

# **Home Group Pension & Life Assurance Scheme – DC Section (“the Scheme”)**

## **Annual Implementation Statement – 31st March 2023**

### **1. Introduction**

This Statement, prepared by the Trustees of the Home Group Pension & Life Assurance Scheme – DC Section (“the Scheme”), sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) has been followed during the year to 31st March 2023 (“the Scheme year”). The statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by The Pensions Regulator.

The Scheme has both a Final Salary Section (“FSS”) and a Defined Contribution Section (“DCS”). This Statement covers the DCS only; a separate Statement has been prepared for the FSS.

### **2. Statement of Investment Principles (SIP)**

#### **2.1. Investment objectives of the Scheme**

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme included in the SIP are as follows:

The Trustees recognise that members have differing investment needs and that these may change during the course of members’ working life. The Trustees also recognise that members have different attitudes to risk. The Trustees believe that members should make their own investment decisions based on their individual circumstances, but that they should be encouraged to seek independent financial advice before doing so.

The following encapsulates the Trustees’ objectives:

- To offer members a choice of investment opportunities, both Lifestyle and Self Select, with the aim of meeting their differing investment needs, desired choice of retirement benefits (i.e. income drawdown, annuity or cash) and attitude to risk.
- To offer a default investment option for members who do not want to make an investment choice.
- To offer investment funds with reasonable annual management charges.
- To provide members with general information as to the purpose of each option and signpost where to obtain additional information/guidance as appropriate.

## 2.2. Review of the SIP

The Trustees reviewed and amended the Scheme's SIP during the Scheme year to incorporate the changes to the DCS investment strategy that were implemented in March 2022. The SIP in force during the year to 31<sup>st</sup> March 2023 was approved and adopted at the Trustees' meeting on 14th December 2022.

The current SIP is publicly available and can be accessed by the below link:

<https://www.homegroup.org.uk/about-us/working-with-us/careers/benefits-and-rewards/home-group-pension-and-life-assurance-scheme>

## 2.3. Investment strategy review

The latest formal triennial investment strategy review was conducted across 2020 and 2021. The default investment option, lifestyle strategies and the self-select fund range (fund type, management style and asset allocations) were reviewed as part of this exercise and, as a result of this review, the Trustees made changes to the Scheme's investments, which were implemented in March 2022.

The Trustees regularly monitor the performance and suitability of the investment options made available to members with the help of their Investment Consultant, Mercer Limited. The Trustees commenced an in-depth review of the BlackRock Market Advantage Fund in Q1 2023 but required further information to be able to formally agree to any changes. It was agreed that a follow-up discussion would take place at the Q2 2023 Trustees' meeting, and that any agreed changes would be implemented in Q1 2024.

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

The information provided in the following section highlights the work undertaken by the Trustees during the Scheme year to 31st March 2023, and sets out how this work followed the Trustees' policies in the SIP relating to the DCS. The SIP is attached as an Appendix and sets out the policies referenced below.

**In summary, it is the Trustees' view that the policies in the SIP have been followed during the Scheme year to 31st March 2023.**

**Signed on behalf of the Trustees of the Home Group Pension and Life Assurance Scheme by:**

**Bhavna Kumar, Align Pensions Limited  
Chair of Trustees**

**Date: 9<sup>th</sup> October 2023**

 **Strategic Asset Allocation**

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31st March 2023
<p><b>1 Kind of investments to be held and the balance between different kinds of investments</b></p>	<p>The range of investment options available includes a default lifestyle option and two additional lifestyle options which are likely to be more suitable for members targeting a cash lump sum or purchase of an annuity at retirement.</p> <p>The range of funds includes equities, diversified growth funds, money market investments, index-linked gilts, corporate bonds and pre-retirement funds. It is the Trustees' policy to offer both active and passive management options to members where appropriate, depending on asset class. Members can choose fund(s), and the balance between different kinds of investments, which they deem appropriate to their needs.</p>	<p>The SIP was updated during the Scheme year to reflect the investment strategy changes implemented in March 2022, following the triennial investment strategy review which took place over 2020 and 2021. The updated SIP was formally adopted by the Trustees in December 2022.</p> <p>During the Scheme year, the Trustees commenced an in-depth review of the BlackRock Market Advantage Fund in Q1 2023 but required further information to be able to formally agree to any changes. It was agreed that a follow-up discussion would take place in Q2 2023 and that any agreed changes would be implemented in Q1 2024.</p> <p>The Trustees continue to hold investments within the Scheme that are consistent with the policies in the SIP.</p>
<p><b>2 Risks, including the ways in which risks are to be measured and managed</b></p>	<p>The Trustees consider risks from a number of perspectives. The list of risks, shown in section 5.1 of the SIP, covers the main risks that the Trustees consider and how they are managed.</p>	<p>The Trustees considered both quantitative and qualitative measures for risks when deciding investment policies, strategic asset allocation, and the choice of investment manager / funds / asset classes. The list of different risks that members are exposed to, including how they are measured and managed, is set out in section 5.1 of the SIP. The Scheme also 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.</p> <p>During the year, the Trustees considered the majority of these risks by regularly monitoring performance delivered by the investment arrangements through quarterly performance reporting. A more strategic assessment of these risks formed part of the review of the BlackRock Market Advantage Fund which commenced in Q1 2023.</p>
<p><b>3 Expected Return on Investments</b></p>	<p>The funds available are expected to provide an investment return relative to the level of risk associated with them. The Trustees believe that the range of funds offered should provide a range of potential returns that are suitable for the membership as a whole.</p>	<p>Investment performance relative to the expected return on investments (as measured by agreed benchmarks) was reviewed by the Trustees on a quarterly basis. These reports also included Manager Research Ratings (overall and ESG ratings) from the Investment Consultant.</p>



## Investment Mandates

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31st March 2023
<p><b>4 Securing compliance with the legal requirements about choosing investments</b></p>	<p>In considering the appropriate investments for the Scheme, the Trustees have obtained and considered the written advice of Mercer Limited, whom the Trustees believe to be suitably qualified to provide such advice. The advice received and the arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).</p>	<p>The Trustees have not made any changes to the DCS's investments during the Scheme year.</p> <p>The SIP was updated during the Scheme year to reflect the investment strategy changes implemented in March 2022. The Trustees sought advice from their Investment Consultant regarding these investment changes in the previous Scheme year with Section 36 suitability advice provided in advance of the changes.</p>
<p><b>5 Realisation of Investments</b></p>	<p>All funds are daily-dealt pooled investment arrangements, with assets mainly invested on regulated markets.</p>	<p>All assets remain daily-dealt pooled investment arrangements, and therefore the assets have been realisable as required during the Scheme year.</p>
<p><b>6 Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments</b></p>	<p>The risks listed in section 5.1 of the SIP are considered by the Trustees to be 'financially material considerations'. The Trustees believe the appropriate time horizon over which to assess these considerations should be viewed at a member level. This will be dependent on the member's age and their selected retirement age. It is for this reason that the default investment option is a lifestyle arrangement.</p> <p>Non-financial matters are not taken into account when determining investment policy, and members' views are not actively sought. The Trustees would expect to review this policy if there were significant member demand. However, for the DCS, the Trustees have made a passive UK ethical fund and an Islamic global equity fund available to members as self-select options. This allows members to invest in terms of specific ethical or religious beliefs.</p>	<p>The Trustees receive a quarterly investment performance report that monitors the Investment Consultant's Manager Research Ratings (overall and ESG ratings). All managers remained generally highly rated during the year. When implementing a new manager, the Trustees consider the ESG fund rating of the manager.</p> <p>The SIP includes the Trustees' policy on ESG factors, stewardship and climate change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. In order to establish, review and enhance these beliefs and policies, the Trustees conducted an ESG Beliefs Survey in Q1 2023, the results of which were discussed after the period covered by this Statement in Q2 and Q3 2023.</p>



## Monitoring the Investment Managers

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31st March 2023
<p><b>7 Incentivising investment managers to align their investment strategies and decisions with the Trustees' policies</b></p>	<p>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class for which they are being selected.</p> <p>The Trustees look to the Investment Consultant for their forward-looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on the Investment Consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Scheme invests in. The Investment Consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustees and are used in decisions around selection, retention and realisation of manager appointments.</p> <p>If the investment objective of a particular fund changes, the Trustees will review the fund appointment to ensure it remains appropriate and consistent with the Trustees' wider investment objectives.</p> <p>The Scheme's investment mandates are reviewed following periods of sustained tracking error from their respective benchmarks. The Trustees will review the appropriateness of using active and passive managed funds (on an asset class basis) on an ad-hoc basis.</p> <p>As the Trustees invest in pooled investment vehicles, they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate funds can be selected to align with the overall investment strategy.</p>	<p>The Trustees hold quarterly meetings with their Investment Consultant to discuss the performance of the investment managers, in order to satisfy themselves that the investment managers continue to carry out their work competently and have the appropriate knowledge and experience to manage the investments of the Scheme.</p> <p>The investment managers were formally assessed as part of the triennial investment strategy review that was conducted over 2020 and 2021. In the Scheme year, the Trustees regularly discussed the continued appointment of the managers on a quarterly basis and were happy that the contractual arrangements in place continued to be suitable.</p> <p>During the Scheme year, the Trustees commenced an in-depth review of the BlackRock Market Advantage Fund in Q1 2023 but required further information to be able to formally agree to any changes. It was agreed that a follow-up discussion would take place in Q2 2023 and that any agreed changes would be implemented in Q1 2024.</p>

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31st March 2023
<p><b>8 Incentivising the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance</b></p>	<p>The Trustees expect investment managers to incorporate the consideration of longer-term factors, such as ESG factors, into their decision-making process where appropriate. Voting and engagement activity should be used by investment managers to discuss the performance of an issuer of debt or equity.</p> <p>The Trustees also consider the Investment Consultant's assessment of how each investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustees' responsible investment policy. The Trustees will use this assessment in decisions around selection, retention and realisation of manager appointments.</p>	<p>During the year, the Investment Consultant kept the Trustees abreast of any changes to the investment manager ratings (both overall and ESG ratings). All managers remained generally highly rated during the year. When implementing a new manager, the Trustees consider the ESG fund rating of the manager.</p> <p>ESG considerations formed an important element of the investment review of the BlackRock Market Advantage Fund that commenced in Q1 2023.</p> <p>The Trustees are happy that the contractual arrangements in place continue to incentivise the managers to make decisions based on medium to long-term financial and non-financial performance.</p>
<p><b>9 Evaluation of the investment manager's performance and the remuneration for asset management services</b></p>	<p>The Trustees receive investment performance reports on a quarterly basis, which present performance information over various periods. The Trustees review the absolute and relative performance against a suitable index used as the benchmark, and against the manager's stated tracking error (over the relevant time period) on a net of fees basis.</p> <p>If the manager is not meeting their investment objectives for the fund or the investment objectives have changed, the Trustees may review the fund and consider whether to terminate the mandate, along with reviewing the annual management charge levied by the manager.</p> <p>The remuneration for investment managers used by the Scheme is based on assets under management. For the DC Section, the levels of these fees are reviewed annually as part of the annual value for members' assessment to ensure they continue to represent value for members.</p>	<p>To evaluate performance in respect of the investment managers, the Trustees received and discussed investment reports from the Investment Consultant on a quarterly basis.</p> <p>As part of the annual Value for Members ("VfM") assessment, the Trustees reviewed member-borne fees, which include investment manager fees. A VfM assessment for the Scheme year was discussed by the Trustees in the period following this Statement. The Trustees concluded that, overall, the Scheme provided good value for members.</p>
<p><b>10 Monitoring portfolio turnover costs</b></p>	<p>In the DC section, portfolio turnover costs for each fund are reviewed on an annual basis as part of the annual value for members' assessment. The ability to assess the appropriateness of these costs is currently limited by the availability of data and the lack of industry-wide benchmarks.</p>	<p>The Trustees considered portfolio turnover costs in reviewing transaction cost data as part of the annual Value for Members' Assessment. These costs are disclosed as part of the Chair's Statement. However, the ability to assess the appropriateness of these costs is currently limited by the availability of data and the</p>

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31st March 2023
	<p>The Trustees will monitor industry developments in how to assess these costs and incorporate this in future value for members' assessments. Importantly, performance is reviewed net of portfolio turnover costs.</p>	<p>lack of industry-wide benchmarks. The Trustees will monitor industry developments in how to assess these costs and incorporate this in future value for members' assessments.</p> <p>The Trustees will continue to monitor transaction costs on an annual basis and developments on assessing the value obtained for these costs.</p>
<p><b>11 The duration of the arrangement with the investment manager</b></p>	<p>The Trustees are long-term investors and are not looking to change the investment arrangements on a frequent basis.</p> <p>The funds invested in are open-ended funds and therefore there is no set duration for the manager appointments. In the DCS, the available fund range and default investment option are reviewed on at least a triennial basis. The Trustees may cease using a particular fund if it is no longer considered to be optimal, or to have a place in the default strategy or general fund range.</p>	<p>The default investment option, alternative lifestyle strategies and self-select fund range are reviewed on at least a triennial basis. The Trustees will cease using a fund if it is no longer considered to be optimal nor have a place in the Scheme's investment strategy.</p> <p>During the Scheme year, the Trustees commenced an in-depth review of the BlackRock Market Advantage Fund in Q1 2023 but required further information to be able to formally agree to any changes. It was agreed that a follow-up discussion would take place in Q2 2023 and that any agreed changes would be implemented in Q1 2024.</p> <p>No changes were made to the investment strategy over the Scheme year.</p> <p>The Trustees are a long-term investor; all funds are open-ended and therefore there is no set duration for manager appointments.</p>



## ESG Stewardship and Climate Change

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31st March 2023
<p><b>12 Undertaking engagement activities in respect of the investments</b> (including the methods by which, and the circumstances under which, the trustees would monitor and engage with relevant persons about relevant matters)</p>	<p>As part of the Trustees' ongoing review of their investment managers, they will review how ESG, climate change and stewardship are integrated within the investment managers' investment processes and in the monitoring process. The managers are expected to provide reporting on a regular basis, at least annually, on their ESG integration progress, stewardship monitoring results, and climate-related metrics. The Trustees will consider the ESG policies of any potential new manager as part of any selection process.</p>	<p>Investment managers are expected to provide reporting on a regular basis, at least annually, including stewardship information. These are reviewed by the Trustees annually.</p> <p>Apart from those exercised by the Scheme's investment managers, no additional engagement activities were undertaken in the Scheme year. The Trustees have requested key voting activities from the investment managers during the Scheme year. The information received is summarised in the voting section that follows.</p> <p>During the year, the Investment Consultant kept the Trustees abreast of any changes to the investment manager ratings (both overall and ESG ratings). All managers remained generally highly rated during the year. When implementing a new manager, the Trustees consider the ESG fund rating of the manager.</p> <p>ESG considerations formed an important element of the investment review of the BlackRock Market Advantage Fund that commenced in Q1 2023.</p>





## Voting Disclosures

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31st March 2023
<p><b>13 The exercise of the rights (including voting rights) attaching to the investments</b></p>	<p>The Trustees have given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Scheme's investments. These investment managers are expected to evaluate ESG factors, including climate change considerations, and 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.</p>	<p>The Trustees expect the investment managers to engage with the investee companies on their behalf. Over the Scheme year, the Scheme had equity exposure through the following funds:</p> <ul style="list-style-type: none"> <li>• Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker</li> <li>• Aviva Pension MyM Home Group Sustainable Equity (underlying fund is the BlackRock ACS World ESG Global Equity Tracker)</li> <li>• Aviva Pension MyM BlackRock Market Advantage</li> <li>• Aviva Pension MyM BlackRock Consensus</li> <li>• Aviva Pension MyM HSBC Islamic Global Equity Index</li> <li>• Aviva Pension MyM Legal &amp; General (PMC) Ethical UK Equity Index</li> </ul> <p>More information and voting activity for the above funds (where available) is summarised in the next section.</p>

### 3. Engagement and Voting Activity by the Scheme's Investment Managers

#### Establishing beliefs and policies

Section 8 of the SIP sets out the Trustees' policy on ESG factors, stewardship and climate change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship.

The Trustees have delegated their voting rights to the investment managers. The SIP states *"The Trustees have given the investment managers full discretion when evaluating ESG factors and in exercising rights and stewardship obligations attached to the Scheme's investments. These investment managers are expected to evaluate ESG factors, including climate change considerations, and 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."*

There were no material changes to the beliefs or the policies during the Scheme year covered by this Statement. It is the Trustees' view that the policy has been followed during the Scheme year.

Over the prior 12 months to 31st March 2023, the Trustees have not actively challenged the investment managers on their voting activity. The Trustees do not use the direct services of a proxy voter. The underlying managers' use of proxy voting is detailed later in this Statement.

Following the DWP's consultation response and outcome regarding Implementation Statements on 17th June 2022, updated guidance was produced which is effective for all scheme year-ends on or after 1st October 2022. The updated guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as most significant, what the vote was, and why the manager voted in the way it did.

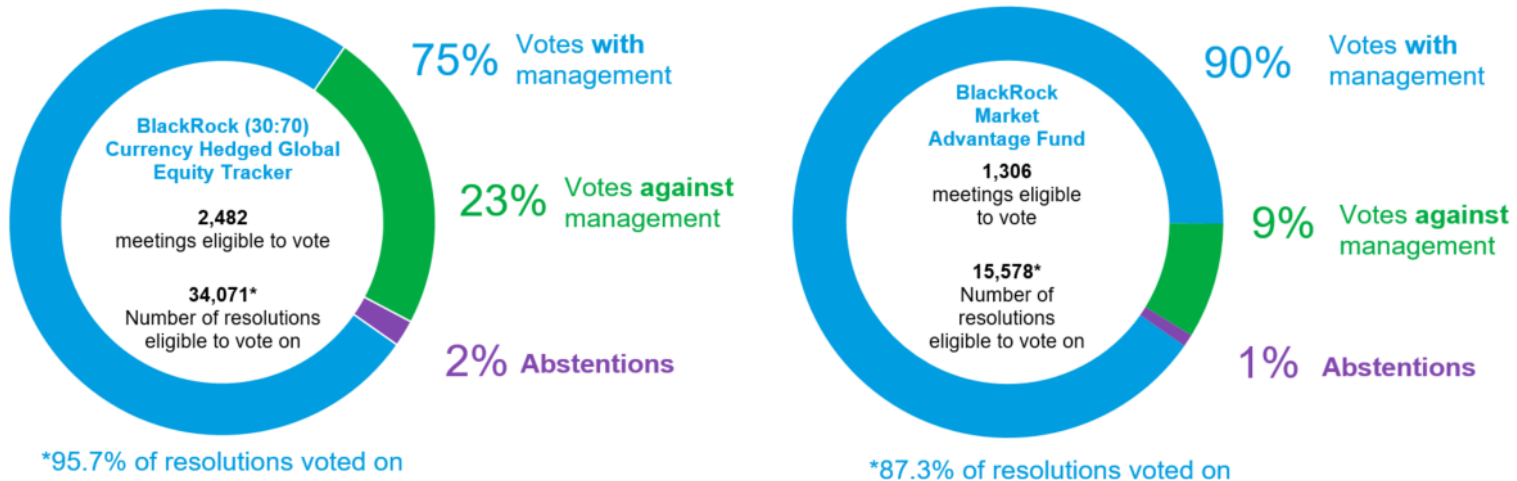
The Trustees agreed to focus on the areas set out in the "Most Significant Votes" section later in this Statement for the Scheme. The Trustees have selected these areas as they believe them to be the most financially material in terms of both risk and opportunity and/or carry most reputational risk and, as a result, areas of focus that are in members' best interests.

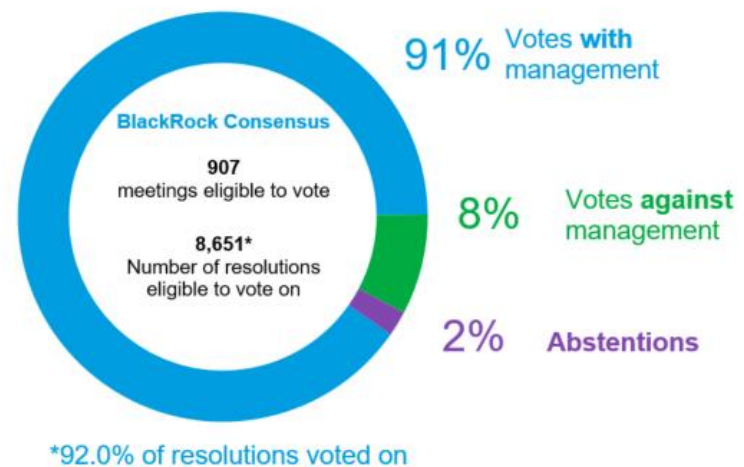
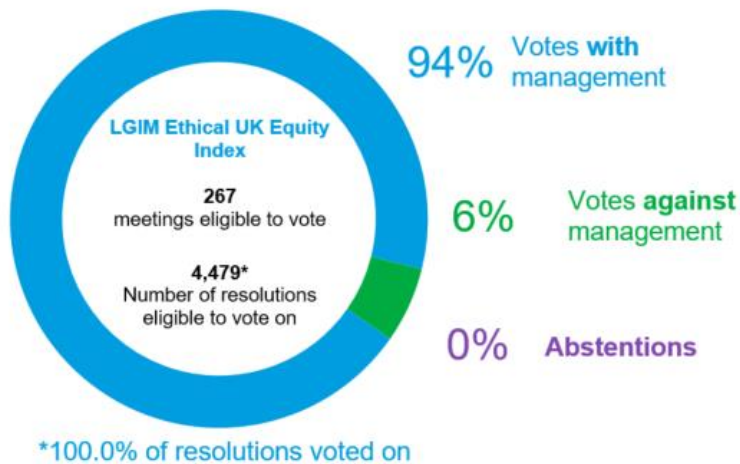
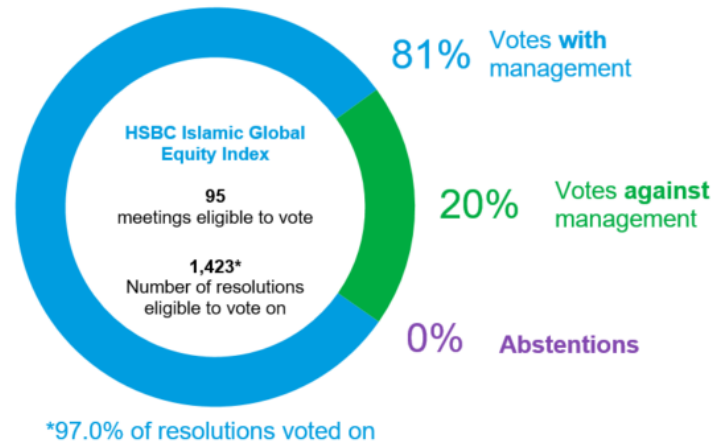
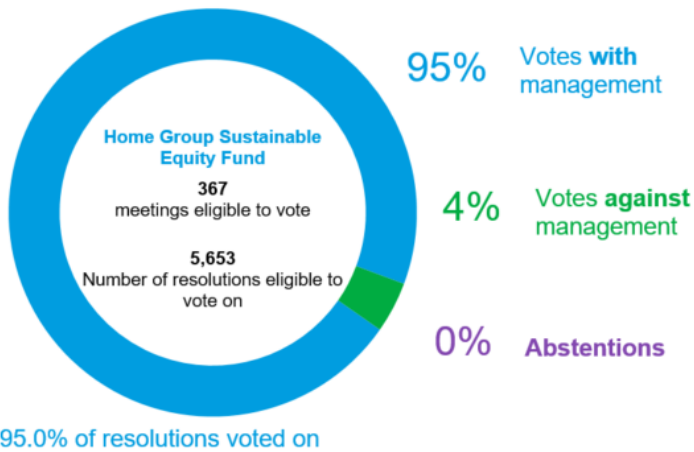
For reference, the suggestion is to give more focus to fewer topics with appropriate strength, than to too many topics, which may lead to low impact in the end. All topics selected by the Trustees are closely linked to UN Sustainable Development Goals ("SDGs").

## Voting activity during the year

Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 31st March 2023 is summarised below. Where fund managers have not been included, this is due to not being able to supply voting information at the time of finalising this report.

Note that the BlackRock (30:70) Currency Hedged Global Equity Tracker, the Home Group Sustainable Equity and the BlackRock Market Advantage Funds are used in the default investment option.





Source: Investment managers. Figures may not sum to 100% due to rounding.



## Most significant votes

The Scheme's investment managers have provided detailed voting information across the funds previously noted as containing equity. The Trustees have considered this information and disclosed the votes that they deem to be most significant. A "significant vote" is defined as one that is linked to the Scheme's stewardship priorities/themes, as set out below:

ESG	Priority	Description
Environment	Climate Change	Low-carbon transition and physical damages resilience.
Environment	Pollution, natural resource degradation and energy efficiency	Air, water and land (forests, soils and biodiversity).
Social	Human rights	Modern slavery, pay and safety in workforce and supply chains, and abuses in conflict zones.
Governance	Diversity, Equity and Inclusion (DEI)	Inclusive and diverse decision making.

The votes included below are those that the Trustees believe to be significant based on Scheme's beliefs and stewardship priorities. The significant vote information included in this Statement focuses on the areas described above. These votes were selected from the Scheme's 10 largest holdings within each of the funds used in the default investment option (where available).

Fund	Company	Size of holdings (%)	Date	How the manager voted <sup>2</sup>	Outcome of the vote <sup>1</sup>	Summary of the resolution	Rationale for the manager vote	Why the vote is significant
<b>BlackRock (30:70) Currency Hedged Global Equity Tracker / Home Group Sustainable Equity</b>	Apple Inc.	2.5%	10/03/2023	Against	N/A	Report on Civil Rights and Non-Discrimination Audit	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.	Social (S) – Human Rights
<b>BlackRock (30:70) Currency Hedged Global Equity Tracker / Home Group Sustainable Equity</b>	Microsoft Corporation	2.3%	13/12/2022	Against	N/A	Report on Cost/Benefit Analysis of Diversity and Inclusion	Company already has policies in place to address these issues.	Governance (G) - Diversity
		3.6%						

Fund	Company	Size of holdings (%)	Date	How the manager voted <sup>2</sup>	Outcome of the vote <sup>1</sup>	Summary of the resolution	Rationale for the manager vote	Why the vote is significant
<b>BlackRock (30:70) Currency Hedged Global Equity Tracker / Home Group Sustainable Equity</b>	Amazon Inc.	1.0%	25/05/2022	Against	Fail	Commission a Third Party Audit on Working Conditions	The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.	Social (S) – Human Rights
				Against	Fail	Report on Worker Health and Safety Disparities	The company does not meet our expectations for disclosure of natural capital policies and/or risk.	Social (S) – Human Rights
		1.6%		For	Fail	Report on Efforts to Reduce Plastic Use	The company does not meet our expectations for disclosure of natural capital policies and/or risk.	Environmental (E) - Climate change
<b>Home Group Sustainable Equity</b>	Alphabet Inc.	1.9%	01/06/2022	For	Fail	Oversee and Report a Third-Party Racial Equity Audit	BlackRock believe it is in the best interests of shareholders to have access to greater disclosure on this issue.	Social (S) – Human Rights
<b>BlackRock (30:70) Currency Hedged Global Equity Tracker</b>	Royal Dutch Shell Plc	2.1%	24/05/2022	Against	Fail	Request Shell to Set and Publish Targets for GHG Emissions	Proposal is not in shareholders' best interests.	Environmental (E) - Climate change
<b>BlackRock Market Advantage</b>	Bank of Montreal	0.02%	13/04/2022	Against	Fail	Adopt a Policy to Ensure Financing is Consistent with IEA's Net Zero Emissions by 2050	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining.	Environmental (E) - Climate change
<b>BlackRock Market Advantage</b>	Bank of China Limited	0.05%	25/11/2022	Against	N/A	Elect Lu Yongzhen as Director	The company does not meet our aspirations of having adequate climate-related metrics and targets.	Environmental (E) - Climate change

Source: BlackRock.

<sup>1</sup> BlackRock has not provided the outcome of some of the votes included in this table. BlackRock endeavor to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock will continue to support shareholder proposals and engage with investee companies, advocating their position on the above issues as long as the company is not showing substantial improvements. BlackRock will monitor developments and assess whether the company has addressed their concerns.

## Use of proxy voting by the investment managers

The table below sets out the use of proxy voting where this information has been provided by the Scheme's investment managers.

Manager	Use of proxy voting
<b>BlackRock</b>	<p>Proxy voting at BlackRock is centralized within the Investment Stewardship team of over 70 specialists. The team is globally coordinated but regionally focused and based as this allows us to take local market norms into consideration in their voting process. The analysts in each regional team generally take responsibility for specific sectors. They are responsible for voting analysis, voting-related engagement and the vote determination and instruction. In each region, an advisory committee of representatives of different BlackRock investment teams receives periodic reports on voting but it does not determine how to vote. BlackRock's Global Principles are available on their website at <a href="https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf">https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf</a>. BlackRock's market-specific voting guidelines are available on their website at <a href="https://www.blackrock.com/corporate/about-us/investment-stewardship#Principles-and-guidelines">https://www.blackrock.com/corporate/about-us/investment-stewardship#Principles-and-guidelines</a>.</p>
<b>Legal &amp; General Investment Management ('LGIM')</b>	<p>LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services to supplement the research reports that LGIM receive from ISS for UK companies when making specific voting decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards which LGIM believe all companies globally should observe, irrespective of local regulation or practice. LGIM retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows them to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action. For more information on how LGIM use the services of proxy providers, please refer to the following document available on their website at <a href="https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf">https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf</a>.</p>
<b>HSBC</b>	<p>HSBC use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. HSBC review voting policy recommendations according to the scale of their overall holdings. The bulk of holdings are voted in line with the recommendation based on their guidelines. Details on HSBC's Global Voting Guidelines are available on their website at <a href="https://www.global.assetmanagement.hsbc.com/-/media/files/attachments/common/resource-documents/global-voting-guidelines-en.pdf">https://www.global.assetmanagement.hsbc.com/-/media/files/attachments/common/resource-documents/global-voting-guidelines-en.pdf</a>.</p>

Source: Investment managers.