Appendix

Engagement Policy Implementation Statement for the year ending 31 March 2025

Introduction

The Trustees of the A&P Group Pension Scheme (the 'Scheme') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly, or through, each investment manager.

This statement covers both the A&P Section and the Falmouth Section of the Scheme's assets and sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 March 2025. This statement also describes the voting behaviour by, or on behalf of, the Trustees including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustees, in conjunction with the investment consultant, appoint each investment manager and choose the specific pooled funds to use in order to meet specific policies. They expect that each investment manager makes decisions based on assessments about the financial of underlying investments (including environmental, social and governance (ESG) factors, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustees also expect each investment manager to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

Stewardship - monitoring and engagement

The Trustees recognise that each investment manager's ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees acknowledge that the concept of stewardship may be less applicable to some of their assets, particularly for short-term money market instruments, gilt and liability-driven investments. As such the Scheme's investments in these asset classes are not covered by this engagement policy implementation statement.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to each investment manager and to encourage the manager to exercise those rights. Each investment manager is expected to provide regular reports to the Trustees detailing their voting activity.

The Trustees also delegate responsibility for engaging and monitoring investee companies to each investment manager and expect the investment manager to use their discretion to maximise financial returns for members and others over the long term.

The Trustees seek to appoint managers that have strong stewardship policies and processes and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

Investment manager (A&P and Falmouth Sections)	UN PRI Signatory	UK Stewardship Code Signatory
LGIM	Yes	Yes
M&G	Yes	Yes
Capital Group	Yes	Yes
Ninety One	Yes	Yes

The Trustees review each investment manager prior to appointment and monitor them on an ongoing basis through the regular review of the manager's voting and engagement policies, their investment consultant's ESG rating, and a review of each manager's voting and engagement behaviour.

The Trustees will seek to appoint investment managers that take a responsible and sustainable investment approach to investment.

The Trustees have not set out their own stewardship priorities but follow that of the investment managers.

The Trustees will engage with a manager should they consider that manager's voting and engagement policy to be inadequate or if the voting and engagement undertaken is not aligned with the manager's own policies, or if the manager's policies diverge significantly from any stewardship policies identified by the Trustees from time to time.

If the Trustees find any manager's policies or behaviour unacceptable, they may agree an alternative mandate with the manager or decide to review or replace the manager.

As all of the investments are held in pooled vehicles, the Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

The Trustees have provided each investment manager with a copy of the Statement of Investment Principles which sets out their policies on voting and engagement.

Investment manager engagement policies

Each investment manager is expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment manager engages in dialogue with the companies they invest in and how they exercise voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental, and corporate governance aspects.

The Trustees are comfortable that these policies are broadly in line with the Scheme's chosen stewardship approach and that they do not diverge significantly from any key stewardship priorities identified for the Scheme.

Links to each investment manager's voting and engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on each investment manager's website.

The latest available engagement information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

Engagement				
	Period	**Engagement definition**	**Number of companies engaged with over the year**	**Number of engagements over the year**
LGIM Maturing Buy & Maintain Credit Fund 2025-2029	01/04/2024 – 31/03/2025	Purposeful, targeted communication with an entity (e.g., company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	151	279
LGIM Maturing Buy & Maintain Credit Fund 2030-2034	01/04/2024 – 31/03/2025	Purposeful, targeted communication with an entity (e.g., company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	162	285
LGIM Active Corporate Bond – Over 10 Year Fund	01/04/2024 – 31/03/2025	Purposeful, targeted communication with an entity (e.g., company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	43	88
M&G Total Return Credit Investment	01/04/2024 – 31/03/2025	Not provided	10	15

LGIM Global Equity Fixed Weights (60:40) Index Fund	01/04/2024 – 31/03/2025	Purposeful, targeted communication with an entity (e.g., company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	1,111	1,788
Capital Group Emerging Markets Total Opportunities Fund	01/04/2024 – 31/03/2025	At Capital Group, they define engagement as interactions between an investor and current or potential investees (which may be companies, governments, municipalities, etc.) regarding matters that have the potential to impact shareholder value, including ESG issues, public disclosure and transparency and many other topics that could affect long-term outcomes. Engagements can also be carried out with non-issuer stakeholders, such as policymakers or standard setters.	37	66
Ninety One Emerging Markets Multi-Asset Fund	01/04/2024 – 31/03/2025	Engagement for Ninety One is communication with purpose and an identifiable outcome. This purpose can be either a) Actively looking to influence outcomes around specific issues, or b) Obtaining information/clarification which allows a better understanding of how companies are managing relevant risks and opportunities. We classify our engagement into two different types; strategic and general. Strategic engagements are firmwide priority engagements to address critical, systemic, or market wide risks and opportunities, whilst general engagements are entity specific engagements carried out by capabilities as part of their investment research and decision-making. The type and extent of engagement activity will vary depending on the materiality of the issue, and the potential to deliver a positive outcome.	16	23

Exercising rights and responsibilities

The Trustees recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers of the pooled funds for which voting is possible are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The Trustees have been provided with details of what each investment manager considers to be the most significant votes. The Trustees have not influenced the manager's definitions of significant votes but have reviewed these and are satisfied that they are all reasonable and appropriate.

The Trustees have selected the three votes affecting the largest asset holdings for inclusion in this statement. The Trustees did not communicate with the manager in advance about the votes they considered to be the most significant.

The investment managers publish online their overall voting records on a regular basis.

The Trustees do not carry out a detailed review of all votes cast by or on behalf of each investment manager but rely on the requirement for the investment manager to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management and believe this to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by each investment manager (for mandates that contain public equities) is as follows:

Voting behaviour	**LGIM Global Equity Fixed Weights (60:40) Index Fund**	**Capital Group Emerging Markets Total Opportunities Fund**	**Ninety One Emerging Markets Multi-Asset Fund**
Period	01/04/2024 – 31/03/2025	01/04/2024 – 31/03/2025	01/04/2024 – 31/03/2025
Number of meetings eligible to vote at	2,981	175	169
Number of resolutions eligible to vote on	37,792	1,799	1,672
Proportion of votes cast	99.8%	100.0%	96.4%
Proportion of votes for management	81.8%	94.5%	92.4%
Proportion of votes against management	18.0%	5.2%	7.6%
Proportion of resolutions abstained from voting on	0.3%	0.3%	4.8%

Trustees' assessment

The Trustees have, in their opinion, followed the Scheme's voting and engagement policies during the year, by continuing to delegate to each investment manager, the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

The Trustees have reviewed the significant voting and engagement behavior of each investment manager from time to time and believe that this is broadly in line with the investment manager's stated policies and has not diverged significantly from any independent stewardship priorities identified for the Scheme. The Trustees recognise that engagement and voting policies, practices, and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the engagement policies for each of the investment managers can be found here:

Investment manager	Engagement policy (or suitable alternative)
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
M&G	https://www.mandg.com/~/media/Files/M/MandG-Plc/documents/mandg-investments-policies/2023/mginv-engagement-policy-06-23.pdf
Capital Group	https://www.capitalgroup.com/advisor/pdf/shareholder/ITGEOT-027-657861.pdf
Ninety One	https://ninetyone.com/-/media/documents/stewardship/91-stewardship-policy-and-proxy-voting-guidelines-en.pdf

Information on the most significant votes for each of the funds containing public equities is shown below.

LGIM Global Equity Fixed Weights (60:40) Index Fund	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	Unilever Plc	Glencore Plc
Date of vote	21/05/2024	01/05/2024	29/05/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.7	2.6	1.4
Summary of the resolution	Resolution 22: Approve the Shell Energy Transition Strategy	Resolution 4: Approve Climate Transition Action Plan	Resolution 12: Approve 2024-2026 Climate Action Transition Plan
How the investment manager voted	Against	For	Against

Where the investment manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Climate change: A vote against is applied. LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and they view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, they expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, they seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, they would	Climate change: A vote FOR the CTAP is applied as they understand it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5Â°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, they note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. They therefore remain supportive of the net zero trajectory of the company at this stage.	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 1.5Â°C. While they note the progress the company has made in terms of disclosure, they remain concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5Â°C scenario.

	benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shells decarbonization strategy.		
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is assessed to be "most significant"	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.		

Capital Group Emerging Markets Total Opportunities Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Tencent Holdings Limited	Galaxy Entertainment Group Limited	BeiGene, Ltd.
Date of vote	14/05/2024	14/05/2024	05/06/2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.5%	0.3%	0.3%
Summary of the resolution	Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Elect Director Donald W. Glazer
How the investment manager voted	Against	Against	Against

Where the investment manager voted against management, did they communicate their intent to the company ahead of the vote	No	No	No
Rationale for the voting decision	Proposed share issuance is not in the best interest of shareholders.	Proposed share issuance is too high.	1- Persistent board composition concerns have not been addressed. 2- The director's tenure is deemed too long, which may impair his/her independence.
Outcome of the vote	Passed	Passed	Passed
Implications of the outcome	Capital will continue to engage with the company regarding their vote rationale, in order to provide better outcomes for shareholders.		
Criteria on which the vote is assessed to be “most significant”	Vote against management	Vote against management	Vote against management

Ninety One Emerging Markets Multi-Asset Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Vale SA	Weichai Power Co., Ltd.	Weichai Power Co., Ltd.
Date of vote	26/04/2024	10/05/2024	10/05/2024
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	N/A	N/A	N/A
Summary of the resolution	Item 3.2. Elect Marcio de Souza as Fiscal Council Member and Ana Maria Loureiro Recart as Alternate Appointed by Caixa de Previdencia dos Funcionarios do Banco do Brasil – Previ	Item 6. Approve Financial Budget Report	Item 11. Amend Articles of Association

How the investment manager voted	Against	Against	Against
Where the investment manager voted against management, did they communicate their intent to the company ahead of the vote	No.	No.	No.
Rationale for the voting decision	A current key risk for Vale is the government's involvement in the business thus given this member is appointed by Previ (Banco do Brasil), it would not be in line with their interests.	Lack of disclosure	The proposed amendments aim to eliminate the special procedures for voting by class shareholders. The current requirement for class meetings, applicable to both domestic shares and H shares, is deemed unnecessary. However, it is important to note that domestic shares and H shares differ in their fungibility and transferability between exchanges, despite having equal voting rights, dividend entitlements, and asset distribution rights. Removing the class meeting requirement would reduce the safeguards available to shareholders and potentially restrict the ability of minority shareholders to reject proposals that could lead to unfavourable outcomes.
Outcome of the vote	Pass	Pass	Fail
Implications of the outcome	N/A	N/A	N/A
Criteria on which the vote is assessed to be "most significant"	Material company (dissenting vote to management)	Material company (dissenting vote to management)	Material company (dissenting vote to management)

**n/a indicates the engagement data wasn't available from Ninety One*

Information on the most significant engagement case studies for each of the managers containing public equities or bonds is shown below.

LGIM – Firm level as at 31 December 2024 (latest available)	Case study 1	Case study 2	Case study 3
Name of entity engaged with	BHP Group	Yara International	Nippon Steel Corp
Topic	Environment: climate change	Environmental: climate change	Environmental: climate change (Climate Impact Pledge)
Rationale	The mining and diversified metals sector is an essential part of the energy transition. In order to support its transition plans, LGIM wants companies within the sector to meet their minimum expectations. BHP Group is the world's largest mining company. LGIM's expectations are centred around setting robust decarbonisation strategies, with tangible milestones and appropriate allocation of capital, emissions disclosure and targets, meaningful actions across the company's value chain to support decarbonization levers, as well as disclosure of approach to 'just transition' and lobbying activities mining and diversified metals sector produces minerals that are essential to the energy transition they believe that long-term, responsible investors, such as LGIM, can support these companies as they decarbonise. For their engagements with BHP Group, LGIM's specific	LGIM has been a member of the ShareAction's Chemical Decarbonisation Investor Coalition since 2021, a collaboration aiming to engage with 13 leading European chemical companies, to encourage them to align their decarbonisation strategies with the goal of limiting global warming to 1.5C. The chemicals sector is responsible for over 6% of global GHG emissions and is crucial to a multitude of manufactured goods and industrial processes with 95% of manufactured products relying on this sector. Objectives The collaborative engagement has been focused on the following objectives: 1. Set out and disclose a plan over the short, medium, and long term, with time-bound targets, to: a. phase in electrified chemical production processes b. increase energy consumption from renewable energy sources c. transition to emissions-neutral feedstocks d. phase out woody biomass from energy generation 2. Set scope 3 targets that are aligned with 1.5C (covering all relevant	Nippon Steel Corporation is the largest steel maker in Japan and one of the largest globally in terms of production. Traditional steelmaking processes are highly carbon intensive, and a shift to green steel will require a policy environment that supports a sufficient supply of low-carbon alternatives. Assessments undertaken by third-party data providers have demonstrated that Nippon Steel lags its peers on climate policy engagement disclosures, and in 2022 InfluenceMap named Nippon Steel as one of the most influential companies blocking climate policy action globally. Under LGIM's Climate Impact Pledge, they publish their minimum expectations for companies in 20 climate-critical sectors. LGIM selects roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in LGIM's view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. LGIM's in-depth

	objectives are as follows: -Engage with BHP on its Climate Action Transition Plan before publication as part of LGIM's 'Say on climate' votes at mining companies and what they expect company transition plans to demonstrate in order for LGIM to support them. UN SDG 13: Climate action	upstream and downstream emissions). 3. Explicitly commit to align capital expenditure plans with the objective of limiting global warming to 1.5C; and disclose future capital spending on new and existing assets. Engagement has been through a combination of letters outlining key requests from the coalition (which they have co-signed over the years), followed by direct engagements with selected companies. As part of this coalition, LGIM also provided a joint submission to the SBTi on consultation for draft guidance for the chemical industry contributing to the development of the Chemicals Sector Target-Setting Criteria. UN SDG 13: Climate action	engagement is focused on helping companies meet these minimum expectations, and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag LGIM's minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions). Under LGIM's Climate Impact Pledge, LGIM expects companies to disclose their climate-related lobbying activities, including trade association memberships, and explain the action they will take if the lobbying activities of these associations are not in line with the Paris Agreement. This has been LGIM's primary objective with Nippon Steel. UN SDG 13: Climate action
What the investment manager has done	"BHP Group is one of the biggest mining companies in the world. In 2021, the company put its first Climate Transition Action Plan (CTAP) to the vote. LGIM voted against the approval of this plan, as it did not meet their expectations. However, since then, LGIM have met with BHP several times (six times in 2024 alone), including with the company CEO, CFO and Chair. The aim of LGIM's engagements was to provide feedback on BHP's 2024 CTAP and ensure that it met the requirements of their	Following a three-year engagement, in December 2024, LGIM met (as part of the coalition) with Yara International's CEO for the first time to discuss their upcoming transition plan and capex strategy. This engagement was in response to a shareholder resolution filed by ShareAction and four coalition investors, which LGIM voted in favour of at Yara's 2024 AGM. The objective of the engagement was to continue dialogue with the company to include ambitious scope 3 targets and implementation plans in its upcoming Transition Plan, which is due to be published in 2025. The aim was to clearly convey the	LGIM had been engaging with Nippon Steel for many years and specifically through LGIM's Climate Impact Pledge since early 2022, the same year in which they added the 'red line' related to climate-related lobbying. The company failed to meet this criterion, so LGIM made it the focus of their engagement with them for 2023, and expanded their engagement to work collaboratively with other investors to increase their influence. Despite several meetings with the company, the disclosures provided so far have not met LGIM's expectations. Given the significant role that Nippon Steel has in

	updated assessment framework. Having published their updated expectations of mining company transition plans in Q3 2024, LGIM made their expectations clear. In line with LGIM's methane strategy objective a letter has been sent to the chairman of BHP group addressing BHP's coal methane emissions. Levels of individual typically engaged with include the Chair and CEO. LGIM welcomed the robust and constructive engagement they enjoyed with BHP this year. It was clear that BHP had made significant strides in improving its CTAP since it put the inaugural one to the vote in 2021. Its plan demonstrates substantial alignment with LGIM's assessment framework, and they believe that it's important that investors recognise progress when it occurs. LGIM was able to vote in favour of the CTAP at the company's 2024 AGM, and they pre-declared their support.	coalition's expectations to Yara's leading executive during a pivotal period of planning. In terms of escalation, in the company's 2024 AGM, LGIM voted in favour of a shareholder resolution requesting that the company set science-based goals to cut scope 3 emissions in line with limiting global warming to 1.5 degrees.	influencing Japanese policy, as well as LGIM's intention to increase focus on demand-side engagement, LGIM co-filed, together with the Australasian Centre for Corporate Responsibility ('ACCR'), a shareholder proposal asking the company to: Disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally, including its own direct lobbying and industry association memberships, and review these for alignment with the Company's goal of carbon neutrality by 2050 and explain the actions it will take if these activities are determined to be misaligned. Levels of individual typically engaged with at the company include head of investor relations and the head of sustainability.
Outcomes and next steps	That they were able to support BHP Group's Climate Transition Action Plan demonstrates the progress the company has made, and how far it aligns with LGIM's expectations. Going forwards, LGIM will assess the disclosure of progress	In terms of next steps, LGIM will monitor Yara's progress in this regard and analyse their forthcoming Transition Plan. This will determine the future direction and objectives of their engagement. LGIM considers the objectives set out above to be in progress.	LGIM was pleased to see that their shareholder resolution (Resolution 8) achieved 27.98% support, sending a strong message to the company's board that investors expect greater transparency on climate-related policy engagement activity. This was also one of the highest levels of support

	on BHP's plans for development of a more targeted methane measurement, management and mitigation strategy, as well as plans to execute to support the decarbonisation of steelmaking. They will also continue to engage with BHP to ensure resilience whilst navigating the dynamic market for metallurgical coal.		recorded for a climate-related shareholder resolution in Japan. 2024 (and Q1 2025) was pivotal for Japan as the country is scheduled to update its key climate and energy policies. The choices made will determine the direction of its mid-term decarbonisation strategy and the results underscore the scale of investor attention on politically influential companies like Nippon Steel. LGIM will continue engaging with the company and expect to see their board address investor expectations and enhance accountability and transparency in its efforts to influence these policies as they take shape. In terms of LGIM's objective for this engagement, having undertaken the engagements and escalations set out above, LGIM would describe the status as "in progress".

Capital Group Emerging Markets Total Opportunities Fund	**Case study 1**	**Case study 2**	**Case study 3**
Name of entity engaged with	TotalEnergies	HSBC	AIA
Topic	Environment - climate change	Environment - climate change	Governance - remuneration
Rationale	Based in Europe, TotalEnergies is one of the world's largest integrated energy, oil and gas companies. For these companies, navigating the energy transition is a key strategic and operational challenge.	HSBC is one of the largest banking organisations in the world, providing financial products and services to clients in developed and emerging markets. Like many banks, HSBC has committed to achieving net zero by 2050.	AIA is the largest life and health insurer in the Asia Pacific region with strong market positions in Hong Kong, China, Thailand, Singapore and Malaysia. Our ESG investment framework for

	There has been increased regulatory pressure for clear and realistic emission-reductions target-setting, particularly in Europe. As investors in oil and gas companies, their analysts needed to better understand each company's plans for emission reduction and their impact.	However, it has significant exposure to more carbon-intensive industries in emerging markets due to its large Asia-focused business, making decarbonisation particularly complex. Additionally, recognising the need for significant increases in the finance required to fund the global energy transition, the bank is keen to position itself as an advocate and partner for clients, supporting them on their own decarbonisation journeys and driving new business for the bank. To allow investors sufficient insight into the robustness of HSBC's approach, effective disclosure is important.	Insurance companies considers quality management and effective leadership as critical to long term drivers of success for a business. Best practices identified include executive pay aligned to investor interests. As part of one of their ESG analyst's research on executive compensation practices within Hong Kong listed companies, AIA was identified as a 'pay-mature' company i.e one with compensation practices (including disclosures and pay structure) that align with international standards.
What the investment manager has done	Their investment analysts and ESG analysts met with TotalEnergies in late 2022. Capital Group discussed its emissions targets/plans and best practices on target setting and disclosures. During a follow-up engagement in November 2023, our ESG analyst highlighted some potential enhancements to the firm's disclosures. They encouraged linking capital allocation decisions to emissions reduction mechanisms and quantifying emissions reductions at a more granular level. While the analyst considers TotalEnergies to have one of the strongest climate strategies for outlining a	In July 2023, one of Capital Group's ESG analysts and an investment analyst engaged with HSBC to discuss updates on the implementation and publication of its group-level plan on net zero transition. In January 2024, our ESG analyst engaged with HSBC and the company shared further updates on its transition plan. Focus areas included: — Employing tactics to reduce emissions rather than just managing its portfolio through divestments to reach a certain target. — Ensuring that any policy it adopts does not impact its ability to serve emerging markets. — Transition strategy reporting which will	One of their investment analysts and ESG analysts recently engaged with AIA to gain insights on the company's current practices and exchange views on existing executive compensation standards. AIA's current disclosures include: — A designated section on executive compensation (similar to UK, US and Australia, but less common across the rest of Asia). — KPIs for both short-term and long-term incentive plans and assigned weightings of these KPIs.

	projected pathway to 2030, they noted that disclosures are lacking on the tangible levers (electrification, divestment, methane and flaring reductions, for example) it plans to use, alongside associated year-on-year investments.	provide sector transition pathways for 10 specific sectors. — Adjustments to its scenarios over the last two years to reflect changes in underlying assumptions.	— Its CEO pay quantum including both variable portion and equity.
Outcomes and next steps	TotalEnergies has, in their ESG analyst's view, been executing its climate strategy well. For example, the firm met its goals ahead of schedule and raised its target ambition across emissions. As of May 2024, the company plans to reduce: — Scope 1+2 emissions to less than 38 Mt CO2e[1] (rather than 40 Mt CO2e) in 2025. 2030 objectives remain unchanged. — Scope 3 emissions from oil activities by 30% from 2015 levels in absolute terms, by 2025 (rather than 2030). Its 2030 reduction target was increased to 40%. The company acknowledged their feedback around enhancing disclosures, recognising that it can help investors and other stakeholders better track its climate strategy. Their ESG analyst will monitor for enhanced granularity on efficiency measures.	HSBC's "Net Zero Transition Plan" went on to be published in January 2024.[1] The analysts had noted that this and HSBC's client-engagement model could serve as an industry model. It emphasises engagement with clients to help finance decarbonisation in areas with the most change ahead, rather than simply divesting. Following our engagement in 2024, the analysts continue to monitor HSBC's disclosures and practices to follow updates on its climate strategy implementation. Specifically, they will monitor how HSBC is integrating its climate engagement efforts into the bank's credit-making decisions and portfolio management activities.	Their ESG analysts found that AIA adopts a balanced pay structure that matches its regional footprint and has leading disclosure beyond mandatory local standards including its disclosures around CEO pay. Such efforts, while partly driven by legacy reasons, have continued since its separation from AIG in 2010. Their analyst highlighted that providing more detailed information on performance targets and the criteria for selecting peer companies will enhance AIA's reputation as a leader in pay transparency within the market. Their ESG analyst will continue to monitor the company's executive compensation disclosures and practices.

Ninety One Emerging Markets Multi-Asset Fund	Case study 1	Case study 2	Case study 3
Name of entity engaged with	PetroChina Co. Ltd.	Reliance Industries	Samsung C&T Corp
Topic	Climate Change, Waste Management	Climate change	Information Technology
Rationale	To understand progress Petrochina is making on environmental impact and disclosures.	As a high emitting company in their EM portfolios, Ninety One completed a comprehensive Transition Pathway Assessment of the company which highlighted areas of improvement across its level of ambition, credibility of the transition plan, and implementation of the plan. Following their assessment, they learnt that whilst Reliance have committed to achieving net-zero (Scope 1+2) by 2035, and SBTi has validated the GHG reduction target submitted by subsidiary Reliance Jio, there are no interim targets at Group level, and no roadmap has been communicated to the market, so they engaged with the company to get an update on progress.	As of Q1 2022, Ninety One have two ongoing, strategic engagements with Samsung Electronics. Engagement 1: Multi-year multi-faceted engagement on governance covering capital allocation and corporate governance.
What the investment manager has done	Ninety One took the decision to abstain on the resolution to Approve the Report of the Board of Directors at their AGM and wrote to the company to explain the rationale behind this. Whilst PetroChina has made some progress, reporting to CDP for the first time and making a commitment to increase expenditure on low-carbon	As a high emitting company in their EM portfolios, they completed a comprehensive Transition Pathway Assessment of the company which highlighted areas of improvement across its level of ambition, credibility of the transition plan, and implementation of the plan. Following their assessment, they learnt	Ninety One have been engaging with Samsung Electronics in relation to several governance issues since 2015, and over that time they have seen significant improvement. The initial focus of the engagement was on more efficient capital allocation, board independence and board composition, where they have focused on gender

	products, the company is yet to set any scope 1 and 2 GHG emissions reductions targets despite having made a commitment to be net zero by 2050. They asked the company to set near-term targets, measure and disclose their scope 3 emissions and set out a credible transition plan with implementation and financing of the plan clearly disclosed.	that whilst Reliance have committed to achieving net-zero (Scope 1+2) by 2035, and SBTi has validated the GHG reduction target submitted by subsidiary Reliance Jio, there are no interim targets at Group level, and no roadmap has been communicated to the market, so they engaged with the company to get an update on progress. In terms of why there are no interim targets / roadmap, the company want to wait until there is greater visibility around projects/plant openings. Whilst this is understandable, they stressed that investors want to see an initial plan to get an understanding of how the net-zero target can be met, even if this is subject to change over time. Reliance's target to install at least 100GW of renewable energy generation by 2030 remains in place and management believe that this would come close to offsetting the entire emissions base. Positively, in Q1 2025, the company confirmed that 30–35% of its total CAPEX budget (Rs 130–140k crore) is allocated to its New Energy business—an encouraging sign of both intentionality and materiality. Regarding RIL's battery manufacturing facility, the first module will be operational in FY25. They are also optimistic on producing affordable green hydrogen by FY28 and have	diversity and improving foreign representation on the board. On both points the engagement has yielded tangible results.

		partnered with Norwegian electrolyser specialist, Nel ASA, to exclusively manufacture and sell alkaline electrolysers in India.	
Outcomes and next steps	Ninety One await the company's response and will follow up with a request for a meeting.	Ninety One believe that RIL is part of the solution if India is serious about transitioning, and their increased CAPEX for New Energy is a clear indication of intentionality. However, with no supporting roadmap or interim targets, they believe that the 2035 net-zero target feels like a token initiative, so they will continue to engage with the company to ask for interim targets as project timelines firm up. They will also monitor CAPEX to ensure that the step up for New Energy is coming through.	In terms of capital allocation, the company now has a formalised policy with 50% of FCF being returned to shareholders. With regards to the board there have been several welcome improvements. In 2018 the role of CEO and Chair was separated, and in 2020 an Independent Director was appointed as Chairman which further increased the Board's independence and transparency. In recent years they have continued to see improvement in board composition in terms of gender diversity and foreign representation, although challenges still exist around language and cultural fit. Finally, the company has set up Sustainability, Related Party Transaction and Compliance committees to improve transparency and oversight in these areas. There remain challenges due to culture and family ownership (chaebol) structure which is common in South Korea. Notwithstanding the progress so far, Samsung Electronics continues to lag global peers, which as global investors is the appropriate framework. As such they continue to engage on these elements in order to encourage the

			company to 1) Continue to implement a progressive capital return policy and address the overly conservative balance sheet structure; and 2) Continue to increase representation of non-Korean directors on the board and improve governance functions which includes appropriate board oversight and independence.