth)	Walter Scott & Partners Limited UKLAP WP FPLP Asset Share Walter Scott (FPWW) (part of the Aviva Life & Pensions UK Limited Secure Growth)
Period	01/10/2024-31/12/2024	01/10/2024-31/12/2024	01/01/2024-31/12/2024
Number of meetings eligible to vote at	47	150	47
Number of resolutions eligible to vote on	989	2,504	730
Proportion of votes cast	98.1%	95.5%	100%
Proportion of votes for management	98.7%	87.4%	95.3%
Proportion of votes against management	1.3%	12.6%	4.7%
Proportion of resolutions abstained from voting on	0.0%	0.0%	0.0%

Trustee's engagement

The Trustee has reviewed the investment managers' policies relating to engagement and voting activity and how they have been implemented and have found them to be acceptable at the current time.

The Trustee recognises that engagement and voting policies, practices, and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the Engagement Policies for the investment managers can be found here:

Investment manager	Engagement Policy (or suitable alternative)
BlackRock Investment Management	https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf
abrdn	https://www.abrdn.com/docs?editionid=33888ea5-5f5e-4873-8a69-efc6753e5401
Baillie Gifford	https://www.bailliegifford.com/en/uk/individual-investors/literature-library/corporate-governance/our-stewardship-principles-and-guidelines-full-document/ https://www.bailliegifford.com/en/uk/individual-investors/literature-library/corporate-governance/voting-disclosure-company-engagement/company-engagement-report-q4-2024/
Independent Franchise Partners	https://www.franchisepartners.com/assets/Stewardship%20Policy%20-%20Aug%202024-93afe9235fce7639c6e7e9a69755db7b34ff45e29c4f8e4bf9e88e43abd17a5f.pdf
Man Group	https://www.man.com/responsible-investment
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf

Information on the most significant votes for each of the funds containing public equities is shown in the tables below. IFP provided a list of 10 most significant votes, Gallagher selected the 3 votes for the highest size holdings as a % of the total portfolio (unless specified otherwise).

IFP Global Equity Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	RB Global	News Corp	Fox Corp
Date of Vote	23/02/2024	20/11/2024	09/11/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.2%	5.4%	5.3%
Summary of the resolution	Corporate Governance	Board Governance	Board Governance
How the fund manager voted	IFP voted "For" (which was with management but against ISS)	IFP abstained from voting (which was against management and in-line with ISS)	IFP voted "For" (which was with management but against ISS)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Not applicable.	No.	Not applicable.
Rationale for the voting decision	At the 2024 AGM management sought shareholder approval to reincorporate RB Global under the Ontario Business Corporations Act, moving away from the Canadian Business Corporations Act (CBCA).	At News Corp's 2024 AGM they abstained from voting for all directors. While they think management is managing the business well, they chose to abstain to support their long-	IFP voted for the re-election of Lachlan Murdoch (Chair) and Paul Ryan (Governance Committee Chair), which was against ISS. ISS recommended voting against these directors due to the

	RB Global's rationale for the reincorporation was to avoid the restrictive CBCA requirement that 25% of directors be Canadian residents. They supported the move and voted in favour of the reincorporation in Ontario as it will enable the company to recruit directors from a global talent pool. This was against the recommendations of ISS. They identified no material changes in shareholder rights between the two jurisdictions and saw ISS's concerns as immaterial and ungrounded. They engaged with both the company and ISS to make their assessment.	term engagement on maximising shareholder value through structural change. They chose to abstain rather than vote against because they are still waiting for the outcome of the company's ongoing strategic review.	company's dual-class share structure. They recognise the risks associated with the dual-class structure, but they note that the largest single holder of the voting shares – the Murdoch Family Trust – has significant wealth invested in the company. In their experience, this results in a long-term owner mindset and a willingness to invest in the company's long-term strategic future. The Murdoch family has also proven to be strong stewards of shareholder value. The value creation from the sale of 21st Century Fox's entertainment assets to Disney is a clear example of this.
Outcome of the vote	Their vote was successful, the reincorporation was approved.	Contrary to their vote, all directors were elected.	Their vote was successful, both directors were re-elected.

Implications of the outcome	No further action needed.	IFP will continue to monitor and engage on this important topic.	No further action needed.
Criteria on which the vote is assessed to be "most significant"	This was selected as it is a vote against ISS and it demonstrates that their voting is based on their own research and reflects their investment views, not the views of an external research provider or ISS.	This vote was selected because structural change that maximises shareholder value is core to their News Corp investment thesis, and it also represents a vote against both management and ISS.	This was selected as it is a vote against ISS and it demonstrates that their voting is based on their own research and reflects their investment views, not the views of an external research provider or ISS.

LGIM World ex-UK Developed Equity Index Fund (£-Hedged)	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.
Date of Vote	10/12/2024	28/02/2024	22/05/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.3%	4.2%	2.4%
Summary of the resolution	Resolution 9: Report on AI Data Sourcing Accountability	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Resolution 6: Report on Customer Due Diligence

How the fund manager voted	For	Against	For
Where the fund manager voted against management, did they communicate their 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	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.	Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	Shareholder Resolution "Human Rights: A vote in favour is applied as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.

Outcome of the vote	Fail	Fail	Fail
Implications of 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.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is assessed to be "most significant"	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Thematic - Diversity: LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, they believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as enhanced transparency over material risks to human rights is key

			to understanding the company's functions and organisation. While the company has disclosed that they internally review these for their products (RING doorbells and Recognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of their baseline expectations surrounding AI. In particular, they would welcome additional information on the internal education of AI and AI-related risks.
Aviva Pension BlackRock UK Equity	**Vote 1**	**Vote 2**	**Vote 3**

Company name	Shell Plc	Astrazeneca Plc	GSK Plc
Date of Vote	21/05/2024	11/04/2024	08/05/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.6%	7.1%	3.0%
Summary of the resolution	Resolution 22. Approval of Energy Transition Update and Energy Transition Strategy 2024	Resolution 7. Approve Remuneration Policy	Resolution 2. Remuneration Report
How the fund manager voted	Against	Abstain	Abstain
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Yes	Yes	No
Rationale for the voting decision	While they accept Shell can't move significantly ahead of policy – a company of its size and role should be at the forefront of the transition, which its capex plans did not suggest. They lack conviction now that Shell's current strategy and capex plans align to its	The new Policy proposed substantial increases to both the LTIP opportunity (from 650% to 850% of salary) and bonus potential (from 250% to 300% of salary). They would typically vote against such increases, especially as the	Whilst there are no material concerns overpay outcomes for the year under review, their abstention reflects that in their view there were at least some windfall gains on the recently vested LTIP awards and as such, some downward discretion should

	overarching commitment to the goals of the Paris Agreement.	LTIP levels were already generous for a UK company. However, they were consulted over the increases, with the Company's reasoning that the current remuneration policy risks limiting the company's ability to compete for key roles below the Board, with heads of R&D being the most highly compensated roles in the industry below CEO level. 40% of the Company's senior leaders are based in the US and over 40% of revenue derives from the US. The Company recognises that these proposals are material if viewed in a UK context. However, the changes are necessary to increase the competitiveness of the performance-related pay opportunity in the context of the global	have been applied. GSK's disclosures and further engagement with the company did not provide an adequate explanation as to why the awards were not reduced on the LTIP awards (that were granted in February 2021) given the share price at the time of the February 2021 award was £12.77 (one of the lowest points over a number of years), significantly down compared to the share price that determined awards made on 19 Feb 2020 (£16.81), and also given the shares came back quite sharply from that low point. Also, an ongoing concern is under the LTIP, the achievement of (only) threshold performance targets determine the vesting of 25 % of the award potential, and this level of vesting represents approximately 144% of salary for the

	and European pharma market. The Company has also said to them that executives will not benefit from the increased remuneration opportunity if they do not deliver strong returns to investors over the long-term. Year on year the threshold targets increase in terms of the performance required to pay out. Due to commercial sensitivity AZ is unable to share all the targets in advance, but the Committee looks for growth in the plans (plan proposed vs prior plan, and also plan proposed relative to the prior plan outcome), to ensure that the stretch and growth in each plan is high. However, their abstention reflected that the Company has not addressed their ask for a reduction in the amount of LTIP award that vests for the threshold / lower	CEO based on recent grant levels. They consider this to be very generous and something they will continue to engage with GSK on, as to ensure high levels of pay are paid for high levels of performance.

		end of performance targets. 20% of the award vests across the various metrics at this level e.g. median relative TSR performance, so currently this equates to awards at 130% of salary. This will increase to 170% of salary under the new grant levels (of 850% of salary). They consider this to be excessive for such levels of performance and at least to some extent this contradicts the Company point about the stretch in targets. If the Company has not addressed this point by the next AGM, they will revert to voting against pay arrangements.	
Outcome of the vote	The resolution was approved, receiving 73.3% votes in support from shareholders.	The resolution was approved, receiving 62.6% votes in support from shareholders.	The resolution was approved, receiving 93% votes in support from shareholders.
Implications of the outcome	In view of the aforementioned points and Shell's proven track record of responsiveness	The outcome of the vote is a good reflection of the debate around UK competitiveness. On	They will continue to engage with the company, to ensure that high levels of pay are granted for

	to engagement with them and other shareholders on this matter, they believe that continued, regular and constructive engagement over FY24 will be more effective in refining its strategy for success. They have outlined their key focus areas for the company in their rationale for not supporting this resolution.	one hand, they (and other shareholders) are mindful that if we don't allow additional flexibility in executive pay arrangements for certain companies to compete with global peers, then there is a real risk that they won't be able to recruit and retain talent. If shareholders block pay proposals then there is also a risk of such companies moving their listing to other markets. AstraZeneca has been a strong performer so they would not want these things to happen. On the other hand, they want to avoid the situation of executive directors getting paid excessive amounts when performance is mediocre or worse, and as such, they need to continue to engage with the company to ensure the right balance is struck.	high levels of performance.

Criteria on which the vote is assessed to be "most significant"	This vote was selected as the issues identified are potentially material to the investment case.	This vote was selected as the issues identified are potentially material to the investment case.	This vote was selected as the issues identified are potentially material to the investment case.

Aviva BlackRock (60:40) Global Equity	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Shell Plc	Ashtead Group Plc	ASML Holdings NV
Date of Vote	21/05/2024	04/09/2024	24/04/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.5%	0.6%	0.5%
Summary of the resolution	Shareholder Resolution 23. Regarding Scope 3 GHG Target and Alignment with Paris Agreement	Resolution 3. To approve the Remuneration Policy	Resolution 7b. Elect Annet P. Aris to the Supervisory Board
How the fund manager voted	Against	For	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Yes	Yes	Yes

Rationale for the voting decision	They voted against the shareholder resolution on increasing the ambition of Shell's emission reduction targets because they didn't think it would enhance shareholder value for the company to move materially ahead of policy, and it could unduly constrain the board's decision making. In their view it's adoption would not bring about the desired reduction in GHG emissions.	Under normal circumstances they would have voted against the new pay policy to reflect material increases to long term incentive (LTI) opportunity i.e. the CEO's annual LTI grant will double to 700% of salary, plus he and the other US execs will receive restricted share awards i.e. free awards with an underpin up to 150% of salary per annum. However, they have exceptionally supported as they were consulted over the increases and understand that Ashtead, fundamentally a US business (with over 90% of its revenues generated in that market) is struggling to compete on executive pay with its US peers because pay there is so much higher, and this competitive disadvantage is a key retention risk, particularly given	This nominee is the longest serving member of the remuneration committee and the Company has a poor history of remuneration practices.

	Ashtead has been a strong performer. Other important factors for their support are that the proposed opportunity is c.25th percentile vs Ashtead's primary benchmark, and in the narrow context of FTSE50 practice is c.75th percentile. So, whilst the gap has reduced, Ashtead recognises the need to strike the right balance. Further, the higher incentive opportunities are underpinned by a low base salary compared to UK FTSE 100 peers (although is positioned approximately at median compared to US peers) and the time horizon for the restricted share has been extended beyond that initially proposed. The company has also introduced a vesting underpin to RS awards, comprising a range of clearly defined

		performance thresholds that need to be met for awards to vest. Finally, they are satisfied with the stretch in performance targets, many of which have been increased to reflect the additional award opportunity.	
Outcome of the vote	The shareholder resolution didn't pass, receiving only 18% votes in support.	The resolution passed with 63.2% of votes cast in support.	The resolution passed with 97.69% of votes cast in support.
Implications of the outcome	In view of the points and Shell's proven track record of responsiveness to engagement with them and other shareholders on this matter, they believe that continued, regular and constructive engagement over FY24 will be more effective in refining its strategy for success. They have outlined their key focus areas for the company in their rationale for not	The outcome of the vote will have a bearing on whether the company retains its UK listing. They followed up with the company detailing the issues that they will be keeping under close review / be part of their considerations going forward.	They have engaged with the company and escalated their concerns over ongoing concerns over remuneration practices by voting for the first time against the longest serving member of the Remuneration Committee.

	supporting this resolution.		
Criteria on which the vote is assessed to be "most significant"	This vote was selected as the issues identified are potentially material to the investment case.	This vote was selected as the outcome may have an impact on financial outcomes and the vote was quite high-profile.	This vote was selected as the issues identified are potentially material to the investment case.

Aviva has not provided details of the most significant votes for the Schroder Global Equity Alpha, Schroder Strategic Global Equity, Schroder Global Climate Change, and Schroder UK Listed Equity ex Tobacco funds. Instead, a representative sample of voting activity has been provided overleaf.

Schroder Global Equity Alpha fund (part of the Aviva Life & Pensions UK Limited Secure Growth)	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Intuit Inc	Emerson Electric Co.	Apple Inc
Date of Vote	18/01/2024	06/02/2024	28/02/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	N/A	N/A	N/A
Summary of the resolution	Shareholder Proposal Regarding Report on Portfolio Risk in Employee Retirement Options	Shareholder Proposal Regarding Simple Majority Vote	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report

How the fund manager voted	For	For	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	N/A	N/A	N/A
Rationale for the voting decision	They welcome the company providing additional disclosure around how it is protecting its employee plan beneficiaries from climate risk particularly in its default retirement options. They believe that how they have voted is in the best financial interest of their clients' investments.	They believe how they have voted is in the best financial interests of their clients' investments. Simple Majority Vote is considered best practice and would improve shareholder rights.	Shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives.
Outcome of the vote	For	For	For
Implications of the outcome	N/A	N/A	N/A
Criteria on which the vote is assessed to be "most significant"	N/A	N/A	N/A

Schroder Strategic Global Equity	**Vote 1**	**Vote 2**	**Vote 3**

Fund (part of the Aviva Life & Pensions UK Limited Secure Growth			
Company name	Apple Inc	Canadian Imperial Bank Of Commerce	A.O. Smith Corp.
Date of Vote	28/02/2024	04/04/2024	09/04/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	N/A	N/A	N/A
Summary of the resolution	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	Shareholder Proposal Regarding Say on Climate	Shareholder Proposal Regarding Report on Hiring Practices for People With Arrest Records
How the fund manager voted	For	For	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	N/A	N/A	N/A
Rationale for the voting decision	Shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the	Support for this proposal is warranted because shareholders would benefit from an annual vote on the banks' climate strategy. They	Shareholders would benefit from gaining a greater understanding of the company's hiring practices for people with criminal records or arrest

	company's diversity and inclusion initiatives.	believe that how they have voted is in the best financial interest of their clients' investments.	records to better assess the associated risks and how this fits into the wider D&I strategy. They believe how they have voted is in the best financial interests of their clients' investments.
Outcome of the vote	For	For	For
Implications of the outcome	N/A	N/A	N/A
Criteria on which the vote is assessed to be "most significant"	N/A	N/A	N/A

Walter Scott & Partners Limited UKLAP WP FPLP Asset Share Walter Scott (FPWW) (part of the Aviva Life & Pensions UK Limited Secure Growth	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Adobe	LVMH	LVMH
Date of Vote	17/04/2024	18/04/2024	18/04/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.5%	2.3%	2.3%

Summary of the resolution	Elect Director Amy Banse	Approve Remuneration Policy of Chairman and CEO	Approve Remuneration Policy of Vice-CEO
How the fund manager voted	Against Management	Against Management	Against Management
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Yes	Yes	Yes
Rationale for the voting decision	Non-independent committee chair	Compensation and stock option plans - Structure and disclosure	Compensation and stock option plans - Structure and disclosure
Outcome of the vote	Pass (90.9% votes for)	Pass (81.1% votes for)	Pass (81.0% votes for)
Implications of the outcome	All significant votes are reviewed and approved by the Proxy Voting and Engagement Group. Any potential learnings from their significant votes are then taken into account for periodic reviews of their Proxy Voting Policy.	All significant votes are reviewed and approved by the Proxy Voting and Engagement Group. Any potential learnings from their significant votes are then taken into account for periodic reviews of their Proxy Voting Policy.	All significant votes are reviewed and approved by the Proxy Voting and Engagement Group. Any potential learnings from their significant votes are then taken into account for periodic reviews of their Proxy Voting Policy.
Criteria on which the vote is assessed to be “most significant”	Vote against management.	Vote against management.	Vote against management.

Schroder Global Climate Change Fund (part of the Aviva Life & Pensions UK Limited Secure Growth)	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Deere & Co.	Analog Devices Inc.	Ecolab, Inc.
Date of Vote	28/02/2024	13/03/2024	02/05/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	N/A	N/A	N/A
Summary of the resolution	Shareholder Proposal Regarding Severance Approval Policy	Shareholder Proposal Regarding Simple Majority Vote	Shareholder Proposal Regarding Independent Chair
How the fund manager voted	For	For	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	N/A	N/A	N/A

Rationale for the voting decision	They believe that the proposed changes to the severance policy would strengthen shareholder' rights and mitigate risks regarding excessive severance arrangements. They believe how they have voted is in the best financial interests of their clients' investments.	They are supportive of supermajority vote requirements because they best serve the interests of all shareholders. They believe how they have voted is in the best financial interests of their clients' investments.	Independent chair: they generally support these proposals as they believe that they are in the best financial interests of their clients.
Outcome of the vote	For	For	For
Implications of the outcome	N/A	N/A	N/A
Criteria on which the vote is assessed to be "most significant"	N/A	N/A	N/A

Schroder UK Listed Equity ex Tobacco (part of the Aviva Life & Pensions UK Limited Secure Growth)	**Vote 1**	**Vote 2**	**Vote 3**
Company name	ITV	Ocado Group Plc	Haleon plc
Date of Vote	02/05/2024	29/04/2024	08/05/2024
Approximate size of fund's holding as at	N/A	N/A	N/A

the date of the vote (as % of portfolio)			
Summary of the resolution	Remuneration Report	Remuneration Policy	Remuneration Report
How the fund manager voted	Against Management	Against Management	Against Management
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	N/A	N/A	N/A
Rationale for the voting decision	Support for this proposal is not warranted because 30% non-financials in the bonus is deemed too high and the non-financial measures are not considered sufficiently stretching. In addition, they do not support the introduction of cost savings as a metric for FY2024.	They are not supportive of the chosen performance metrics in the LTIP.	Lack of relative TSR in the LTIP.
Outcome of the vote	Against	Against	Against
Implications of the outcome	N/A	N/A	N/A
Criteria on which the vote is	N/A	N/A	N/A

assessed to be "most significant"	

Information on the most significant engagement case studies for each of the managers containing public equities or bonds is shown below.

IFP Global Equity Fund – Firm level	Case study 1	Case study 2	Case study 3
Name of entity engaged with	Aspen Technology	Electronic Arts	Estée Lauder
Topic	Strategy, Financial and Reporting - Strategy/purpose	Governance - Remuneration	Governance - Leadership - Chair/CEO Governance - Board effectiveness - Other
Rationale	IFP have selected this engagement as it is an example of their engagement work to maximise shareholder value and has a clear outcome.	IFP have selected this engagement as an example of on-going, multiyear engagement with a portfolio company on its compensation structure to ensure it is aligned with their clients' best long-term interests.	IFP have selected this engagement as an example of using their voting activity to escalate when they don't feel their engagements are making sufficient progress.
What the investment manager has done	In November 2024, Aspen announced it had received an offer from Emerson (which currently has a 57.5% stake in Aspen) to purchase the remaining shares in the company for $240 per share. In their view, Emerson's bid materially undervalued the equity	IFP have been engaging with Electronic Arts (EA) since 2020 on its compensation. They have been discussing the evolution of its remuneration structure and have pushed for change on areas they	Estée Lauder's financial performance has suffered from ongoing weakness in the Chinese market and a slowdown in the U.S. prestige cosmetics market over the past couple of years. They think the board and prior management team

of minority shareholders. Aspen has a strong competitive moat (among the strongest in the US Franchise portfolio) and many structural tailwinds. These characteristics make Aspen attractive to a range of potential acquirers, and also justify Aspen remaining as a standalone business. Following the announcement, they engaged with the CEO, CFO and General Counsel, and then met with members of the special board committee (including the Chair) set up to evaluate the offer. They encouraged the company to seek a higher valuation, or to allow Aspen to continue as a separate entity.	thought needed amendment to better align with their clients' long-term interests. In 2024, they discussed compensation in two meetings with EA. They met with the company's head of people, head of reward and a member of the sustainability team. They challenged a change to the CEO's compensation. EA has created an additional long term incentive plan (LTIP) scheme for its executive management team based on three-year total shareholder return. This represents an incremental payout opportunity over and above the existing base LTIP scheme. EA's rationale is that the award is intended to incentivise the company's new, revitalised strategy. They do not have significant concerns with the principle of an additional share award for the management team, indeed they think that share ownership is the most effective tool to align	were slow to react to the changes. They held a number of meetings in Q4 2024 where they discussed board and management quality. They met with William Lauder (Chair, family member of the eponymous founder, and large shareholder), Rich Zannino (lead independent director), Stéphane de la Faverie (CEO elect), as well as members of Estée Lauder's sustainability, governance, and investor relations teams. They strongly believe Estée's Lauder's board would benefit from the addition of new, younger members with relevant experience. They encouraged the company to refresh the board and explained that they would withhold their vote for two members of the board at the AGM as they had both been on the board for over 18 years. When they discussed this matter with the Chair, he appeared to be in agreement about the need to refresh the board but claimed that opportunities for refreshment are

	management with shareholders. Further, the company has increased the three-year TSR threshold that must be met before the award pays out; they had challenged the company's initial proposed 20% threshold in their first meeting and are pleased they increased the threshold to a more acceptable level of 25%. However, they have concerns that this award may not have the intended alignment effect for the CEO as he has a track record of selling his shares. The CEO's stock ownership is lower than they would expect for a CEO of his 11-year tenure. His ownership as a multiple of salary has not changed significantly since 2015. They set out these concerns to the company and stated that in order to support this award they would want to see it combined with a long-term vesting period, an additional lock-up period, or an increase in the CEO's share	limited given the Lauder family holds a minimum of four board seats. They also discussed the recent appointment of Stéphane de la Faverie as CEO elect, and the decision to choose an internal rather than an external candidate. They had previously advised the company that they think an outside candidate would likely have had more credibility with investors. Estée Lauder explained that a major consideration was the ability to take action quickly; external candidates were bound by 12-month non-compete contracts, and it would take more time to bring them up to speed.

		ownership requirements as a multiple of his base salary. This might require the company to set conditions on the award that are stricter than standard market practice, but they think this is appropriate given the exceptional nature of the award.	
Outcomes and next steps	In January 2025, it was announced that Aspen had agreed to Emerson purchasing the remaining shares in the company for an improved offer of $265 per share. IFP were pleased that their engagement efforts had helped to secure a better outcome for shareholders.	As mentioned, at the first meeting they challenged the company's proposed TSR threshold of 20% and were pleased when the company subsequently increased it to a more acceptable level of 25%. They will have the opportunity to vote on the proposed changes to the LTIP at the 2025 AGM. In the meantime, they will continue to engage with EA on the proposed changes.	As mentioned, IFP withheld their votes from the two longest serving board members on the ballot for re-election as they had each served on the board for at least 18 years. They will continue to monitor and engage on this important topic.

LGIM - Firm-level (as at 31 December 2023 – latest available)	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Aegon Ltd	Sainsbury's	Exxon Mobil

Topic	Governance	Social: Income inequality - living wage (diversity, equity and inclusion)	Environment: Climate change (Climate Impact Pledge)
Rationale	Following the disposal of Aegon Netherlands to ASR, Aegon no longer had insurance activities in the Netherlands. This transaction had transformed Aegon into an international insurance and asset management company. Since now over 99.5% of Aegon's insurance businesses are not located in jurisdictions where Solvency II is the governing capital framework, Aegon made the decision to redomicile in Bermuda under the supervision of the Bermuda Supervision Authority (BMA). This required a vote by shareholders at an Extraordinary	With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury's is the second largest supermarket in the UK. Although Sainsbury's is currently paying higher wages than many other listed supermarkets, the company has been selected because it is more likely than many of its peers to be able to meet the requirements to become living wage accredited. Ensuring companies take account of the 'employee voice' and that they are treating employees fairly in terms of pay and diversity and inclusion is an important aspect of their stewardship activities. As the cost of living ratchets up in the wake of the pandemic and amid soaring inflation in many parts of the world, their work on income inequality	As one of the world's largest public oil and gas companies, LGIM believe that Exxon Mobil's climate policies, actions, disclosures and net zero transition plans have the potential for significant influence across the industry as a whole, and particularly in the US. At LGIM, they believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under their Climate Impact Pledge, LGIM publish their minimum expectations for companies in 20 climate-critical sectors. LGIM select roughly 100 companies for 'in-depth' engagement - these companies are influential in

General Meeting on 30 September.

While the business rationale was sound, the main concerns with this proposal for LGIM were that the new regulatory framework would adversely impacted shareholders rights, and potentially its capital position. The key issues included: 1) No pre-emptive rights for existing shareholders on the issuance of common shares; (2) No shareholder approval would be required for share buybacks; and (3) No shareholder approval would be required for annual final dividend payments, amongst other issues.

Consequently, LGIM decided to engage with Aegon management team ahead of the EGM in order to

and their expectations of companies regarding the living wage have acquired a new level of urgency.

As a responsible investor, LGIM advocates that all companies should ensure that they are paying their employees a living wage and that this requirement should also be extended to all firms with whom they do business across their Tier 1 and ideally Tier 2, supply chains.

LGIM expect the company board to challenge decisions to pay employees less than the living wage.

LGIM ask the remuneration committee, when considering remuneration for executive directors, to consider the remuneration policy adopted for all employees.

In the midst of the pandemic, LGIM went a step further by tightening their criteria of bonus payments to executives at companies where

their sectors, but in their 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. Their 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 their minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions).

Their Climate Impact Pledge 'red lines' for the oil & gas sector are:

- Has the company committed to net-

	highlight their concerns on the weakening of shareholder rights under the proposed redomicile and amendments to the Company's Articles of Incorporation. Given concerns amongst investors and third-party service providers, such as ISS, LGIM sought to lend their voice to influence the proposals and push for enhanced shareholders rights ahead of the vote. Additionally, LGIM wanted to better understand the impact of the new supervisory environment on the business to ensure that it would not adversely impact both creditors and shareholders.	COVID-19 had resulted in mass employee lay-offs and the company had claimed financial assistance (such as participating in government-supported furlough schemes) in order to remain a going concern. UN SDG 1: No poverty and SDG 8: Decent work and economic growth	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? UN SDG 13: Climate action
What the investment	LGIM were in touch with Aegon's Investor Relations team in early	LGIM engaged initially with the company's [then] CEO in 2016 about this issue and by	LGIM have been engaging with Exxon Mobil since 2016 and they have,

manager has done	September ahead of a planned meeting with the CEO and management team at a roadshow in the US. LGIM noted their initial concerns with some of the proposed changes to the Company's Articles of Incorporation following the redomicile to a lower shareholder rights jurisdiction. This concern was also picked up by the main proxy advisory firms, ISS and Glass Lewis, who recommended negatively in respect of the proposed move. Following engagement on 14 September, Aegon announced amended proposals on 15 September, that now provided for enhanced shareholder rights to more closely align with provisions previously in	2021, Sainsbury's was paying a real living wage to all employees, except those in outer London. LGIM joined forces with ShareAction to try to encourage the company to change its policy for outer London workers. As these engagements failed to deliver change, LGIM then joined ShareAction in co-filing a shareholder resolution in Q1 2022, asking the company to becoming a living wage accredited employer. This escalation succeeded insofar as, in April 2022, Sainsbury's moved all its London-based employees to the real living wage. LGIM welcomed this development as it demonstrates Sainsbury's values as a responsible employer. However, the shareholder resolution was not withdrawn and remained on the 2022 AGM agenda because, despite this expansion of the real living wage to more employees, contractors, i.e. cleaners and security	over time, participated willingly in their discussions and meetings. Under their Climate Impact Pledge, LGIM identified a number of initial areas for concern, namely: lack of Scope 3 emissions disclosures (embedded in sold products); lack if integration or a comprehensive net zero commitment; lack of ambition in operational reductions targets and lack of disclosure of climate lobbying activities. Levels of individual typically engaged with include the Head of Sustainability, Lead Independent Director, the Company Secretary and Investors Relations. LGIM's regular engagements with Exxon Mobil have focused on their expectations under the Climate Impact Pledge, as well as several other

	place, especially around capital management authorities. LGIM also met with Aegon's CEO on 18 September. Given the importance of the vote on the Company's business performance, but potential negative effects on shareholder and creditor rights, the meeting was attended by the investment stewardship team as well as credit analysts both in London and the US. There was another follow-up meeting with the CEO only two days later, where changes to the proposals were discussed.	guards, operating within Sainsbury's operations were excluded from the uplift. In the previous four years LGIM have held eight company meetings with Sainsburys, with the continued main focus on social inequality, whilst also covering broader topics such as capital management and biodiversity. They met with the CEO as well as the Chairman. In 2023, LGIM led its own campaign on income inequality where they targeted the largest global food retailers. Sainsbury's is one of the 15 companies LGIM are targeting. The campaign has as a consequence, a vote against the Chairman if our minimum requirements are not met by the time of their AGM in 2025.	material issues for the company, including capital allocation and business resiliency. The improvements made have not so far been sufficient in their opinion, which has resulted in escalations. The first escalation was to vote against the re-election of the Chair, from 2019, in line with their Climate Impact Pledge sanctions. Subsequently, in the absence of further improvements, LGIM placed Exxon Mobil on their Climate Impact Pledge divestment list (for applicable LGIM funds) in 2021, as they considered the steps taken by the company so far to be insufficient for a firm of its scale and stature. Nevertheless, their engagement with the company continues. In terms of further voting activity, in 2022 LGIM supported two climate-related

shareholder resolutions (i.e. voted against management recommendation) at Exxon's AGM, reflecting their continued wish for the company to take sufficient action on climate change in line with their minimum expectations. Further escalating their engagement, LGIMA and CBIS co-filed a shareholder resolution at Exxon's 2023 AGM, requesting the company to disclose the quantitative impact of the IEA NZ scenario on all asset retirement obligations (AROs). The proposal was centred around disclosure and seeking greater insight into the potential costs associated with the decommissioning of Exxon's assets in the event of an accelerated energy transition. LGIM believe this is a fundamental level of

			information for the company's shareholders, in light of growing investor concerns about asset retirement obligations (AROs) in a carbon constrained future, and that it is financially material information. The proposal received over 16% support from shareholders which, although lower than LGIM would have liked, demonstrates an increasing recognition of the importance of this issue for investors.
Outcomes and next steps	With pressure applied on the Company by both investors and proxy advisers, LGIM were able to push for improved shareholder rights and amended terms ahead of the vote taking place at the EGM. Both ISS and Glass Lewis changed their vote recommendations	Since LGIM co-filed the shareholder resolution in 2022, Sainsbury's has made three further pay increases to its directly employed workers, harmonising inner and outer London pay and is now paying the real living wage to its employees, as well as extending free food to workers well into 2023. LGIM welcome these actions which demonstrate the value	Since 2021, LGIM have seen notable improvements from Exxon Mobil regarding their key engagement requests, including disclosure of Scope 3 emissions, a 'net zero by 2050' commitment (for Scopes 1 and 2 emissions), the setting of interim operational emissions reduction

on the proposal upon the announcement on 15 September by the Company of changed terms and commitments, and LGIM felt comfortable to support all resolutions at the EGM. The redomicile of Aegon was overwhelmingly approved by shareholders with 98.7% of shares voted in favour.	the board places on its workforce. LGIM continue to engage with Sainsburys and have asked the board to collaborate with other key industry stakeholders to bring about a living wage for contracted staff. While the company may have been in the process of raising salaries, LGIMs campaigned engagement and shareholder resolution would have fast tracked the end result. It has also made the company aware of how important this topic is to their investors. LGIM are continuing to engage with Sainsbury's, both individually and collaboratively with the ShareAction Good Work Coalition and have met with them a number of times during 2023 as part of their living wage campaign, directed at 15 large global supermarkets. In addition to setting objectives regarding the living wage for these companies' own operations, LGIM also	targets, improved disclosure of lobbying activities and more recently, the commitment made by the company to join the leading global partnership on methane, OGMP 2.0. However, there are still key areas where LGIM require further improvements, including inclusion of Scope 3 emissions targets, further quantifiable disclosure of business resiliency and asset retirement obligations across relevant scenarios, capital allocation, and improving the level of ambition regarding interim targets. LGIM are also seeking further transparency on their lobbying activities. The company remains on their divestment list (for relevant funds), but their engagement with them continues. In terms of their next steps, LGIM will

	expect them to take certain actions regarding their Tier 1 and ideally Tier 2 supply chains. LGIM have been engaging with the Chairman, the Chief Executive and investor relations in relation to their expectations. The milestones set under this campaign relate to expectations that, should they be achieved, they would not only improve wages for significant numbers of low-paid workers around the world but also, given these companies' influence in their respective countries and supply chains, LGIM would expect there to be a knock-on impact as competitors and smaller peers would then be compelled to follow suit. LGIM would hope that this would improve the livelihood of thousands of workers and their families and also boost GDP. LGIM may consider co-filing some shareholder resolutions in 2024 at some of the companies	continue their direct engagements with the company under their Climate Impact Pledge and separately, to better understand challenge Exxon on their approach to the energy transition, where financial material issues such as disclosure the potential costs to retire their long-lived assets and decarbonisation levers being some of the key discussion points. LGIM will also be engaging with proxy advisors and fellow investors to better understand their voting rationale. LGIM were pleased to see progress from the company in terms of joining the Oil and Gas Methane Partnership ('OGMP') 2.0 – the flagship oil and gas reporting and mitigation programme on methane, of which many global oil and

	targeted under this campaign.	gas companies, including BP and Shell, are already members. LGIM have been working closely and collaboratively with EDF to raise awareness of the issue (letters, meetings, public statements) and applying pressure on oil and gas companies to join the OGMP initiative since 2021 – Exxon being one of them, through their direct engagements with the company under their Climate Impact Pledge. Exxon had demonstrated reluctance, previously, to sign up to the OGMP and LGIM voted in favour of a shareholder resolution tabled at its 2023 AGM, requesting that the company produce a report on methane emission disclosure reliability, which received 36.4% support from shareholders. Public and shareholder pressure, growing

membership of the OGMP and Exxon's recent acquisition of OGMP member Pioneer Natural Resources appear to have swayed the company towards greater transparency.

Greater transparency is crucial in terms of enabling markets and investors to accurately price climate-related risks and opportunities which, in turn, is an incentive for companies to make the changes LGIM are seeking.