

## Implementation Statement

### University of Leicester Pension and Assurance Scheme

### Scheme year-end 31 July 2023

#### Purpose of the Implementation Statement

This Implementation Statement has been approved by the Trustees of the University of Leicester Pension and Assurance Scheme ("the Scheme") and sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- The voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year to 30 June 2023, including information regarding the most significant votes.

The investment manager data contained within this Implementation Statement is not given over the year to 31 July 2023 because investment managers only report this information on a quarterly basis. This information has therefore been provided over the year to 30 June 2023.

#### Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at the time of preparing this Implementation Statement describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It has been made available online here:

<https://le.ac.uk/about/who-we-are/professional-services/finance>

At this time, the Trustees have not set stewardship priorities or themes for the Scheme, but will consider the extent that they wish to do so in due course, in line with other Scheme risks.

In May 2022, the Trustees produced an Environmental, Social and Governance ("ESG") Policy document which supports the Scheme's SIP in recording the Trustees' policies on the consideration and implementation of ESG factors (including, but not limited to, climate change) and stewardship. This document is available upon request.

#### How voting and engagement policies have been followed over the Scheme year to 31 July 2023

Based on the information provided by the Scheme's investment managers, the Trustees believe that the Scheme's voting and engagement policies have been met in the following ways:

- At the Scheme year-end, the Scheme's investment managers were: Legal & General Investment Management ("LGIM"), Columbia Threadneedle Investments ("Columbia Threadneedle"), Ruffer LLP ("Ruffer"), M&G Investments ("M&G"), Aviva Investors ("Aviva") and Northern Trust Asset Management ("Northern Trust"). The Trustees regularly consider the performance of the funds held with each investment manager and any significant developments that may arise. This may include inviting managers to present at Trustees' meetings from time to time.

- The Scheme invests almost entirely in pooled funds and, as such, delegate's responsibility for carrying out voting and engagement activities to the Scheme's investment managers. The Scheme has one investment in a segregated mandate with Ruffer, where restrictions are applied such that Ruffer cannot invest directly in companies with more than 10% of revenue coming from weapons systems, weapons components or tobacco-related business activities.
- Having reviewed their policies in relation to ESG and stewardship considerations, the Trustees reviewed the funds used to implement the Scheme's equity portfolio. This review included consideration of a range of passive equity funds that allowed the Trustees to better implement their policies on ESG and stewardship considerations. The outcome of this review was a decision to appoint Northern Trust to manage the Scheme's equity exposure through a number of pooled funds. The implementation of the transition to Northern Trust will take place over a number of stages. Whilst the Scheme's non-currency hedged equity exposure is currently achieved using the Northern Trust funds, the Scheme is due to transfer its currency hedged equity mandate to Northern Trust following the Scheme year-end.
- More broadly, the Trustees have a policy to consider an investment managers' approach to ESG as part of any new investment manager or fund selection exercise. This was integrated to the multi-asset credit manager selection carried out in May 2023 (please note that the manager selected to run this mandate was not appointed until after the year-end).
- The Trustees also have a policy to carry out an annual review of the Scheme's investment managers' ESG credentials, which may include a review of their ESG and stewardship policies, how they integrate ESG into their investment processes and their approach to engagement and voting activities. This is carried out via the annual Implementation Statement and the annual sustainability monitoring report, which the Trustees review to ensure alignment with the Scheme's policies. As part of the ongoing monitoring of the Scheme's investment managers, the Trustees use ESG ratings available within the pensions industry and those provided by its investment consultant, in order to assess how the Scheme's investment managers take account of ESG issues.

## Summary

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

**Approved by the Trustees of the University of Leicester Pension and Assurance Scheme**

**August 2023**

## Voting data

### Voting summary

This section provides a summary of the voting activity undertaken by the investment managers on behalf of the Trustees over the year to 30 June 2023. The Scheme's holdings in the M&G European Loan Fund, Aviva Lime Property Fund, LGIM Active Corporate Bond (Over 10 Year) Fund, Columbia Threadneedle liability-driven investment ("LDI") portfolio and the Columbia Threadneedle collateral funds are expected to have no, or negligible amounts of, underlying assets with voting rights attached given the nature of these mandates. Therefore, these mandates have been excluded from the tables below.

The voting data provided by Northern Trust, Columbia Threadneedle and LGIM is for the pooled funds in which the Scheme invests. The voting data provided by Ruffer is for the Scheme's own segregated mandate.

Manager/Asset class	Northern Trust* Passive Equities	Northern Trust* Passive Equities	Columbia Threadneedle Target Return	Ruffer Target Return
<b>Fund name</b>	World Green Transition Index Fund	Emerging Markets Green Transition Index Fund	Dynamic Real Return Fund	Segregated Target Return
<b>Structure</b>	Pooled	Pooled	Pooled	Segregated
<b>Ability to influence voting behaviour of the manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour			The segregated mandate means the Trustees may engage with the manager to try to influence their voting behaviour
<b>Number of resolutions the manager was eligible to vote on over the year</b>	17,761	20,766	4,532	494
<b>Percentage of resolutions the manager voted on, for which they were eligible</b>	98.5%	99.6%	99.6%	95.3%
<b>Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on**</b>	92.9%	87.1%	88.8%	93.0%
<b>Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on**</b>	7.0%	10.7%	9.6%	7.0%
<b>Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on**</b>	0.1%	2.2%	1.5%	0.0%
<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor</b>	0.0%	0.0%	Not applicable	7.6%

Source: Information provided by the investment managers.

\*Due to time constraints, Northern Trust have provided the voting data for the 12-month period to 31 March 2023.

\*\*Totals may not sum due to rounding.

Manager/Asset class	LGIM Passive Equities (Currency Hedged)				
Fund name	UK Equity Index Fund	North America Equity Index Fund	Europe (ex UK) Index	Japan Equity Index	Asia Pacific (ex Japan) Developed Equity Index Fund
<b>Structure</b>	Pooled				
<b>Ability to influence voting behaviour of the manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour				
<b>Number of resolutions the manager was eligible to vote on over the year</b>	10,510	8,422	9,700	5,983	3,225
<b>Percentage of resolutions the manager voted on, for which they were eligible</b>	99.9%	99.7%	99.9%	100.0%	100.0%
<b>Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on**</b>	94.4%	65.5%	80.2%	88.6%	73.3%
<b>Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on**</b>	5.6%	34.5%	19.3%	11.4%	26.7%
<b>Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on**</b>	0.0%	0.0%	0.5%	0.0%	0.0%
<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor</b>	4.3%	28.7%	10.7%	9.6%	17.1%

Source: Information provided by the investment managers.

\*\*Totals may not sum due to rounding.

## Proxy voting

A proxy advisor is a company that advises how owners of shares could vote on resolutions at shareholder meetings and, where applicable, the proxy advisor can also vote on behalf of the owners of the shares.

The information below concerning proxy voting processes has been provided by the relevant investment managers.

### **Northern Trust**

Northern Trust has delegated to Institutional Shareholder Services (“ISS”) (an independent third-party proxy voting service) the responsibility to review proxy proposals and to make voting recommendations to the Proxy Committee in a manner consistent with the Proxy Voting Policy. For proxy proposals that, under the Proxy Voting Policy, are to be voted on a case-by-case basis, Northern Trust provides supplementary instructions to ISS to guide it in making vote recommendations. Northern Trust has instructed ISS not to exercise any discretion in making vote recommendations and to seek guidance whenever it encounters situations that are either not covered by the Proxy Voting Policy or where application of the Proxy Voting Policy is unclear. In the event that ISS does not or will not provide recommendations with respect to proxy proposals for securities over which Northern Trust or its affiliates have voting discretion, the relevant proxy analyst at Northern Trust responsible for the issuer or its business sector shall be responsible for reviewing the proxy proposal and making a voting recommendation to the Proxy Committee consistent with the Proxy Voting Policy.

### **Columbia Threadneedle**

Columbia Threadneedle utilises the services of ISS. They deploy their specialist governance team on the most complex and sensitive cases, while voting on the more simple, routine votes is executed by ISS’s custom policy team under Columbia Threadneedle Investments’ policy.

### **Ruffer**

Ruffer use ISS as a proxy voting service and use their electronic voting platform. Ruffer have internal voting guidelines as well as access to proxy voting research (also from ISS) to assist the analysts in their assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers’ voting recommendations, they do not delegate or outsource stewardship activities when deciding how to vote on their clients’ shares and all voting decisions are made by Ruffer.

### **LGIM**

LGIM’s Investment Stewardship team uses ISS’s electronic voting platform to electronically vote clients’ shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with LGIM’s position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. LGIM review their custom voting policy with ISS annually and take into account feedback from their investors.

## Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities or themes. At this time, the Trustees have not set stewardship priorities or themes for the Scheme (but will consider the extent that they wish to do so in due course, in line with other Scheme risks). Therefore, for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a “significant vote”. The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to determine whether they will develop a specific voting policy. Going forwards, the Trustees may consider the most significant votes in conjunction with any agreed stewardship priorities or themes.

### Northern Trust

Northern Trust do not have a specific policy for determining “significant votes”, rather they have an approach to stewardship that begins with prioritising companies for outreach and engagement. Northern Trust prioritise companies with the most egregious corporate governance issues or outsized ESG risks or impacts. They identify these using third-party information resources and, based on this initial analysis, they define the “target universe” for each priority topic. These are the companies to which Northern Trust will reach out with letters articulating their engagement objectives and the timeframe after which they will take voting actions against the directors if no progress is made. Northern Trust then create a watchlist of these companies which is uploaded to the proxy voting services’ voting platform so that meetings can be monitored as they arise.

In the absence of agreed stewardship priorities or themes, three votes have been shown to represent significant votes cast on behalf of the Scheme. Northern Trust did not provide details which would allow for an assessment of which votes may be most significant (as per the approach for the other investment managers included in this section) and therefore the votes shown have been selected to represent a variety of themes. The Trustees, through their investment consultant, have provided feedback to Northern Trust on their reporting in the hope of being able to reflect the most significant votes going forwards.

<b>World Green Transition Index Fund</b>	<b>Vote 1</b>	<b>Vote 2</b>	<b>Vote 3</b>
<b>Company name</b>	Prosus NV	Goodman Group	Carl Zeiss Meditec AG
<b>Date of vote</b>	24 August 2022	17 November 2022	22 March 2023
<b>Approximate size of the fund’s holding as at the date of the vote (as % of portfolio)</b>	<i>Data not provided</i>		
<b>Summary of the resolution</b>	Authorize repurchase of shares	Approve the increase in non-executive directors’ fee pool	Elect Christian Mueller to the Supervisory Board
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	<i>Data not provided</i>		

<b>World Green Transition Index Fund</b>	<b>Vote 1</b>	<b>Vote 2</b>	<b>Vote 3</b>
<b>Rationale for the voting decision</b>	A vote against was applied because the manager was of the view that the proposal was not in line with commonly used safeguards regarding volume.	A vote against was applied because the manager was of the view that the increase was excessive and well above the fees required for the new sub-committee and an additional director during a period of transition.	A vote against was applied because the nominee was non-independent and sat on a key board committee.
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	<i>Data not provided</i>		
<b>Criteria on why the vote is considered "significant"</b>	Vote against management		

Source: Northern Trust.

<b>Emerging Markets Green Transition Index Fund</b>	<b>Vote 1</b>	<b>Vote 2</b>	<b>Vote 3</b>
<b>Company name</b>	Hangzhou Silan Microelectronics Co., Ltd.	Grasim Industries Limited	Sichuan New Energy Power Co., Ltd.
<b>Date of vote</b>	26 August 2022	29 August 2022	24 February 2023
<b>Approximate size of the fund's holding as at the date of the vote (as % of portfolio)</b>	<i>Data not provided</i>		
<b>Summary of the resolution</b>	Amend rules and procedures regarding general meetings of shareholders	Approve continuation of Shailendra K. Jain as non-executive director	Approve report on the usage of previously raised funds
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	<i>Data not provided</i>		
<b>Rationale for the voting decision</b>	A vote against was applied because the company did not specify the details and the provisions covered under the proposed amendments.	A vote against was applied because the board independence norms were not met and Sailendra was a non-independent director nominee.	A vote against was applied because the share issuance price of the stock consideration under the proposed transaction was set at a significant discount to the unaffected price, which was deemed by the manager to not be in the best interests of the company and shareholders.
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	<i>Data not provided</i>		

Emerging Markets Green Transition Index Fund	Vote 1	Vote 2	Vote 3
<b>Criteria on why the vote is considered "significant"</b>		Vote against management	

Source: Northern Trust.

## Columbia Threadneedle

Columbia Threadneedle provided a large selection of votes which they believe to be significant. In the absence of agreed stewardship priorities or themes, three votes have been shown to represent significant votes cast on behalf of the Scheme. To represent the most significant votes, votes relating to the three largest distinct holdings from the selection provided are shown below.

Dynamic Real Return Fund	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Shell Plc	Amazon.com, Inc.
<b>Date of vote</b>	13 December 2022	23 May 2023	24 May 2023
<b>Approximate size of the fund's holding as at the date of the vote (as % of portfolio)</b>	0.95%	0.65%	0.59%
<b>Summary of the resolution</b>	Report on government use of Microsoft technology	Approve the Shell Energy transition progress	Report on median and adjusted gender/racial pay gaps
<b>How the manager voted</b>	For	Abstain	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	No	No	No
<b>Rationale for the voting decision</b>	<i>Data not provided</i>	The manager felt abstaining was the best option to recognise the progress being made by the company, whilst retaining their position that they would prefer to see greater movement towards full Paris alignment in the coming years.	The manager was of the view that the proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.
<b>Outcome of the vote</b>	Fail	Pass	Fail
<b>Implications of the outcome</b>	Active stewardship (engagement and voting) continues to form an integral part of the manager's research and investment process		
<b>Criteria on why the vote is considered "significant"</b>	Vote against management and >20% dissent	Vote against management	<i>Data not provided</i>

Source: Columbia Threadneedle.



## Ruffer

Ruffer provided a selection of three votes which they believe to be significant. In the absence of agreed stewardship priorities or themes, these three votes have been shown to represent the most significant votes cast on behalf of the Scheme.

Segregated Target Return	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Nexus Infrastructure Plc	Bayer AG	BP Plc
<b>Date of vote</b>	30 March 2023	28 April 2023	27 April 2023
<b>Approximate size of the fund's holding as at the date of the vote (as % of portfolio)</b>	0.05%	0.19%	0.48%
<b>Summary of the resolution</b>	Accept financial statements and statutory reports	Approve remuneration report	Approve shareholder resolution on climate change targets
<b>How the manager voted</b>	For	For	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	<i>Data not provided</i>		
<b>Rationale for the voting decision</b>	The manager's voting rationale has previously been that the company is an owner-managed business and that management have always been professional and open with shareholders. Previously, the manager's view was that they had no issues with the current level of remuneration and would engage actively should these become excessive. They saw no reason to change support for a policy they have previously supported.	The manager voted in favour of the 2022 compensation report due to positive developments in the company's corporate governance. There was also evidence of increased engagement with the shareholders in their report. The manager was of the view that these changes overall as positive and wish to support the board in its endeavours to deliver value to shareholders.	The manager voted against the resolution given their view that this would require a wholesale shift in strategy, which they believed to be unnecessary given the board has opined on net zero and published a strategy.
<b>Outcome of the vote</b>	<i>Data not provided</i>	<i>Data not provided</i>	Fail
<b>Implications of the outcome</b>	The manager will continue to engage with the company on governance issues and vote on remuneration proposals where they deem it to have material impact to the company.	The manager will continue to engage with the company on governance issues and vote on remuneration proposals where they deem it to have material impact to the company.	The manager will monitor how the company progresses and improves over time, alongside continuing to support credible energy transition strategies and initiatives which are currently in place. The manager will vote against shareholder resolutions which are deemed as unnecessary.

Segregated Target Return	Vote 1	Vote 2	Vote 3
<b>Criteria on why the vote is considered “significant”</b>	The manager’s view was that this vote would be of particular interest to clients		

Source: Ruffer.

## LGIM

LGIM provided a large selection of votes which they believe to be significant for each of the passive equity funds in which the Scheme invests. In the absence of agreed stewardship priorities or themes, one vote from each of the underlying funds has been shown to represent significant votes cast on behalf of the Scheme. To represent the most significant votes, the vote relating to the largest distinct holding from the selection provided for each fund are shown below.

Fund	North America Equity Index Fund	UK Equity Index Fund	Europe (ex UK) Equity Index Fund
<b>Company name</b>	Amazon.com, Inc.	Shell Plc	Novartis AG
<b>Date of vote</b>	24 May 2023	23 May 2023	7 March 2023
<b>Approximate size of fund’s holding as at the date of the vote (as % of portfolio)</b>	2.29%	6.96%	1.91%
<b>Summary of the resolution</b>	Report on median and adjusted gender/racial pay gaps	Approve the Shell Energy transition progress	Re-elect Joerg Reinhardt as director and board chair
<b>How the manager voted</b>	For	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	The manager pre-declared its vote intention for this meeting and, as part of this process, a communication was sent to the company ahead of the meeting.	The manager publicly communicates its vote instructions on its website with the rationale for all votes against management. It is the manager’s policy not to engage with investee companies in the three weeks prior to an annual general meeting, as engagement is not limited to shareholder meeting topics.	
<b>Rationale for the voting decision</b>	A vote in favour was applied as the manager expects companies to disclose meaningful information on their gender pay gap and the initiatives they are applying to close any stated gap.	A vote against was applied, though not without reservations. The manager acknowledged the substantial progress made by the company in meeting its 2021 climate commitments and welcomed the company’s leadership in pursuing low carbon products. However, they remained concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with upstream and downstream operations.	A vote against was applied as the manager expects a company to have a diverse board, with at least one-third of board members being women. They expect companies to increase female participation both on the board and in leadership positions over time.
<b>Outcome of the vote</b>	Fail	Pass	Data not provided

<b>Implications of the outcome</b>	The manager will continue to engage with the company and monitor progress.	The manager will continue to undertake extensive engagement with Shell on its climate transition plans.	The manager will continue to engage with the company, publicly advocate their position on this issue and monitor company and market-level progress.
<b>Criteria on why the vote is considered "significant"</b>	The manager views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their clients' behalf.	The manager is publicly supportive of so called "Say on Climate" votes. Given the high-profile nature of such votes, the manager deems such votes to be significant, particularly when the manager votes against the transition plan.	The manager views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

Source: LGIM.

<b>Fund</b>	<b>Japan Equity Index Fund</b>	<b>Asia Pacific (ex Japan) Developed Equity Index Fund</b>
<b>Company name</b>	Toyota Motor Corp.	Woodside Energy Group Ltd.
<b>Date of vote</b>	14 June 2023	28 April 2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	3.87%	1.46%
<b>Summary of the resolution</b>	Amend articles to report on corporate climate lobbying aligned with the Paris Agreement	Re-elect Ian Macfarlane as director
<b>How the manager voted</b>	For	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	The manager pre-declared its vote intention for this meeting and, as part of this process, a communication was sent to the company ahead of the meeting.	The manager pre-declared its vote intention for this meeting and, as part of this process, a communication was sent to the company ahead of the meeting.
<b>Rationale for the voting decision</b>	The manager felt a vote for this proposal was warranted as they believe that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment.	The vote reflects the manager's concerns around the company's lack of commitment to aligning with the Paris objectives and net zero, alongside the insufficient reaction to the significant proportion of shareholder votes against their climate report (49%) at the 2022 annual general meeting.
<b>Outcome of the vote</b>	Fail	Pass
<b>Implications of the outcome</b>	The manager will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.
<b>Criteria on why the vote is considered "significant"</b>	The manager believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health.	The manager considers this vote to be significant as it is applied under the Climate Impact Pledge (their engagement programme targeting some of the world's largest companies on their strategic management of climate change).

Source: LGIM.

## Engagement data

### Engagement summary

The investment managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each investment manager during the year to 30 June 2023 for the relevant funds.

Please note:

- Columbia Threadneedle have only provided engagement data for the Dynamic Real Return Fund for the year to 31 December 2022 due to changes in their engagement processes following the acquisition of BMO Global Asset Management.
- Northern Trust only produce engagement data annually, so the data provided below covers the period to 31 December 2022.
- Engagement activities are expected to be limited for the Scheme's LDI portfolio and money market funds due to the nature of the underlying holdings. Therefore, these funds have been excluded from the tables below.

Manager	LGIM		Columbia Threadneedle	
Fund name	Passive equity portfolio	Active Corporate Bond (Over 10 Year) Fund	Dynamic Real Return Fund	Global Absolute Return Bond Fund
<b>Number of engagements undertaken on behalf of the holdings in the year</b>	809*	85*	177**	12*
<b>Number of engagements undertaken at a firm level in the year</b>	1,133		356*	

Source: Information provided by the investment managers.

\*Data provided for the 12-month period to 31 March 2023, as data over the year to 30 June 2023 was unavailable at the time of writing.

\*\*Data provided for the 12-month period to 31 December 2022, as stated above.

Manager	Northern Trust	M&G	Ruffer	Aviva
Fund name	World Green Transition Index Fund and Emerging Markets Green Transition Index Fund	European Loan Fund	Segregated Target Return	Lime Property Fund
<b>Number of engagements undertaken on behalf of the holdings in the year</b>	197**	11	13	Data not provided

Manager	Northern Trust	M&G	Ruffer	Aviva
<b>Number of engagements undertaken at a firm level in the year</b>	4,103*	Data not provided	73	2,273*

Source: Information provided by the investment managers.

\*Data provided for the 12-month period to 31 March 2023, as data over the year to 30 June 2023 was unavailable at the time of writing.

\*\*Data provided for the 12-month period to 31 December 2022, as stated above.

## Examples of engagement activity

The table below provides an example engagement for each of the relevant funds over the periods outlined in the previous section.

Manager and mandate	Example engagement
<p><b>LGIM</b> <i>At the time of writing, only firm-level examples (rather than fund-specific examples) were available</i></p>	<p><b>Kansai Electric Power:</b> Kansai Electric Power is one of the largest electric utilities companies in Japan. LGIM identified several governance areas for improvement and the company appears to lag some of LGIM's minimum expectations on board composition. LGIM met with the company to discuss these areas in detail to better understand its approach to governance and climate, in addition to talking in-depth about related areas (such as responsibility for executing the net zero transition plan). They felt their meeting with the company was productive and they look forward to working with the management more closely on both governance and climate change going forwards, alongside gaining a deeper understanding of the reasons behind its decisions and actions.</p>
<p><b>Columbia Threadneedle</b> <i>Dynamic Real Return Fund</i></p>	<p><b>NextEra Energy:</b> NextEra Energy is an American energy company and it is the largest electric utility holding company by market capitalisation, alongside being one of America's largest capital investors in infrastructure. Columbia Threadneedle wanted more insight regarding the impact of the US Inflation Reduction Act (IRA), as well as the implementation of forced labour rules on the solar supply chain in the US. This was achieved through a series of calls with US solar companies on this topic. Columbia Threadneedle felt the call provided valuable insight on the broader developments impacting the US solar industry and NextEra's position within this. Columbia Threadneedle concluded that the company is relatively insulated from the forced labour rules and very well positioned to seize the expansion and growth within solar energy in the US.</p>
<p><b>Columbia Threadneedle</b> <i>Global Absolute Return Bond Fund</i></p>	<p><b>Broadcom Inc:</b> Columbia Threadneedle met with the director of the board ahead of their annual general meeting ("AGM") to talk about succession planning and compensation. They discussed shareholder feedback from the previous AGM, how the omnibus plan is used for broad based recruitment in a competitive space, the purpose of the equity grants to the Chief Executive Officer and other executives, alongside the company's succession plan. Columbia Threadneedle remained unconvinced of the effectiveness of the large equity grants to executives and would also like to see additional focus on succession planning. They will continue to monitor and engage on this matter.</p>
<p><b>Northern Trust</b> <i>Passive equity portfolio</i></p>	<p><b>Siemens Energy AG and Credicorp Ltd:</b> Across the passive equity holdings, Northern Trust engaged with both Siemens Energy AG (in relation to the World Green Transition Index Fund) and Credicorp Ltd (in relation to the Emerging Markets Green Transition Index Fund) on climate change. The former engagement was focused on the Task Force on Climate-related Financial Disclosures and scenario analysis, whilst the latter was focused on greenhouse gas emissions resulting from financing activities. Details on the outcomes of these engagements were not provided.</p>
<p><b>M&amp;G</b> <i>European Loan Fund</i></p>	<p><b>Zayo:</b> In the second quarter of 2023, M&amp;G engaged with Zayo in order to encourage the company to publish a policy and targets in relation to diversity and inclusion. In addition, M&amp;G engaged in order to ensure that sufficient cyber security measures were in place to mitigate risks and that these were disclosed.</p>
<p><b>Ruffer</b> <i>At the time of writing, only firm-level examples (rather than fund-specific examples) were available</i></p>	<p><b>Hennes &amp; Mauritz:</b> Hennes &amp; Mauritz ("H&amp;M") is a retailer of clothing, accessories, footwear, cosmetics and home textiles. After their meeting with the company last quarter, Ruffer escalated their concerns about the independence of the audit committee by sending a letter to the board of directors and requesting a meeting. Ruffer communicated that they would consider alternative measures (including divestment) if they could not reach a conclusion with the company on this matter. As such, they divested from their position in the third quarter of 2022.</p>
<p><b>Aviva</b> <i>Lime Property Fund</i></p>	<p><b>Chubu Electric Power:</b> Aviva engaged with Chubu Electric Power, one of Japan's largest power generators, to discuss updated targets for reduced emissions and net-zero. Additionally, targets were set to increase board gender diversity and independence. Aviva have also sought improved scenario analysis from the company to provide reassurance that its emissions objectives can be achieved with and without nuclear power forming part of its power generation mix.</p>

Source: Information provided by the investment managers.