

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

Annual Implementation Statement – 31 March 2024

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 31 March 2024 (“the Scheme year”). This 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 and the Department of Work and Pensions (“DWP”).

The Scheme has both a Final Salary Section (“FSS”) and a Defined Contribution Section (“DCS”). This Statement covers the DC Section 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 member’s 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.



Strategic Asset Allocation

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31 March 2024
<p>1 Kind of investments to be held and the balance between different kinds of investments</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 January 2024, following an in-depth review of the BlackRock Market Advantage Fund, details of which are summarised on page 2. As part of this review, the Trustees received formal Section 36 advice from their Investment Consultant. The updated SIP was formally adopted from March 2024.</p> <p>The Trustees will be conducting a formal triennial investment strategy review in the Scheme year to 31 March 2025, details of which will be documented in next year's Statement.</p> <p>The Trustees continue to hold investments within the Scheme that are consistent with the policies in the SIP.</p>
<p>2 Risks, including the ways in which risks are to be measured and managed</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.</p>
<p>3 Expected Return on Investments</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 31 March 2024
<p>4 Securing compliance with the legal requirements about choosing investments</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 SIP was updated during the Scheme year to reflect the investment strategy changes implemented in January 2024, following an in-depth review of the BlackRock Market Advantage Fund. As part of this review, the Trustees received formal Section 36 advice from their Investment Consultant. The updated SIP was formally adopted from March 2024.</p> <p>During the Scheme year the Trustees also received formal Section 36 advice in relation to the Scheme's DB Section Additional Voluntary Contribution ("AVC") holdings with ReAssure. The Trustees are in the process of consolidating the Scheme's AVCs with ReAssure and Santander into the AVC arrangement with Aviva, details of which will be documented in next year's Statement.</p>
<p>5 Realisation of Investments</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>6 Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments</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 DC section, 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 as well as the processes followed by the Trustees in relation to voting rights and stewardship. In order to enhance these beliefs and policies, the Trustees conducted an ESG Beliefs Survey in Q1 2023. Following the conclusion of this review, a training session on monitoring climate risk took place during the Q3 2023 meeting and the Trustees agreed to consider this further during the 2024 formal triennial investment strategy review.</p>



Monitoring the Investment Managers

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31 March 2024
<p>7 Incentivising investment managers to align their investment strategies and decisions with the Trustees' policies</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 to satisfy the Trustees 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. During the Scheme year, the Trustees discussed the continued appointment of the investment managers on a quarterly basis and were happy that the contractual arrangements in place continued to be suitable. The Trustees will be conducting the next formal triennial investment strategy review in the Scheme year to 31 March 2025, details of which will be documented in next year's Statement.</p> <p>The Trustees completed an in-depth review of the BlackRock Market Advantage Fund during the Scheme year and agreed to replace the BlackRock Market Advantage Fund with the LGIM Diversified Fund. This changed was implemented in January 2024.</p>

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31 March 2024
<p>8 Incentivising the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance</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 highly rated during the year. When implementing a new manager, the Trustees considers the ESG fund rating of the manager.</p> <p>ESG considerations formed an important element of the in-depth review of the BlackRock Market Advantage Fund that was completed during the Scheme year. The Trustees agreed to replace the BlackRock Market Advantage Fund with the LGIM Diversified Fund which has much higher levels of ESG integration and is consistent with the Trustees policies outlined in the SIP.</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>9 Evaluation of the investment manager's performance and the remuneration for asset management services</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>10 Monitoring portfolio turnover costs</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</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</p>

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31 March 2024
	<p>appropriateness of these costs is currently limited by the availability of data and the 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. Importantly, performance is reviewed net of portfolio turnover costs.</p>	<p>Statement. However, the ability to assess the appropriateness of these costs is currently limited by the availability of data and the 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>11 The duration of the arrangement with the investment manager</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 DC section, 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 completed an in-depth review of the BlackRock Market Advantage Fund and agreed to replace it with the LGIM Diversified Fund. The Trustees also agreed to white-label the underlying components of the lifestyle arrangements. These changes were implemented in January 2024.</p> <p>The Trustees are in the process of consolidating the Scheme's AVCs with ReAssure and Santander into the AVC arrangement with Aviva, details of which will be documented in next year's Statement.</p> <p>The Trustees monitored the performance of the underlying managers against their specified benchmarks as part of their quarterly performance reporting and Value for Members Assessment to ensure that they remained appropriate.</p> <p>The Trustee is 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 31 March 2024
<p>12 Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the trustees would monitor and engage with relevant persons about relevant matters)</p>	<p>The Trustees consider how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. Monitoring is undertaken on a regular basis.</p> <p>The Trustees review the following reporting on an annual basis:</p> <ul style="list-style-type: none"> Stewardship monitoring reporting which assesses each underlying equity manager’s record of executing and disclosing voting activity (where voting rights apply), and the extent to which they are engaging with the underlying companies in which they invest. ESG ratings are disclosed in the quarterly performance report, which is reviewed by the Trustees. <p>Following the most recent triennial review of the Scheme’s investment strategy that was implemented in March 2022, the Scheme incorporated a fund with strong ESG principles (the Home Group Sustainable Equity Fund) into the default investment option as well as in the general fund range.</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 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 in-depth review of the BlackRock Market Advantage Fund that was completed during the Scheme year. The Trustees agreed to replace the BlackRock Market Advantage Fund with the LGIM Diversified Fund which has much higher levels of ESG integration and is consistent with the Trustees policies outlined in the SIP.</p>



Voting Disclosures

Policy	Relevant section / policy in the SIP	How the policy has been met over the year to 31 March 2024
<p>13 The exercise of the rights (including voting rights) attaching to the investments</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"> • Home Group Global Equity Fund (underlying fund is the Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker Fund) • Home Group Sustainable Equity Fund (underlying fund is the Aviva Pension MyM BlackRock ACS World ESG Global Equity Tracker) • Home Group Diversified Growth Fund (underlying fund is the Aviva Pension MyM LGIM Diversified Fund) • Aviva Pension MyM BlackRock Consensus Fund • Aviva Pension MyM HSBC Islamic Global Equity Index Fund • Aviva Pension MyM Legal & General (PMC) Ethical UK Equity Index Fund <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 31 March 2024, 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 17 June 2022 updated guidance was produced which is effective for all scheme year ends on or after 1 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.

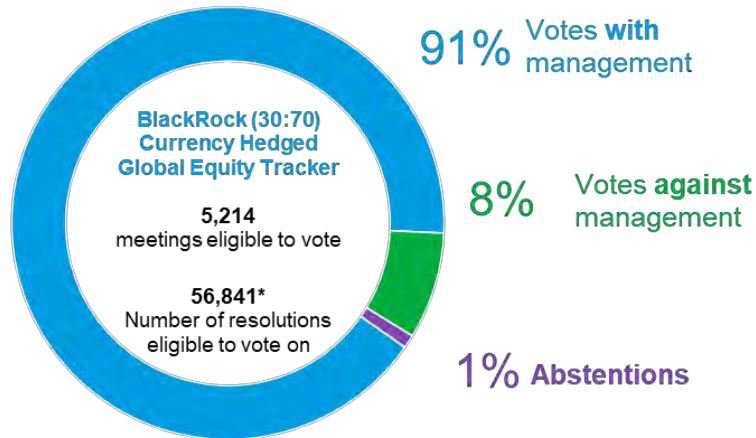
The Trustees had previously agreed to focus on the areas set out in the "Most Significant Votes" section later in this Statement for the Scheme. The Trustees have selected these areas as they believe them to be the financially material in terms of both risk and opportunity and/or carry most reputational 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").

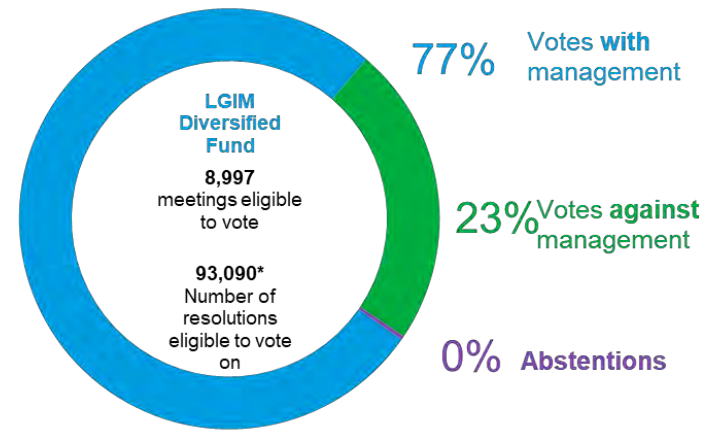
Voting activity during the year

Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 31 March 2024 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.

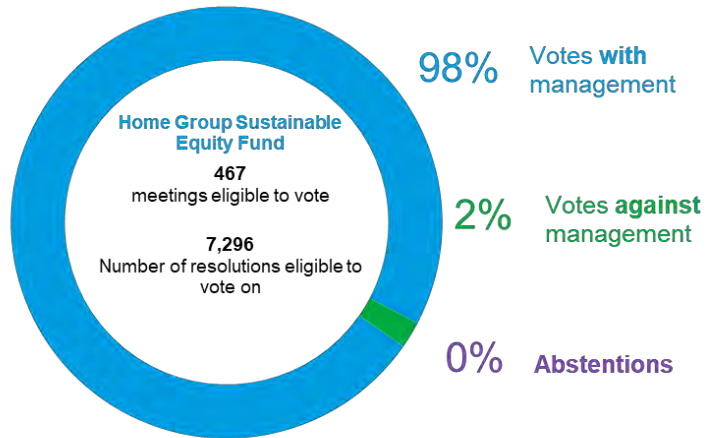
Note that the Home Group Global Equity Fund (Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Tracker), the Home Group Sustainable Equity Fund (Aviva Pension MyM BlackRock ACS World ESG Global Equity Tracker) and the Home Group Diversified Growth Fund (Aviva Pension MyM LGIM Diversified Fund) are used in the default investment option.



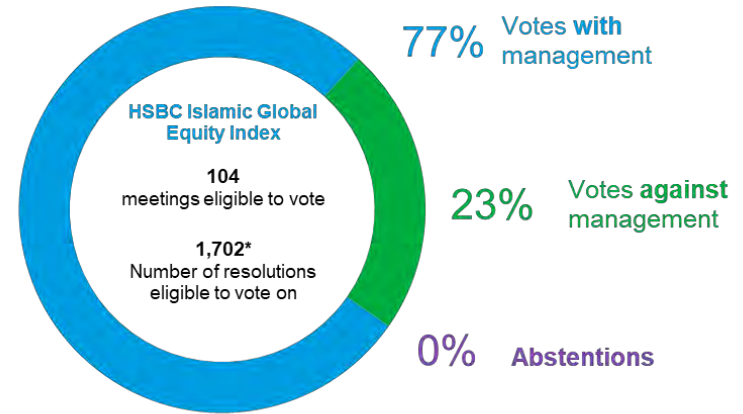
*98.0% of resolutions voted on



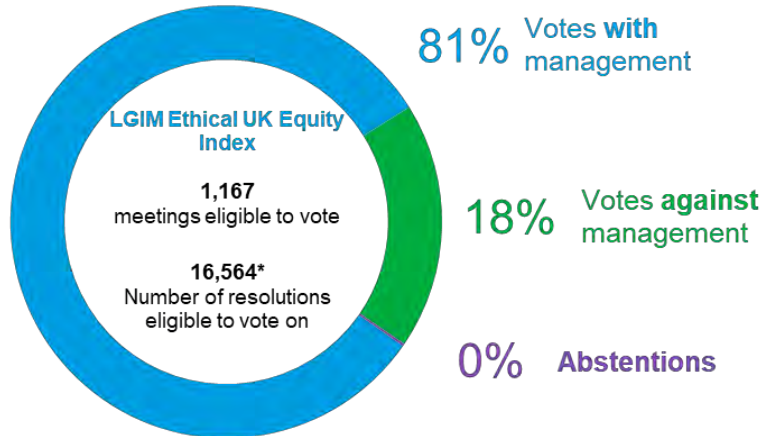
*99.8% of resolutions voted on



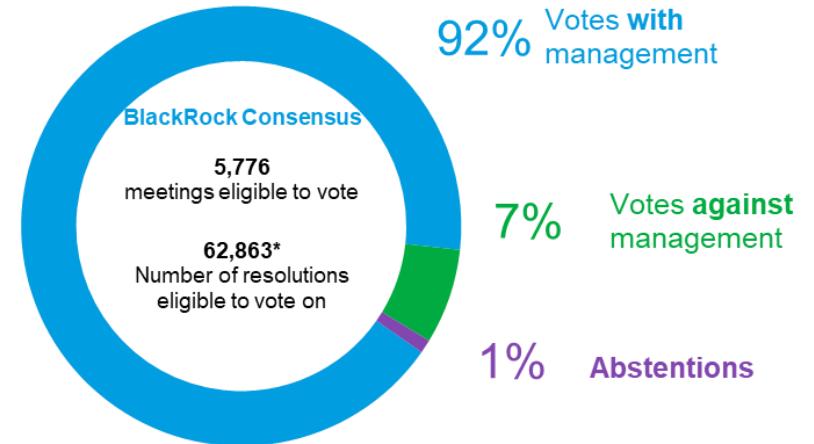
*98.0% of resolutions voted on



*96.0% of resolutions voted on



*99.8% of resolutions voted on



*96% of resolutions voted on

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



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 10 largest holdings among the significant votes provided, within each of the funds used in the default investment option (where available).

Fund	Company	Size of holdings (%)	Date	How the manager voted	Outcome of the vote	Summary of the resolution	Rationale for the manager vote	Why the vote is significant
Home Group Global Equity Fund (BlackRock (30:70) Currency Hedged Global Equity Tracker)	Shell Plc	1.92%	23/05/2023	Against	Fail	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.	Environmental (E) – Climate Change

Fund	Company	Size of holdings (%)	Date	How the manager voted	Outcome of the vote	Summary of the resolution	Rationale for the manager vote	Why the vote is significant
Home Group Global Equity Fund (BlackRock (30:70) Currency Hedged Global Equity Tracker)	Glencore plc	0.64%	26/05/2023	Against	Pass Fail	Approve 2022 Climate Report Next Climate Transition Plan	BlackRock believe this proposal is not in the best interest of shareholders.	Environmental (E) – Climate Change
	Exxon Mobil Corporation	0.51%	31/05/2023	Against	Fail	Adopt Medium-Term Scope 3 GHG Reduction Target, Commission Audited Report on Reduced Plastics Demand, Recalculate GHG Emissions Baseline to Exclude Emissions from Material Divestitures	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company. The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies.	Environmental (G) – Climate Change
Home Group Sustainable Equity Fund (BlackRock ACS World ESG Global Equity Tracker)	Amazon.com Inc.	2.06%	24/05/2023	For	Fail	Report on Efforts to Reduce Plastic Use	A vote for this proposal is warranted, as shareholders would benefit from additional information on how the company is managing risks related to the creation of plastic waste.	Environmental (G) – Climate Change
	Amazon.com Inc.	2.06%	24/05/2023	For	Fail	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	A vote for this proposal is warranted. Shareholders would benefit from increased transparency and disclosure on how the company is managing human rights-related risks.	Social (S) – Human Rights
	Broadcom Inc.	0.32%	03/04/2023	Combination	Pass	Elect Directors Check Kian Low, Diane M. Bryant, Eddy W. Hartenstein and Harry L. You	A vote against incumbent nominating committee members Eddy Hartenstein, Gayla Delly, Raul Fernandez and Check Kian Low is warranted for lack of diversity on the board. A vote for the remaining director nominees is warranted.	Governance (G) - DE&I

Fund	Company	Size of holdings (%)	Date	How the manager voted	Outcome of the vote	Summary of the resolution	Rationale for the manager vote	Why the vote is significant
	Marathon Petroleum Corporation	0.11%	26/04/2023	For	Fail	Report on Asset Retirement Obligation	A vote for this proposal is warranted, as shareholders could benefit from additional disclosure on the potential impacts that transitioning to a low carbon economy may have on the company and its operations. Such information would allow shareholders to better assess the company's efforts to manage and mitigate those risks.	Environmental (G) – Climate Change
Home Group Diversified Growth Fund (LGIM Diversified Fund)	Apple Inc.	0.39%	28/02/2024	Against	Fail	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	A vote against this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies.	Governance (G) – DE&I
	Shell Plc	0.30%	23/05/2023	Against	Pass	Approve the Shell Energy Transition Progress	A vote against is applied as LGIM remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations.	Environmental (E) – Climate Change
	EQT AB	0.12%	30/05/2023	Against	Not provided	Re-elect Conni Jonsson as Board Chair	A vote against is applied as LGIM expects a company to have a diverse board, with at least one-third of board members being women.	Environmental (E) – Climate Change

Source: LGIM, BlackRock as at 31 March 2024.

Notes: Where investment managers voted against management, both BlackRock and LGIM communicate their voting intent to the company either before or just after casting votes. All investment managers 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. All investment managers will monitor developments and assess whether the company has addressed their concerns.

Use of proxy voting by the investment managers

The Trustees do not use the direct services of a proxy voter, details of the proxy voting services used by the Scheme's investment managers are summarised below.

Manager	Use of proxy voting
BlackRock	<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 https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf. BlackRock's market-specific voting guidelines are available on their website at https://www.blackrock.com/corporate/about-us/investment-stewardship#Principles-and-guidelines.</p>
Legal & General Investment Management ('LGIM')	<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 we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice. We retain the ability in all markets to override any vote decisions, which are based on our 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 us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us 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 https://www.lgim.com/landg-assets/lgim/document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf.</p>
HSBC	<p>We use the voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of our own bespoke voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. 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 https://www.global.assetmanagement.hsbc.com/-/media/files/attachments/common/resource-documents/global-voting-guidelines-en.pdf.</p>

Source: Investment managers.