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Volvo Car UK Pension Scheme (the "Scheme")

Annual Engagement Policy Implementation Statement

Year Ending 31 December 2023

Introduction

This Statement sets out how, and the extent to which, the Scheme's Engagement Policy in the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year to 31 December 2023. This Statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

An investment in equities brings with it an entitlement to vote at general meetings of the company whose shares are held. Some of the Scheme's assets are invested in equities and the Trustee's SIP includes wording relating to the Trustee's voting and engagement policies.

Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set.

The Trustee considers that their primary responsibility with regard to the management of the Scheme's investments is to ensure, for the duration of the Scheme, that funds will be available to meet the benefit payment obligations of the Scheme as they fall due.

In consideration of this responsibility and the Trustee's obligation to manage the investments of the Scheme prudently, the Trustee's investment objective is to reach, and maintain, full funding on the Technical Provisions basis.

The objectives set out above and the risks and other factors referenced in the Statement of Investment Principles are those that the Trustee determine to be financially material considerations.

Policy on ESG, Stewardship and Climate Change

The Trustee believes that environmental, social and governance ("ESG") issues have an impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly require explicit consideration.

The Trustee has taken into account the expected time horizon of the Scheme when considering how to integrate these issues into the investment decision making process.

Financially material considerations, include (but is not limited to) ESG considerations (including but not limited to climate change) are considered by the Trustee.

The Trustee has reviewed its beliefs in 2021 and agreed to align itself with the sustainability policy of Volvo Car Group. This includes the integration of ESG considerations throughout the Trustees decision-making process as well as some exclusions as listed below;

- Companies that contribute to a serious and systematic breach international law and human rights.
- Companies that produce and sell controversial weapons, hereunder nuclear, land mines, cluster munitions and chemical weapons.
- Companies involved in serious climate degradation.
- Companies involved in systematic corruption and crime.

The Trustee considers the ESG research ratings published by its investment advisors, Mercer, when monitoring the Scheme's investment manager's capabilities. These ratings are also considered as part of any new selection of investment funds.

In meetings with the Scheme's investment manager, ESG issues are discussed and the manager is expected to discuss voting and engagement activities carried out on behalf of the Trustee for mandates where this is relevant.

The Trustee has made investments in specific sustainability themed investments.

Whilst members' views in respect of non-financial matters are not explicitly taken into account in the selection, retention and realisation of investments, the Trustee welcomes views from members. This position is reviewed periodically.

Corporate governance activities have been delegated to the Scheme's underlying investment managers, with the requirement that voting rights are exercised in the best financial interests of the Scheme. The underlying investment managers will perform corporate governance activities in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code where relevant.

The Trustee undertakes an annual review of corporate governance and engagement activities of its investment managers to ensure it meets the Trustee's expectations.

How has the policy been met over the Scheme year?

During the year under review, the Trustee and Sponsoring Employer agreed to disinvest from the LGIM Global Equity Fund following investigation into an allocation to controversial weapons within it. At a Trustee meeting in May 2023, said fund was replaced by the Future World Global Equity Index Fund given the increased ESG screening measures it employs.

The Trustee has identified ESG as their key engagement priority.

The ESG policy was most recently updated in 2021. However, the Trustee keeps the policies under regular review and monitors compliance with the SIP reviewed annually and regard the current policy as appropriate.

Engagement

The Trustee considers how ESG, climate change and stewardship are integrated within the current investment managers' investment processes and seeks the views of their investment advisor in this area.

The discussion on stewardship is complemented, on a quarterly basis, by review of Mercer's assessment of research and ESG ratings for each of the funds in which the Scheme invests. The Mercer ratings provide an assessment of performance and ESG credentials and deteriorations in either rating would be flagged by Mercer to the Trustee for further consideration and possible action.

The Trustee received details from the Scheme's investment managers on their engagement activities and ESG integration efforts for the year along with portfolio turnover. These are detailed in Appendix 1.

The holding with Ress Life is not included in these manager disclosures given the limited scope for ESG integration and engagement in the securities held (fixed income life-insurance policy purchases). However, the Trustee received a fund update from the manager in 2021, which included information on the manager's ethical guidelines and is cognisant of the boundaries within which their ongoing work extends to.

Voting Activity

The Trustee has delegated its voting rights to its investment managers. As a result, the Trustee does not use the direct services of a proxy voter, although the investment managers may employ the services of proxy voters in exercising their voting rights on behalf of the Trustee. Some of the managers execute voting autonomously.

Managers are expected to provide voting summary reporting on a regular basis, at least annually.

Votes for the AVC funds have not been included as they are not considered to be material in the wider context of the Scheme.

The remaining mandates not detailed are either holdings in liquidity (cash) funds or fixed income investments with no direct listed equity exposure and therefore have no voting rights attached.

The key voting activity carried out on behalf of the Trustee over the year under review is detailed in Appendix. This includes examples of votes that, according to the Trustee's definition of significant votes disclosed below, are aligned with the Scheme's engagement priorities outlined in previous sections of this statement.

The Trustees consider a significant vote as any vote relating to material holdings, meaning a material holding position on a company level/fund level in which the Scheme was invested in as at year end, in each of the following thematic areas:

- Environmental – For example: actions/initiatives requiring publication of a business strategy that is aligned with the Paris Agreement on climate change; resolutions on climate related activities that would result in significant biodiversity loss;
- Social – For Example: actions/initiatives relating to Human rights violations in its various forms (e.g. slavery; human trafficking; sexual harassment, etc), provision of amenities to the benefit of communities and regions (e.g. a non-exhaustive list could include improved health care, education, internet, water etc).
- Governance – For example: actions/initiatives that would be at odds with the expectations of the UK Corporate Governance Code (e.g. matters of excessive or inappropriate executive remuneration or lack of board diversity).

The Trustees will keep this definition under consideration based on emerging themes within internal discussions and from the wider industry. The Trustee did not inform managers of what they considered to be the most significant votes in advance of voting.

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Appendix 1

Engagement

	How many engagements have you had with companies in the past 12 months?	Key engagements and outcomes provided by the investment managers
Baillie Gifford European Equity Fund	43	**Adyen N.V.** Objective: Following a discussion in the summer with the co-CEO and CFO of Adyen, the Dutch global payments processing platform, we engaged the company again to assess aspects of our investment thesis in more detail. Specifically, we discussed investor communications, rising headcount and culture. Discussion: For context, Adyen's share price approximately halved in August 2023, primarily due to the market's reaction to signs of competitive headwinds in Adyen's US digital business. Having discussed this with the co-CEO and CFO in August, we decided to kick the tyres of Adyen's US business. Specifically, we held meetings in San Francisco with the head of the North American business, the CFO, the global head of human resources and members of the management board, as well as several of Adyen's customers (and competitors' customers) in the US digital segment. We discussed management's decision to switch from a six-monthly reporting cycle (a common practice in the Netherlands) to a quarterly update cycle until at least next year, to provide greater visibility amid amplified investor uncertainty. With this decision, we believe management has struck a balance between listening to market feedback on communication while not caving to all the market's short-term demands. We also discussed what Adyen's doubling in headcount since 2021 might imply for its culture. While this countercyclical expansion stands to be competitively advantageous in the long run, and while Adyen remains very lean relative to any relevant competitor, we questioned whether the sheer speed of its expansion could result in operational strains. Management informed us that it has slowed the pace of hiring in the latter half of the year, partly as it had already completed most of its previously announced recruitment drive, and partly as it started to feel that recent interview candidates would dilute talent density in the company. Regarding culture, it was striking to witness the extent to which the cultural values from Adyen's Amsterdam headquarters - known as the 'Adyen Formula' - had permeated into the day-to-day business of its US operations. Outcome: Meetings with Adyen's US business were encouraging and consistent in terms of Adyen's growth opportunity, competitive advantage, cultural differentiation and operational execution. **DSV A/S** We continue to think that DSV will face a high hurdle in demonstrating full commitment to upholding international human and labour rights because of its involvement in the NEOM JV. We intend to write a

		letter to the board outlining our expectations regarding the levels of transparency on related risk monitoring. We also agreed to have a follow-up discussion on DSV's decarbonisation pathway following the publication of its ESG report in early. **2024. Wizz Air Holdings Plc** This discussion reinforced the difficulties that the aviation industry faces to decarbonise. It also highlighted the dependencies of the airlines on the innovation pathways of plane manufacturers and on the scaling of the supply of SAF. Bailie Gifford were reassured by the level of board oversight on safety and the progress Wizz was able to demonstrate in its claims management processes. We will continue to monitor and engage on Wizz's progress in these material areas
L&G Life CAAG Buy and Maintain Credit Fund Weekly	52	n/a
L&G Life MC Global Listed Private Equity Passive Fund	6	n/a
L&G Life MD Global Real Estate Equity Fund	196	n/a
L&G Life AF Over 15 Years Gilt Index Fund	n/a	n/a
L&G Life GPGE Future World Global Equity Fund	886	n/a
Ninety One Emerging Markets Equity Fund	20	**WH Group Ltd** The primary purpose of the engagement was to discuss the company's transition plan with two sub-components a) disclosure and target setting b) gain an understanding of why the company has different targets for different geographies and to encourage them to drive toward universal best practice c) to raise some governance issues Outcome The Hong Kong Stock Exchange will make TCFD mandatory within the next two years. The company already generates Scopes 1, 2, and 3 for its Smithfield subsidiary, and they intend to achieve group-level disclosure by the end of 2023, which is an important

		follow-up to our next engagement. WH Group does not report to CDP, yet they see it as the gold standard. Smithfield already reports to CDP, and they have been working with CDP on data granularity for the past two years to assist enhance WH Group reporting across the board. WH is also harmonising disclosure with the TCFD rules. In terms of ESG policies, we addressed the differing approaches used by Shuanghui Development and Smithfield Foods, both of which create packaged beef products. WH emphasised the disparities in cultures, economies, regulation, customers, and market behaviour between the two companies. WH also stated that prior to the acquisition of Smithfield, it was already well-versed in matters such as animal welfare. The organisation is not actively working towards universal best practices, but they remain a primary focus of interaction. It should be emphasised that Smithfield has a carbon negative aim by 2030, and that the rising European business falls under Smithfield's remit, thus it will eventually meet its targets. On governance, we emphasised the importance of pre-emption rights, gender diversity on the board, and a progressive dividend policy. The corporation acknowledged our issues and stated that they will be communicated to higher levels. **Saudi Aramco** We met with the company to gain clarity on key points from their transition plan, including an update on downstream interventions, renewable targets, capex allocation and the overarching plans in line with Saudi Arabian oil plans. Outcome Aramco has not declared Scope 3 emissions and has no targets or strategies for Scope 3. They have set an ambitious renewable energy target of 12 GW of solar by 2030 (2.6 GW by 2025), which means they will account for a quarter of Saudi Arabia's renewable energy capacity. The ultimate goal is to have 58 GW of renewable power online by 2050. Furthermore, they have significantly reduced flaring intensity, which is linked to their efforts to transition the Saudi grid totally to renewable and gas power. Scope 3 is expected to be reduced significantly over time as feedstock shifts towards petrochemicals. In prior meetings, the CEO of Aramco has identified a scarcity of crucial metals and resources as a hurdle to meeting the company's 2030 renewable energy ambitions. The corporation is increasing its focus on the material transition, both to promote the country's own mining sector development and to broker agreements with others, such as African miners. Aramco has never disclosed their capex and opex expenditures on any transition or efficiency-related interventions, but given the recent abandonment of plans to increase production by 1 million barrels per day, cash should be available for dividends or other business activities such as increased investment in low-carbon downstream activities. Blue hydrogen schemes are also being implemented, with free-flowing emissions capped and stored at the source (CCUS). Aramco is working to reduce its carbon footprint by increasing gas output, investing in renewable energy and launching blue hydrogen initiatives. We will continue to discuss their financial transparency and long-term commitment to Scope 3 emission reduction. **Samsung Electronics Co Ltd** Structure/Composition, Capital Management Purpose As of Q1 2022, we have two ongoing, strategic engagements with Samsung Electronics. Engagement 1: A multi-year multi-faceted engagement on

		governance covering capital allocation and corporate governance. Outcome We have had a multi-year, multi-faceted engagement with Samsung Electronics on governance and board function/independence, which began in 2015, as well as their climate change plan. Our governance engagement began with a focus on 1) capital allocation and 2) corporate governance. We held a call with the company in February ahead of the AGM to discuss the election of Je-YoonShin as Independent Director, given his potential conflict of interest as Chairman of the Financial Services Commission (2013-15), at the same time that Samsung executives were accused of Insider Trading for purchasing Cheil Industries shares prior to the merger with Samsung C&T. JY Lee (de facto leader of the Samsung Group) faced accusations in two distinct trials involving the same transactions. In addition, we inquired about the low participation of women on the board. The corporation explained that the news reports were inaccurate because JY Shin was not involved in the aforementioned investigation, and hence there was no conflict of interest. Furthermore, they clarified that JY Shin had passed through the Korean government commission that determines whether recent government personnel are qualified for employment or directorship in the private sector by evaluating potential conflicts of interest. Regarding the board's gender diversity, the corporation claimed that they took this issue seriously, but that this is preceded by diversity of abilities, and that while they have internal gender diversity targets, they did not want to make these public in the near future. While the AGM materials identified an area where there is a potential conflict of interest, we are confident that the company has thoroughly investigated this. We are pleased to vote in favour of JY Shin's appointment to the board based on this and the governance-related improvements demonstrated since we first engaged them in 2015. We will continue to engage on an ongoing basis about capital allocation and governance; however, given the progress made thus far, we will prioritise our engagement efforts on their climate change strategy due to the heightened relevance of this issue.
Ninety One Global Environment Fund	95	**TE Connectivity** TE Connectivity is the world leader in connectivity and sensor solutions. It is positively exposed to structural growth as its solutions enable sustainable decarbonisation across various industries and end uses. As an electronic components manufacturer, the company helps its customers produce smaller, lighter and more energy efficient products. In transport, for example, the electrification of vehicles creates a need for more robust terminal and connector products, doubling the content opportunity for TE Connectivity relative to internal combustion engine vehicles. The company offers the broadest range of technologies in this space. Furthermore, its custom engineered connectivity solutions are used to drive industrial automation, as well as cooler and greener datacentres. As part of our annual review, we set engagement goals for all companies in the Global Environment portfolio. Our goals for TE Connectivity were as follows: Reporting company wide carbon avoided. Adopting science based targets. Disclosing detailed labour management and supply chain practices. Improving board gender diversity. Board refreshment. In Q1 2024, we completed a collaborative engagement (via letter) with another impact investor, to seek enhancement in the quality of Scope 3 disclosures (by including downstream Scope 3 emissions), and clarity on work towards a definitive commitment to an SBTi approved 'net zero

		by 2050' target. We recognise TE Connectivity's efforts in setting near term carbon reduction targets but believe enhanced Scope 3 disclosure, coupled with a clear articulation of the steps that will enable the company to adopt an SBTi approved longer term 'net zero by 2050' target, will be critical in managing climate risk. Following our engagement, we received a comprehensive letter from TE Connectivity detailing the challenges it faces in setting net zero emissions target. 95% of its emissions come from Scope 3, partly via a supply chain that extends to 10,000 suppliers. This makes it difficult to compile accurate and complete carbon data from which to develop an actionable emissions reduction plan. Despite the challenges, we were pleased to learn that TE Connectivity is looking to implement training programmes with its suppliers to improve carbon data. In particular, it has established a team to partner with its metals providers to calculate their respective carbon footprints, and is educating suppliers on how to reduce emissions through operating standards and investments in infrastructure. TE Connectivity is also working to roll out: an annual survey for suppliers to complete; renewable electricity and emissions accounting advice; and resin waste reduction in its own operations to reduce the amount of materials it procures. We will continue to engage with the company on these issues.
Nordea 1 GBP Diversified Return Fund	131	**Waste Management** Overview Waste Management Inc. ("Waste Management") provides services which include the collection, transfer, recycling, resource recovery and disposal of waste. Waste Management is one of the largest waste management companies in North America. The company has more than 26,000 garbage trucks, more than 50,000 employees and operates 268 landfills. Background Nordea Asset Management is a founding member and signatory of the Net Zero Asset Managers ("NZAM") initiative, a global coalition of asset managers working for the achievement of net-zero greenhouse gas emissions by 2050 and adopted a historic set of climate targets to support this ambition. For companies in high carbon emitting sectors such as waste management Nordea Asset Management engages to understand their decarbonisation strategy, and we have been in dialogue with Waste Management since 2019. The Engagement The waste management sector is among the largest emitting source of carbon dioxide, but also methane globally. When we initiated the dialogue with Waste Management in 2019 we were enquiring climate and environmental data reported according to TCFD. Waste Management was already reporting climate and environmental data to CDP Climate Change and has since 2017 received the best grade (A). In 2020, Waste Management has disclosed their TCFD reporting publicly. This indicates that the company is well aware of the environmental challenges and risks of its business model, measures them and would eventually be able to set carbon emission targets. They did set a carbon abatement target of x3 to x4 carbon emitted in their operations, which in our view does not demonstrate a clear decarbonisation strategy since this does not address absolute emission reduction to be aligned with below 2 degrees scenario, especially for GHG Scope 1 and 2.

		Nordea Asset Management has met with Susan Robinson, Sustainability & Policy Director at Waste Management to discuss how Waste Management is considering absolute carbon emission reduction targets including fugitive emissions, and when these will be approved by the Science-Based Target initiative ("SBTi"). <u>Outcome</u> In 2021 Waste Management has realised that the climate expectations were changing and that their x4 target (abate x4 the amount they emit) was insufficient. Together with an external consultant they are now working to set a 1.5 degree aligned absolute reduction target, with the ambition of reducing absolute greenhouse gas emissions for scope 1 and 2 by as much as 42% by 2030 compared to the 2021 level. The target is to be released mid-2022 and seek SBTi validation. We see this as a serious decarbonisation commitment demonstrating a 1.5 degree scenario alignment where Waste Management's focus is on better emission measurement, capture and biogas conversion that can be used as a renewable fuel in their collection fleet. The targets apply to carbon dioxide; Waste Management estimates 80% of methane emissions are captured based on modelling, and is working on improving modelling capabilities of fugitive emissions. Recycling ambitions will also be formulated together with the targets to be released later this year. This is a positive improvement we are looking forward to seeing communicated at a later stage. Once the targets are disclosed, we plan on following-up with the link of Management Incentive programs to ESG metrics.
PIMCO Global Investment Grade Credit Fund GBP (Hedged)	483	**Deutsche Bank** PIMCO has regular engagements with the issuer and provided significant input when they first developed their sustainability-linked bond framework. External factors have hampered progress relative to their near-term core greenhouse gas emission reduction target: 1) weather, and 2) to a lower extent, energy shock from the Russia-Ukraine conflict (e.g. request from the national government to increase the use of coal in energy mix by the issuer, deviating from their plan to reduce coal exposure). Hence, given their ambition, there's a possibility that they may miss the target for their SLB. Being the flagship issuer of SLB, this might impact the issuer's bond spreads, although the issuer's climate strategy and credentials remain best in class. Engagement: PIMCO has ongoing engagement on the issuer's climate strategy implementation as well as progress on KPIs linked to their SLBs. In early 2023, we discussed the latest trends of their targets and the possibility for them to miss the target for SLB, resulting in a step-up. The final value is expected to be communicated around April 2024. The renewables installed capacity (another target linked to its SLBs) is firmly on track. We shared recommendations for its consideration as part of its SLB framework to include scope 3 and taxonomy metrics. We also provided recommendations on its sustainability-linked bonds progress reporting and encouraged them to attribute drivers for their carbon emissions compared to target to help investors and other stakeholders distinguish external from internal factors. Looking Forward: The issuer updated their SLB framework in February 2023, including the additional targets on Scope 3 and taxonomy-aligned CAPEX. We are awaiting their 2023 Sustainability report publication for an update on their carbon target linked to their SLBs. We also raised

		last year some questions to get a clarification regarding recent human rights controversies and potential implications for Global Norms compliance.
PIMCO US High Yield Bond Fund GBP (Hedged)	204	**US utility company** Theme: Governance – Board effectiveness Other Background: Climate resilience is one of the most prominent issues faced by the utility sector. Following multiple destructive wildfire seasons since 2018, the issuer suffered significant financial losses, reputational damages, and regulatory action. This led to meaningful wider spreads on the issuer's bonds and exclusion from much of the sustainable investment universe as a result of the UN Global Compact "Fail" status issued by MSCI. Engagement: Together with the company's sustainability and climate resilience team, PIMCO worked with the issuer on climate adaptation best practice and continued improvements for climate resilience disclosure and actions. Progress to date: The issuer has met its climate resilience targets and committed to future multi-year targets, and MSCI removed its 'Fail' status on the issuer in 2022. While the progress aligns with our view on key next steps for improvement, we will continue to monitor uncertainty in the effectiveness and residual risks in the issuer's adaptation measures, given the multi-year horizon and cyclical nature of climate physical risks. We expect on-going conversations with the issuer as the company continues to strengthen climate resilience and rebuild its financial strength and reputation.

Source: Mobius, investment managers.

[1]Where information was not provided by managers, we have denoted this as n/a.

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Appendix 2

Voting Activity

Voting activity details provided by the relevant managers are shown below.

	Do you conduct your own votes?	How many votes were proposed across the underlying companies in the fund?	How many times did you vote in favour of management?	How many times did you vote against management?	How many votes did you abstain from?	Key voting example and outcomes
Baillie Gifford European Equity Fund	Yes	955	903	27	4	**KERING SA** **Date of vote:** 27 April 2023 **Approximate size of holding**: 3.31% **Summary:** Remuneration policy for Board of Directors. **Theme:** Governance/Social. **Shared voting intention with company ahead of voting -** No **Vote –** against **Rationale:** Baillie Gifford opposed three resolutions on executive remuneration reports due to concerns with the stretch of ESG performance targets, and lack of downward discretion to reflect the Balenciaga scandal. **Outcome:** Pass **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance/Social related.
L&G Life MC Global Listed Private Equity Passive Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote	841	640	201	0	**EQT AB** **Date of vote:** 30 May 2023 **Approximate size of holding:** 7.73% **Summary:** Resolution 14.h - Re-elect Conni Jonsson as Board Chair **Theme:** Governance.

	clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in					**Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Against **Rationale:** A vote against is applied as LGIM expects the presence of an independent lead director to ensure there is sufficient challenge to management. LGIM expects a company to have a diverse board, with at least one-third of board members being women. LGIM expects companies to increase female participation both on the board and in leadership positions over time. **Outcome:** n/a **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance. **<u>The Carlyle Group Inc</u>** **Date of vote:** 30 May 2023 **Approximate size of holding:** 6.0% **Summary:** Resolution 1.2 – Elect Director Lawton W. Fitt **Theme:** Governance. **Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Withold. **Rationale:** A vote against is applied as LGIM expects a company to have at least one third women on the board.

						Outcome: n/a **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance related. **<u>Ares Capital Corporation</u>** **Date of vote:** 8 August 2023 **Approximate size of holding:** 5.5% **Summary:** Resolution 1c - Elect Director Steven B. McKeever **Theme:** Governance. **Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Against. **Rationale:** LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage of their clients' behalf. **Outcome:** n/a **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance related.
L&G Life MD Global Real Estate Equity Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting	4,368	3,429	923	1	**<u>Prologis, Inc.</u>** **Date of vote:** 4 May 2023 **Approximate size of holding**: 7.4% **Summary:** Resolution 1a - Elect Director Jeffrey L. Skelton **Theme:** Governance.

	platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in					**Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Against **Rationale:** LGIM views gender diversity as a financially material issue for their clients with implications for the assets they manage on their clients' behalf. **Outcome:** 93.0% **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance related.
L&G Life GPGE Future World Global Equity Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in	52639	42246	10162	189	**Microsoft Corporation** **Date of vote:** 7 December 2023 **Approximate size of holding:** 5.67% **Summary:** Resolution 1.06 – Elect Director Satya Nadella **Theme:** Governance **Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Against **Rationale:** Joint Chair/CEO - LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns. **Outcome:** Pass **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on

						this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance related.
Ninety One Emerging Markets Equity Fund	Yes. Ninety One's active ownership activities are investment led – meaning that portfolio managers and investment teams take responsibility for voting analysis. Engagements and proxy voting decisions are an outcome of fundamental analysis, and any insights acquired are fed back into that research. The analyst covering a company and the portfolio manager are responsible for making voting decisions, and will work with the Sustainability team to coordinate and execute such engagement. In certain cases, the	1170	1068	102	27	The manager did not disclose any vote that the Trustee would consider significant.

	Sustainability team provides resources to support the investment teams proxy voting decisions.					
Ninety-One Global Environment Fund	Yes. Our active ownership activities are investment led – meaning that portfolio managers and investment teams take responsibility for voting analysis. Engagements and proxy voting decisions are an outcome of fundamental analysis, and any insights acquired are fed back into that research. The analyst covering a company and the portfolio manager are responsible for making voting decisions, and will work with the Sustainability team to coordinate and execute such engagement. In	431	393	38	2	The manager did not disclose any vote that the Trustee would consider significant.

	certain cases, the Sustainability team provides resources to support the investment teams proxy voting decisions.					
Nordea 1 GBP Diversified Return Fund	Yes. Our proxy voting is supported Institutional Shareholder Services (ISS) to facilitate the proxy voting, execution and to provide analytic input. In general, every vote we cast is considered individually on the background of our bespoke voting policy, which we have developed in-house based on our own principles. Our proxy voting is supported by two external vendors (Institutional Shareholder Services and Nordic Investor Services –	2,486	2028	288	64	**Microsoft Corporation** **Date of vote:** 7 December 2023 **Approximate size of holding:** 4.49% **Summary:** Report on tax transparency (shareholder proposal); Report on Risks of Operating in Countries with Significant Human Rights Concerns **Theme:** Social **Shared voting intention with company ahead of voting:** No. **Vote:** For both proposals **Rationale:** We voted for the report on tax transparency shareholder proposal as the proposed GRI Tax Standard would enhance the company's transparency in communicating its tax practices to investors globally. We voted for the report on risks of operating in countries with significant human rights concerns since it helps investors in their assessment of the company. **Outcome:** Both failed. **Implications:** n/a **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Social related.

	henceforth, "ISS" and "NIS") to facilitate proxy voting, execution and to provide analytic input. In 2021 these two vendors have merged.					

[1]Where information was not provided by managers, we have denoted this as n/a.

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Appendix 3

Portfolio Turnover

	What is the target turnover rate for the portfolio?	What was the actual turnover rate over the last 12 months?
Baillie Gifford European Equity Fund	n/a	16.9%
BlackRock ICS Sterling Liquidity Fund	n/a	n/a
Insight LDI Funds	n/a	n/a
Insight Liquidity Funds	n/a	n/a
L&G Life CAAG Buy and Maintain Credit Fund Weekly	n/a	n/a
L&G Life MC Global Listed Private Equity Passive Fund	n/a	n/a
L&G Life MD Global Real Estate Equity Fund	n/a	n/a

L&G Life AF Over 15 Years Gilt Index Fund	n/a	n/a
L&G Life GPGE Future World Global Equity Fund	n/a	n/a
Ninety One Emerging Markets Equity Fund	n/a	77.6%
Ninety One Global Environment Fund	n/a	60.4%
Nordea 1 GBP Diversified Return Fund	n/a	80.9%
PIMCO Global Investment Grade Credit Fund GBP (Hedged)	n/a	41%
PIMCO US High Yield Bond Fund GBP (Hedged)	n/a	16%

[1]Where information was not provided by managers, we have denoted this as n/a.