

# St. Austell Brewery Company Limited Retirement Benefits Plan Implementation Statement for the year ended 31 December 2022

## Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the St. Austell Brewery Company Limited Retirement Benefits Plan ("the Plan") have followed the policies documented in their Statement of Investment Principles ("SIP") during the year ended 31 December 2022 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

## Latest review of the Statement of Investment Principles

The Plan's SIP relevant for the accounting period is signed and dated September 2020. Since then, the Plan's SIP was reviewed and amended as of January 2023, due to changes in the strategic asset allocation.

## Investment related activity

### Asset allocation

In understanding that asset allocation plays an important role in achieving investment objectives and good member outcomes, the Trustees monitor the asset allocations of the Plan to ensure that these are in line with the current investment objectives.

The Trustees are required to review the strategy of the default investment arrangements offered by the DC Section of the Plan at least every three years or immediately following any significant change in investment policy. During the reporting year, there have been no changes to the investment options or default investment arrangements in respect of the DC Section. For the DB Section the Invesco Global Target Return Fund was replaced by the Legal & General Dynamic Diversified Fund in August 2022.

### Manager selections

One of the main ways in which ESG and climate change related risks are taken into consideration is through manager selection exercises: the Trustees will seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. During the reporting year, the Trustees replaced the Invesco Global Target Return Fund with the Legal & General Dynamic Diversified Fund in respect of the DB Section of the Plan. The Trustees compared funds offered by a number of different investment managers when selecting a replacement for the Invesco Fund. One of the criteria used in deciding to appoint Legal & General was XPS (the Trustees' investment consultants) "Green" rating for the ESG aspects of Legal & General's management of the Fund.

### CMA Objectives

Objectives are in place for XPS Investment Limited, in line with the 10 June 2019 CMA Order which required Trustees to set objectives for existing and new investment consultant appointments from 10 December 2019, in order to receive investment advice after that date.

### Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.



Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually.

The Trustees meet twice a year to discuss investment matters and receive investment monitoring reports from XPS on performance on a quarterly basis.

**The Trustees’ investment policies**

The Trustees have various investment policies for the Plan on the topics listed in the table below; the table also provides commentary on how and the extent to which the various policies were followed during the reporting year.

Policy	How the policy was followed	The extent to which the policy was followed
<p><b>Kinds of investments to be held</b></p> <p>DB Section: The Trustees’ policy is to invest in equity funds, multi-asset funds, a property fund, bond funds, credit funds, cash funds, and St Austell company shares.</p> <p>DC Section: The Trustees have maintained a policy of offering equity funds, multi-asset funds, a property fund, bond funds, credit funds, and a cash fund.</p>	<p>The DB Section’s assets were invested in the funds set out in the policy.</p> <p>The range of investment options available incorporates both real and monetary assets. The self-select range includes options in all the asset classes in the policy.</p>	<p>The Trustees are satisfied that they followed the policy in full.</p>
<p><b>Balance between different investments</b></p> <p>DC Section: The amounts allocated to any individual asset class will be influenced by the choices made by the members or by the default investment arrangement if members do not make investment choices</p> <p>The Trustees’ policy is to ensure that the investment options made available to members hold a suitably diversified range of securities, avoiding an undue concentration of assets.</p> <p>DB Section: The Trustees aim to hold a portfolio of assets that will achieve returns in excess of</p>	<p>Members’ choices were maintained throughout the year.</p> <p>Over the year there have been no material changes to the DB Section’s investment strategy and the Section continues to invest in a</p>	<p>The Trustees are satisfied that the policies have been followed in respect of all investment options available to members.</p> <p>The Trustees are satisfied that they followed the policy in full.</p>

Investment returns indicated in the Statement of Funding Principles, without exposing the Plan to excessive risk.	range of different assets targeting returns consistent with the objectives	
<b>Risks (measurement and management)</b> The Plan's SIP sets out a range of risks of which the Trustees are aware in relation to the Plan's investments.	The range of investment options made available to members of the DC Section of the Plan includes generally lower risk funds such as bond funds, a cash fund, and a property fund.  The Trustees receive quarterly reporting from XPS Pensions Group which helps them review the Plan's investments in light of the risks that have been identified.	The Trustees have only partially followed this policy as reporting does not cover the managers' approach to risk or provide the Trustees with the underlying exposures to monitor any unintended risk being taken.
<b>Expected return</b> DB Section: The Trustees aim to hold a portfolio of assets that will achieve returns in excess of the investment return indicated in the Statement of Funding Principles without exposing the Plan to excessive risk.  DC Section: The Trustees' policy is to make available a range of investment funds with different risk-reward characteristics that will allow members to maintain the real value of their fund.	The DB Section is invested in a range of growth and matching assets to target the investment return objectives in a risk-controlled way.  The Trustees made a range of investment options available to members which include lifestyle funds. Standalone funds are also available for members who want to take more or less risk.	The Trustees are satisfied that they followed the policies in full over the reporting period.
<b>ESG</b> The Trustees' policy is to delegate the ongoing monitoring and management of ESG risks and those related to climate change to the Plan's Investment Managers.	The Investment Managers have responsibility for the ongoing monitoring and management of ESG risks and those related to climate change.	The Trustees are satisfied that they followed the policy in full over the period.
<b>Non-financial matters</b> The Trustees' policy is to act in the best interests of the beneficiaries of the Plan when selecting, retaining or realising investments.	The Trustees seek professional advice in relation to the management of the assets of the Plan to ensure any decisions it	The Trustees are satisfied that they followed the policy in full in relation

It has neither sought nor taken into account the beneficiaries' views on risks including (but not limited to) ethical, social and environmental issues.	makes are in the best interests of Plan's beneficiaries.	to the investment decisions it took over the period.
<b>Voting rights</b> The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the investment managers.	The underlying investment managers vote in accordance with their internal voting policies.	The Trustees are satisfied that it followed the policy in full over the period.
<b>Stewardship/relationship with managers</b> The Trustees' policy is to encourage investment managers to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.	The Trustees have not engaged significantly with the investment managers over the year.	The Trustees acknowledge that the policy has not been followed during the reporting year.

### Voting activity

The main asset class where the investment managers will have voting rights is equities. The Plan has specific allocations to public equities, in UK and overseas markets. Investments in equities will also form part of the strategy for the multi-asset funds in which the Plan invests. A summary of the voting behaviour and most significant votes cast by each of the investment manager organisations for the relevant funds is shown below. These summaries have been provided by the investment managers.

The Plan currently has primary exposure to equities through four / five? equity funds:

- BlackRock Core UK Equity Fund,
- BlackRock UK Equity Select Fund,
- L&G Overseas Equity Consensus Index Fund,
- LGIM Global Equity (70:30) Fund, and
- Schroders Global Equity Fund.

The Plan has exposure to four multi-asset funds, including:

- L&G Dynamic Diversified Fund,
- L&G Multi-Asset (Formerly Consensus) Fund,
- Schroders Diversified Growth Fund, and
- Schroders Sustainable Future Multi-Asset Fund,

which as part of their investment strategies hold a portion of equity.

**Commented [AR1]:** Why was this one deleted? Has the amount of assets gone to zero now?

Blackrock Investment Management

## Investment Manager Client Consultation Policy on Voting

BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. They believe that there are certain fundamental rights attached to shareholding. BlackRock believe companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. BlackRock believe shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws.

Consistent with these shareholder rights, BlackRock believe they have a responsibility to monitor and provide feedback to companies, in their role as stewards of their clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given BlackRock authority, through voting proxies in the best long-term economic interests of their clients. BlackRock also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with their clients' interests as long-term shareholders.

BlackRock looks to companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG issues. This allows shareholders to appropriately understand and assess how relevant risks and opportunities are being effectively identified and managed.

Where company reporting and disclosure is inadequate or the approach taken is inconsistent with BlackRock's view of what supports sustainable long-term value creation, they will engage with a company and/or use their vote to encourage a change in practice.

BlackRock views engagement as an important activity; engagement provides them with the opportunity to improve their understanding of the business and ESG risks and opportunities that are material to the companies in which their clients invest. As long-term investors on behalf of clients, BlackRock seeks to have regular and continuing dialogue with executives and board directors to advance sound governance and sustainable business practices, as well as to understand the effectiveness of the company's management and oversight of material issues. Engagement is an important mechanism for providing feedback on company practices and disclosures, particularly where BlackRock believes they could be enhanced. BlackRock primarily engage through direct dialogue but may use other tools such as written correspondence to share their perspectives. Engagement also informs their voting decisions.

BlackRock's approach to corporate governance and stewardship is explained in their Global Principles. These high-level Principles are the framework for their more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The principles describe their philosophy on stewardship (including how they monitor and engage with companies), their policy on voting, their integrated approach to stewardship matters and how they deal with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews their Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year.

BlackRock's Global Principles available on their website at <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>

## Investment Manager Process to determine how to Vote

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Their voting guidelines are market-specific to ensure they take into account a company's unique circumstances by market, where relevant. They inform their voting decisions through research and engage as necessary. Their engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. They may also update their regional engagement priorities based on issues that they believe could impact the long-term sustainable financial performance of companies in those markets. They welcome discussions with their clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in their Global Principles, BlackRock determines which companies to engage directly based on their assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of their engagement being productive. Their voting guidelines are intended to help clients and companies understand their thinking on key governance matters. They are the benchmark against which they assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock apply their guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock inform their vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy themselves, but the client would engage a third-party voting execution platform to cast the votes.

How does this manager determine what constitutes a 'Significant' Vote?

BlackRock Investment Stewardship prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance. Their year-round engagement with clients to understand their priorities and expectations, as well as their active participation in market-wide policy debates, help inform these themes. The themes they have identified in turn shape their Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which they look at the sustainable long-term financial performance of investee companies.

BlackRock periodically publish "vote bulletins" setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that they consider, based on their Global Principles and Engagement Priorities, material to a company's sustainable long-term financial performance. These bulletins are intended to explain BlackRock's vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to their clients and other stakeholders, and potentially represent a material risk to the investment they undertake on behalf of clients. BlackRock make this information public shortly after the shareholder meeting, so clients and others can be aware of their vote determination when it is most relevant to them. They consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

Does the manager utilise a Proxy Voting System? If so, please detail.

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts within each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

While BlackRock subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into their vote analysis process, and they do not blindly follow their recommendations on how to vote. They primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that their investment stewardship analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial. Other sources of information they use include the company's own reporting (such as the proxy statement and the website), their engagement and voting history with the company, and the views of their active investors, public information and ESG research.

In summary, proxy research firms help BlackRock deploy their resources to greatest effect in meeting client expectations

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to enhance the value of clients' assets, using their voice as a shareholder on their behalf to ensure that companies are well led and well managed
- They do not follow any single proxy research firm's voting recommendations and in most markets, they subscribe to two research providers and use several other inputs, including a company's own disclosures, in their voting and engagement analysis
- They also work with proxy research firms, which apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to them any meetings where additional research and possibly engagement might be required to inform their voting decision
- The proxy voting operating environment is complex and they work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.

Fund Information			
BlackRock Core UK Equity Fund			
The manager voted on 100% of resolutions of which they were eligible out of 2,318 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Rio Tinto Plc	Approve Climate Action Plan	For the resolution	Pass
BlackRock recognise the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.			
Barclays Plc	Approve Climate Strategy, Targets and Progress 2022	For the resolution	Pass
Rio Tinto Plc	Approve Climate Action Plan	For the resolution	
BlackRock recognise the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.			
Royal Dutch Shell Plc	Approve the Shell Energy Transition Progress Update	For the resolution	Pass
BlackRock recognise the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.			
Rio Tinto Plc	Approve the Spill Resolution	Against the resolution	Fail
We believe this proposal is not in the best interest of shareholders.			
Royal Dutch Shell Plc	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	Against the resolution	Fail
Proposal is not in shareholders' best interests.			



Fund Information			
BlackRock UK Equity Select Fund			
The manager voted on 100% of resolutions of which they were eligible out of 2,205 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Rio Tinto Plc	Approve Climate Action Plan	For the resolution	Pass
BlackRock recognise the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.			
Barclays Plc	Approve Barclays' Climate Strategy, Targets and Progress 2022	For the resolution	Pass
BlackRock recognise the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.			
Royal Dutch Shell Plc	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	Against the resolution	Fail
Proposal is not in shareholders' best interests.			
Rio Tinto Plc	Approve the Spill Resolution	Against the resolution	Fail
We believe this proposal is not in the best interest of shareholders.			
Royal Dutch Shell Plc	Approve the Shell Energy Transition Progress Update	For the resolution	Pass
BlackRock recognise the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.			

XPS relies on the outputs of BlackRock's BIS team in determining the significant votes of a BlackRock fund over the reporting period. For both above funds, BlackRock have only provided votes from the Rio Tinto Plc meeting, Barclays Plc meeting and Royal Dutch Shell Plc meetings.

Legal and General Investment Management

Investment Manager Client Consultation Policy on Voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/or ad-hoc comments or enquiries.

Investment Manager Process to determine how to Vote

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

How does this manager determine what constitutes a 'Significant' Vote?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure they continue to help their clients in fulfilling their reporting obligations. They also believe public transparency of their vote activity is critical for their clients and interested parties to hold them to account.

For many years, LGIM has regularly produced case studies and / or summaries of their vote positions to clients for what they deemed were 'material votes'. They are evolving their approach in line with the new regulation and are committed to provide their clients access to 'significant vote' information.

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

- High profile vote which has such a degree of controversy that there is high client and / or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where they note a significant increase in requests from clients on a particular vote;
  - Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

LGIM provide information on significant votes in the format of detailed case studies in their quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. LGIM also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on their website at:

<https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail.

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. Their 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 (IVIS) to supplement the research reports that they 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 they consider are minimum best practice standards which they 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.

Fund Information			
LGIM Overseas Equity Consensus Index Fund			
The manager voted on 99.9% of resolutions of which they were eligible out of 64,516 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Apple Inc.	Report on Civil Rights Audit	For the resolution	53.6% of shareholders supported the resolution
Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.			
Amazon.com, Inc.	Elect Director Daniel P. Huttenlocher	Against the resolution	93% of shareholders supported the resolution
Human Rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.			
Alphabet Inc.	Report on Physical Risks of Climate Change	For the resolution	18% of shareholders supported the resolution
Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.			
NVIDIA Corporation	Elect Director Harvey C. Jones	Against the resolution	84% of shareholders supported the resolution
Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.			
Meta Platforms, Inc.	Require Independent Board Chair	For the resolution	16.7% of shareholders supported the resolution
Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.			

Fund Information			
LGIM Dynamic Diversified Fund			
The manager voted on 99.8% of resolutions of which they were eligible out of 98,208 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Apple Inc.	Resolution 9 - Report on Civil Rights Audit	For the resolution	54% of shareholders supported the resolution
Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.			
Royal Dutch Shell Plc	Resolution 20 - Approve the Shell Energy Transition Progress Update	Against the resolution	80% of shareholders supported the resolution
Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.			
Rio Tinto Plc	Resolution 17 - Approve Climate Action Plan	Against the resolution	84% of shareholders supported the resolution
Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.			
Prologis, Inc.	Resolution 1a - Elect Director Hamid R. Moghadam	Against the resolution	93% of shareholders supported the resolution
Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.			



Consolidated Edison, Inc.	Resolution 1.9 - Elect Director Michael W. Ranger	Against the resolution	89% of shareholders supported the resolution
Joint Chair/CEO: A vote against is applied as LGIM expects companies not to recombine the roles of Board Chair and CEO without prior shareholder approval.			

Schroders Investment Management Limited

Investment Manager Client Consultation Policy on Voting

In order to maintain the necessary flexibility to meet client needs, local offices at Schroders may determine a voting policy regarding the securities for which they are responsible, subject to agreement with clients as appropriate, and/or addressing local market issues. Clients in the UK will need to contact their usual client services person(s) on whether this is available for the type of investment(s) they hold with Schroders.

Investment Manager Process to determine how to Vote

Schroders evaluate voting issues arising at their investee companies and, where they have the authority to do so, vote on them in line with their fiduciary responsibilities in what Schroders deem to be the interests of their clients. Schroders utilise company engagement, internal research, investor views and governance expertise to confirm their intentions. Further information can be found in their Environmental, Social and Governance Policy for Listed Assets policy: <https://www.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy.pdf>

How does this manager determine what constitutes a 'Significant' Vote?

Schroders consider "most significant" votes as those against company management.

Schroders are not afraid to oppose management if they believe that doing so is in the best interests of shareholders and their clients. For example, if Schroders believe a proposal diminishes shareholder rights or if remuneration incentives are not aligned with the company's long-term performance and creation of shareholder value. Such votes against will typically follow an engagement and they will inform the company of their intention to vote against before the meeting, along with their rationale.

Where there have been ongoing and significant areas of concerns with a company's performance, Schroders may choose to vote against individuals on the board.

However, as active fund managers they usually look to support the management of the companies that they invest in. Where Schroders do not do this, they classify the vote as significant and will disclose the reason behind this to the company and the public.

Does the manager utilise a Proxy Voting System? If so, please detail.



Schroders receive research from both ISS and the Investment Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into their voting decisions. In addition to relying on their policies, Schroders will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts.

It is important to stress that Schroders own research is also integral to their final voting decision; this will be conducted by both their financial and ESG analysts. For contentious issues, their Corporate Governance specialists will be in deep dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

Schroders continue to review their voting practices and policies during their ongoing dialogue with their portfolio managers. This has led Schroders to raise the bar on what they consider 'good governance practice.'

Voting Information			
Schroders Diversified Growth Fund			
The manager voted on 95.7% of resolutions of which they were eligible out of 15,081 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Rio Tinto Plc	Approve Climate Action Plan	Against Management	Pass
We are concerned in particular that we are unable to ascertain whether the company is engaging sufficiently with its customers and other stakeholders on its scope 3 emissions to support its climate action plan.			
The Toronto-Dominion Bank	SP 3: Advisory Vote on Environmental Policy	For Management	Fail
The company is asked to establish an annual advisory vote policy regarding its environmental and climate change targets and action plan. We welcome additional mechanisms for shareholders to hold the board accountable for its management of climate risk and contribution to the transition to a low carbon economy. As such, we support the proposal.			
Citigroup Inc.	Report on Respecting Indigenous Peoples' Rights	For Management	Fail
A vote FOR this proposal is warranted. The bank and its shareholders are likely to benefit from increased transparency regarding due diligence around Indigenous Peoples' rights in project-related financing and clients' activities, for existing and future business.			
Canadian Pacific Railway Limited	Management Advisory Vote on Climate Change	Against Management	Pass
Whilst we recognise the good progress the company has made so far, there is no firm commitment to transition to Net Zero by 2050, and there are no Scope 3 targets in place.			
The Goldman Sachs Group, Inc.	Elect Director Adebayo Ogunlesi	Against Management	Pass
The nominee is Lead Independent Director, and we are not satisfied with the company's progress on climate transition.			

Legal and General Investment Management

Fund Information			
LGIM Global Equity (70:30) Fund			
The manager voted on 99.9% of resolutions of which they were eligible out of 75,300 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Royal Dutch Shell Plc	Resolution 20 - Approve the Shell Energy Transition Progress Update	Against the resolution	80% of shareholders supported the resolution
Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.			
BP Plc	Resolution 3 - Approve Net Zero - From Ambition to Action Report	For the resolution	89% of shareholders supported the resolution
Climate change: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is our view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.			
Rio Tinto Plc	Resolution 17 - Approve Climate Action Plan	Against the resolution	84% of shareholders supported the resolution
Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of			

the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.			
Glencore Plc	Resolution 13 - Approve Climate Progress Report	Against the resolution	76% of shareholders supported the resolution
Climate change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While we note the progress the company has made in strengthening its medium-term emissions reduction targets to 50% by 2035, we remain concerned over the company's activities around thermal coal and lobbying, which we deem inconsistent with the required ambition to stay within the 1.5°C trajectory.			
Anglo American Plc	Resolution 19 - Approve Climate Change Report	Against the resolution	94% of shareholders supported the resolution
Climate change: We recognise the substantial progress the company has made in climate reporting, primarily on transparency and the expansion of GHG emissions reduction targets (including the ambition to work to decarbonise its value chain), as well as the importance of the company's products in enabling the low-carbon transition. However, we remain concerned that the company's interim operational emissions targets (to 2030) are insufficiently ambitious to be considered aligned with the 1.5C trajectory.			

Fund Information			
LGIM Multi-Asset Fund (Formerly Consensus) Fund			
The manager voted on 99.8% of resolutions of which they were eligible out of 98,805 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Royal Dutch Shell Plc	Resolution 20 - Approve the Shell Energy Transition Progress Update	Against the resolution	80% of shareholders supported the resolution
Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.			
Apple Inc.	Resolution 9 - Report on Civil Rights Audit	For the resolution	54% of shareholders supported the resolution
Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.			
Prologis, Inc	Resolution 1.a: elect director Hamid R. Moghadam	Against the resolution	93% of shareholders supported the resolution
Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background			
Union Pacific Corporation	Resolution 1e - Elect Director Lance M. Fritz	Against the resolution	92% of shareholder supported the resolution
Joint Chair/CEO: A vote against is applied as LGIM expects companies not to recombine the roles of Board Chair and CEO without prior shareholder approval.			
NextEra Energy, Inc.	Resolution 1j - Elect Director Rudy E. Schupp	Against the resolution	86% of shareholder supported the resolution
Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.			

Schroders Investment Management Limited

Fund Information			
Schroders Sustainable Future Multi-Asset Fund			
The manager voted on 93.8% of resolutions of which they were eligible out of 8,467 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Royal Bank of Canada	SP 5: Adopt an Annual Advisory Vote Policy on the Bank's Environmental and Climate Change Action Plan and Objectives	For Management	Fail
We believe our vote for this item will maximise the value to our clients. The company is asked to establish an annual advisory vote policy regarding its environmental and climate change targets and action plan. We welcome additional mechanisms for shareholders to hold the board accountable for its management of climate risk and contribution to the transition to a low carbon economy. As such, we support the proposal.			
Bank of Montreal	SP 2: Adopt an Annual Advisory Vote Policy on the Bank's Environmental and Climate Change Action Plan and Objectives	For Management	Fail
We believe our vote for this item will maximise the value to our clients. The company is asked to establish an annual advisory vote policy regarding its environmental and climate change targets and action plan. We welcome additional mechanisms for shareholders to hold the board accountable for its management of climate risk and contribution to the transition to a low carbon economy. As such, we support the proposal.			
The Toronto-Dominion Bank	SP 3: Advisory Vote on Environmental Policy	For Management	Fail
We believe our vote for this item will maximise the value to our clients. The company is asked to establish an annual advisory vote policy regarding its environmental and climate change targets and action plan. We welcome additional mechanisms for shareholders to hold the board accountable for its management of climate risk and contribution to the transition to a low carbon economy. As such, we support the proposal.			
National Bank of Canada	SP 2: Adopt a Policy of Holding an Advisory Vote on the Bank's	For Management	Fail

	Environmental and Climate Action Plan and Objectives		
We believe our vote for this item will maximise the value to our clients. The company is asked to establish an advisory vote policy regarding its environmental and climate change targets and action plan. We welcome additional mechanisms for shareholders to hold the board accountable for its management of climate risk and contribution to the transition to a low carbon economy. As such, we support the proposal.			
Credit Suisse Group AG	Amend Articles Re: Climate Change Strategy and Disclosures	For Management	Fail
We believe our vote for this item will maximise the value to our clients. The company is asked to amend its articles of association relevant to its climate change strategy and disclosures. This involves including a new article to improve the company's reporting on climate risks to ensure all financing is aligned with the 1.5 temperature goal and submit additional disclosures on the company's plans to reduce its exposure to fossil fuels across project finance, underwriting, lending capital markets and investments. Additional disclosure and reporting on climate related risks on financing and reduced fossil fuel exposure would be beneficial for Schroders. Therefore we support this resolution.			

Schroders Diversified Growth Fund – significant vote information for this fund is included above in the information for the DB Section.

Schroders Global Equity Fund			
The manager voted on 93% of resolutions of which they were eligible out of 2,224 eligible votes.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Costco Wholesale Corporation	Report on GHG Emissions Reduction Targets	For Management	Pass
We believe our vote for this item will maximise the value to our clients. The company is asked to adopt science-based greenhouse gas emissions reduction targets for emissions from its full value chain. We are eager to see the company develop its strategies and targets relating to emissions reductions, and are concerned about the risks associated with delayed action on climate change. We therefore support the resolution.			
Royal Dutch Shell Plc	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	For Management	Fail
We believe our vote for this item will maximise the value to our clients. We believe that the proposal is aligned to our net-zero ambitions, in particular by addressing scope 3 as fully as we believe is necessary			
ConocoPhillips	Report on GHG Emissions Reduction Targets	For Management	Fail
We believe our vote for this item will maximise the value to our clients. Additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and climate change related risks.			
The Toronto-Dominion Bank	SP 3: Advisory Vote on Environmental Policy	For Management	Fail
We believe our vote for this item will maximise the value to our clients. The company is asked to establish an annual advisory vote policy regarding its environmental and climate change targets and action plan. We welcome additional mechanisms for shareholders to hold the board accountable for its management of climate risk and contribution to the transition to a low carbon economy. As such, we support the proposal.			





Charter Communications, Inc.	Disclose Climate Action Plan and GHG Emissions Reduction Targets	For Management	Fail
We believe our vote for this item will maximise the value to our clients. The company is asked to publish a climate action plan and GHG emissions reduction targets. We are keen to see the company develop its strategies, disclosures and targets relating to emissions reductions, and are concerned about the risks associated with delayed action on climate change. We therefore support the resolution.			

Signed: \_\_\_\_\_, Chair of Trustees

Date: \_\_\_\_\_