

UMECO PLC PENSION & LIFE ASSURANCE PLAN (“THE PLAN”) IMPLEMENTATION STATEMENT

Financial Year Ending 31st March 2023

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (‘SIP’) produced by the Trustee has been followed during the year to 31 March 2023. This statement has been produced in accordance with The Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator.

We can confirm that all policies in the SIP have been followed in the year to 31 March 2023.

Trustee Investment Objectives

The objectives set out here, and the risks and other factors referenced are those that the Trustee determines to be financially material considerations in relation to the Plan.

DB Section

The Trustee’s primary objectives are to invest the Plan’s assets in the best interests of the members and beneficiaries and pay due regard to the interest of the Company on the size and incidence of contribution payments, and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries. Within this framework the Trustee has agreed a number of secondary objectives to help guide it in its strategic management of the assets and control of the various risks to which the Plan is exposed.

The secondary objectives are as follows:

- to maintain the Plan’s funding position on an ongoing (i.e. Technical Provisions) basis and to achieve over the long-term, a return on the Plan’s assets which is consistent with the assumptions made by the Plan Actuary in determining the funding of the Plan; and
- to meet its obligation to the beneficiaries of the Plan, including ensuring that sufficient liquid assets are available to meet benefit payments as they fall due.

Given the nature of the liabilities, the investment time horizon of the Plan is potentially long-term (i.e. several decades). However, any future opportunities to transfer liabilities (fully or partially) to an insurance company (e.g. through the purchase of bulk annuities with an insurance company) may shorten the Plan’s investment horizon significantly.

The Trustee understands, following discussions with the Company, that the Company is willing to accept some degree of volatility in its contribution requirements in order to reduce the long-term cost of the Plan’s benefits.

DC Section

The Trustee recognises that members have differing investment needs and that these may change during the course of members’ working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee’s objective is therefore to make available a range of investment options for this

purpose. The Trustee also recognises that members may not believe themselves qualified to take investment decisions. As such, a default option is available.

The Trustee undertakes to review the Plan's fund choices offered to members and the investment manager arrangements on a regular basis.

Review of the SIP

During the year to 31 March 2023, no updates to the SIP were required. The latest SIP is dated as at December 2021, and a copy of this can be found at <https://www.isio.com/media/2610/umeco-sip-dec-2021-clean-signed.pdf>

Assessment of how the policies in the SIP have been followed for the year to 31 March 2023

The information provided in this section highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP. References to the relevant sections of the SIP are included which set out in detail the policies summarised below.

	Requirement	Relevant SIP Section	Summary of Policy	In the year to 31 March 2023
1	Securing compliance with the legal requirements about choosing investments	2.1, 2.6	<i>In considering the appropriate investments for the Plan, the Trustee has obtained and considered the written advice of Mercer Limited, whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).</i>	The Trustee receives written suitability advice from Mercer Limited relating to its decisions on investments. In the year to 31 March 2023 no new manager mandates were entered into.
2	Kinds of investments to be held	2.4, 3.7	<p><i>For the DB Section, the Plan is invested in Diversified Growth Funds, corporate bonds and a Liability Driven Investment portfolio.</i></p> <p><i>There is a role for both active and passive management. By employing both the Trustee aims to take advantage of active management where it believes it is likely to lead to outperformance net of fees, while using passive management in other areas or alongside active management to control overall manager risk and to manage overall fee levels.</i></p> <p><i>Decisions on segregated vs pooled investments are taken based on the particular circumstances, including the available vehicle, investment restrictions contained in pooled funds, the need for and availability of an independent custodian, ease of administration and portability of underlying investments. Investment exposure is currently obtained via pooled funds.</i></p> <p><i>For the DC Section, the Trustee has selected funds for the members' contributions to be invested in that cater for different risk appetites of members. It is the Trustee's policy to offer both active and passive management options to members where appropriate, depending on asset class.</i></p>	<p>During the year there were no changes to the investment strategy or manager arrangements for the DB section of the Plan.</p> <p>The default investment option of The UMECO Plc Pension & Life Assurance Plan, was subject to a formal triennial review in October 2022. As a result of this review a number of recommendations were made regarding the structure of the default strategy, the target of the default strategy and the integration of ESG funds. The Trustee is giving consideration to these recommendations and will decide whether to continue with implementation.</p>

3	The balance between different kinds of investments	2.5, 3.2	<p><i>For the DB Section, the Trustee, based on expert advice, has agreed an investment strategy that is consistent with its funding and investment objectives. It is generally accepted that a portfolio as outlined in section 2.5 of the SIP can provide an appropriate balance of risk and return consistent with the principles set out in the SIP.</i></p> <p><i>For the DC Section, the Trustee makes available a range of funds, with the aim of providing appropriate strategic choices for members' different saving objectives, risk profiles and time horizons.</i></p>	<p>During the year there were no changes to the investment strategy or manager arrangements for the DB section of the Plan.</p> <p>The Trustee regularly monitors the performance of the default investment option by considering the performance of the funds of the lifestyle strategy in the investment performance reports which monitor the risk and return of the funds in which the Scheme invests.</p> <p>As noted in point 2, The Trustee is considering a number of changes to the DC fund choice.</p>
4	Risks, including the ways in which risks are to be measured and managed	2.3, 3.3	<p><i>The Trustee recognises a number of risks in implementing its chosen investment strategy. Specific details on the measurement and management of each risk are outlined in Sections 2.3 and 3.3 of the SIP.</i></p> <p><i>For the DB Section, there are various risks to which any pension plan is exposed which the Trustee believes may be financially material to the Plan. The Trustee recognises that whilst increasing risk increases potential returns over a long period, it also increases the risk of a shortfall in returns relative to that required to cover the Plan's liabilities as well as producing more short-term volatility in the Plan's funding position. The Trustee has taken advice on the matter and (in light of the objectives noted previously) considered the implications of adopting different levels of risk.</i></p> <p><i>Overall, the Trustee primarily measures and manages investment risk through the investment strategy (outlined in Section 2.5) and reviews the appropriateness of this strategy on a regular basis.</i></p> <p><i>The Trustee's willingness to take investment risk is dependent on the continuing financial strength of the Company and its willingness to</i></p>	<p>The Trustee has continued to follow the policies set out in the SIP with respect to risk measurement and management.</p> <p>The Trustee has received analysis from Mercer on the various relevant risks.</p> <p>The interest rate and inflation hedge ratios (vs the Liability Benchmark Portfolio in place with the Plan's LDI manager) are reviewed as part of the Trustee's quarterly monitoring framework.</p> <p>The Plan's LDI portfolio was also monitored more frequently during the gilts market crisis in 2022. An Enhanced Service Agreement ('ESA') is in place with the Plan's LDI manager, LGIM, under which LGIM is responsible for maintaining liability hedge ratios within agreed tolerances of their targets. LGIM also has discretion under the ESA to source collateral from the LGIM Diversified Fund to maintain hedging levels within agreed tolerances. This discretion was used frequently during the Plan year. The LDI governance framework put in place by the Trustee with LGIM represents an</p>

			<p><i>contribute appropriately to the Plan. The financial strength of the Company and its perceived commitment to the Plan is monitored and the Trustee would expect to reduce investment risk relative to the liabilities should either of these significantly deteriorate.</i></p> <p><i>The degree of investment risk that the Trustee is willing to take also depends on other circumstances, including the financial health of the Plan, the Plan's liability profile and investment time horizon. The Trustee will monitor these with a view to altering the investment objectives, risk tolerance and/or return target and asset mix, should there be a significant change in these factors.</i></p> <p><i>For the DC Section, there are various risks which the Trustee believes may be financially material to member investments over their investment time horizon, which will vary depending upon their expected time to retirement. These include market, pension conversion, ESG, investment manager and liquidity risks.</i></p>	<p>important part of the Plan's overall risk management.</p> <p>The Trustee is also reviewing the Plan's LDI governance arrangements following tPR guidance and is formulating a LDI Implementation Policy.</p> <p>The Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. The risk register is reviewed and updated regularly at Trustee meetings.</p>
5	Expected return on investments	2.7, 3.9	<p><i>For the DB Section, the Trustee expects to generate a return, over the long term, at least in line with that of the actuarial assumptions under which the Plan's funding has been agreed. It is recognised that over the short term performance may deviate significantly from the long term target.</i></p> <p><i>For the DC Section, the funds available are expected to provide an investment return relative to the level of risk associated with it. The Trustee believes that the range of funds offered should provide a range of potential returns that are suitable for the membership as a whole. Each fund has a benchmark or target return which is viewed as the expected return.</i></p> <p><i>Return on the investments, including the individual manager mandates, is monitored on a quarterly basis.</i></p>	<p>For the DB section, the Plan's strategic asset allocation has been set following consideration of Mercer's capital market assumptions and expected returns in excess of gilt-based liabilities.</p> <p>The investment performance report was reviewed by the Trustee on a quarterly basis during the Plan year alongside, for the DB Section, an assessment of funding level progress provided by the Plan Actuary.</p> <p>The investment performance report includes how each investment manager is delivering against its specific mandate and an assessment of future prospects through Mercer's manager research ratings.</p>

6	Realisation of investments	2.9, 3.8, SIA	<p><i>For the DB Section, the selection, retention and realisation of assets is carried out in a way consistent with maintaining the Plan's overall strategic allocation and consistent with the overall principles set out in the SIP.</i></p> <p><i>The Trustee has implemented a policy to manage the Plan's net cash in/out flow and details are contained in the SIA document. Within individual mandates, the investment manager(s) have discretion in the timing of realisation of investments and in considerations relating to the liquidity of those investments subject to the relevant appointment documentation and pooled fund prospectuses.</i></p> <p><i>In addition, the Trustee monitors the allocation between the appointed manager(s) and between asset classes and mandates and will rebalance (or delegate this to individual investment manager(s)) as set out in the SIA document.</i></p> <p><i>For the DC Section, when selecting assets the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable based on member demand. As in the DB Section, the investment manager(s) have discretion in the timing of realisations of underlying securities.</i></p>	<p>A streamlined cashflow policy has been in place throughout the Plan year to assist with the realisation of investments for cashflow purposes in the DB Section. This includes provision of template disinvestment instructions to the Plan's administrator and delegation of authority to the administrator to place disinvestments on behalf of the Trustee (within set thresholds).</p> <p>Rebalancing advice has also been considered and subsequently implemented during the year to maintain the asset allocation within reasonable tolerances of target allocations.</p>
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and	2.1, 3.3	<p><i>The Trustee recognises the various risks to which pension plans are exposed and that these may be financially material for the Plan. The Trustee has therefore set a policy for managing these risks over the life of the Plan.</i></p> <p><i>The Trustee considers Environmental, social and governance (ESG) factors to be financially material and recognises that these factors have the ability to impact the financial performance of the Plan's investments, over its lifetime. The Trustee recognises that</i></p>	<p>The investment performance report has been reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG) from Mercer. The general ratings for all managers continued to be high during the year and ESG ratings were in line with or above the peer group medians.</p> <p>The Trustee has also recently reviewed the Plan's DGF managers from an ESG perspective. Further details are</p>

	realisation of investments		<p><i>it is in the Plan's best interest that these factors are taken into account within the investment process.</i></p> <p><i>The Trustee considers, amongst other factors, how ESG, climate change and stewardship is integrated within investment processes in appointing, monitoring and withdrawing from investment managers.</i></p>	outlined in the next section of this statement.
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	5	<p><i>"Non-financial matters" (where non-financial matters includes members' ethical views separate from financial considerations such as financially material ESG issues) are not explicitly taken into account in the selection, retention and realisation of investments. The Trustee would review this policy in response to significant member demand.</i></p>	No action in this area was required over the year.
9	<p>The exercise of the rights (including voting rights) attaching to the investments</p> <p>And</p> <p>Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)</p>	4	<p><i>Investment manager(s) are expected and encouraged to undertake engagement activities on relevant matters including ESG factors (including climate change considerations) and to exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The Trustee engages with existing investment manager(s) on these issues through (amongst other things) meetings and periodic correspondence.</i></p> <p><i>The Trustee will not consider the ESG policies of Additional Voluntary Contributions provider(s) and associated investment funds as these are a small proportion of total assets.</i></p>	<p>The Trustee has delegated voting rights to the investment managers.</p> <p>Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The reports are reviewed by the Trustee to ensure that they align with the Trustee's policy. The Trustee does not use the direct services of a proxy voter.</p> <p>Following the Plan year-end the Trustee has carried out an in-depth review of the voting and engagement activities of the Plan's DGF managers (Ruffer and LGIM), incorporating presentations from the managers based on a set of pre-submitted questions.</p> <p>Further information on key voting and engagement activity carried out by the Plan's investment managers over the last 12 months is set out in the next section of this statement.</p>
10	How the arrangement with the asset manager incentivises	6	<p><i>As the Trustee invests in pooled funds predominantly, there is limited scope to directly influence the strategy pursued by the investment managers. However, the Trustee</i></p>	Over the year, the Trustee has monitored the ongoing suitability of the appointed investment managers. Any change in assessment by the Trustee's

	<p>the asset manager to align its investment strategy and decisions with the trustees policies mentioned in sub-paragraph (b) of the legislation</p>		<p><i>appoints investment managers based on their capabilities and hence their perceived likelihood of achieving their return and risk targets.</i></p> <p><i>Investment managers are appointed based on their perceived capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics for the asset class or specific investment strategy they are selected to manage over a suitably long time horizon. This includes, in relation to active management, appropriate levels of outperformance, and in relation to passive management suitable levels of “tracking error” against a relevant benchmark.</i></p> <p><i>For each appointment, retention is dependent upon the Trustee having ongoing confidence that the investment manager will achieve the mandated investment objective. The Trustee makes this assessment taking into account various factors which includes performance to date as well as an assessment of future prospects.</i></p> <p><i>Investment managers are therefore incentivised both to achieve the mandated objectives, consistent with the Trustee’s policies and objectives, and to ensure that they remain capable of doing so on a rolling basis. This encourages investment managers to take a suitably long term view when assessing the performance prospects of, and engaging with, the equity and debt issuers in which they invest or seek to invest.</i></p> <p><i>If the investment objective for a particular fund changes, or if other factors change that could have an impact on the manager’s ability to meet its objectives, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the Trustee’s wider investment objectives.</i></p>	<p>investment advisor for the investment managers’ capabilities would be discussed and any action agreed in a timely manner.</p> <p>No changes were made to investment manager appointments during the Plan year.</p>
<p>11</p>	<p>How the arrangement incentivises</p>	<p>6</p>	<p><i>The Trustee regularly meets with the Plan’s managers and challenges decisions made to try to ensure the</i></p>	<p>The investments held within the Plan continued to perform satisfactorily against their</p>

	<p>the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.</p> <p>And</p> <p>How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the trustees' policies mentioned in sub-paragraph (b) of the legislation</p>		<p><i>best long term performance over the medium to long term. Managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then it will look to replace the manager.</i></p> <p><i>The Trustee reviews investment manager performance quarterly via formal reporting. The Trustee reviews absolute performance, relative performance vs benchmark and the manager's target (over the relevant time period) on a net of fees basis. The Trustee's focus is on long-term performance but short-term performance is also reviewed.</i></p>	<p>respective benchmarks over the Plan year. In reaching this conclusion the Trustee has balanced short-term performance against long-term performance and has taken into consideration prevailing market conditions.</p> <p>The Trustee has continued to receive quarterly reporting over the year, including the net performance of the investment managers, over the 3 month, 1 year and 3 year periods to the quarter end and since inception of each mandate.</p>
12	<p>How the trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor</p>	6	<p><i>The Trustee has not historically monitored investment managers' ongoing transaction costs explicitly but has measured these implicitly through ongoing performance assessments which are net of these costs. The Trustee will now seek explicit reporting on ongoing costs for all appointed managers.</i></p>	<p>The Trustee has reviewed the portfolio turnover costs of the Plan's managers for the year to 31 March 2023 and has concluded that they are in line with expectations, given market conditions experienced over this period.</p>

	targeted portfolio turnover or turnover range.			At the total Plan level these costs totalled c0.6% over the year.
13	The duration of the arrangement with the asset manager	6	<i>The Trustee makes appointments with the view to them being long term (to the extent this is consistent with the Trustee’s overall investment time horizon) and there is typically no set duration for the manager appointments. However, appointments can typically be terminated at relatively short notice.</i>	Over the Plan year, no new investment managers were appointed. However, the current manager appointments were made in line with the Plan’s policy and with a view to the mandates forming part of the Plan’s long-term investment arrangements.

Assessment of voting, stewardship and engagement activity for the year to 31 March 2023

The following section summarises the information reported by the Plan’s investment managers to the Trustee in respect of its voting, stewardship and engagement activities during the year. Engagement activity is provided at a firm-wide level whilst 12 month voting activity is for the specific mandates in which the Plan was invested as at 31 March 2023.

During 2023 the Trustee has undertaken a review of the ESG and engagement activities of the Plan’s DGF managers, to gain a deeper understanding of how ESG is embedded in the decision-making and implementation process, as well as to better understand firm-wide commitments made by the managers on their ESG and engagement policies.

The Trustee and the investment advisor have analysed the voting policies of the Plan’s DGF managers, including how they have voted on key themes that align with the Trustee’s ESG Investment Beliefs Statement. Further information on significant votes and the process to determine how and why votes are cast for each manager can be found under the “Voting Activity” section below.

In line with the SIP, the voting and engagement activities of AVC investment managers is not monitored as these are a small proportion of total assets.

Engagement

Ruffer (DB Section)

- Ruffer’s engagement activities are usually conducted jointly by the ESG representative and the research analyst, with support from the responsible investment team. They consider this collaborative approach to engagement to be particularly powerful. It ensures detailed, well-informed discussions with companies on issues they deem to be material, helping to build relationships that enable to push for significant change.
- During the Plan year, the Trustee identified a high carbon footprint within Ruffer’s equity portfolio. The Trustee has questioned Ruffer on this and is satisfied that Ruffer is proactively and extensively engaging with companies that will be critical to a successful long-term transition in a way that is aligned with the Trustee’s ESG beliefs.
- Ruffer recognises that ESG considerations are important drivers of investment performance, representing both sources of value and investment risks, and believes that investing responsibly will lead to better long-term outcomes for investors.
- Ruffer systematically integrates ESG considerations throughout its investment process, from top down idea generation continuing through to bottom up stock selection. The Trustee believes that Ruffer has

a strong approach to stewardship and engagement, including its participation in collaborative initiatives on ESG issues.

- Ruffer frequently engages with companies on corporate governance issues, such as executive remuneration and mergers and acquisitions. Ruffer votes all proxies and subscribes to the Institutional Shareholder Service (ISS), but will not necessarily follow its recommendations. If an analyst does want to vote differently to an ISS recommendation, then he or she can escalate the decision to a more senior individual(s) for approval. Ruffer produces an annual ESG report which details its voting statistics and highlights specific engagements, as well as covering some of the broader ESG issues that have arisen during the year.
- There are occasions when collaboration with other investors may be the most productive way to engage and Ruffer is open to working alongside other investors on both policy and company-specific matters. This could be in situations where other investors share the same concerns or independent engagement has not produced a desirable outcome. The decision to collaborate on company specific matters will be judged on a case-by-case basis by the responsible investment team with input from research analysts and portfolio managers, as well as the legal and compliance teams. Examples of this include the several climate-change initiatives Ruffer is involved with, including the Institutional Investors Group on Climate Change (IIGCC), the Transition Pathway Initiative, Climate Action 100+, and Aiming for A.
- Ruffer is a signatory to the 2020 UK Stewardship Code, and the Japan Stewardship Code.

LGIM (DB and DC Sections)

- LGIM has established a fully integrated framework for responsible investing to strengthen long-term returns. LGIM's framework is based on stewardship with impact and active research across asset classes. These activities enable LGIM to deliver responsible investment solutions to clients and conduct engagement with the aim of driving positive change.
- In the face of looming challenges like climate change, ageing populations or technological disruption, LGIM believes an approach to managing capital is required where ESG impact is considered alongside the traditional metrics of risk and return. Evolving its capabilities to assess and engage with companies on ESG criteria is a vital objective for LGIM. LGIM believes this activity will be crucial to determine those that survive and thrive as change accelerates.
- LGIM is a signatory to the 2020 UK Stewardship Code.

Voting Activity (DB Section)

The Trustee has delegated its voting rights to the investment managers, principally through being invested in pooled funds (noting that in this case, votes are cast on behalf of the pooled fund not the Trustee, who do not own the underlying assets directly). The Trustee does not use the direct services of a proxy voter.

In Q3 2022, new legislation was published by the Department of Work & Pensions ("DWP") which provided new requirements for pension scheme SIP and Implementation Statements, which has come into effect for the Plan this year. The Trustee is now required to provide a definition of what it considers a "significant vote".

The Trustee has agreed that its definition of a significant vote is "*a vote that relates to and aligns with the Trustee's key priority themes as provided within the Trustee's ESG Investment Beliefs Statement*". The votes outlined below have been provided to the investment advisor by the Plan's investment managers and have been tailored to prioritise those in which the underlying theme / topic is one that the Trustee has identified as being significant based on the above definition.

A summary of the key voting activity over the financial year can be found below:

Ruffer (Absolute Return)

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 is cognisant of proxy advisers' voting recommendations, it does not delegate or outsource its stewardship activities when deciding how to vote on clients' shares.

Ruffer 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.

Key votes undertaken over the prior year are summarised below:

- There have been 1,305 votable proposals over the year, which Ruffer has voted on behalf of the Trustee.
- Ruffer voted with management on 94.2% of the proposals, against management on 5.7% and abstaining on 0.1%.

Significant vote examples:

Date of Vote	Company	Size of holding (%)*	Summary of the Resolution	How you voted	Outcome	Rationale for the voting decision provided by the manager	Why Vote is Significant
12 May 2022	BP Plc	3.10	Environmental - Approve Shareholder Resolution on Climate Change Targets	Against	Fail	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 we think they are industry leading. Ruffer support management in their effort to provide clean, reliable and affordable energy and therefore Ruffer voted against the shareholder resolution.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".
27 April 2022	Cigna Corporation	1.54	Governance – Report on Gender Pay Gap	Against	Fail	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.	The governance nature of this resolution is aligned with the Trustee's key priority theme of "Corporate governance – inclusive, diverse decision-making".
11 May 2022	Equinor ASA	0.54	Environmental - To approve the company's	For	Pass	Ruffer are supportive of the company's efforts to decarbonise. Ruffer stated that "Equinor is at the forefront of offshore wind	The environmental nature of this resolution is aligned with the Trustee's

			energy transition plan			developments and we have been impressed by their business success in that area. We have engaged with the company and discussed their plan and disagree with ISS's assessment. Equinor are one of few companies who have been profitable in aiming to decarbonise and we will support that."	key priority theme of "climate change".
25 May 2022	Meta Platforms, Inc	0.29	Social - Publish Third Party Human Rights Impact Assessment	For	Fail	Facebook has received substantial media backlash over the use of its targeted advertising to discriminate against marginalized groups. Although the company has recently tightened its restrictions for targeting options, it still appears to be facing scrutiny on the topic. It has faced a number of legal risks due to lawsuits from the ACLU, HUD, FTC, and others. Given the large amount of company revenue that comes from advertisements, a third-party human rights impact assessment on the company's policies and practices related to targeted advertising could help shareholders assess Meta's management of human rights related risks.	The social nature of this resolution is aligned with the Trustee's key priority theme of "Human rights".
25 May 2022	Meta Platforms, Inc	0.29	Social - Provide Report on Child Sexual Exploitation Online	For	Fail	The company has experienced some recent controversy related to its alleged failure to catch hundreds of cases of child exploitation on its platform. There are also concerns that the company's plans to apply end-to-end encryption by default across its messaging platforms will severely hinder investigations of child predators. Although the company says that in some instances, Facebook Safety Advisory Board members are informed about future product launches in order to share their insights on the company's approach to safety before the products are released, the company does not provide indication that this includes the safety of end-to-end encryption technologies as they are developed. Given the potential financial and reputational impacts of potential controversies related to child exploitation on the company's platforms, shareholders would benefit from additional information on how the company is managing the risks related to child sexual exploitation, including risks associated with end-to-end encryption technologies.	The social nature of this resolution is aligned with the Trustee's key priority theme of "Human rights".
25 May 2022	Exxon Mobil	0.21	Environmental - Approve Shareholder Resolution on Climate Change Targets	Against	Fail	Voting against setting GHG emissions reductions targets consistent with Paris Agreement Goal. The title of this shareholder proposal is misleading. Exxon have already set targets that they believe are consistent with the Paris Agreement. These however do not include Scope 3 emissions as this would effectively force the company to sell key emitting assets to parties that will not be able to manage these down. Exxon are focused on progressing the transition	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".

						by reaching Net Zero in scope 1 & 2 and also progressing carbon capture and storage, hydrogen and biofuels and Ruffer (and the company) would argue they are world leading in these initiatives.	
4 May 2022	Barclays Plc	0.04	Environmental -Approve Barclays' Climate Strategy, Targets and Progress 2022	For	Pass	Ruffer have had a number of meetings with Barclays over the last 18 months with respect to their climate strategy, existing targets, data analysis and the plans for setting new targets on a number of new sectors. Ruffer supported the group's climate resolution in 2020 and voted against a too narrow Market Forces resolution at last year's AGM. The new progress reports, set out ahead of this "Say on Climate" vote makes further intermediate commitments, targets and hurdles to be achieved as part of its membership of the Net- Zero Banking Alliance which has a headline 2050 target. Ruffer have assessed the progress made in the context of its discussions with the company and whilst there are certain elements (phase out of thermal coal financing; financing unconventional oil and gas, amongst others) which remain unsatisfactory, the overall policy, new targets and tracking warrant a Vote FOR this resolution. Ruffer will continue its engagement with the company on this topic.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".

*The size of holding has been provided as a % of the investment manager fund at the date of the resolution, and votes provided have been organized by size.

The Trustee has undertaken a review of Ruffer from an ESG perspective, including a combination of desktop analysis and a presentation / discussion session with Ruffer to answer the Trustee's questions on its voting and engagement activity. The Trustee concluded that Ruffer undertakes a high level of in-house due diligence when deciding how to vote on resolutions.

Ruffer has a relatively high concentration of high-GHG investee companies, for example BP and Vopak are both in the top 5 holdings within the equity allocation of the fund. Ruffer has made it clear that, rather than disinvesting from these companies or refusing to hold them, it uses its position to actively engage with the aim of assisting the transition towards a low-carbon future in a safe and timely manner. This is evident from the voting rationale provided above, e.g. the Equinor ASA vote.

LGIM (DGF)

LGIM's Investment Stewardship team uses Institutional Shareholder Services (ISS)'s 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and it does not outsource any part of the strategic decisions. To ensure LGIM's proxy provider votes in accordance with its position on ESG, LGIM has put in place a custom voting policy with specific voting instructions.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- 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 annual Stakeholder roundtable event, or where they note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

Key votes undertaken over the prior year are summarised below:

- There have been 99,252 votable proposals over the year and LGIM has voted on 99.8% of these on behalf of the Trustee.
- LGIM voted with management on 77.4% of the proposals, against management on 21.9% and abstaining on 0.7%.

Significant vote examples:

Date of Vote	Company	Size of holding (%)*	Summary of the Resolution	How you voted	Outcome	Rationale for the voting decision	Why Vote is Significant
24 May 2022	Royal Dutch Shell Plc	0.29	Environmental - To approve the Shell Energy Transition Progress Update	Against	Pass	A vote against was applied, though not without reservations. LGIM acknowledges the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remains concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".
12 May 2022	BP Plc	0.13	Environmental - Approve Net Zero - From Ambition to Action Report	For	Pass	A vote FOR is applied, though not without reservations. Whilst LGIM notes the inherent challenges in the decarbonisation efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is LGIM's view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, LGIM remains committed to continuing its constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".
13 May 2022	Sempra Energy	0.12	Governance - Require Independent Board Chair	For	Fail	A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.	The governance nature of this resolution is aligned with the Trustee's key priority theme of

							“Governance – aligned remuneration and incentives”.
8 April 2022	Rio Tinto Plc	0.11	Environmental - Approve Climate Action Plan	Against	Pass	LGIM recognises the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company’s decarbonisation efforts. However, while LGIM acknowledges the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, LGIM remains concerned with the absence of quantifiable targets for such a material component of the company’s overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.	The environmental nature of this resolution is aligned with the Trustee’s key priority theme of “climate change”.
25 May 2022	TotalEnergies SE	0.10	Environmental - Approve Company’s Sustainability and Climate Transition Plan	Against	Pass	A vote against is applied. LGIM recognizes the progress the company has made with respect to its net zero commitment, specifically around the level of investments in low carbon solutions and by strengthening its disclosure. However, LGIM remains concerned of the company’s planned upstream production growth in the short term, and the absence of further details on how such plans are consistent with the 1.5C trajectory.	The environmental nature of this resolution is aligned with the Trustee’s key priority theme of “climate change”.
1 June 2022	Alphabet Inc.	0.10	Environmental - Report on Physical Risks of Climate Change	For	Fail	A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.	The environmental nature of this resolution is aligned with the Trustee’s key priority theme of “climate change”.

*The size of holding has been provided as a % of the investment manager fund at the date of the resolution, and votes provided have been organized by size.

The Trustee has undertaken a review of LGIM from an ESG perspective, including a combination of desktop analysis and a presentation / discussion session with LGIM to answer the Trustee’s questions on its voting and engagement activity. The Trustee concluded that LGIM has a well-resourced team and an active programme of policy engagement activity which evidences challenge of corporate management teams, supported by its voting activity.

Voting Activity (DC Section)

LGIM (Multi-Asset (formerly Consensus) Fund)

Key votes undertaken over the prior year are summarised below:

- There have been 100,084 votable proposals over the year and LGIM has voted on 99.8% of these on behalf of the Trustee.
- LGIM voted with management on 77.5% of the proposals, against management on 21.7% and abstained on 0.7%.

Significant vote examples:

Date of Vote	Company	Size of holding (%)*	Summary of the Resolution	How you voted	Outcome	Rationale for the voting decision	Why Vote is Significant
24 May 2022	Royal Dutch Shell Plc	0.55	Environmental - To approve the Shell Energy Transition Progress Update	Against	Pass	A vote against was applied, though not without reservations. LGIM acknowledges the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remains concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".
12 May 2022	BP Plc	0.26	Environmental - Approve Net Zero - From Ambition to Action Report	For	Pass	A vote FOR is applied, though not without reservations. Whilst LGIM notes the inherent challenges in the decarbonisation efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is LGIM's view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, LGIM remains committed to continuing its constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change". "Governance – aligned remuneration and incentives".
8 April 2022	Rio Tinto Plc	0.22	Environmental - Approve Climate Action Plan	Against	Pass	LGIM recognises the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while LGIM acknowledges the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, LGIM remains concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".
19 April 2022	Anglo American Plc	0.16	Environmental – Approve Climate Change Report	Against	Pass	LGIM recognise the substantial progress the company has made in climate reporting, primarily on transparency and the expansion of GHG emissions reduction targets (including the ambition to work to decarbonise its value chain), as well	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".

						as the importance of the company's products in enabling the low-carbon transition. However, LGIM remain concerned that the company's interim operational emissions targets (to 2030) are insufficiently ambitious to be considered aligned with the 1.5C trajectory.	
28 April 2022	Glencore Plc	0.16	Environmental – Approve Climate Change Report	Against	Pass	A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While LGIM note the progress the company has made in strengthening its medium-term emissions reduction targets to 50% by 2035, LGIM remain concerned over the company's activities around thermal coal and lobbying, which LGIM deem inconsistent with the required ambition to stay within the 1.5°C trajectory.	The environmental nature of this resolution is aligned with the Trustee's key priority theme of "climate change".

*The size of holding has been provided as a % of the investment manager fund at the date of the resolution, and votes provided have been organized by size.