

Implementation Statement

University of Leicester Pension and Assurance Scheme

Scheme year end 31 July 2022

Purpose of the Implementation Statement

The Implementation Statement has been prepared 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 policies 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 2022. The voting activity is not given over the Scheme year ending 31 July because investment managers only report on this data quarterly, we have therefore given the information over the year to 30 June 2022.

How voting and engagement policies have been followed

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 arise. This may include inviting managers to present at Trustee 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 fund with Ruffer, where restrictions are put in place so Ruffer cannot invest directly in companies with more than 10% revenue from: weapons systems, weapons components, and tobacco-related business activities.
- Having reviewed their policies in relation to Environmental Social and Governance ("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 is occurring over a number of stages. The non-currency hedged equity exposures are now achieved using Northern Trust's funds while the currency hedged exposures remain with LGIM while Northern Trust launch currency hedged versions of their funds. This is expected to be in early 2023. Once these have been launched the Scheme will transfer the remaining equity holdings from LGIM to these Northern Trust funds.

- 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 which was integral to the above selection process in May 2021. No other manager selection exercises were conducted over the year to 31 July 2022.
- The Trustees also have a policy to carry out an annual review of the Scheme's investment managers' ESG policies, integration of ESG into their investment processes and, approach to engagement and voting activities. This review was intended to be considered in September 2022 but has been delayed due to the Trustees manage the Scheme through extreme market volatility at that time.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at September 2021 describes the Trustee's 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/corporate-services/finance/statement-of-investment-principles>

Over the Scheme year the Trustees produced an ESG Policy document which supports the Scheme's SIP in recording the Trustee's policies on the consideration and implementation of ESG factors (including but not limited to climate change). and stewardship. This did not result in a change to the Trustees' policies in relation to Policy, per se, but was rather a means to documenting the principles that the Trustees had been applying. This document is available upon request.

Voting Data

The voting data collated for Scheme is given over the year to 30 June 2022.

The voting data provided by LGIM, Northern Trust and Columbia Threadneedle is specific for the pooled versions of the individual equity index funds, and the Dynamic Real Return Fund, which the Scheme invests in.

The voting data for the Ruffer Segregated Target Return Fund is specific for the segregated fund that the Scheme invests in.

Manager/Asset Class	Northern Trust Passive Equities	Columbia Threadneedle Diversified Growth	Ruffer Diversified Growth
Fund name	World Green Transition Index Fund	Emerging Markets Green Transition Index Fund	Columbia Threadneedle Dynamic Real Return Fund
Structure	Pooled		Segregated
Ability to influence voting behaviour of manager	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

Manager/Asset Class	Northern Trust Passive Equities		Columbia Threadneedle Diversified Growth	Ruffer Diversified Growth
Number of resolutions the manager was eligible to vote at over the year	18,287	20,062	550	646
Percentage of resolutions the manager voted on, for which they were eligible	97.9%	99.0%	100.0%	100.0%
Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on	92.0%*	87.4%*	85.5%	95.4%
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	7.0%*	11.6%*	12.0%	4.6%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	0.0%*	2.1%*	2.6%	0.0%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	0.0%	0.0%	<i>Data not provided</i>	4.4%

Source: Northern Trust, Columbia Threadneedle and Ruffer. Numbers subject to rounding.

* Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

Manager/Asset Class	LGIM Currency Hedged Passive Equities				
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
Structure	Pooled				
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour				
Number of resolutions the manager was eligible to vote at over the year	10,901	8,375	10,274	6,293	3,630
Percentage of resolutions the manager voted on, for which they were eligible	99.9%	99.4%	99.8%	100.0%	99.9%
Percentage of resolutions voted with	93.9%	65.7%	81.4%	88.4%	72.2%

Manager/Asset Class	LGIM Currency Hedged Passive Equities				
management, as a percentage of the total number of resolutions voted on					
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	6.1%	34.3%	18.1%	11.6%	27.8%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	0.0%	0.1%	0.5%	0.0%	0.0%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	4.8%	26.4%	9.4%	9.2%	16.6%

Source: LGIM. Numbers subject to rounding

Voting data over the year for LGIM World Emerging Markets Equity Index Fund is not included as the Scheme disinvested from it in November 2021.

There are no voting rights attached to the other assets held by the Scheme, which include loans, bonds and property therefore no voting information is shown above for these assets.

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.

LGIM

LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure 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.

Northern Trust

Northern Trust has delegated to ISS an independent third party proxy voting service ("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 the Proxy Voting Service to guide it in making vote recommendations. Northern Trust has instructed the Proxy Voting Service 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 the Proxy Voting Service 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 proxy voting platform of ISS to cast votes for client shares and to provide recordkeeping and vote disclosure services. When voting, ISS are given instructions to invest in line with Columbia Threadneedle's Corporate Governance and Proxy Voting Principles guidelines.

Columbia Threadneedle have also retained Glass Lewis to provide proxy research services to ensure quality and objectivity in connection with voting client shares.

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.

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, so for this Implementation Statement the Trustees have asked the investment managers to determine what they believe to be a "significant vote".

LGIM, Global Passive Equities

In determining significant votes, LGIM's investment stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association ("PLSA"). This guidance dictates significant votes include, but are not limited to:

- A high profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote, directly communicated by clients to the investment stewardship team at LGIM's Stakeholder roundtable event, or where LGIM notes there has been a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and
- A vote linked to an LGIM engagement campaign.

We have provided some detailed examples of significant votes that LGIM have provided for ease of reporting. However, if you would like to review further significant votes this information can be found online.

<https://www.lgimblog.com/categories/esg-and-long-term-themes/lgims-voting-intentions-for-2022>

The tables below include one significant vote for each of the LGIM Global Passive Equity Funds in which the Scheme invests.

Fund	North America Equity Index Fund	UK Equity Index Fund	Europe (ex UK) Equity Index Fund
Company name	Exxon Mobil Corporation	Fraser's Group plc	Barry Callebaut AG
Date of vote	25 May 2022	29 September 2021	8 December 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.92%	0.05%	0.10%
Summary of the resolution	Set GHG emissions reduction targets consistent with Paris agreement goal	To receive and adopt the report & accounts	Re-elect Patrick De Maeseneire as Board Chairman
How the manager voted	For	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with investee companies in the three weeks prior to an AGM as engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	<p>LGIM voted for in the absence of reductions targets for emissions associated with the company's sold products and insufficiently ambitious interim operational targets. LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5 C goal.</p>	<p>LGIM's corporate governance policy requires all UK-listed companies to meet the requirements of the Modern Slavery Act 2015. Section 54 of the Act requires companies to provide a statement setting out the steps they have taken to ensure that slavery and human trafficking is not taking place in their own operations or within their supply chain. In addition, the statement should be signed by the board of directors.</p> <p>LGIM will sanction any company that has failed to meet the requirements of the Act for two consecutive years. Not only does LGIM consider this to be serious governance failing, but they also see this as both a humanitarian crisis and a risk to a company's operating model.</p>	<p>LGIM expects a company to have a diverse board, with at least 25% of board members being women. LGIM expects companies to increase female participation both on the board and in leadership positions over time.</p>
Outcome of the vote	27.1% of shareholders supported the resolution	99.5% of shareholders supported the resolution	98.5% of shareholders supported the resolution
Implications of the outcome	LGIM will continue to engage with the company, publicly advocate their position on this issue and monitor company and market-level progress.	While engagement with the company suggests it will be compliant with the requirements of section 54 by the end of this year, LGIM considered this to be insufficient cause to change our vote.	LGIM will continue to engage with the company, publicly advocate their position on this issue and monitor company and market-level progress.

Fund	North America Equity Index Fund	UK Equity Index Fund	Europe (ex UK) Equity Index Fund
Criteria on why the vote is considered "significant"	LGIM considered this vote significant as it is an escalation of their climate-related engagement activity and public call for high quality and credible transition plans to be subject to a shareholder vote.	This vote was significant because it relates to one of LGIM's engagement themes: Human Rights/Inequality	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

LGIM Global Passive Equities (continued)

	Japan Equity Index Fund	Asia Pacific (ex Japan) Developed Equity Index Fund	World Emerging Markets Equity Index Fund
Company name	Sumitomo Mitsui Financial Group, Inc.	Oversea-Chinese Banking Corporation Limited	Kweichow Moutai Co., Ltd.
Date of vote	29 June 2022	22 April 2022	24 September 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.03%	0.91%	0.24%
Summary of the resolution	Amend articles to disclose measures to be taken to make sure that the Company's lending and underwriting are not used for expansion of fossil fuel supply or associated infrastructure	Elect Ooi Sang Kuang as Director	Elect Ding Xiongjun as Non-independent Director
How the manager voted	For	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with investee companies in the three weeks prior to an AGM as engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	LGIM expects company boards to devise a strategy and 1.5C-aligned pathway in line with the company's commitments and recent global energy scenarios. This includes but is not limited to, stopping investments towards the exploration of new greenfield sites for new oil and gas supply.	The company is deemed to not meet minimum standards with regard to climate risk management. LGIM expects the Audit Committee and Remuneration Committee to be comprised of independent directors.	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 have voted against all combined board chair/CEO roles.
Outcome of the vote	10.0% of shareholders supported the resolution	74.8% of shareholders supported the resolution	99.5% of shareholders supported the resolution

	Japan Equity Index Fund	Asia Pacific (ex Japan) Developed Equity Index Fund	World Emerging Markets Equity Index Fund
Implications of the outcome	LGIM has had positive engagement with the Company. Despite this, LGIM felt support of the shareholder proposal was appropriate to provide further directional push. LGIM will continue to engage with the Company to provide their opinion and assistance in formulating the Company's approach.	LGIM will continue to engage with the company, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on why the vote is considered "significant"	Significant shareholder support for a Climate Shareholder Resolution in the Japan market. Support of shareholder proposal not in line with management recommendation despite positive engagement with the Company.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote to be significant as it is in application of an escalation of its vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

Source: LGIM

Northern Trust, World Green Transition Index Fund

Northern Trust do not have a specific policy for determining "significant votes", rather they have an approach to stewardship that begins with prioritizing companies for outreach and engagement. Northern Trust prioritise companies with the most egregious corporate governance issues or outsized ESG risks or impacts. They define them using third-party information resources, such as Climate Action Net Zero Benchmark (NZB) and Transition Pathway Initiative (TPI) for climate change, World Benchmarking Alliance for human rights, ISS Governance data for governance, etc. 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 their 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.

We have summarised some detailed examples of significant votes that Northern Trust have provided, in line with the above criteria, for ease of reporting. However, further voting information can be found online in Northern Trust's annual Stewardship Report.

<https://www.northerntrust.com/content/dam/northerntrust/pws/nt/documents/investment-management/2021-annual-stewardship-report.pdf>

	Vote 1	Vote 2	Vote 3
Company name	InMode Ltd.	Costco Wholesale Corporation	FAST RETAILING CO., LTD.
Date of vote	4 April 2022	20 January 2022	25 November 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>		

	Vote 1	Vote 2	Vote 3
Summary of the resolution	Increase authorised share capital and amend articles of association accordingly	Elect Director Mary Agnes (Maggie) Wilderotter	Elect Director Yanai Tadashi
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?		<i>Data not provided</i>	
Rationale for the voting decision	The proposed increase in authorized common stock is excessive and less than 30 percent of the enhanced authorized share capital would be outstanding.	The nominee is a non-CEO who sits on more than four public boards.	Northern Trust had concerns relating to the composition and gender diversity of the board.
Outcome of the vote	Fail	Pass	Pass
Implications of the outcome		<i>Data not provided</i>	
Criteria on why the vote is considered "significant"	Vote against management	Vote against management	Vote against management

Source: Northern Trust

Northern Trust, Emerging Markets Green Transition Index Fund

	Vote 1	Vote 2	Vote 3
Company name	LONGi Green Energy Technology Co., Ltd.	Naspers Ltd.	Shandong Hualu-Hengsheng Chemical Co., Ltd.
Date of vote	1 April 2022	25 August 2021	11 February 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		<i>Data not provided</i>	
Summary of the resolution	Approve performance guarantee	Approve financial assistance in terms of Section 44 of the Companies Act	Approve provision of financing support
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?		<i>Data not provided</i>	

	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	There is lack of disclosure on the pertinent details of this performance guarantee request.	Northern Trust believed this resolution will facilitate the operation of equity incentive schemes. This raised concerns due to the lack of performance criteria in some of the long-term incentive schemes and vesting profiles which allow for the release of awards less than three years from the grant date.	Northern Trust believed the level of financial assistance to be provided to the receiving entity is disproportionate to the company's ownership in the said entity. The company has failed to provide any justifications in the meeting circular.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	<i>Data not provided</i>		
Criteria on why the vote is considered "significant"	Vote against management	Vote against management	Vote against management

Source: Northern Trust

Columbia Threadneedle, Dynamic Real Return Fund

Columbia Threadneedle considers a significant vote to be any "dissenting" vote, for example where a vote is cast against management, or where support for a shareholder proposal is not endorsed by management.

We have summarised some detailed examples of significant votes that Columbia Threadneedle have provided, in line with the above criteria, for ease of reporting. However, further significant vote information can be found online.

<https://docs.columbiathreadneedle.com/documents/en-Voting-Rationales-2021.pdf?inline=true>

	Vote 1	Vote 2	Vote 3
Company name	General Motors Company	Alphabet Inc.	Amazon.com Inc.
Date of vote	13 June 2022	1 June 2022	25 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.11%	0.75%	0.55%
Summary of the resolution	Report on the use of child labour in connection with electric vehicles	Commission third party assessment of company's management of misinformation and disinformation across platforms	Report on lobbying payments and policy
How the manager voted	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No

	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	Supporting better ESG risk management disclosures	Supporting better ESG risk management disclosures	Supporting better ESG risk management disclosures
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.		
Criteria on why the vote is considered "significant"	Vote against management on certain environmental or social proposals & >20% dissent	Vote against management on certain environmental or social proposals & >20% dissent	Vote against management on certain environmental or social proposals & >20% dissent

Source: Columbia Threadneedle

Ruffer, Segregated Absolute Return Fund

In determining significant votes, Ruffer takes into account any votes they think will be of particular interest to their clients. In most cases, these are when votes form part of:

- Continued engagement with the company and/or;
- Ruffer have held a discussion between members of the research, portfolio and responsible investment teams to make a voting decision that differs from the recommendations of the proxy voting advisor, or Ruffer's internal voting guidelines.

We have summarised some detailed examples of significant votes that Ruffer have provided, in line with the above guidelines, for ease of reporting. However, further significant vote information can be found online.

We do note that because the Scheme invests in a segregated version of the Ruffer Absolute Return Fund, the votes shown in the below link may not always be applicable to the Scheme's specific investments.

<https://www.ruffer.co.uk/-/media/ruffer-website/files/downloads/esg/2021-ruffer-voting-summary.pdf?la=en>

	Vote 1	Vote 2	Vote 3
Company name	Aena	Cigna Corporation	BP Plc
Date of vote	18 March 2022	27 April 2022	12 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.42%	1.51%	2.78%
Summary of the resolution	Governance – board structure & independence/effectiveness. Vote on election of CEO/Chairman.	Social - Report on Gender Pay Gap	Environmental - Approve Shareholder Resolution on Climate Change Targets
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their	Ruffer spoke with Aena's management about Ruffer's intentions to vote against the CEO and Chairman.	No	Ruffer engaged with the company ahead of the AGM.

	Vote 1	Vote 2	Vote 3
intent to the company ahead of the vote?			
Rationale for the voting decision	<p>Ruffer voted against the re-election of Maurici Lucena Betriu as Director. ISS recommended that Ruffer votes against the CEO/Chairman's re-election as Aena has not split the CEO and Chairman roles and does not have a plan to do so. The company's bylaws currently dictate a single person should be both CEO & Chairman. To change this bylaw they would need an AGM vote and super-majority approval of the board. This doesn't seem like a high bar to enact change and the company has had pressure from minority shareholders to split the roles. But the majority shareholder (the Spanish State) has not shown interest in supporting the change. Ruffer spoke with Aena's management about Ruffer's intentions to vote against the CEO and Chairman. This puts pressure on the Spanish State to look at separating the roles.</p>	<p>Cigna uses an "equal pay for equal work" statistic and reports that there are no material differences in pay data related to gender or race. Although the equal pay for equal work statistic is subjective in that it allows the company to define what it considers an "equal job," the company does report its gender representation statistics and it additionally set a parity goal for leadership positions. As such, shareholders have enough information to assess how effectively company practices are working to eliminate discrimination in pay and opportunity in its workforce. Therefore, support for this resolution is not warranted at this time.</p>	<p>Ruffer voted in line with ISS and management. Ruffer have done extensive work on BP's work on the energy transition and climate change and think the company is industry leading. Ruffer support management in their effort to provide clean, reliable and affordable energy and therefore voted against the shareholder resolution.</p>
Outcome of the vote	The resolution passed with 82.5% votes in favour.	The resolution failed with 66.8% votes against.	The resolution failed with 85.1% votes against.
Implications of the outcome	ISS recommended that Ruffer vote against the CEO/Chairman's re-election as Aena has not split the CEO and Chairman roles and does not have a plan to do so. Ruffer will continue to do so as we believe these two roles should be separate.	Ruffer will continue to vote on shareholder resolutions that affect transparency over Diversity, Ethnicity, and Inclusion Efforts.	Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which are deemed as unnecessary.
Criteria on why the vote is considered "significant"	Votes against the election of directors for material holdings are significant. These arise after discussion between members of the research, portfolio management and responsible investment teams.	Ruffer believed this vote will be of particular interest to our clients. Ruffer support management in their effort to provide accurate and transparent information on Gender Pay Gaps.	Ruffer believed this vote will be of particular interest to our clients. Ruffer support management in their effort to provide clean, reliable and affordable energy.

Source: Ruffer

There are no voting rights attached to the other assets held by the Scheme, which include loans, bonds and property therefore no significant voting information is shown above for these assets.

Fund level engagement

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 manager during the year under review.

Note that Northern Trust only produce engagement data annually so data provided are as at 31 December 2021. Furthermore, Northern Trust work with an external engagement vendor, EOS at Federated Hermes, that carries out engagement activities on Northern Trust's behalf.

Manager	LGIM*	Columbia Threadneedle*	Northern Trust*	Columbia Threadneedle (ex BMO)*
Fund name	Global equities and Active Bonds	Dynamic Real Return Fund	Emerging Markets Green Transition Index Fund and World Green Transition Index Fund	LDI and Active Bonds
Number of engagements undertaken in the year	706 engagements	207 engagements	3,634 engagements (3,464 undertaken by EOS on behalf of Northern Trust)	1,897 engagements

Source: LGIM, Columbia Threadneedle, Ruffer, M&G, Aviva.

*Engagement data provided for the entire firm

**Engagement data provided for the specific fund

Manager	M&G**	Ruffer**	Aviva*
Fund name	European Loan Fund	Segregated Target Return Fund	Lime Property Fund
Number of engagements undertaken in the year	No engagements on behalf of this fund	18 engagements	2,961 engagements

Source: LGIM, Columbia Threadneedle, Ruffer, M&G, Aviva.

*Engagement data provided for the entire firm

**Engagement data provided for the specific fund

In the table below we have set out some examples of engagement activity undertaken by the investment managers over the past 12 months.

Manager and Fund	Engagement themes and examples of engagements undertaken with holdings in the fund
<p>LGIM LGIM conduct all engagements at a firm level, so no engagements are specific to a single fund.</p>	<p>MUFG: MUFG is Japan’s largest bank and LGIM believes it will play a key role in the climate transition within the sector.</p> <p>LGIM have been engaging with MUFG for many years and the bank was part of LGIM’s first Climate Impact Pledge engagements starting in 2016. During 2021, LGIM met with the company on numerous occasions both individually and as part of formal investor collaborations, gaining additional assurances of the company’s continued progress and strengthened exclusion policies.</p> <p>Going forward, LGIM will continue to press on the bank’s exclusion policies to go beyond project finance and take account of the wider financing activities.</p>
<p>Columbia Threadneedle Dynamic Real Return Fund</p>	<p>Dow Inc.: Dow is a company in the Chemicals sector in the USA and has significant revenues from durable and single-use plastic. CT wanted to better understand the company’s ambition on plastic circularity, and potential challenges in its product line up and approach. Representatives from CT’s equity, credit, responsible investment research and stewardship teams had multiple meetings with Dow representatives from investor relations, sustainability, climate change and managing counsel departments.</p> <p>Dow’s production of multi-layer, non-recyclable plastic packaging (19% of production) will not be straightforward to transition to recyclable alternatives as per the 2025 recyclability commitments. However, it is working on potential solutions which in the long run may provide higher margin opportunities. Even if full technical recyclability is achieved, however, it estimates the percentage of products actually recycled will be in line with the global average of c. 9%. This will present regulatory risks and costs as more taxes and extended producer responsibility schemes are likely to be brought in. The company did not disagree with CT’s estimate of future demand for recycled plastic, but pointed to hurdles in growing the stream of waste plastic which can be used as feedstock, which will be a prerequisite to meeting this demand.</p> <p>Columbia Threadneedle was able to better quantify the company’s long-term target for recycled plastic production and think this will need to be strengthened over time to demonstrate a clearer pathway to circularity. The dialogue will continue, and CT will continue to monitor Dow’s progress.</p>
<p>Northern Trust Northern Trust only provide engagement data at firm level.</p>	<p>Tesco plc: Tesco plc, one of the world’s leading grocery retailers, have set a 2035 net zero carbon target for their global operations (scopes 1 and 2), however, they have yet to set reduction targets for scope 3 emissions (suppliers and customers emissions are estimated to be 47% and 42% of total scope 3 emissions, respectively). Scope 3 is where there are limitations in control.</p> <p>Northern Trust engaged with the company together with their engagement partner EOS to encourage the company to set reduction targets for scope 3 emissions and to check on the company’s progress in diversifying its product portfolio and improving the sustainability of its supply chain.</p> <p>Tesco recognises that meat consumption needs to be reduced. It engages with big protein suppliers and with alternative protein start-ups about committing to alternative proteins production. Tesco is also working with partners such as WWF and Mighty Earth and is participating in the UK Roundtable on sustainable soy – a key element of alternative proteins. It is in the process of updating its soy requirement which will include certification schemes and requirement for their tier 1 suppliers to present roadmaps supporting their zero-deforestation commitment by 2025.</p> <p>Tesco sees the main solution against destruction of Brazilian rainforest and is also working with governments and supporting organizations like WWF to reduce deforestation in Brazil. Policies on subsidising sustainable farming could be another area of political advocacy that they are considering.</p>
<p>Ruffer Segregated Absolute Return Fund</p>	<p>Equinor: EQUINOR is a Norwegian state-owned energy company developing oil, gas, wind and solar energy in more than 30 countries. As part of the Climate Action 100+ initiative, Ruffer engaged with the company’s CEO and senior colleagues focusing on their climate change strategy. Ruffer believe it is</p>

important to have ongoing discussions with businesses to ensure and monitor their progress towards set climate change objectives.

The company articulated its position as an early mover into renewables, aiming to build out further capacity by 2030. The team acknowledged the importance renewable energy plays in the transition to a low-carbon economy, as well as the need for carbon capture and storage technology supported by government policies. The company is working with the Norwegian government on the Northern Light project, a CO₂ sequestration project to be completed in 2024 aiming to cut emissions from industrial sources in Norway and Europe. Equinor announced earlier this year its intention to submit its energy transition plan for advisory vote to shareholders at its 2022 AGM. Ruffer believes this is an important step in the right direction. Equinor will report annually on progress and update its transition plan every three years. Additionally, Equinor articulated its new biodiversity position. Ruffer welcomed this development given how closely biodiversity and climate change issues are linked. The collaborative group of investors also addressed the company's stance on climate related lobbying and Equinor reassured investors that it conducts an annual review of its trade association and industry memberships' climate policy alignment with the Paris Agreement. Over the years, Equinor has left some memberships after misalignments were identified. Ruffer supported Equinor's approach.

Ruffer will continue to engage with Equinor on their progress towards the Climate Action 100+ Net - Zero Benchmark and their plans to improve biodiversity in the surroundings they work in. No action has been taken and continued engagement is being monitored by Ruffer.

In the second quarter of 2022 the Fund completed on an acquisition of a £55 million investment. It has acquired a portfolio of supported living residential properties that are let on a single 30-year income strip lease to a new LLP called Big Help Asset Management with annual rent reviews to CPI with a floor and cap of 0% and 5%. The principal partner is the Big Help Project who are a multi-award-winning charity with a mission to feed the hungry, overcome poverty, free people from the burden on unmanageable debt, provide affordable housing and to assist people onto a better future. Big Help currently has a portfolio of c.3,500 homes they own or manage with the aim of providing affordable, healthy home environments to give people the best opportunity to improve their lives.

Aviva
Lime Property Fund

The rationale for the purchase of this investment was the attractive returns provided by the 30-year CPI linked cash flow guaranteed by an A+ credit. The investment helps de-risk the portfolio as well by improving credit, sector diversification and the weight average unexpired lease length. In addition, this investment has facilitated further exclusive opportunities to work with Big Help to help grow their portfolio of affordable accommodation for the vulnerable. This transaction was secured 'off market' and Aviva worked with all parties to ensure their objectives were met including BeST by providing capital for maintenance and refurbishment.

Apple Inc.: On 15 June 2022, BMO (CT) had a 1:1 engagement by Email with Apple on the topic of investor requests on racial equity audits.

BMO reached out to Apple in light of the company's recent commitment to racial equity audits to share their expectations. BMO expect the company to have board oversight of the process and hire an external auditor with expertise in civil rights and specialised knowledge of a broad range of civil rights issues. The racial equity audit should be designed to assess:

**BMO (Columbia
Threadneedle)** Global
Absolute Return Bond Fund
and LDI funds

- Whether the company's policies, practices, and products are equitable and non-discriminatory for employees, customers, and the communities in which they operate.
- Whether any changes to existing programs or new measures or initiatives, would help a company become more equitable and inclusive.
- Whether the company has sufficient mechanisms in place to monitor effectiveness.

BMO recommended public disclosure of the racial equity audit results, including strategic action plans and time-bound targets for recommendations. Similar to financial audits, BMO encouraged the company to conduct these audits annually and report on the progress of recommendations at least annually.

Summary

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's stewardship policies. 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 managers hold shares.

Prepared by the Trustees of the University of Leicester Pension and Assurance Scheme

September 2022