Engagement Policy Implementation Statement

GE Pension Plan (the “Plan”)

The Engagement Policy Implementation Statement (“EPIS”) has been prepared by the Trustee and covers the Plan year 1 April 2021 to 31 March 2022.

Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (the "Regulations"). The Regulations require that the Trustee produces an annual statement which outlines the following:

- Explain how and the extent to which the Trustee has followed their engagement policy which is set out in the Statement of Investment Principles (“SIP”).

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

The identities of the Plan’s investment managers have been anonymised.

Executive summary

Based on the activity over the year by the Trustee and their service providers, the Trustee believes that the stewardship policy has been implemented effectively. The Trustee notes that its fiduciary manager and most of its investment managers were able to disclose sufficient evidence of voting and engagement activity.

The Trustee expects improvements in disclosures over time in line with the increasing expectations on asset managers and their significant influence to generate positive outcomes for the Plan through considered voting and engagement. In particular, the Trustee expects improvements from their service provider reaching out to managers to encourage the managers on their reporting of fund level engagement.

Plan stewardship policy

The below bullet points summarise the Plan’s stewardship policy in force over the Plan year to 31 March 2022.

The full SIP can be found here: [Statement of Investment Principles - My GE Pension]

The Common Investment Fund and Service Provider 1 are responsible for the fiduciary management of the Plan's assets. As part of their delegated responsibilities the Trustee expects the Common Investment Fund, Service Provider 1, and the underlying fund managers to:

- Ensure that (where appropriate) underlying asset managers exercise the Trustee’s voting rights in relation to the Plan’s assets;
- Take into account environmental, social and corporate governance (“ESG”) considerations in the selection, retention and realisation of investments; and
- Report to the Trustee on stewardship activities undertaken by underlying asset managers as required.

The Trustee receive annual reports on stewardship activity carried out by their fiduciary manager via the Trustees of the Common Investment Fund. These reports include voting and engagement information. Where possible, the transparency provided relating to the exercise of voting rights should include voting actions and rationale with relevance to the Plan, in particular where: votes were cast against management, votes against management generally were significant; or where votes were abstained.

The Trustees of the Common Investment Fund are responsible for reviewing whether the managers are meeting the Trustee's expectations and providing an annual update to the Trustee for all delegated responsibilities in this regard.

Plan stewardship activity over the year

Training

Over the year, the Trustee had responsible investment training sessions with their advisers, which provided the Trustee with updates on the evolving regulatory requirements and the importance of stewardship activity and appropriate consideration of ESG factors in investment decision making. During the Plan year the Trustee also revised their Responsible Investment policy.

Ongoing Monitoring

Investment monitoring takes place on a quarterly basis with a monitoring reports being provided to the Trustee by their fiduciary manager: Service Provider 1. The reports include ESG ratings and highlight any areas of concern, or where action is required.

Climate risk management / TCFD / carbon reporting

The Plan is currently progressing towards meeting the requirements as set out as part of the Task Force on Climate-related Financial Disclosures (“TCFD”). The TCFD establishes a set of eleven clear, comparable and consistent recommended disclosures about the risks and opportunities presented by climate change. The increased transparency encouraged through the TCFD recommendations is intended to lead to decision-useful information and therefore better-informed decision-making on climate-related financial risks. The Trustee expects to publish the Plan's first TCFD-aligned report by 31 October 2022.

Voting and engagement activity – Equity

Over the year, the material equity and multi-asset investments held by the Plan were:

Manager 1	Global Equity
Manager 2	Global Equity
Manager 3	Global Equity
Manager 4	Global Equity

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

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

The Trustee considers a significant vote as one which the voting manager deems to be significant.

Voting and engagement examples in the EPIS are fund-level examples, unless stated otherwise, where votes have been made on behalf of the fund. Firm-level examples are examples not necessarily specific to the fund the Plan is invested in. The Trustee will consider engaging with investment managers, via its fiduciary manager State Street Global Advisers, who failed to provide fund-level examples.

Voting statistics can be found in the Appendix.

Manager 1

Voting

Manager 1's voting decisions are undertaken by its investment team. Clients invested via segregated accounts may elect to carry out their own voting, however, the GE UK Common Investment Fund ("CIF") has given Manager 1 authority to vote on its behalf.

Manager 1 considers voting to be one of its key responsibilities as long-term shareholders and an important means of holding management of investee companies accountable. Manager 1 votes at all company meetings. The investment team is responsible for voting decisions. In practice, this means that the lead investor for each stock decides how Manager 1 votes for each company, with input from its ESG analyst and other members of team. This structure means that Manager 1 evaluates each resolution in the broader context of the company's challenges and opportunities, resulting in more informed voting decisions.
Manager 1 receives voting research and recommendations from Institutional Shareholder Services ("ISS"). The ISS voting platform is used to execute votes and record the rationales for Manager 1's decisions.

Voting example

In June 2021, Manager 1 voted against management to support two climate-related resolutions at Booking Holdings ("Booking"), an American travel technology company. The resolutions asked the company to provide a report on its climate transition strategy and to allow shareholders the ability to vote on this strategy annually.

Manager 1's research and engagement work found that Booking's ambitions in this area lack urgency, so voted in support of both resolutions. The outcome of one of the votes was successful – a proposal requesting the company issue a climate transition report. However, the second proposal – for the company to hold an annual advisory stockholder vote on its climate policies and strategies – was unsuccessful.

Manager 1 has continued to engage with Booking's management on the topic of climate. Following the Annual GeneralMeeting ("AGM"), Manager 1 sent the chair a letter encouraging the company to strengthen its emissions reduction targets and incorporate climate risks and opportunities into its strategy, governance and oversight. Manager 1 was also advised that Booking will provide a climate transition report in 2022 which will contain absolute emission reduction targets. Manager 1 recommended the targets be time-bound and aligned with limiting global warming to 1.5 degrees. Manager 1 considers these votes to be significant as they were votes against management.

Engagement

Manager 1 believes engagement to be an important tool that helps positively influence portfolio companies, protecting and creating value for clients over the long-term. The majority of engagement work is directly with companies within Manager 1's portfolios. Manager 1 engages with companies in the portfolio for a variety of reasons. These include, for example, to gain further insights to inform investment decision-making and to push for change where Manager 1 has specific concerns.

The primary method of engagement is via one-to-one meetings with senior executives and with divisional or regional management. Manager 1 also meets with non-executive directors, such as the chair or senior independent director. Manager 1 engages with companies by writing formally to their management and Boards. Engagements are split into two categories: the first is engagement for information, which supports Manager 1's investment decision-making; the second is engagement for change, where Manager 1 has specific concerns that they would like a company to address.

Engagement example

During 2021, Manager 1 engaged with British American Tobacco Plc ("BAT") regarding its capital allocation, with a view to focus on governance and lead to change in one of its portfolio companies. Capital allocation is one of Manager 1's 13 ESG considerations that it believes are most likely to impact the performance of the companies.

Manager 1 wrote to the chair of BAT in June 2021 to encourage the company to evolve its capital allocation strategy, explaining that the undervaluation of BAT's shares presented an opportunity for shareholder value creation through a dividend reduction and increase in share buybacks. Manager 1 had separate meetings with the chair and management team following this letter for further discussions. As an outcome of this engagement, BAT confirmed a £2bn buyback programme in February 2022. This was not as large as Manager 1 recommended, but Manager 1 expects this to increase over time. The progression of the buyback scheme will be a focus in Manager 1's future meetings with management as this engagement continues.

Manager 2

Voting

Manager 2 appointed Glass Lewis during Q1 2020 to support with proxy voting; however, Manager 2's portfolio managers maintain final decision-making responsibility, which is based on its detailed knowledge of the companies in which Manager 2 invests. Manager 2 does not default to Glass Lewis' recommendations but votes in line with its own proxy voting policy and may consider Glass Lewis' research to improve its overall decision making.

Manager 2's long-term approach generally leads it to be supportive of company management and for routine matters it typically votes in line with management's recommendations. The primary objective of Manager 2's voting policy is to protect or enhance the economic value of the investments it makes on behalf of clients. Manager 2 will therefore abstain or vote against any agenda item that threatens this position and where dialogue has not been effective.

Voting example

In May 2021, Manager 2 abstained from voting on a resolution regarding Mondalez's Executive compensation. Manager 2 does not believe that Mondalez's compensation policy is aligned with the long-term best interests of shareholders and has been engaging with the company on this matter over several years.

Manager 2 pays careful consideration to compensation policies of the companies in which it invests. In assessing compensation policies, Manager 2 focuses more on how incentives are structured rather than the actual compensation figure. Prior to 2020 Manager 2 had voted against Mondelez's compensation resolutions. However, since 2020 Mondelez's management team has made significant efforts to explain the rationale for its policies during the various engagements. The vote passed with 98% support. Manager 2 engaged with Mondelez's compensation committee before the vote to signal its intention to abstain.

Engagement

Manager 2 believes that ESG matters affect a company's ability to deliver long term value to shareholders. Thus, to that end, its initial analysis and ongoing company engagement strategy seeks to incorporate sustainability factors.

Manager 2 believes that engaging with and monitoring of investee companies is an essential element of its investment strategy. The team's ongoing monitoring includes reviewing investee company annual reports and accounts, together with other publicly available information; all members of the Investment Team are involved in this process. When the Team meets with company management, it engages with them on issues that Manager 2 believes will affect the company's ability to deliver long term sustainable value to shareholders.

Engagement example

Over 2021, Manager 2 held numerous climate change related discussions with companies, focusing on its environmental policies and strategy. For example, it engaged with Diageo on its energy and water efficiency. Over the year, Manager 2's Investment Team hosted two calls with Diageo's management.

Following these engagements, Diageo is now more actively pursuing ambitious sustainability goals to improve efficiency across its overall business. For example, management at Diageo is now integrating ESG metrics into business performance and long-term share rewards. Diageo started its Water Stewardship agenda in 2007. Between 2007 and 2020 Diageo achieved improvements of 46% in water use efficiency i.e., reducing the amount of water it takes to produce the end beverage. It is also targeting a further 40% improvement across water stressed areas and 30% improvements globally by 2030.

Through engagements, Manager 2 aims to improve its understanding of these projects – and the extent of their success – to enable it to assess the company's overall progress and the likelihood of the company meeting the ambitious targets set.

Manager 3
Voting

Manager 3 does not consult with clients before voting proxies. Manager 3 outsources proxy voting services to ISS.

Manager 3 engages third-party service provider ISS to provide proxy-voting services for client accounts (including Manager 3's Sponsored Funds), including vote analysis, execution, reporting and certain recordkeeping services. ESG principles are taken into account in the service provider's standard proxy voting policies. In addition, Manager 3 makes enhanced ESG specific proxy voting services available upon request. Proxy voting services are monitored periodically by Manager 3's Client Operations team.

Manager 3 generally follows the recommendations of its proxy provider, ISS, but may override an ISS decision in circumstances where ISS discloses a material conflict of interest, and Manager 3 determines that doing so would be in the best interests of its clients. The third-party voting service is reviewed regularly to ensure proxy voting recommendations are based on current and accurate information and to address any conflicts of interest or other areas of concern from the service provider.

At the time of writing, Manager 3 was unable to provide any voting examples.

Engagement

Manager 3 was unable to provide any engagement activity as it does not get directly involved in engagement activity given the quantitative nature of this process. All engagement activities are fully outsourced through Sustainalytics, offering an established, standardised and systematic engagement framework with a global investor base. The engagement framework is incident and compliance based; driven to remediate and mitigate violations of international norms and standards involving labour, environment, business ethics and human rights. On a quarterly basis, Sustainalytics produces a report on its engagements which is passed on to the Trustee.

Manager 4

Voting

Manager 4 utilises the services of Glass Lewis for proxy voting recommendations, research and advice. Glass Lewis does not provide consulting services to public companies, which means it can focus solely on the best interests of investors. The Proxy Adviser's approach to corporate governance is to look at each company individually and determine what is in the best interests of the shareholders of each particular company.

The voting recommendations of the Proxy Adviser are strongly considered; however, the final determination for voting in the best economic interest of the clients is the responsibility of the relevant strategy Investment Strategy Group ("ISG"). When a decision is reached to vote contrary to the recommendation of Glass Lewis, the ISG will address any potential conflicts of interest and proceed accordingly. Documentation is maintained to support voting decisions, which will be reviewed by the Compliance Team.

Manager 4 will take reasonable steps to make sure that all proxies are received, and for those that Manager 4 has determined should be voted, are voted in a timely manner. Manager 4 uses Broadridge Proxy Edge to cast its votes.

Manager 4 provided a number of voting examples, however, all voting examples were in line with Glass Lewis' recommendations and the only voting rationale provided was that the vote was in line with the manager proxy voting policy which votes in the client/best economic interest.

Engagement

Manager 4 believes that company engagements enhance its understanding of company practices and goals in creating shareholder value. It gives Manager 4 the ability to assess individual companies' corporate culture and ESG challenges. Manager 4 identifies sustainability risks and opportunities that it believes are material to its investments and works with investee companies to refine practices around a given issue. Manager 4 engages with companies on a range of issues, including ESG topics that it believes are material to companies' corporate cultures and therefore long-term sustainability of the businesses.

Engagement example

Over 2021, Manager 4 engaged with Lululemon Athletica Inc, a U.S.-Canadian athletic apparel retailer, on issues around the firm's governance and executive remuneration, which were identified as a potential area of investment risk. Manager 4's research suggested that the company's executive compensation schemes were not adequately tied to long-term performance. As a result, it voted against the re-election of key members of the Board's compensation committee in its 2021 annual meeting.

The following year, Lululemon appointed a new Board Chair and Manager 4 requested a call in Q2 2022 that the Company granted. Manager 4 again articulated its concerns regarding Lululemon's equity compensation structure and encouraged the Chair to consider new Boardroom nominations and committee rotations. Manager 4 concluded that the Board is moving in the right direction with the appointment of a new Chair, and subsequently abstained on Executive Compensation to signal its support.

Voting and Engagement activity – Private Equity

The Trustee acknowledges that integration of ESG factors and transparency in private equity is arguably not as well developed as in other asset classes, however, recognises the ability of private equity managers to significantly engage with and influence companies. The Plan has invested in 17 private equity funds, some managers were not able to provide material information on their stewardship activity as at the time of writing. The following section demonstrates some of the stewardship related activity being carried out by private equity managers on behalf of the Plan over the year.

Manager 5

Discretion of proxy voting for Manager 5 sits with the members of the respective deal team. Manager 5's compliance team determines whether a material conflict of interest exists between Manager 5 and the interests of its clients or between Manager 5 and its clients and portfolio company shareholders. Manager 5 will instruct that all proxies be voted in the best interests of the Firm's clients in line with the goals of the client's investment strategy, including the consideration of relevant non-economic (i.e., ESG) factors. This may result in a decision to abstain from voting when such decision is in the best interests of the Firm's clients. When voting on ESG matters, to the extent a PM or Deal Team instruct a proxy recipient to vote "against" a shareholder proposal, the Firm will maintain documentation reflecting the determination that economic or other factors outweigh ESG-specific considerations.

Manager 5 did not provide any voting examples and there was no voting activity over the period.

Where Manager 5-managed funds have control or significant influence, Manager 5 states that it has a robust engagement program. Manager 5 leverages ESG information gathered during the due diligence process to begin to identify and address ESG risks and opportunities through its engagement with portfolio companies. ESG engagements are initiated through an onboarding call with company management to introduce them to Manager 5's ESG Program. Thereafter, Manager 5's ESG team will generally travel to each company for a site visit and in-person meetings with the management team. Throughout Manager 5's' ownership, Manager 5 provides portfolio companies with resources to help improve their internal ESG initiatives and corporate citizenship strategies and to assist companies with the submission of an annual ESG narrative and data report questionnaire to Manager 5.

A hallmark of Manager 5's ESG engagement is its commitment to regular interaction with, and support of, portfolio companies on ESG issues. This is evidenced by its numerous touchpoints with companies, including quarterly webinars, regular newsletters and emails, convening portfolio company conferences, conducting on-site company visits, and providing assistance with procurement and connections to external counsel and consultants. Where applicable, Manager 5 also seeks to assist portfolio companies on an individual basis in identifying ESG opportunities.

For example, before investing in any under-construction project in India, Manager 5 uses third-party consultants to conduct environmental site assessments of the site location under development. These assessments evaluate and identify the environmental conditions of the properties in which construction begins. The environmental assessments consider waste management, soil conditions, water supply and wastewater, emissions, and climate risk as well as existing engineering and institutional controls and past corrective environmental actions.

Manager 6

Manager 6 does not acquire securities that require it to vote proxies on behalf of its account clients. In the event that Manager 6 does hold securities that require it to vote proxies on behalf of clients, the Chief Compliance Officer shall be notified. In such case, Manager 6 will vote proxies in a manner that serves the best interests of the Client Funds without regard to the interests of Manager 6 or related parties, and in accordance with Manager 6's fiduciary duty. The Chief Compliance Officer may consult with investment professionals directly involved with the deal or company in order to determine Manager 6's decision on the matter.

Manager 6 did not provide information on its engagement policy or any evidence of engagement activity.

Manager 7

As of the time of writing, Manager 7 has not provided any evidence of its engagement activity over the year. It has, however, provided its Responsible Investment policy.

Manager 7 engages with external consultants to undertake more detailed and focussed due diligence before a decision to invest is taken by the Investment Committee ("IC") for any investments where material ESG risks are identified.

Manager 7 is committed to developing and promoting strong ESG principles across all portfolio investments. Manager 7 aims to make credible and tangible ESG improvements at each investment over the course of the Funds' ownership. It aims to ensure that all businesses embrace ESG factors and make them core tenets of their culture during the Funds' ownership period. Manager 7 is a signatory to the United Nations Principles for Responsible Investment[1] ("UNPRI" or "PRI") and participates in its annual Transparency Report, which looks at the progress firms make in their previous calendar year.

Manager 8

[1] United Nations Principles for Responsible Investment ("UNPRI") is an international organisation that works to promote the incorporation of ESG factors into investment decision-making.

Manager 8 noted that voting activity is not relevant to the Fund invested in by the Plan.

Manager 8 holds a majority stake in all its portfolio companies, and often takes seats at the board when it becomes a majority owner. Manager 8's engagements are directly linked to four of the Sustainable Development Goals ("SDG"s) which include: gender equality; decent work and economic growth; climate action; and peace, justice, and strong institutions.

Manager 8's engagement process includes engaging with the Board, usually the Chair of the Board who is responsible for overseeing ESG implementation in each portfolio company. Manager 8 also engages with senior leadership in each portfolio company, who are responsible for implementing Manager 8's ESG processes. Manager 8 engages with them through frequent meetings and emails. Manager 8 has also escalated its engagement with portfolio companies on ESG over time as it has ramped up its resources.

Since 2012, Manager 8 has engaged with portfolio companies on their firm strategies and purpose. The objective is to ensure each portfolio company has good governance and creates an ESG strategy. Manager 8's onboarding process is the cornerstone of its engagement strategy with portfolio companies - it resides on three pillars: the Governance framework, the ESG Strategy framework, and the climate framework. The chairman in each portfolio company board oversees the work. Manager 8 worked with EY to conduct the research used to create each Portfolio company's ESG strategy. After the engagements, each portfolio company creates its own ESG Strategy and implements Manager 8's governance processes within the first year of Manager 8's holding period.

Manager 9

Manager 9 is a private equity manager, managing closed ended funds which primarily invest in U.S. based private companies. Securities are held in the name of the fund, rather than in the name of its limited partners. Shareholder resolution votes are unusual for these companies. Manager 9 does have a proxy voting policy for use in the event a shareholder resolution is presented for a vote and falls within this policy; this proxy voting policy has not been provided.

Manager 9 is committed to ensuring ESG related risks and opportunities are discussed and analysed in the investment decision making process. Manager 9 has a multi-step and in-depth investment decision process. If any ESG issues are identified during the course of Manager 9's diligence work, these would be raised, further analysed, and discussed in addition to engaging third-party consultants to conduct ESG assessments for potential investments. Once identified, any potential material ESG risks may impact Manager 9's investment decision.

An example of the engagements conducted by Manager 9 is with Pacur, an existing Manager 9 portfolio company, who is the leading provider of medical-grade thermoplastic polyester sheet used principally in medical device packaging. Sustainability has been a focus for Pacur for many years, and all of the Company's core products are recyclable, enabling Pacur to reuse nearly 100% of waste generated. Since Manager 9's investment, Pacur's new product development team has been supported by Manager 9's in-house operating experts. All whom sit on the Board of Pacur and draw on extensive prior experience executing on sustainability initiatives in packaging, materials, and chemicals. As a result of this support, Pacur has commercialised multiple new "green" products that are both FDA (U.S. Food and Drug Administration) and RIC (Resin Identification Code) 1 compliant. They are also cost-competitive which helps customers achieve their sustainable packaging goals. For example, Johnson & Johnson's Earthwards program aims to achieve 100% recyclable plastic packaging by 2025.

Manager 10

Manager 10 did not provide an engagement policy, however did provide examples of where the firm has engaged.

Manager 10 engaged a Diversity, Equity and Inclusion (DE&I) consultant to help the management team map out and implement an action plan for improving a Firm's diversity and inclusion initiatives. Manager 10 partnered with Sponsors for Education Opportunity ("SEO") to provide internship opportunities to underrepresented communities. Manager 10 found that employee development is a primary source of retaining diverse talent over time. As a result, Manager 10 believes its training, development and mentorship efforts are critical for building a pipeline of diverse future managers and has invested significantly into the necessary learning infrastructure. A highly engaged workforce has been linked to lower costs, increased profits and a safer work environment. The firm's activities and policies are geared towards achieving balanced metrics on representation in the workforce and management.

Manager 11

Manager 11's primary corporate engagement themes include carbon footprint, SASB[2] ("Sustainability Accounting Standards Board") materiality assessment, and policy implementation. Manager 11 is actively involved with all of its portfolio companies.

During 2022, Manager 11 started collecting carbon footprint data for all the companies in one of its portfolios. Manager 11 believes it is important to measure and understand Manager 11's financed emissions. The engagement was led by Manager 11's ESG team and during 2022 engaged with all the portfolio companies. The engagement was also part of a collaborative engagement with Apex. Manager 11 engaged with C-Suite level executives across the portfolio companies which received good response and which Manager 11 regularly communicate with. Manager 11 is still in the process of collecting data and is building a decarbonization playbook for future use.

Manager 12

Manager 12 has a voting policy which it uses as a starting point and then speaks to its investment team on how to vote on any particular issue to override policy for that matter; this voting policy was not provided. Manager 12 does not use a service provider to cast its votes and tries to vote on each matter as it arises.

Manager 12 has holdings in six companies, including three where it holds control or a majority position. The holdings are in a range of industries ranging from consumer, media & entertainment, telecom infrastructure, pharmaceuticals, manufacturing and restaurant/dining. As the nature of the resolutions and ESG levels of engagement areas vary, it does not wish to comment on individual votes but provided a general approach it follows.

Manager 12 has voiced its dissent at Board Meetings and at Senior Company meetings, but if it is in the minority then it believes its vote merely gets recorded in the minutes. However, when in the majority, Manager 12 states it has been able to positively impact and shape decisions pertaining to the investment at the economic, operations and at the ESG and Human Resource ("HR") level. Where Manager 12 has control positions, it has more power to shape the course of ESG implementations and other initiatives.

Manager 12 did not provide an engagement policy, however it did provide examples of where the firm has engaged.

Since 2021, Manager 12 has engaged with Rolex Rings, based in India, on energy conservation and community social outreach. Since the company led engagement, the Company provides employment to 1,815 permanent employees and 654 contract workers. The company captures unused scrap metal from its metal forging and processes it for reuse minimising waste. Rolex Rings also uses wind turbines and solar roof top systems for energy, reducing reliance on fossil fuel-based electricity.

Manager 13

Manager 13 will generally seek to vote proxies in a way that maximises the value of clients' assets. The resolutions for proxy votes were in normal course and none were deemed material/significant.

To ensure that ESG is a priority for boards and management, Manager 13 requires companies in which it has control to implement a variety of ESG-related policies and procedures. In cases where Manager 13 is not a control investor or where portfolio companies do not control the operations of the assets that

[2] Sustainability Accounting Standards Board is an independent non-profit, whose mission is to develop sustainability accounting standards that help public corporations disclose material to investors.

it owns, Manager 13 works as a strong ESG advocate and attempts to convince all stakeholders of the need to focus on ESG when pursuing value creation and risk mitigation.

Since 2020, Manager 13 has supported Accelerate, a technology and data-driven energy company that specializes in the pursuit of minerals, to commit to reducing its carbon footprint and who hopes to become the first E&P (Exploration & Production) company to achieve net-zero emissions. Manager 13 selected this case study because it is consistent with Manager 13's ESG Policy, where it encourages management to consider ESG-related topics which are most relevant to the company's business. The engagement has been led by Manager 13's energy deal team, who oversee this portfolio company investment.

Manager 13 ensures that ESG factors are discussed at each quarterly board meeting in which it holds a board seat. Manager 13 is working with its energy portfolio to increase tracking of CO2 and related greenhouse gas emissions in order to more fully account for the carbon impact of their energy portfolio's operations. Manager 13 has been encouraging management to consider which ESG-related topics are most relevant to their business and ensure that management covers those ESG-related issues in their board materials.

The portfolio company now actively tracks emissions data, both for operators in its existing portfolio and for potential new deals, allowing management to rank and avoid high-emission operators. Accelerate will receive a "Climate Conscious Label" by South Pole, a firm that develops and implements decarbonization programs.

Manager 13 continues to support this initiative and similar initiatives at other energy portfolio companies.

Non-Responders

As at the time of writing, eight of the Plan's private equity managers have not provided a response to a request for evidence of their stewardship activities over the year.

Engagement activity – Fixed income funds

Whilst voting rights are not applicable to non-equity mandates, the Trustee recognises that debt investors have significant capacity for engagement with issuers of debt. Debt financing is continuous, and so debt issuers have a vested interest to make sure that investors are happy with the issuer's strategic direction and policies. Whilst upside potential may be limited in comparison to equities, downside risk mitigation and credit quality are critical parts of the investment decision-making process.

The following examples demonstrate some of the engagement activity carried out by the Plan's fixed income managers over the year.

Manager 14	Multi-Asset Credit
Manager 15	Multi-Asset Credit
Manager 16	Fixed Interest (Long) Bonds
Manager 17	Fixed Interest (Long) Bonds
Manager 18	Fixed Interest (Long) Bonds

Manager 14

Engagement

Engagement with management allows Manager 14's research analysts to obtain additional perspectives around ESG concerns that are inadequately addressed by existing policies and disclosures. In some cases, particularly with privately held issuers, Manager 14's research analysts serve to increase awareness of the importance of ESG considerations through their conversations with management.

Manager 14's engagement process is aligned with the principles of the United Nations Global Compact[3] ("UNGC"). The UNGC principles are widely accepted corporate sustainability principles that meet fundamental responsibilities in the areas of anti-corruption, human rights, labour and the environment.

Engagement example

In 2021, Manager 14 engaged with Volkswagen AG regarding its risk management. The objective of the engagement was for Manager 14 to discuss product safety and security, understand Volkswagen's standards and controls for maintaining these (including cybersecurity), as well as encourage best practices around quality control and accident prevention.

Manager 14 met with Volkswagen's Investor Relations team to analyse risk. The objective of the meeting was to gain greater understanding of the issuer's cybersecurity, governance, and due diligence processes. Volkswagen mentioned it runs annual in-house training for employees on these topics, complemented with monthly communications from the security operations department.

Manager 15

Engagement

With respect to ESG matters, Manager 15 defines engagement as a communication with a portfolio company or issuer in which it expresses its views on the ways ESG-related issues could affect the company's ability to generate long-term value. Manager 15 engages with companies on ESG issues on an ad hoc basis where it deems it to be financially material and relevant to their investment thesis. When Manager 15 chooses to engage, a company's response is incorporated into the investment decision-making and monitoring.

A key consideration in Manager 15's investment process is whether or not a company is being managed for the long-term benefit of its shareholders. Governance factors such as capital allocation, makeup and quality of the board and management, and strategic decisions are often considered when evaluating companies. Manager 15 may engage with the management of a company when it believes their decisions are not aligned with the best interests of long-term shareholders.

Engagement example (firm level)

In 2016, corporate culture, risk, and governance oversight issues surfaced at Wells Fargo, a multinational financial services company based in the United States. As a result of these issues, the Federal Reserve Bank imposed an asset cap on the company that prevents it from growing its balance sheet above a certain size.

Manager 15 has had open dialogue with management and directors of Wells Fargo for many years.

When allegations of the company's fraudulent sales practices became known in 2016, members of the Manager 15 investment team immediately engaged management and the Board of the company to understand what happened and how the company planned to remedy the issues that were identified. Since that time, Manager 15 has continued these conversations with Wells Fargo, communicating expectations, concerns, and recommendations where it sees fit. Manager 15 has also continued to engage with the company on the Federal Reserve asset cap to better understand management's plan to continue to address and comply with the Federal Reserve's requests. Manager 15 intends to continue these conversations and incorporate findings into their assessment of the company. Since 2016, a majority of the Board has been replaced, and a new CEO was named in 2019. Additionally, employee morale and turnover seem to have stabilized. This engagement is ongoing.

Manager 16

Engagement

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[3] United Nations Global Compact is a strategic initiative that supports global companies that are committed to responsible business practices in the areas of human rights, labour, the environment, and corruption.

Manager 16 engages directly with companies and collaboratively through its membership of industry bodies, on both company-specific issues and broader thematic engagements. Over 2021, these included its climate engagement programme and its diversity and inclusion programme, as well as thematic engagements on modern slavery in supply chains and thermal coal.

Engagement example (firm level)

Over 2021, Manager 16 engaged with pharmaceutical company, Cheplapharm, on its governance, board composition and fair pricing. Manager 16's aim was to encourage the company to introduce a supervisory board to ensure there was sufficient challenge to management in its decision-making processes. Manager 16 also wanted to ensure that appropriate measures were in place to manage the risks surrounding the pricing of medicines. Manager 16 met with Cheplapharm to discuss its ESG strategy, to encourage improved practices in relation to governance, and to ensure it was comfortable with the fair and ethical practices in relation to pricing. Manager 16 believed the engagement went positively with a commitment by the company to bolster its board and to look into publishing its pricing policy and as a result has closed this engagement.

Manager 17

Engagement

Manager 17 proactively engages on industry and regulatory issues that have implications for its clients and the wider market. Manager 17's credit analysts regularly meet with issuers to discuss ESG-related issues. Manager 17's engagements inform its credit analysts' views of companies and provide a platform for increased transparency on ESG issues and ongoing engagement to change company behaviour, where appropriate.

The credit analysts identify the engagement issues relevant for each issuer. If Manager 17does not already have regular meetings with a company's management, its investment teams will request a meeting with them. Where this is not possible, or if Manager 17 deems additional action to be needed, Manager 17 may consider raising issues with the company's broker. If Manager 17 does not receive a response from the issuer when it engages with it then Manager 17 will lead a wider collaborative initiative, via the PRI or with other investors, to achieve greater influence over the issuer. It is involved in long-term initiatives such as Climate Action 100+ (CA100+).[4]

Engagement example (firm level)

In Q3 2021, Manager 17 engaged with TfL ("Transport for London"), the UK government body responsible for most of the transport network in London, to discuss their overall carbon transition plans and ESG strategy. TfL has the largest bus fleet in the World and is targeting a fully electric fleet by 2037. Manager 17 asked the reason for the long transition period as it would prefer a more aggressive timeline. TfL stated that the rationale behind the timeline was based on costs: it will cost TfL £1 billion to scrap the bus fleet earlier than 2037 with the existing bus fleets locked 7 years into 14-year private lease contracts. TfL also pointed out it is already trialling hybrid buses and electric buses.

Manager 17 stated that the engagement confirmed that TfL is making convincing strides to transition to a lower carbon footprint. Overall Manager 17 was encouraged with the transition plans and the governance framework to ensure they are met.

Manager 18

Engagement

Manager 18's credit analysts work with its Investment Stewardship team for joint engagement meetings with companies. Also, Manager 18's Global Fixed Income ESG team work with the Investment Stewardship team to communicate ESG related topics to fixed income investors, and attend or host engagement meetings. Manager 18 also explores how factors such as climate change, the fair

[4] Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

treatment of workers, and racial and gender equality, among others, are increasingly relevant to a company's business operations

At the time of writing, Manager 18 did not provide a fund-level engagement example for fixed income funds. The Trustee's investment adviser, Aon, has raised this issue with Manager 18 previously and will continue to raise it in the future.

Engagement example (firm level)

Manager 18 engaged with science-focussed manufacturing and research company, Oxford Instruments, on the lack of diversity on its board ahead of the company's AGM in September 2021. The company had yet to reach the Hampton-Alexander target to have 33% representation of women and missed the 2020 target timeframe. Manager 18 considers having diverse and experienced board directors to be critical to the success of a company and long-term value creation.

Since the engagement, Oxford Instruments has appointed an additional female board member and stated that it intends to reach the target by its 2022 AGM. Oxford Instruments has also expressed its intention to work with consultants and search firms who have signed the Voluntary Code of Conduct for Executive Search Firms on gender diversity order to improve its recruitment of diverse executives and directors. Manager 18 will continue monitor the progress of the investee company as the company identifies and integrates new leadership in the months ahead.

Engagement activity – Real estate

The Trustee acknowledges that the ability of property managers to engage with and influence investee companies may be less compared to equity managers. However, it is encouraging to see from the information they provided for the EPIS that the managers are aware and active in their role as stewards of capital.

The following section demonstrates some of the engagement activity being carried out by the Plan's property managers over the year.

Manager 19

Engagement

Manager 19 has aligned its approach to Responsible Investment with the SDGs and prioritised key SDGs; all engagement activities consider these and look to be aligned to them. As a part of the engagements Manager 19 has with all investee organisations, Manager 19 requests information on their strategy and approach to managing climate risks. If required, Manager 19 will further engage with these organisations if it is understood that they are not performing as well as others. When reviewing, Manager 19 looks for companies that have an effective process in place for the identification, management and mitigation of climate risk throughout their business operations.

Engagement example

Manager 19 recognises that there is a responsibility to stakeholders, wider society and the environment to address the challenges and opportunities presented by climate change. Manager 19 has now set a net-zero by 2040 target for all assets under direct management. Manager 19's Responsible Property Investment policy is aligned to the UN Policy on Climate Change, and references for example, the UN Sustainable Development Goal on climate action.

As a part of this commitment, Manager 19 has engaged with the clients of all funds, since 2021, for which this target covers. This engagement ensures that these clients are aligned with Manager 19's ambitions and look to align their own business with these targets. The engagement has been led by Manager 19's indirect fund management team and supported by outsourced sustainability consultancies.

In 2020, Manager 19 began the process of committing to net-zero by understanding its baseline emissions, engaging with key stakeholders and developing a pathway. In 2021 this was finalised. During this process, Manager 19 engaged with clients to ensure that they were on board with these targets, were happy for their portfolios to commit to this and answer any queries. Each quarter Manager 19 reports progress against these targets to the client to ensure complete transparency.

Manager 19 will continue to disclose its annual performance and progress to net-zero. As a signatory of the Better Building Partnership ("BBP") Climate Commitment[5], Manager 19 will also continue to work with peers to develop and share best practice.

Manager 20

Engagement

As a real estate investment manager, Manager 20 engages with the buildings it invests in on behalf of clients, rather than companies. Manager 20 seeks to enhance the fund and asset performance of clients' real estate portfolios through active ESG management.

Engagement example

Since 2020, Manager 20 started engagements to understand the potential physical and transition risks of two climate risk scenarios on its assets under management. Manager 20 considered this a significant engagement as it is in line with the UK declaration of a climate emergency and an emerging understanding of the financial risks that climate change poses for property investment. Manager 20 mapped its clients' portfolios against the long-term risks and opportunities from climate change, this aligns principally to SDG 13, Climate Action. The engagement was led by Manager 20's RI committee and supported by JLL Upstream Sustainability Services[6]. The IC considers climate-related risks on all capital expenditure proposals taking into account the risks highlighted by Manager 20's 2020 scenario analysis. As a result of the engagements, Manager 20 has reviewed all assets under management for renewable energy installation opportunities and is currently in the process of updating its risk management frameworks, acquisition checklist, development and refurbishment standards, and green lease clauses.

Manager 21

Manager 21 did not provide a response directly in relation to its private rented sector fund; the following engagement policy relates to the engagement activity completed by Manager 21 at a firm level.

Manager 21 has a six-step approach to its investment stewardship engagement activities, broadly these are:

1. Identify the most material ESG issues
2. Formulate the engagement strategy
3. Enhancing the power of engagement
4. Public Policy and collaborative engagement
5. Voting
6. Reporting to stakeholders on activity

The manager takes an active role in stewardship and considers it is its duty to be accountable for its clients' assets and ensure it upholds the highest corporate governance standards and identifies ESG risks and opportunities. It monitors a number of areas and conducts engagements on various issues.

[5] The Better Buildings Partnership Climate Commitment acknowledges the transformation that is required across the real estate sector to deliver net zero buildings by 2050.
[6] JLL Upstream Sustainability Services: Jones Lang LaSalle Incorporate is a global commercial real estate services company whose upstream sustainability services supports net zero carbon, energy efficiency, social impact and natural capital ambitions of JLL's clients.

Manager 21's top five engagement topics/ESG issues are climate change, remuneration, diversity, board composition and strategy.

All decisions are made by Manager 21's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually.

Manager 21's engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all their clients.

Engagement example (firm-level)

Manager 21 engaged with investee companies in 2021 on the theme of antimicrobial resistance. Antimicrobial resistance is when bacteria, viruses, fungi and parasites change over time and no longer respond to medicines. This makes infections harder to treat and increases the risk of disease. Manager 21 states that the overuse and inappropriate use of antimicrobial agents (like antibiotics) in human activities is linked to them getting into the ecosystem. In particular, water sanitation and management systems are not designed to address antimicrobial resistance.

Manager 21 wrote to 20 water utility companies to find out if they were aware of this issue and if they plan to introduce monitoring systems to detect antimicrobial agents. Manager 21 had meetings with some of the companies and found that awareness of antimicrobial resistance was low. Following these engagements, Manager 21 found several investee companies were starting to think about the risks of antimicrobial resistance. One utility company started a programme understand what improvements could be made to their waste treatment systems.

Manager 21 believes it is also important to promote a standardised approach to antimicrobial resistance by influencing the regulatory landscape. To do this, Manager 21 is working with its peers in the collaborative initiative, Investor Action on Antimicrobial Resistance.

Appendix

Voting Statistics for the year ending 31 March 2022

	Number of resolutions eligible to vote on over the period	% of resolutions voted on for which the fund was eligible	Of the resolutions on which the fund voted, % that were voted against management	Of the resolutions on which the fund voted, % that were abstained from
Manager 1	475	100%	4%	0.2%
Manager 2	375	100%	1.3%	0.5%
Manager 3	6,806	95.3%	8.5%	0.6%
Manager 4	332	100%	6%	0%

Source: Managers