Engagement Policy Implementation Statement

The BRE & LPC Pension Scheme

Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (the "Regulations"). The Regulations require that the Trustees produce an annual statement called an Engagement Policy Implementation Statement ("EPIS") which outlines the following:

- Explain how and the extent to which the Trustees have followed their engagement policy which is set out in the Statement of Investment Principles ("SIP").

- Describe the voting behaviour by or on behalf of the Trustees including the most significant votes cast) during the Scheme year and state any use of third party provider of proxy voting services.

The EPIS has been prepared by the Trustees and covers the Scheme year 1 October 2020 to 30 September 2021.

Scheme stewardship policy

The below bullet points summarise the Scheme's stewardship policy in force over the majority of the Scheme year to 30 September 2021.

The full SIP can be found here: https://www.bregroup.com/about-us/policies-and-accounts

- The Trustees recognise the importance of their role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the scheme invests, as ultimately this creates long-term financial value for the Scheme and its beneficiaries.

- As part of their delegated responsibilities, the Trustees expect the Scheme's investment managers to: 1) engage with investee companies with the aim to protect and enhance the value of assets; and 2) exercise the Trustees' voting rights in relation to the Scheme's assets.

- The Trustees regularly review the continuing suitability of the Scheme's appointed investment managers and take advice from their investment adviser regarding any changes.

- If an incumbent manager is found to be falling short, the Trustees undertake to engage with the manager and seek a more sustainable position but may look to replace the manager.

- The Trustees review the stewardship activities of their investment managers on an annual basis, covering both engagement and voting actions. The Trustees will review the alignment of the Trustees' policies to those of the Scheme's investment managers and seek to ensure that their managers use their influence as major institutional investors to carry out the Trustees' rights and duties as a responsible shareholder and asset owner.

- The Trustees expect that their appointed asset managers will demonstrate transparency regarding voting, including voting actions and rationale with relevance to the Scheme, in particular, where: votes were cast against management; votes against management generally were significant, votes were abstained; voting differed from the voting policy of either the Trustees or the investment manager.

Scheme stewardship activity over the year

Ongoing Monitoring

Investment monitoring takes place on a bi-annual basis with reports being provided to the Trustees by Aon. The reports include Environmental, Social and Governance ("ESG") ratings and highlight any areas of concern, or where action is required. The ESG rating system is for buy rated investment strategies and is designed to assess whether investment managers integrate responsible investment and more specifically ESG considerations into their investment decision making process. The ESG ratings are based on a variety of qualitative factors, starting with a proprietary due diligence questionnaire, which is completed by the fund managers.

Aon's researchers also conduct a review of the managers' responsible investment related policies and procedures, including a review of their responsible investment policy (if they have one), active ownership, proxy voting and/or stewardship policies. After a thorough review of the available materials, data and policies, as well as conversation with the fund manager, the lead researcher will award an ESG rating, which is subject to peer review using an agreed reference framework. Ratings will be updated to reflect any changes in a fund's level of ESG integration or broader responsible investment developments.

Schroders and Ruffer have been awarded a rating of Integrated by Aon, which is the view that the manager has taken appropriate steps to identify, evaluate, and mitigate potential financially material ESG risks within the portfolio. The property debt allocations that Aon do not yet assign an ESG rating, are still monitored by the Trustees through the investment monitoring reports and/or the Scheme's engagement policy implementation statement.

Training

In August 2021, the Trustees received training from Aon Investments Limited in relation to their investment in the Diversified Liquid Credit Strategy. The training session covered Aon's approach to engagement with the underlying investment managers with respect to ESG factors.

Manager Appointment

During the period, the Trustees appointed Bentall GreenOak as a property debt manager, investing in their UK Secured Lending Fund. As part of the manager selection process, the Trustees received advice from Aon and also received a presentation from the manager. The advice paper issued by Aon discussed the extent to which ESG considerations are integrated into Bentall GreenOak's investment process and the manager presentation allowed the Trustees the opportunity to ask further questions. Overall, the Trustees are comfortable that the fund is appropriate given the level of ESG consideration shown by the manager.

Voting and Engagement activity – Multi-asset funds

Over the year, the material multi-asset investments held by the Scheme were:

Ruffer LLP	Absolute Return Fund
Schroders Investment Management	Diversified Growth Fund

In this section there is a summary of voting information and examples of significant voting activity for each of the Scheme's relevant managers. The investment managers provided examples of 'significant' votes they participated in over the period. Each manager has their own criteria for determining whether a vote is significant. Examples of what might be considered a significant vote are:

- a vote where a significant proportion of the votes (e.g. more than 15%) went against the management's proposal
- where the investment manager voted against a management recommendation or against the recommendation of a third-party provider of proxy voting
- a vote that is connected to wider engagement with the company involved
- a vote that demonstrates clear and considered rationale
- a vote that the Trustees consider inappropriate or based on inappropriate rationale
- a vote that has significant relevance to members of the Scheme

The Trustees consider a significant vote as one which the voting manager deems to be significant or a vote where more than 15% of votes were cast against management.

Ruffer LLP ("Ruffer") – Absolute Return Fund

Voting

Number of resolutions eligible to vote on over the period	1,257
% of resolutions voted on for which the fund was eligible	100%
Of the resolutions on which the fund voted, % that were voted against management	6.4%
Of the resolutions on which the fund voted, % that were abstained from	2.2%

Ruffer uses Institutional Shareholder Services ("ISS") as its proxy voting advisor. In the assessment of resolutions and the identification of contentious issues, Ruffer has its own internal voting guidelines, but it also takes into account issues raised by ISS. Ruffer does not delegate or outsource its stewardship activities when deciding how to vote on its clients' shares. When reviewing relevant issues, Ruffer's research analysts, supported by Ruffer's responsible investment team, exercise their judgement on a case-by-case basis based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.

In the 12 months to 30 September 2021, of the votes in relation to holdings in the Ruffer Absolute Return Fund, it voted against the recommendation of ISS 7.2% of the time.

Voting example:

In May 2021, Ruffer voted for a shareholder resolution requesting that American Express publish an annual report assessing Diversity and Inclusion efforts. Ruffer stated that improvement in disclosure would benefit shareholders in assessing the company's long-term value and reputational and legal risks. Hence, Ruffer believed that whilst American Express was taking steps to increase its workforce diversity and promote inclusion, reporting of its diversity statistics had room for improvement.

The resolution passed with 59.7% votes in favour. Ruffer assessed this vote to be most significant because it believed the vote will be of particular interest to its clients. Ruffer will continue to vote for shareholder resolutions of such nature.

Engagement

Ruffer aims to improve its understanding of the material ESG risks its investee companies face, challenging their behaviour in relation to ESG considerations and increasing their awareness of regulatory and societal changes. Ruffer also shares its philosophy and approach to investing and corporate governance with these companies, and with other investors that share its concerns through collaborative initiatives.

Ruffer continually monitors its engagement with companies, and its resources for each engagement is managed according to the circumstances and potential impact of each case. When an issue is identified, Ruffer will usually raise it directly with the company, often with the management or members of the board to enable frank and forthright discussions to take place. If the outcome of this direct engagement is not satisfactory, Ruffer may consider escalating with a range of stakeholders at the company including the investor relations team, management and non-executive directors.

Further information can be found here: https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/Ruffer-engagement-policy.pdf?la=en

Engagement example:

In February 2021, Ruffer engaged with Barclays in relation to its climate change policies. Ruffer aimed to better understand the company's timeline to developing its climate change policies, and how it aims to take these forward.

The engagement was between Ruffer and Barclay's Chair of the Board, Group General Counsel and ESG Investor Relations Director. They discussed the financing of certain sectors, where it was explained the company takes an approach to engage rather than disinvest, which Ruffer is supportive of. This applies to lending in the energy and power sectors, with the aim of extending the reporting and data analysis to all sectors covered by their financing portfolio.

Barclays accepted that it needs to provide more interim targets to provide internal impetus and benchmarking to its initial net zero 2050 commitment. Barclays stated it aims to be a leader in the area with the understanding this will require significant internal resources. The Group Head of Public Policy and Corporate Responsibility leads the development here and there is a Climate Committee of the Executive board. They also discussed succession planning for the Chief Executive Officer (CEO), and historic engagements the board has had with activist investors.

This engagement was an initial, exploratory meeting and Ruffer intends to continue this through involvement in future discussions on setting additional targets and further refining climate change policies later in the year.

Schroders Investment Management ("Schroders") – Diversified Growth Fund

Voting

Number of resolutions eligible to vote on over the period	23,712
% of resolutions voted on for which the fund was eligible	99.6%
Of the resolutions on which the fund voted, % that were voted against management	7.9%
Of the resolutions on which the fund voted, % that were abstained from	0.7%

Schroders use ISS and the Investment Association's Institutional Voting Information Services (IVIS) for voting at upcoming general meetings, but it is only one component that feeds into its voting decisions. In addition to its voting policies, Schroders is also informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts.

Schroder's own research, which is conducted by its financial and ESG analysts, is integral to its final voting decision. For contentious issues, Schroder's Corporate Governance specialists will be in dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

Further information can be found in its Environmental, Social and Governance Policy for Listed Assets policy: schroders-esg-policy.pdf

Schroders was unable to provide voting examples at a fund level at the time of writing. The Trustees expect all fund managers to be able to provide voting examples at a fund level and were disappointed by the response from Schroders. The Trustees' investment advisor, Aon, will engage with Schroders in the second quarter of 2022 to pursue improvements in their voting disclosures.

Engagement

Schroders engages with companies to seek additional understanding, share its expectations or, where necessary, to seek change that will protect and enhance the value of investments for which it is responsible. Schroders focuses on issues material to the value of the company's shares or debt instruments, which includes a full range of stakeholder issues. The governance structure and management quality that oversee stakeholder relationships are also a key focus for its engagement discussions.

Schroders' engagement activities are undertaken by its portfolio managers, fixed income and equity investment analysts and the sustainable investment team. Schroders generally begins an engagement with a process to enhance its understanding of the company and helping the company to understand Schroders' position on the particular position on a topic. It tracks engagement progress over time to ensure it can systematically monitor outcomes. Where there is no meaningful progress after repeated engagements, Schroders will escalate. This can include voting against management at a company's annual general meeting.

Engagement example:

Schroders engaged with British multinational distribution and outsourcing company, Bunzl Plc, regarding their emissions profile and the timeline for changing to electric vehicles across their fleet, given that distribution is a key contributor to their greenhouse gas emissions. Schroders wrote to the company in March making the business case for transition to electric vehicles, including customer demand, more stringent emission regulations, and the improving economics of electric vehicles.

The engagement is ongoing. Schroders had a call with Bunzl's management and the sustainability team where they outlined their current pilot projects and the challenges they are experiencing. Schroders understand from the company that their letter was widely circulated internally and influenced discussions around a new sustainability plan.

Engagement activity – Fixed Income

Aon Investments Limited (AIL) – Diversified Liquid Credit Strategy

The Trustee invests in Aon Investments Limited ("AIL") Diversified Liquid Credit Strategy, a fund of funds solution focused on fixed income strategies. AIL has undertaken a considerable amount of engagement activity over the year. AIL has held over 27 ESG focussed meetings in 2021 with the underlying managers in which AIL invests. At these meetings, AIL discussed ESG integration, and voting and engagement activities undertaken by the investment managers allowing AIL to form opinions on each managers' strengths and areas for improvement. AIL has provided feedback to the managers following these meetings with the goal of lifting the standard of ESG integration across the strategies in their portfolios. AIL will continue to execute its ESG integration approach and engage with managers throughout the remainder of 2021.

Engagement example:

In April 2021, Aon engaged with an underlying fixed income manager in one of its other funds. The manager was in the early stages of improving their ESG integration to include more active stewardship. It has yet to make its ESG mission clear for prospective or current investors. The manager recognises it needs to strengthen its approach to more active investment stewardship.

From discussions with the manager, Aon expects established engagement protocols from the manager which will in turn direct its chosen engagement theme regarding greater transparency around company disclosure on issues of ESG materiality. Aon and the manager agreed to revisit discussions around stewardship towards the end of the year. The engagement led to multiple goals being set, including;

- The manager to establish engagement protocols and in turn no longer needing to utilise third party providers.
- The manager to work on publishing its Responsible Investment policies publicly and for these to reflect their engagement protocols

The Trustees are invested with a number of fund managers through their arrangement with AIL.

AIL Underlying Fixed Income Managers - Engagement

Schroders Plc (“Schroders”) ISF Securitised Credit

At a firm level, Schroders is currently engaging with banks on their fossil fuel financing. Schroder’s credit team, along with a number of equity teams, selected around 50 banks in Europe, North America and Asia for deeper analysis and engagement. Following each engagement, Schroders highlights three to four objectives they would like the bank to work on over the next 12 months. Examples include:

- A commitment to align the bank’s financing activities with the goals of the Paris agreement;
- Reviewing and strengthening the bank’s fossil fuel policies in line with the latest science and good practice;
- Development of the climate risk reporting.

For banks that have already made progress in these areas, their discussions have focused on the robustness and evolution of their measurement and target setting methodologies. Schroders has stated it is too early to assess the impact of the engagements however it has received good responses from banks so far. Out of the 50 banks contacted over the last 6 months, they had met with 21 by the end of March 2021.

Janus Henderson Asset Backed Securities Strategy

Stewardship is an integral part of Janus Henderson’s long-term, active approach to investment management. Janus Henderson supports a number of stewardship codes, such as the UK and Japanese stewardship codes, and broader initiatives around the world.

Janus Henderson’s investment teams share the results of company engagement and ESG research on a centralised platform. Company engagement is tagged when ESG themes form a material component of engagement.

More information regards Janus Henderson’s approach to ESG can be found here CCAT2145_0521 ESG report.indd (janushenderson.com)

Engagement example

In 2021, Janus Henderson engaged with Coventry Building Society on its development of their its internal ESG Framework, to assess progress to date and gain a greater understanding of its ESG philosophy.

During an initial call, Coventry Building Society discussed its ESG journey but noted that it was in early stages in terms of progress, with more work to do to set measurable and tangible targets. Coventry Building Society showed interest in making positive steps towards creating realistic targets and metrics on its way to net zero by 2030. It discussed a number of topics including greenhouse gas emissions, product design and Energy Performance Certificate data, noting that improving data infrastructure should be at the forefront of investor engagement.

Janus Henderson stated that it is early in this engagement story but so far it has been able to get a better understanding of Coventry Building Society's corporate policy and help it to develop targets and projects that will ultimately benefit the broader socio-economic environment. A follow up meeting is scheduled to discuss progress on Coventry Building Society's targets and to share its carbon footprint framework.

Robeco Global Credits

With respect to ESG considerations, Robeco is particularly focused on improving business conduct and function of the companies they invest in. Robeco carries out extensive research on the companies it invests in and measures changes in company performance relative to engagement objectives. Any cases closed unsuccessfully are considered for exclusion from the manager's funds.

Engagement example

Over the last few years, Robeco has continued engagement with senior employees of a multinational oil company. The topic of the engagements was climate risk and the effects of this on the oil industry.

The company announced its aim to reduce the net carbon footprint of its energy products by half by 2050. Robeco was supportive of the target and continued to push the company to set short term targets and link these to remuneration packages. In addition to announcing its long-term goal, the company agreed to start setting shorter term targets. Robeco believes the company now leads the sector in terms of its planning and positioning for the transition to a low carbon economy.

Aegon Asset Management ("Aegon") European ABS Fund

For Aegon, ESG analysis forms a critical aspect of its risk mitigation analysis. This is at the collateral, the originator and country of domicile levels, where each level is scored between 1 to 5, with a weighted average taken to form their overall ESG score for the Asset-Backed Security ("ABS") bond.

Aegon's engagement efforts can be categorized as policy based, thematic or product support. Aegon starts engagements to:

- Improve performance and promote companies' long-term financial performance;
- Monitor, manage and mitigate investment risk;
- Better understand companies and set expectations on company management;
- Set goals and timeframes to meet, in order to reach compliance with our policies;
- Improve ESG disclosure;
- Maximise positive sustainability outcomes, including those related to the sustainable development goals;
- Encourage the issuance of green, social and sustainable bonds for the purpose of investment participation and growing sustainable business practices.

Engagement example

Aegon has engaged with institutions that issue collateralised loan obligations ("CLOs"), which Aegon invests in its European ABS Fund. Aegon seeks to encourage issuers to improve the quality of their collateral pools by excluding loans that exhibit high ESG risk. Aegon sent the CLO issuers ESG questionnaires and had several meetings with management to discuss the responses, their ESG goals and any other areas which Aegon viewed as needing improvement. Aegon plans to hold follow up meetings depending on the specific engagement and targets set out in each case. Aegon aims to encourage increasing ESG scrutiny on portfolios and explicit exclusion language in CLO documentation where appropriate, which creates appropriate incentives for the stakeholders behind the collateral pool.

A specific example of this would by with St Paul's CLO VII, where Aegon engaged in relation to the theme 'Good Health and Wellbeing (through preventing potential gambling addiction)'. Aegon engaged directly and independently with the stakeholders, as this allocation made up c.1% of the Aegon ABS fund. Aegon noted that the inclusion of assets related to gambling companies was in conflict with its investment policies. In response, assets in relation to three gambling companies were removed from the portfolio. Aegon were satisfied with the collateral pool adjustment and proceeded with its investment in St Paul's CLO VII.

Insight Investment ("Insight") Short Dated Buy and Maintain Fund

Insight proactively engages on industry and regulatory issues that have implications for its clients and the wider market. Across all sectors, most of Insight's engagements with companies incorporate ESG issues. Insight also participates in collaborative initiatives to support engagements on material issues. Insight are part of:

- Climate Action 100+ (since 2017)
- Principles for Responsible Investment ("PRI") Credit Risk and Ratings Advisory Council (since 2017)
- Taskforce for Climate-related Financial Disclosures (since 2018)

Engagement example

In Q2 2021, Insight engaged with natural gas company, Exxon Mobile ("Exxon"). Insight engaged with Exxon on the limited efforts it had made to mitigate its impact on biodiversity and the limited evidence shown that it is trying to reduce its carbon emissions.

Insight expressed concerns about the lack of independent directors on the board who were also experts in energy. Exxon has committed to reducing its greenhouse gas emissions by 30% for the upstream part of its business (i.e. exploration and initial production stages) however this accounts for less than half of its total emissions. Also, Exxon is making no renewable energy investments. Instead it is focused on innovative technology that aims to removes carbon dioxide from the atmosphere, but this is yet to provide conclusive and scalable results.

The lack of engagement response from Exxon and Insight's low climate risk rating for the company has led Insight to sell it's holding in Exxon across its Buy and Maintain portfolios.

Barings LLC ("Barings") Active Short Duration Fund

Barings applies the UN PRI's definition of engagement. Engagements involve "…interactions between the investor and current or potential investees on ESG issues. Engagements are undertaken to influence (or identify the need to influence) ESG practices and/or improve ESG disclosure". The prioritization of engagement activities is driven by several inputs, including Barings' commitments to the UN PRI and UN Global Compact and aligned with the Sustainability Accounting Standard Board's (SASB) research on material issues by sector. Barings' engagements mainly surround issues on Human Rights, Labour, Environment and Anti-corruption.

Barings aims to meet with all companies in which it seeks to invest at least annually to discuss a range of topics including ESG issues. The investment professional responsible for evaluating and valuing the company is also responsible for its ESG assessment. In some cases, Barings' investment professional will not invest in a company because of its ESG credentials, or lack thereof.

Engagement example

In 2021, Barings engaged with an auto parts diversified industrial corporate issuer regarding female participation on its board. Barings analyst specialised in auto-business engaged with the issuer and inquired about improving gender diversity on the company's board. The issuer's Investor Relations team said they were looking to include a female director among the future members. The board of directors is undergoing a review by the management and will likely be announced during the next annual shareholders meeting in March 2022. Barings' analyst encouraged the issuer to provide further updates on composition changes and developments on the board.

Engagement activity – Real Estate Debt

The Trustees invest in real estate debt through DRC Capital ("DRC"). The Trustees acknowledge that the ability of alternative asset class managers to engage and influence companies/issuers may be less direct or even limited compared to equity holdings. However, the Trustees believe that all their managers should be aware of their responsibility as stewards of capital and should implement stewardship activity within the constraints of their investment process. The Trustees, with the support of their investment adviser, will continue monitoring and engaging on an ongoing basis with all managers on how they implement such activity on behalf of the Scheme.

DRC – UK Whole Loan Fund

DRC's ESG policy focuses on ensuring that the borrowers are committed to delivering sustainable, long-term value through the management of ESG issues at the real estate asset level. The engagement activities are provided on a deal-by-deal basis and DRC has four steps in this process;

- Due Diligence stage
- Facility Agreement Negotiation Stage
- Review and Approval Stage
- Ongoing Asset Management

Engagement example:

One of the Fund's investments is an office asset which is being re-fitted with significant ESG considerations. This includes creating buildings that are sustainable and have lower carbon emissions by using innovative, sustainable materials, and bricks made from recycled waste material, for example. DRC attends monthly meetings and conducts regular site visits to ensure this is being implemented and the ESG initiatives of the project remain in progress.

Voting and Engagement activity – Additional Voluntary Contributions ("AVC")

The Scheme provides a facility for members to pay AVCs into the Scheme to enhance their benefits at retirement. Members are offered a range of funds managed by Utmost Life & Pensions (previously Equitable Life), Scottish Widows and Standard Life.

The funds available are as follows:

Provider	Fund
Utmost Life and Pensions	US Equity*
	Asia Pacific Equity*
	European Equity*
	UK Government Bond
	Fund of Investment Trusts*
	Managed*
	Money
	UK Equity*
	UK FTSE All-Share Tracker*
	Multi-Asset Moderate*
	Multi-Asset Cautious*
Scottish Widows	Mixed*
	Building Society
	Global Equity*
	Unitised With Profits
Standard Life	Standard Life Stock Exchange Pension Fund*
	Standard Life Ethical Pension Fund*

	Standard Life Money Market Pension Fund
	Standard Life Multi Asset Managed (20-60% Shares)*
	Standard Life Managed Pension Fund*
	Standard Life Annuity Targeting Pension Fund
	Standard Life At Retirement (Multi Asset Universal)*

*Funds with investments in equity (where voting rights are available)

Utmost Life and Pensions ("Utmost")

The underlying managers for funds held with Utmost are Aberdeen Standard Investments ("ASI") and J.P. Morgan Asset Management ("JPM"). On some occasions, the Utmost funds may invest in a blend of underlying funds managed by one or both of JPM and ASI.

Utmost have provided voting statistics for the underlying funds used within their investment options. These are detailed in the tables below. The Trustees are currently working with Utmost, in conjunction with their investment advisor, to confirm which underlying funds are relevant to each of the investment options available to members and this will be confirmed in due course.

ASI	**Number of resolutions eligible to vote on over the period**	**% of resolutions voted on for which the fund was eligible**	**Of the resolutions on which the fund voted, % that were voted against management**	**Of the resolutions on which the fund voted, % that were abstained from**
UK All Share Tracker Fund	10,605	98.3%	2.2%	0.1%
Asia Pacific Equity Enhanced Index Fund	3,633	99.0%	14.0%	1.1%
European Equity Enhanced Index Fund	4,525	95.1%	9.4%	0.7%
World Equity Enhanced Index Fund	6,797	98.4%	15.3%	1.1%
Japan Equity Enhanced Index Fund	2,068	99.3%	4.4%	5.7%
UK Equity Enhanced Index Fund	7,550	97.2%	2.0%	0.1%
American Equity Enhanced Index Fund	3,061	99.5%	23.2%	0.0%
Emerging Markets Equity Enhanced Index Fund	5,948	98.7%	4.3%	7.8%

JPM	**Number of resolutions eligible to vote on over the period**	**% of resolutions voted on for which the fund was eligible**	**Of the resolutions on which the fund voted, % that were voted against management**	**Of the resolutions on which the fund voted, % that were abstained from**
UK Equity Core Fund	3,533	98.1%	1.2%	0.0%
US Research Enhanced Index Equity Fund	2,653	100.0%	4.0%	0.0%
Global Research Enhanced Index Equity Fund	10,603	97.6%	6.4%	0.1%

Europe (ex-UK) Research Enhanced Index Equity Fund	2,458	93.3%	4.8%	0.1%
UK Equity Index Fund	10,900	99.5%	2.0%	0.1%
Multi-Asset Cautious Fund	7	100.0%	0.0%	0.0%
Sterling Corporate Bond Fund	20	100.0%	0.0%	0.0%
Multi-Asset Growth Fund	7	100.0%	0.0%	0.0%

ASI Voting

ASI makes use of the services of ISS and IVIS for proxy voting research and voting recommendations. However, ASI provides its own house guidelines to establish a custom policy, which ISS then follows when making voting recommendations to ASI. For companies which ASI holds in its actively managed funds, it uses the recommendations provided by ISS as an input to its own analysis of resolutions.

ASI is an active member of the Investment Association ("IA"), which provides guidelines to companies relating to governance practices. When voting at UK company meetings, ASI seeks to ensure that its voting outcomes are aligned with the standards defined within the IA guidelines. ASI has built into its voting policies the guidelines relating to executive remuneration published by the IA.

JPM Voting

JPM uses ISS to receive meeting notifications, conduct company research, and process its votes. Although JPM uses the ISS Proxy Exchange platform and see its voting recommendations, JPM states that this forms only the starting point for JPM's proprietary thinking. All of JPM's voting decisions are made on a case-by-case basis by in-house specialists in conjunction with the analyst and/or fund manager with reference to the JPM Corporate Governance Policy and Voting Guidelines.

JPM defines "significant" votes as votes where JPM is a major shareholder in its portfolios, where the vote is likely to be close or contentious or where there may be potential material consequences for JPM's clients.

JPM Engagement

JPM's stewardship involves active participation between the investment and stewardship groups, with shared meetings and collaboration on issues. JPM states that it integrates financially material ESG factors into its active investment frameworks across asset classes and believes its approach provides for broad flexibility as data, regulations and outlooks change, while focusing on the best prospects for sustainable financial returns.

Instead of single conversations, JPM states that it finds it important to engage with companies through long-running discussions covering months or years. In JPM's engagement with its investee companies, JPM has five main investment stewardship priorities that it believes are most applicable:

1. Governance;
2. Strategy alignment with the long-term;
3. Human capital management;
4. Stakeholder engagement; and
5. Climate risk.

Please see here for more information on Investment Stewardship at JPM:
https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/investment-stewardship/annual-investment-stewardship-report.pdf

Scottish Widows

The AVC funds available for members to invest in with Scottish Widows are mostly managed by Schroders. Information on Schroders' voting and engagement policies can be found in the sections above. Again, these funds are made up of a combination of underlying funds with the allocation between these funds being managed by Scottish Widows.

Scottish Widows were unable to provide voting statistics for all AVC funds used by the Scheme at the time of writing this statement. The Trustees' investment advisor is continuing to liaise with Scottish Widows to obtain this information on the Trustees' behalf and hopes to include this in future statements.

Standard Life

The AVC funds the Scheme holds through Standard Life are managed by Aberdeen Standard Investments (ASI). The voting statistics for these funds are as follows:

ASI	**Number of resolutions eligible to vote on over the period**	**% of resolutions voted on for which the fund was eligible**	**Of the resolutions on which the fund voted, % that were voted against management**	**Of the resolutions on which the fund voted, % that were abstained from**
Standard Life Multi Asset Managed (20-60% Shares)	11,319	95.0%	6.6%	1.8%
Standard Life Stock Exchange Pension Fund	6,763	92.2%	5.9%	1.1%
Standard Life Managed Pension Fund	7,350	92.8%	6.1%	1.0%
Standard Life At Retirement Multi-Asset Universal Pension Fund (Lifestyle Profile)	10,455	94.7%	5.7%	1.9%
Standard Life Ethical Pension Fund	1,416	95.4%	1.5%	0.1%

ASI's voting policy and approach is detailed above.

Summary

Based on the activity over the year by the Trustees and their investment managers, the Trustees are of the opinion that the stewardship policy has been implemented effectively in practice. The Trustees note that some of their investment managers were able to disclose strong evidence of voting and engagement activity.

The Trustees expect improvements in disclosures over time in line with the increasing expectations on asset managers and their significant influence to generate positive outcomes for the Scheme through considered voting and engagement. In particular, the Trustees expect improvements from Schroders to their reporting of fund level voting examples. The Trustees and the Trustees' investment advisor, Aon, will engage with Schroders to pursue improvements in their voting disclosures.