Implementation Statement, covering the Scheme Year from 1 January 2023 to 31 December 2023

The Trustee of the Hanson Industrial Pension Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-9 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 10 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

This Statement uses the same headings as the Scheme's latest SIP dated July 2023. The Statement is based on the SIP, dated August 2020, from 1 January 2023 to 30 June 2023 and the SIP dated July 2023 from 1 July 2023 to 31 December 2023. This Statement should be read in conjunction with the latest SIP which can be found online.

1. Introduction

The SIP was formally reviewed and updated during the Scheme year, in July 2023, to reflect:

- a change to the Scheme's long-term funding target;
- updates to the Scheme's investment strategy;
- additional wording around stewardship in relation to DWP's new guidance on Reporting on Stewardship and Other Topics through the SIP and Implementation Statement, which expects Trustees to take a more active role in relation to monitoring and engaging with managers on stewardship; and
- a new climate-related investment belief.

The accompanying SIP addendum was updated to reflect:

- changes to the Scheme's underlying asset managers;
- the Trustee's new Stewardship priorities and monitoring process in line with DWP's new guidance; and
- the inclusion of climate risk as a separate risk to help strengthen the Trustee's approach to climate change.

As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed all of the policies in the Scheme's SIP during the Scheme Year. The following sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

2.1 Defined Benefit ("DB") Section

During the Scheme Year the Scheme's long-term funding target changed from full funding on a self-sufficiency basis to full funding on a solvency basis. Progress against the DB Section's Technical Provisions and long-term funding target is reviewed as part of the quarterly performance monitoring reports. The Trustee is also able to view the progress on an ongoing basis using LCP Visualise online (a tool provided by the Scheme's investment adviser which shows key metrics and information on the DB Section including expected return and risks of the investment strategy).

As at 31 December 2023 the DB Section remained fully funded on both a Technical Provisions basis and on a Solvency basis. The Trustee remains comfortable that the level of risk and expected returns remains appropriate.

2.2 Defined Contribution (“DC”) Section

The most recent triennial investment strategy review of the DC default arrangements took place in February 2023. As part of this review, the Trustee considered the DC Section membership demographics and the variety of ways that members may draw their benefits in retirement from the Scheme. Based on the outcome of this analysis, the Trustee concluded that the default arrangements have been designed to be in the best interests of the majority of the DC Section members and reflects the demographics of those members.

The Trustee also provides members with access to a range of investment options which it believes are suitable for this purpose and enable appropriate diversification. The Trustee has made available alternative lifestyle strategies and a self-select fund range to members covering all major assets classes as set out in the SIP Addendum. The Trustee monitors the take up of these funds and it has been limited.

3. Investment strategy

3.3 DB Section

During the year, the Trustee, with the assistance of the investment adviser and in consultation with the sponsoring employer, reviewed the Scheme’s investment strategy in March 2023 and agreed to make a full redemption from the DB Section’s property mandate. Given the illiquid nature of the asset class, and the prevailing market conditions, the Trustee agreed to phase the redemption over a two-year period. The Trustee will agree on where to invest the proceeds once they are received. This was part of a move to reduce the Scheme’s allocation to illiquid assets.

During January 2023, the Trustee moved the Scheme’s liability driven investment (“LDI”) portfolio from Insight to CTI. This change materially reduced the fees paid for the management of the Scheme’s portfolio. As at year end the LDI mandate was managed on a gilts-only, passive basis without leverage (although we note that the LDI manager has discretion to use leverage, if required, to meet the Scheme’s hedging target). As part of this change, the Trustee agreed to separate the strategic allocation to “matching” assets between corporate bonds and LDI within the SIP as the mandates are no longer managed by the same investment manager.

The Trustee monitored the DB Section’s asset allocation on a quarterly basis and compared this to the strategic asset allocation, as outlined in the separate Investment Policy Document (“IPD”) and Addendum (covering the periods 1 January to 30 June and 1 July to 31 December respectively). Over the year under review the DB Section’s allocation to equities exceeded the rebalancing range limit. During October 2023, to rebalance the asset allocation the Trustee submitted a £30m redemption from the DB Section’s equity holdings with LGIM and retained the proceeds in the Trustee bank account to meet ongoing cashflow requirements.

3.3 DC Section

The Trustee, with the help of its advisers and in consultation with the sponsoring employer, reviewed the strategy and performance of the default arrangements over the Scheme Year. The Trustee concluded that it remains appropriate for the Main Default to continue to target income drawdown at retirement and is satisfied that the Main Default is in the best interest of the members. The Trustee also concluded that the Legacy Default remains suitable for the members invested in it.

As part of the review, the Trustee agreed to replace the Baillie Gifford Multi Asset Growth Fund with the Nordea Diversified Return Fund within the HIPS Active Diversified Fund, following concerns over the Fund’s sustained underperformance of its target. The Trustee also agreed to adjust the strategic allocation of the HIPS Passive Diversified Fund, by increasing the listed infrastructure allocation to 10% and decreasing the global property allocation to 7.5%, as well as replacing the existing gilt funds with all stocks versions to reduce the exposure to long dated bonds. In addition to this, the Trustee has decided to make two new self-select funds available to DC Section members: the HIPS Low Carbon Global Equity Fund and the HIPS Islamic Global Equity Fund. These changes will be implemented in May 2024.

As part of this review the Trustee made sure the Scheme's default arrangements were adequately and appropriately diversified between different asset classes and that the self-select options provide a suitably diversified range to choose from. Based on the outcome of this analysis, the Trustee concluded that the default arrangements have been designed to be in the best interests of the majority of the DC Section members and reflect the demographics of those members.

In the previous Scheme Year, the Trustee decided to replace the Abrdn Global Absolute Return Strategies Fund ("Abrdn GARS") component of the Active Diversified Fund with the Ruffer Diversified Return Fund, due to extended underperformance of the Abrdn GARS fund, which was implemented in January 2023.

4. Considerations in setting the investment arrangements

When the Trustee reviewed the DB investment strategy in March 2023, it considered the investment risks set out in Section 4.1 of this Statement. It also considered a wide range of assets classes for investment, considering the expected returns and risks associated with those asset classes as well as how these risks can be mitigated. The Trustee also considered the need for diversification and specific circumstances of the Scheme (such as the investment objectives, funding position, level of contributions and strength of the sponsor covenant).

When the Trustee undertook the performance and strategy review of the DC default arrangements in February 2023, it considered the investment risks set out in Part 2 of the Addendum to the SIP. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

During the Scheme Year, the Trustee reviewed their investment beliefs in light of the work they had undertaken identifying and assessing climate related risks and opportunities for the Scheme. The Trustee agreed a new investment belief that was implemented into the SIP in July 2023. The new belief is as follows:

"climate change is a financially materially systemic issue that presents risks and opportunities for the Scheme over the short, medium and long term".

Alongside the addition of this new belief, the Trustee reviewed its investment manager mandates to understand the extent to which climate risks and opportunities are incorporated in the investment processes of the funds currently held by the Scheme and their approach to stewardship. The Trustee was comfortable that their managers were managing these risks in an appropriate manner, given their investment mandates. The Trustee invests for the long term, to provide for the Scheme's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship[3] activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Scheme's investment adviser, LCP, monitors the investment managers on an ongoing basis through regular research meetings. The investment adviser monitors any manager developments and informs the Trustee promptly about any significant updates or events they become aware of regarding the Scheme's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the fund.

The Trustee monitors the performance of the Scheme's investment managers on a quarterly basis, using a monitoring report prepared by the investment adviser. The report shows the performance of each fund over the quarter, one year and three years. Performance is considered in the context of the manager's benchmark and objectives. The Trustee also monitors its managers' responsible investment capabilities, using scores provided by its investment adviser, on a quarterly basis as part of the standard monitoring reports. These reports also contain a selection of voting and engagement examples relating to the Trustee's stewardship priorities.

The most recent quarterly report for the DB Section shows that the majority of managers have produced performance broadly in line with expectations over the long-term.

To 31 December 2023, most of the DC investment managers had produced performance broadly in line with expectations over the long term. The Trustee reviews any underperformance experienced by the Scheme's funds. Following extended underperformance of the Baillie Gifford Multi Asset Growth Fund and concerns around future ability to deliver performance in line with its performance target, the Trustee decided to replace this fund within the HIPS Active Diversified Fund. The transition is planned to take place in May 2024.

[3] The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

4.1 Policy towards risk

Risks are monitored on an ongoing basis with the help of the Scheme's investment adviser. The Trustee maintains a Risk Register and this is discussed at quarterly meetings.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Scheme's investment adviser or information provided to the Trustee by the Scheme's investment managers. These include the risk of inadequate returns, credit risk, equity risk, currency risk, collateral adequacy risk and ESG (including climate) risks. The Trustee's implementation of its policy for these risks during the year is summarised below.

DB section: With regard to the risk of inadequate returns, this risk has been considered in the Trustee's investment strategy reviews and is monitored by the Trustee on a regular basis. For the DB Section, a key objective is that the assets produce a sufficient long-term return in excess of the liabilities, and the Trustee has set an appropriate target return for the assets accordingly. There is a risk that the return experienced is not sufficient. This risk has been considered in setting the investment strategy. As at Scheme Year end the Scheme maintained a significant surplus on a solvency basis.

The DB Section's interest and inflation hedging levels are monitored on an ongoing basis in the quarterly monitoring report. Over the Scheme Year, the Section's hedging levels were broadly in line with the target levels. Over the Scheme Year, the Trustee updated the liability benchmark used by the Scheme's LDI manager to design and monitor an appropriate interest rate and inflation hedge. This was implemented following Scheme Year end.

With regard to management of collateral adequacy risk, as at the date of the Statement, the Scheme's LDI portfolio is being run without leverage and managing the mandate in this way on an ongoing basis is the preference of the Trustee. However, it should be noted that if the Scheme's circumstances change, the Scheme's LDI manager has the ability to re-introduce leverage to the portfolio. In this case, the Trustee would reduce the associated risk by ensuring that the DB Section has a sufficient allocation to cash and other highly liquid assets which can be readily realised, so that cash can be posted to the LDI manager at short notice.

Together, the investment and non-investment risks give rise generally to funding risk. The Trustee regularly reviews progress towards the Scheme's funding target, against both longer-term as well as short-term milestones, comparing the actual versus the expected funding level. By understanding and considering each of the risks that contribute to funding risk, the Trustee believes that it has addressed and is positioned to manage this general risk The Trustee also informally monitors the funding position more regularly, on a quarterly basis at Trustee meetings, and the Trustee has the ability to monitor this daily on LCP Visualise.

DC Section: With regard to the risk of inadequate returns, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used throughout the default option and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term.

Following a period of underperformance, the Trustee made the decision to replace one of the two investment managers within the HIPS Active Diversified Fund. The Trustee agreed on a suitable replacement as part of the Strategy Review undertaken during the Scheme Year. The change is due to be implemented in May 2024.

Both Sections: The following risks are covered elsewhere in this Statement: diversification risk in Section 4, investment manager risk and excessive charges in Section 5, illiquidity/marketability risk in Section 6 and ESG risks in Section 7.

5. Implementing the Scheme's investment arrangements

DB section: Over the Scheme Year the Trustee replaced Insight Investment Management with Columbia Threadneedle Investments ("CTI") in respect of the Scheme's liability matching assets (excluding corporate bonds). This was based on CTI having a 'top' LDI research rating at the recommendation of the Trustee's investment advisor, as well as a reduced fee arrangement for the DB section's LDI mandate that the investment advisor had negotiated with CTI.

The Trustee reviews manager fees on an ongoing basis as part of the quarterly performance monitoring reports.

DC Section: The Trustee undertook a "value for members" assessment on 27 February 2024 for the Scheme Year to 31 December 2023 which assessed a range of factors, including the fees payable to managers in respect of the DC Section which were found to be reasonable when compared against schemes with similar sizes of mandates. Overall, the Trustee believes the investment managers provide good value for money.

The Trustee also carried out selections for the replacement of Baillie Gifford and the two new self-select funds which will be added in 2024.

Both Sections:

Before appointing the new managers, the Trustee received information on the investment process and philosophy, the investment team and past performance. The Trustee also considered the managers' approach to responsible investment and stewardship, including the Trustee's stewardship priorities (as set out in Section 8 of this Statement). The Trustee obtained formal written advice from its investment adviser, LCP, before investing in the funds and made sure the investment portfolio of the funds chosen were adequately and appropriately diversified. The Trustee relies on its investment adviser's research to understand managers' investment approaches, and ensure they are consistent with the Trustee's policies prior to any new appointment.

The Trustee regularly invites the Scheme's investment managers to present at Trustee meetings, seeing each manager approximately once every one to two years. The Trustee was comfortable with all of its investment manager arrangements over the year apart from Insight (within the DB Section) and Baillie Gifford (for the DC Section) as highlighted above.

6. Realisation of investments?

DB section: The Trustee reviews the DB Section's net current and future cashflow requirements on a regular basis. The Trustee's policy is to have access to sufficient liquid assets to meet any outflows whilst maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

Over the Scheme year the Trustee agreed to make a full redemption from the Scheme's property mandate to help increase liquidity in the Scheme.

The Trustee makes regular divestments from cash held in the Scheme's liability matching mandate with CTI for ongoing cashflows. The cashflow position of this mandate is considered on an ongoing basis. To supplement these divestments, the Trustee retained the proceeds from an equity rebalancing exercise in October 2023, to help meet ongoing cashflow requirements.

In addition, the DB Section receives income from its equity, infrastructure and property mandates, which is retained in the Trustee bank account and used towards paying member benefits.

DC Section: It is the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC Section funds which the Trustee offered during the Scheme Year are daily priced in normal market environments.

7. Financially material considerations and non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement.

The Trustee reviewed LCP's responsible investment (RI) scores for the Scheme's existing managers and funds on a quarterly basis as part of the performance report, along with LCP's qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the manager's approach to ESG factors, voting and engagement. The fund scores and assessments are based on LCP's ongoing manager research programme, and it is these that directly affect LCP's manager and fund recommendations. The manager scores and red flags were based on LCP's Responsible Investment Survey 2022.

In addition, the Trustee reviewed its managers' approaches to managing climate risks and opportunities in November 2023, which considered LCP's qualitative assessment of the managers' approaches to climate change and Net Zero as well as examples of engagement on climate matters.

The Trustee was satisfied with the results of these reviews and no further action was taken, however the Trustee has continued to engage with managers on their climate approaches.

In addition to the above, as part of the Trustee's quarterly review of the Scheme's investments, the investment advisor, LCP, highlights to the Trustee whether there have been any developments in this area that require the Trustee's attention.

As part of the Scheme's new Task Force on Climate-Related Financial Disclosures ("TCFD") requirements, the Trustee has undertaken a range of climate-related training activities over the year to help them identify, assess and manage climate related risks and opportunities. Further information on the climate-related actions the Trustee has undertaken over the year can be found in the Scheme's TCFD report which will be made available online.

Over the Scheme year, the Trustee met with their investment managers and queried them on the extent to which ESG factors are incorporated in the funds currently held by the Scheme.

As part of the review of the DC Section strategy, the Trustee agreed to add two new self-select funds with responsible investment characteristics, including a low-carbon global equity fund and a Shariah-compliant global equity fund, as the Trustee appreciates that some members may wish to take these considerations into account in their investment selections.

8. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are listed in the below links for the Scheme's investment managers which held listed equities as at year end:

- L&G
- Invesco
- BlackRock
- Baillie Gifford
- Abrdn
- Ruffer

However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with its managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of DWP's guidance, the Trustee set the following stewardship priorities, to focus monitoring and engagement with its investment managers on specific ESG factors:

- Pollution
- Human Rights
- Remuneration.

These priorities were selected as the Trustee believes that poor management of these factors could have a material impact on the financial performance of a company.

The Trustee communicated these priorities to its managers in March 2023. Each manager confirmed that the Trustee's stewardship priorities were key areas of engagement for them and has provided the Trustee with examples of how they are managing ESG risks relating to its priorities in their portfolios.

The Trustee reviews case studies of the managers' votes and engagements which relate to the Trustee's stewardship priorities on a quarterly basis through its ongoing monitoring. This helps the Trustee to better understand its managers' different approaches to voting and engagement and form a view on their appropriateness for the Scheme. Over the year the Trustee reviewed 21 different case studies across six of their managers covering all three priorities. As a result of these case studies, the Trustee was provided comfort that their managers are taking action in relation to their priorities and used them to help challenge managers on engagement when they presented to the Trustee over the year. The Trustee also received case studies relating to each of their managers' engagement on climate change, another key ESG risk highlighted in their SIP.

A sub-set of Trustee Directors sit on a Joint Investment Sub-Committee ("JISC"), comprising of Trustees from three schemes associated with the sponsoring employer. The JISC regularly invites the Scheme's investment managers to present at Trustee meetings. Over the year, the JISC met with Baillie Gifford, Abrdn, CTI and Insight to discuss the Scheme's investments and, where relevant, discussed the managers' approaches to ESG and climate risk management. The JISC was comfortable with the managers' approaches.

The Trustee undertakes a review of its managers' voting and engagement practices on an annual basis. During the year, a review was carried out in May 2023 and included a summary of the managers' voting and engagement policies and summary statistics for their voting and engagement over the previous Scheme year where available.

9. Description of voting behaviour during the year

All the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors managers' voting and engagement behaviour on an annual basis and will challenge managers where their activity has not been in line with the Trustee's expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities as follows:

- L&G World Equity Index Fund (DB)
- L&G Emerging Market Multi Asset Fund (DC)
- L&G Infrastructure Equity MFG Fund (DC)
- Invesco Global Real Estate Fund (DC)
- BlackRock MSCI World Equity Index (hedged and unhedged) (DC)
- BlackRock UK Equity Index Fund (DC)
- Baillie Gifford Multi-Asset Growth Fund (DC)
- Abrdn GARS Fund (DC)[4]
- Ruffer Diversified Return Fund (DC)[4]

For the DC Section the Trustee has included only the funds with equity holdings used in the Main Default strategy given the high proportion of DC Section assets invested in these funds. In addition, the Trustee has also included self-select fund with the highest take up (in terms of percentage of total Scheme assets), which is the BlackRock UK Equity Index Fund. We have not included any other self-select funds on materiality grounds.

The holdings of the IFM Global Infrastructure Fund (DB Section) are primarily private equity investments rather than public listed equities. However, IFM may invest in listed equity assets from time-to-time to help gain long-term strategic positions. IFM holds board seats for all investments in their fund (including listed equity assets) and uses these positions to help influence their portfolio companies. We have omitted data relating to IFM's listed equity investments on materiality grounds since they are only a small proportion of the Scheme's total equity holdings and given IFM's position on the board of these companies.

The Trustee contacted the DB Section's other asset managers that don't hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the period. All the investment managers, with the exception of LaSalle, confirmed there had been no significant voting opportunities over the period. A description of LaSalle's voting processes is described in section 9.1 and commentary on most significant votes provided by LaSalle is set out in section 10.4.

[4] The Abrdn GARS fund was replaced by the Ruffer Diversified Return Fund in the HIPS Active Diversified Fund in January 2023.

9.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place. The Trustee reviews its managers' stewardship activity in relation to their stewardship priorities on a quarterly basis and is comfortable that action taken by managers over the year was aligned with the Trustee's views.

L&G

L&G's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all L&G clients. L&G's voting policies are reviewed annually and take into account feedback from clients. Every year, L&G holds a stakeholder roundtable event where clients and other stakeholders are invited to express their views directly to the members of the Investment Stewardship team.

All voting decisions are made by L&G's Investment Stewardship team and in accordance with L&G's Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures L&G's stewardship approach flows smoothly and that engagement is fully integrated into the vote decision process, sending consistent messaging to companies.

L&G's Investment Stewardship team uses International Shareholder Services ("ISS")'s electronic voting platform to electronically vote using clients' shares. All voting decisions are made by L&G and no part of the strategic decision-making process is outsourced. L&G's use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. L&G also use research reports from Institutional Voting Information Services to supplement the reports it receives from ISS for UK companies when making specific voting decisions.

To ensure its proxy provider votes in accordance with L&G's position on ESG, L&G has put in place a custom voting policy with specific voting instructions. L&G retains the ability in all markets to override any vote decisions. L&G has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies.

In determining significant votes, L&G takes into account the criteria provided by the PLSA guidance. This includes but is 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 to L&G at its stakeholder roundtable event, or where there is a significant increase in requests on a particular vote;
- a sanction vote as a result of a direct or collaborative engagement; and
- a vote linked to an L&G engagement campaign.

It is vital that the proxy voting service are regularly monitored and L&G does this through quarterly due diligence meetings with ISS. L&G has its own internal Risk Management System to provide effective oversight of key processes. Vote information is updated daily and with a lag of one day after a shareholder meeting is held. It also provides the rationale for all votes cast against management, including votes of support to shareholder resolutions.

Invesco

Invesco has adopted and implemented a Policy Statement on Global Corporate Governance and Proxy Voting ("Policy") which it believes describes policies and procedures reasonably designed to ensure that proxies are voted in the best interests of its clients. This Policy is intended to help Invesco's clients understand Invesco's commitment to responsible investing and proxy voting, as well as the good governance principles that inform its approach to engagement and voting at shareholder meetings.

Invesco views proxy voting as an integral part of its investment management responsibilities. The proxy voting process at Invesco focuses on protecting clients' rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders. The voting decision lies with Invesco's portfolio managers and analysts with input and support from its Global ESG team and Proxy Operations functions. The final voting decisions may incorporate the unique circumstances affecting companies, regional best practices and any dialogue Invesco has had with company management. Invesco's good governance principles, governance structure and processes are designed to ensure that proxy votes are cast in accordance with its clients' best interests.

Invesco may supplement its internal research with information from third parties, such as proxy advisory firms. Globally Invesco leverages research from ISS and Glass Lewis, and it uses the Investment Association IVIS in the

UK for research for UK securities. Invesco generally retains full and independent discretion with respect to proxy voting decisions. Globally, Invesco receives research reports including vote recommendations from ISS and Glass Lewis for company shareholder meetings across its holdings. To assist with the operational aspects of the proxy voting process including vote disclosure to meet regulatory requirements, Invesco retains the services of ISS and leverages Invesco's proprietary proxy voting platform to further streamline the process. Invesco also engages ISS's governance research and voting services to implement Invesco's internally developed custom voting guidelines with specific voting recommendations on ESG issues applied globally. Invesco's custom voting guidelines are reviewed annually and seek to support Invesco's Good Governance Principles on best practice standards in corporate governance and long-term investment stewardship.

As part of the firm's Shareholder Rights Directive II implementation, the criteria defined by Invesco for a vote to be considered 'significant' is based on the materiality of the position, the content of the resolution and inclusion on Invesco's ESG watchlist.

BlackRock

Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. BlackRock's voting guidelines are market-specific to ensure it takes into account a company's unique circumstances by market, where relevant. BlackRock's engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock may also update its regional engagement priorities based on issues that they it believes could impact the long-term sustainable financial performance of companies in those markets.

BlackRock determines which companies to engage directly based on its assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of its engagement being productive. BlackRock's voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which BlackRock assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock informs its vote decisions through research and engage as necessary.

While BlackRock subscribe to research from the proxy advisory firms ISS and Glass Lewis, this is just one among many inputs into BlackRock's vote analysis process. BlackRock primarily uses proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that BlackRock Investment Stewardship analysts can readily identify and prioritise those companies where its own additional research and engagement would be beneficial. Other sources of information BlackRock uses include the company's own reporting (such as the proxy statement and the website), its engagement and voting history with the company, the views of its active investors, public information and ESG research.

BlackRock publishes "voting bulletins" explaining key votes relating to governance, strategic and sustainability issues that it considers material to a company's sustainable long-term financial performance.

These bulletins are intended to explain their vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to its clients and other stakeholders, and potentially represent a material risk to the investments it undertakes on behalf of its clients. BlackRock makes this information public shortly after the shareholder meeting, so clients and others can be aware of its vote determination when it is most relevant to them.

Baillie Gifford

Baillie Gifford's voting decisions are made by its ESG team in conjunction with investment managers. Baillie Gifford does not regularly engage with clients prior to submitting votes. Baillie Gifford considers thoughtful voting of its clients' holdings as an integral part of its commitment to stewardship. It believes that voting should be investment led, because how it votes is an important part of the long-term investment process. This is why Baillie Gifford's strong preference is to be given this responsibility by its clients. The ability to vote its clients' shares also strengthens Baillie Gifford's position when engaging with investee companies. The ESG team oversees Baillie Gifford's voting analysis and execution in conjunction with its investment managers. Baillie Gifford does not outsource any part of the responsibility for voting to third-party suppliers and utilises research from proxy advisers for information only. Additionally, Baillie Gifford analyses all meetings in-house in line with its ESG Principles and Guidelines and endeavours to vote every one of its clients' holdings in all markets.

Whilst it is cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), Baillie Gifford does not delegate or outsource any of its stewardship activities or follow or rely upon their recommendations when deciding how to vote on its clients' shares. All client voting decisions are made in-house. Baillie Gifford votes in line with its in-house policy and not with the proxy voting providers' policies. Baillie Gifford also has specialist proxy advisors in the Chinese and Indian markets to provide it with more nuanced market specific information.

Baillie Gifford has stated that the list below is not exhaustive, but has provided examples of voting situations where votes would be determined as significant:

- Baillie Gifford's holding had a material impact on the outcome of the meeting;
- the resolution received 20% or more opposition and Baillie Gifford opposed;
- egregious remuneration;
- controversial equity issuance;
- shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders;
- where there has been a significant audit failing;
- where Baillie Gifford has opposed mergers and acquisitions;
- where Baillie Gifford has opposed the financial statements/annual report;
- where Baillie Gifford has opposed the election of directors and executives; and
- where Baillie Gifford has identified material 'E' 'S' or 'G' issues that result in it opposing management.

Abrdn[5]

Abrdn strongly supports the principles of good stewardship that are set out in the UK Stewardship Code. Abrdn believes that it is mutually beneficial for companies and long-term investors to have a relationship based on accountability, engagement and trust. Such a relationship helps to ensure that each has a good understanding of the other's views and expectations. It also enables Abrdn to exercise constructive influence as and when appropriate. Abrdn believes this serves to enhance the long-term value of its clients' investments and to protect their interests when necessary.

Abrdn utilises the services of ISS for all its voting requirements. In determining significant votes, Arbdn has identified five categories of votes it considers as significant, ordered based on Abrdn's view of their importance:

- High profile votes – votes which received public and press interest with a focus on the Abrdn's large, active holdings; votes which reflect significant governance concerns regarding the company; resolutions proposed by Abrdn.

- Shareholder and Environmental and Social (E&S) resolutions - votes on shareholder E&S proposals where Abrdn has engaged with the proponent or company on the resolution; votes on management-presented E&S proposals; shareholder proposals where Abrdn has voted contrary to management recommendations.

- Engagement – resolutions where Abrdn engaged with the company on a resolution; resolutions where post-engagement Abrdn voted contrary to its custom policy.

- Corporate transactions – votes which have a financial impact on the investment with a focus on acquisitions.

- Votes contrary to custom policy – large active holdings where Abrdn has voted contrary to custom policy following analysis.

Ruffer[5]

Ruffer reviews local best practices and corporate governance codes to ensure that it acts in the best interests of clients and investors. Where companies do not comply with best practice, Ruffer considers their explanations before voting.

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[5] The Abrdn GARS fund was replaced by the Ruffer Diversified Return Fund in the HIPS Active Diversified Fund in January 2023.

Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). Ruffer has developed its own internal voting guidelines, however it takes into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers' voting recommendations, it does not delegate or outsource its stewardship activities when deciding how to vote on its clients' shares. Each research analyst, supported by Ruffer's responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, 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.

Ruffer has defined 'significant votes' as those that it thinks will be of particular interest to its clients. In most cases, these are when they form part of continuing engagement with the company and/or Ruffer has held a discussion between members of the research, portfolio management and responsible investment teams to make a voting decision following differences between the recommendations of the company, ISS and Ruffer's internal voting guidelines.

LaSalle

LaSalle's voting process involves an internal analysis undertaken by the respective asset manager at LaSalle with the fundamental principles being promoting best practice and furthering clients' interests. A recommendation is then provided by the asset manager and approved via the Regional/Global Investment Committee (in accordance with the LaSalle GPS IC Charter), prior to a vote being submitted to the fund.

LaSalle uses proxy voting services to process votes for investments which are registered under a custodial nominee name, meaning that LaSalle does not have delegated authority to execute these votes. The proxy advisor used is dictated by the custodian under which an investment is registered. The proxy advisor used is Broadridge's Proxy Edge. LaSalle does not receive proxy advisor recommendations for non-listed holdings.

When determining significant votes, LaSalle considered any vote that materially changed legal terms, commercial terms, governance, or had a financial impact on expected returns.

10.2 Summary of voting behaviour over the year

A summary of voting behaviour over the Scheme Year is provided in the tables below. The first table contains the funds held by the DB Section of the Scheme.

	L&G World Equity Index Fund	LaSalle Inflation-linked Property Fund
Manager name	Legal and General Investment Management ("L&G")	LaSalle Investment Management
Fund name	World Equity Index Fund	Inflation-linked Property Fund
Total size of fund at end of the Scheme Year	£1,716.6m	£93.0m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£46.0m	£93.0m
Number of equity holdings at end of the Scheme Year	2,945	7
Number of meetings eligible to vote	3,055	3
Number of resolutions eligible to vote	37,810	3
% of resolutions voted	99.9%	100.0%
Of the resolutions on which voted, % voted with management	78.9%	67.0%
Of the resolutions on which voted, % voted against management	20.9%	33.0%
Of the resolutions on which voted, % abstained from voting	0.1%	0.0%
Of the meetings in which the manager voted, % with at least one vote against management	75.5%	100.0%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	15.4%	n/a[6]

[6] LaSalle does not receive proxy advisor recommendations for non-listed holdings.

The funds in the tables below related to those funds held by the DC Section of the Scheme. [7]

	L&G Passive Emerging Market Multi-Asset Fund	L&G Infrastructure Equity MFG Fund	Invesco Global Real Estate Fund	BlackRock Global Equity Fund (hedged and unhedged)
Manager name	Legal and General Investment Management ("L&G")	Legal and General Investment Management ("L&G")	Invesco	BlackRock
Fund name	Passive Emerging Market Multi-Asset Fund [8]	Infrastructure Equity MFG Fund	Global Real Estate Fund[9]	Aquila MSCI World Global Equity Index Fund
Total size of fund at end of the Scheme Year	£3,638m	£1,458m	£330.9m	£972m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£4.8m / 1.6%	£4.6m / 1.5%	£6.5m / 2.1%	£192.9m / 63.6%
Number of equity holdings at end of the Scheme Year	1,790	86	TBC	1,461
Number of meetings eligible to vote	4,196	92	75	967
Number of resolutions eligible to vote	34,029	1,239	941	14,713
% of resolutions voted	99.9%	100.0%	100.0%	97.9%
Of the resolutions on which voted, % voted with management	80.5%	74.2%	96.1%	94.3%
Of the resolutions on which voted, % voted against management	18.6%	25.8%	3.9%	5.7%
Of the resolutions on which voted, % abstained from voting	0.9%	0.0%	0.0%	0.7%
Of the meetings in which the manager voted, % with at least one vote against management	54.2%	84.8%	33.3%	32.1%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	7.3%	21.2%	3.6%	0.4%

[7] 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.

[8] The allocation of the L&G Passive Emerging Market Multi Asset Fund is 50% L&G World Emerging Markets Equity Index Fund and 50% passive emerging market government bond funds. The voting data provided relates to the L&G World Emerging Markets Equity Index Fund as the bond funds do not have any voting data. The asset value represents the overall blended fund.

[9] The Invesco Global Real Estate Fund invests in a mix of direct and listed property. The voting data shown here relates only to the listed property component of the Fund.

	BlackRock UK Equity Index Fund	Baillie Gifford Multi-Asset Growth Fund	Abrdn GARS[7]	Ruffer Diversified Return Fund[7]
Manager name	BlackRock	Baillie Gifford	Aberdeen Standard	Ruffer
Fund name	UK Equity Index Fund	Multi-Asset Growth	Global Absolute Return Strategies	Diversified Return Fund
Total size of fund at end of the Scheme Year	£8,886m	£756m	£647m	£1,916m
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£5.4m / 1.8%	£26.7m / 8.8%	N/A[7]	£26.3m / 8.7%
Number of equity holdings at end of the Scheme Year	13,978	50	570	63
Number of meetings eligible to vote	642	50	631	82
Number of resolutions eligible to vote	9,974	528	8,858	1,286
% of resolutions voted	99.7%	92.2%	97.1%	100.0%
Of the resolutions on which voted, % voted with management	97.1%	97.1%	86.7%	94.2%
Of the resolutions on which voted, % voted against management	2.9%	2.5%	12.8%	3.2%
Of the resolutions on which voted, % abstained from voting	0.1%	0.4%	0.5%	2.6%
Of the meetings in which the manager voted, % with at least one vote against management	17.3%	16.0%	58.5%	31.7%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.1%	N/A[8]	9.5%	9.4%

[7]The Abrdn GARS fund was replaced by the Ruffer Diversified Return Fund in the HIPS Active Diversified Fund in January 2023. Arbdn confirmed that GARS merged into the Arbdn Diversified Growth and Income Fund ("DGIF") on 1 December 2023. Therefore, the voting data provided is for the DGIF.
[8]All client voting decisions are made in-house, in line with Baillie Gifford's policy rather than with the proxy voting providers' policies.

10.3 Most significant votes over the Scheme Year

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes.

The Trustee has interpreted "significant votes" to mean those that:

- align with the Trustee's stewardship priorities, which are Pollution, Human Rights, and Remuneration;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor; and
- the Scheme may have a particular interest in.

By informing its managers of its stewardship priorities and through its regular interactions with the managers, the Trustee believes that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf.

The Trustee has reported on one significant vote per fund. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

L&G World Equity Index Fund

Yum! Brands Inc, May 2023

- **Relevant stewardship priority:** Pollution
- **Vote:** For resolution. **Outcome of the vote**: Not passed. **Management recommendation:** Against resolution.
- **Summary of resolution:** Report on efforts to reduce plastic use.
- **Rationale for the voting decision:** The issue at stake in this resolution was plastic pollution and transparency around the company's efforts to reduce plastic use, as L&G felt that the company had not aligned with industry recommended targets for reducing use of single-use plastics. L&G believes that improving the recyclability of products will have a positive impact on climate change and biodiversity, and therefore a vote for this resolution was warranted.
- **Approximate size of the fund's holding at the date of the vote:** 4.75%
- **The reason the Trustee considered this vote to be "most significant":** This vote relates to Pollution, which is one of the Trustee's chosen stewardship priorities.
- **Was the vote communicated to the company ahead of the vote:** Yes.
- **Outcome and next steps**: The outcome of the vote was not in line with the manager's vote. L&G will continue to engage with the company and monitor progress.

L&G Passive EM Multi-Asset Fund

- **ITC Limited, August 2023**
- **Relevant stewardship priority:** Remuneration
- **Vote:** Against resolution. **Outcome of the vote**: Not passed. **Management recommendation:** Against resolution.

- **Summary of resolution:** Approve Reappointment and Remuneration of Sanjiv Puri as Managing Director & Chairman.

- **Rationale for the voting decision:** LGIM voted against this resolution as it expects all incentive plans to be capped either as a percentage of salary or a fixed number of shares. LGIM believes the level of disclosures in respect of performance conditions does not allow shareholders to make a fully informed assessment of remuneration.

- **Approximate size of the fund's holding at the date of the vote:** 0.3%

- **The reason the Trustee considered this vote to be "most significant":** This vote relates to a stewardship priority selected by the Trustee.

- **Was the vote communicated 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 its engagement is not limited to shareholder meeting topics.

- **Outcome and next steps**: The outcome of the vote was in line with the manager's vote. LGIM will continue to engage with the company, publicly advocate its position on the issue, and monitor progress.

L&G Infrastructure Equity MFG Fund

- **Ferrovial SA, April 2023**

- **Relevant stewardship priority:** Pollution

- **Vote:** Against resolution. **Outcome of the vote**: Not passed. **Management recommendation:** For resolution.

- **Summary of resolution:** Reporting on Climate Transition Plan.

- **Rationale for the voting decision:** While LGIM believes that the company's efforts with regards to reporting on the climate transition plan are to be commended, it voted against this resolution as it expects net zero commitments, rather than carbon neutrality commitments.

- **Approximate size of the fund's holding at the date of the vote:** 3.0%

- **The reason the Trustee considered this vote to be "most significant":** This vote relates to a stewardship priority selected by the Trustee. This stock is also the largest shareholding in the fund (c.3% of total assets).This vote was against management recommendation and was linked to an LGIM engagement campaign.

- **Was the vote communicated 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 its engagement is not limited to shareholder meeting topics.

- **Outcome and next steps**: The resolution was not passed. LGIM will continue to engage with the company, publicly advocate its position on this issue and monitor company and market-level progress.

Invesco Global Real Estate Fund

- Digital Realty Trust, June 2023

- **Relevant stewardship priority:** Human Rights

- **Vote:** Against resolution. **Outcome of the vote**: Not passed. **Management recommendation:** Against resolution.

- **Summary of resolution:** Report on whether company policies reinforce racism in company culture.

- **Rationale for the voting decision:** Invesco acknowledges that shareholders may wish to engage with the company on providing more disclosure around its diversity and inclusion efforts, but there do not appear to be significant controversies or allegations that suggest the company's policies are reinforcing racism within its corporate culture.

- **Approximate size of the fund's holding at the date of the vote:** Not available at date of reporting.

- **The reason the Trustee considered this vote to be "most significant":** This vote relates to a stewardship priority selected by the Trustee.

- **Was the vote communicated to the company ahead of the vote:** No, given that their vote was in line with management.

- **Outcome and next steps**: The outcome of the vote was in line with the manager's vote.

BlackRock MSCI World Equity Fund (hedged and unhedged)

- **Restaurant Brands International (RBI) Inc, May 2023**

- **Relevant stewardship priority:** Pollution and waste

- **Vote:** Against resolution. **Outcome of the vote**: Not passed. **Management recommendation:** Against resolution.

- **Summary of resolution:** Report on the reduction of plastic use.

- **Rationale for the voting decision:** The proposal requested that RBI issue a report on how the company could "reduce its plastics use…to reduce its contribution to ocean plastics pollution." BlackRock voted against this proposal as it believes that RBI's existing disclosures on plastics use are comprehensive and provide sufficient information to allow investors to understand the company's approach to managing the risks and opportunities of plastics use.

- **Approximate size of the fund's holding at the date of the vote:** 0.04%

- **The reason the Trustee considered this vote to be "most significant":** This vote relates to a stewardship priority selected by the Trustee.

- **Was the vote communicated to the company ahead of the vote:** BlackRock does not disclose its vote intentions in advance of shareholder meetings as it believes it is not its role to influence other investors. BlackRock views its role is to send a signal to the company about how well it believes the board and management has done in delivering long-term shareholder value.

- **Outcome and next steps**: The outcome of the vote was in line with the manager's vote.

BlackRock ACS UK Equity Tracker Fund

- **Shell plc, May 2023**

- **Relevant stewardship priority:** N/A – no significant votes were provided which were in line with the Trustee's stewardship priorities

- **Vote:** For resolution. **Outcome of the vote**: Passed. **Management recommendation:** For resolution

- **Summary of resolution:** Approve the Shell Energy Transition Progress

- **Rationale for the voting decision:** BlackRock believes Shell continues to provide a clear assessment of their plans to manage climate-related risks and opportunities and has demonstrated continued delivery against their Energy Transition Strategy. Given that the speed and shape of a low carbon transition is unclear, company disclosures that include scenario analysis and provide context on the transition plan and targets, help investors' understanding of company-specific risks and opportunities. In BlackRock's view, Shell's reporting and approach are aligned with its clients' long-term financial interests.

- **Approximate size of the fund's holding at the date of the vote:** 7.8%

- **The reason the Trustee considered this vote to be "most significant":** This stock is one of the largest shareholding in the fund (c.8% of total assets).

- **Was the vote communicated to the company ahead of the vote:** BlackRock does not disclose its vote intentions in advance of shareholder meetings as it believes it is not its role to influence other investors. BlackRock view its role as to send a signal to the company about how well it believes the board and management has done in delivering long-term shareholder value.

- **Outcome and next steps**: The outcome of the vote was in line with the manager's vote.

Baillie Gifford Multi Asset Growth Fund

- **Prysmian SPA, April 2023**

- **Relevant stewardship priority:** Remuneration

- **Vote:** Against resolution. **Outcome of the vote**: Passed. **Management recommendation:** For resolution.

- **Summary of resolution:** Approval of executive compensation policy.

- **Rationale for the voting decision:** Baillie Gifford opposed the resolution due to inappropriate use of discretion to increase vesting outcome of the long-term incentive award. It believes the use of discretion should be carefully evaluated and used to support and prioritise the long-term prospects of the business. Baillie Gifford remains not convinced that this use of discretion meets that bar.

- **Approximate size of the fund's holding at the date of the vote:** 1.4%

- **The reason the Trustee considered this vote to be "most significant":** This vote relates to a stewardship priority selected by the Trustee.

- **Was the vote communicated to the company ahead of the vote:** Yes.

- **Outcome and next steps**: The resolution was passed. Baillie Gifford will communicate its rationale for voting against the remuneration report. It supported the forward-looking remuneration policy at the meeting, and anticipates supporting the remuneration report next year, but will continue to monitor for further use of discretion.

Abrdn GARS Fund

- **Visa Inc, January 2023**

- **Relevant stewardship priority:** Remuneration

- **Vote:** For resolution. **Outcome of the vote**: Passed. **Management recommendation:** For resolution.

- **Summary of resolution:** Advisory Vote to Ratify Named Executive Officers' Compensation.

- **Rationale for the voting decision:** Abrdn confirmed it had concerns regarding the link between pay and performance, given that more than 50% of awards are time-based.

- **Approximate size of the fund's holding at the date of the vote:** 0.1%

- **The reason the Trustee considered this vote to be "most significant":** This vote relates to a stewardship priority selected by the Trustee.

- **Was the vote communicated to the company ahead of the vote:** Not specified. Abrdn endeavour to communicate voting intentions and rationale for votes against however do not track where intent is communicated prior to voting.

- **Outcome and next steps**: The outcome of the vote was in line with the manager's vote.

Ruffer Diversified Return Fund

- **JDE Peet's, May 2023**
- **Relevant stewardship priority:** Remuneration
- **Vote:** For resolution. **Outcome of the vote**: Passed. **Management recommendation:** For resolution.
- **Summary of resolution:** Approve Remuneration Report
- **Rationale for the voting decision:** Ruffer voted for this resolution after reviewing the report and discussing it with management, Ruffer believes that the restricted shares, forming the long term incentive plan component and majority of total pay, create a strong alignment between shareholders and management in generating value. Further, the structure of restricted shares means their value is tied to company share-price performance, meaning it is a simple way of tying executive pay directly to the value placed on the company by the market.
- **Approximate size of the fund's holding at the date of the vote:** 0.1%
- **The reason the Trustee considered this vote to be "most significant":** This vote relates to a stewardship priority selected by the Trustee.
- **Was the vote communicated to the company ahead of the vote:** No.
- **Outcome and next steps**: Ruffer will continue to engage with the company on governance issues and vote on remuneration proposals where it deems they will have material impact on the company.

10.4 Votes in relation to assets other than listed equity

The DB Section's investment managers who don't hold listed equities, with the exception of LaSalle, have confirmed there had been no significant voting opportunities over the period. In line with our commentary on the Scheme's other investment advisors we have reported on one significant vote for LaSalle below.

LaSalle Inflation-linked Property Fund

The M&G Secured Property Income Fund, April 2023

- **Relevant stewardship priority:** LaSalle did not report on any votes in line with relevant stewardship priorities.
- **Vote:** Against resolution. **Outcome of the vote**: Passed. **Management recommendation:** For resolution
- **Summary of resolution:** Changes to the Trust Instrument in respect of deferral and redemption terms for the Fund.
- **Rationale for the voting decision:** The change in terms was deemed to not be in client interests in LaSalle's view and was essentially worsening the liquidity terms of the fund. Hence, LaSalle believed a vote against the resolution was warranted.
- **Approximate size of the fund's holding at the date of the vote:** 19.0%
- **The reason the Trustee considered this vote to be "most significant":** The approximate size of the fund's holding at the date of the vote was the largest of the examples provided.
- **Was the vote communicated to the company ahead of the vote:** Not specified.
- **Outcome and next steps**: The outcome of the vote was in line with the manager's vote.