A&P Group Pension Scheme

Engagement Policy Implementation Statement for the year ending 31 March 2023

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 2023. 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
Insight	Yes	Yes
BNY Mellon	Yes	No
Royal London	Yes	Yes
Columbia Threadneedle	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**
Insight Broad Opportunities Fund	01/04/2022 – 31/03/2023	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.	11	38
BNY Mellon Real Return Fund	01/04/2022 – 31/03/2023	Purposeful communication with a corporate entity where specific environmental, social or governance matters were one of the primary reasons for contacting the company in order to influence change, raise a concern or seek comfort.	25	48
LGIM Active Corporate Bond – Over 10 Year Fund	01/04/2022 – 31/03/2023	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	37	85

		research should not be counted as engagement.		
RLAM UK Long Corp Bond Fund	01/04/2022 – 31/03/2023	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.	38	96
Global Equity Fixed Weights (60:40) Index Fund	01/04/2022 – 31/03/2023	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.	466	726

Capital Group Emerging Markets Total Opportunities Fund	01/04/2022 – 31/03/2023	At Capital Group, we 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.	16	35
Ninety One Emerging Markets Multi-Asset Fund	01/04/2022 – 31/03/2023	SOVEREIGN: As investors in sovereign assets we are in a privileged position to have access to EM policymakers. This privilege comes with a responsibility to engage on ESG matters. We take a holistic approach to sovereign engagement. We engage with policymakers on country trips – both virtual and in-person when possible. These trips give us access not just to finance ministry and central banks, but also other parts of government, including executive offices and energy ministries. We engage with government officials on ESG issues in one-to-one meetings, with bond roadshows and IMF bi-annual meetings providing additional forums for engagement. We also work with NGO partners and industry bodies to provide a collective voice and shape the debate. While we engage broadly on matters that span the entire ESG spectrum, we mainly focus their strategic engagements on two areas where we have strong expertise: climate and nature risks, where we apply their Climate and Nature Sovereign Index as well as their Net Zero Sovereign Index	60	83

	work and budget transparency. It is important to note within the Emerging markets sovereign space, engagements are slow moving and a part of an ongoing conversation with the relevant agencies to improve the countries E,S & G outlook. EQUITY: Engagements take place as an integral part of their investment process or as part of a supporting engagement strategy which focuses on ESG themes and specific holdings that are material to Ninety One and their clients. Their engagements are categorised into Strategic, Communication and Advocacy. All engagements are supported by appropriate analysts, portfolio managers and the Engagement and Voting team.

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	Insight Broad Opportunities Fund	BNY Mellon Real Return Fund	LGIM Global Equity Fixed Weights (60:40) Index Fund
Period	01/04/2022 – 31/03/2023	01/04/2022 – 31/03/2023	01/04/2022 – 31/03/2023
Number of meetings eligible to vote at	11	78	3,197
Number of resolutions eligible to vote on	152	1,287	41,099
Proportion of votes cast	100.0%	100.0%	99.8%
Proportion of votes for management	100.0%	89.2%	81.9%
Proportion of votes against management	0%	10.8%	18.0%
Proportion of resolutions abstained from voting on	0%	0%	0.1%

Voting behaviour	Capital Group Emerging Markets Total Opportunities Fund	Ninety One Emerging Markets Multi-Asset Fund
Period	01/04/2022 – 31/03/2023	01/04/2022 – 31/03/2023
Number of meetings eligible to vote at	165	153
Number of resolutions eligible to vote on	1,719	1,622
Proportion of votes cast	99.0%	93.8%
Proportion of votes for management	92.1%	90.2%
Proportion of votes against management	5.0%	9.8%
Proportion of resolutions abstained from voting on	2.9%	3.3%

During the period under review the Trustees have exercised their rights in relation to their holdings with [insert fund/investment manager name] after consulting with their investment consultant.

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 behaviour 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
BNY Mellon	https://www.newtonim.com/uk-institutional/special-document/responsible-investment-policies-and-principles/
Royal London	https://www.rlam.com/uk/institutional-investors/responsible-investment/responsible-investment-at-rlam/ https://www.rlam.com/uk/institutional-investors/responsible-investment/responsible-investment-at-rlam/engagement-and-advocacy/
Columbia Threadneedle	https://docs.columbiathreadneedle.com/documents/Responsible%20Investment%20-%20Engagement%20policy%20and%20approach.pdf?inline=true
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
Insight	Responsible investment | Insight Investment

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	Royal Dutch Shell Plc	BP Plc	Rio Tinto Plc
Date of vote	24/05/2022	12/05/2022	08/04/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.1	1.9	1.6

Summary of the resolution	Resolution 20 – Approve the Shell Energy Transition Progress Update	Resolution 3 - Approve Net Zero - From Ambition to Action Report	Resolution 17 - Approve Climate Action 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	Voted in line with management	Voted in line with management	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, though not without reservations. LGIM 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, they remain concerned of the disclosed plans for oil and gas production and would benefit from further disclosure of targets associated with the upstream and	Climate change: A vote FOR is applied, though not without reservations. While they 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 their view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update	Climate change: LGIM 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 they acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, they remain concerned with the absence of quantifiable targets for such a material component of the company's overall

	downstream businesses.	where key outstanding elements were strengthened. Nevertheless, they remain committed to continuing their constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.	emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.
Outcome of the vote	0.8	0.9	0.8
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.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	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”	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.

BNY Mellon Real Return Fund	Vote 1	Vote 2	Vote 3

Company name	Greencoat UK Wind Plc	ConocoPhillips	ConocoPhillips
Date of vote	28/04/2022	10/05/2022	10/05/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.7	1.2	1.2
Summary of the resolution	Re-elect Shonaid Jemmett-Page as Director	Elect Director Jody Freeman	Elect Director Jeffrey A. Joerres
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	BNY Mellon voted against the re-election of the chairperson of the board. They raised concerns over the past share issuance undertaken by the trust. They believe the share placing was not conducted in a manner that was in the best interests of shareholders and the share placing would be at a discount to NAV had it been recalculated on the back of increasing power prices.	BNY Mellon voted against the incumbent Public Policy and Sustainability Committee Chair due to the limited responsiveness to the majority-backed shareholder proposal at last year's AGM, notably on disclosing Scope 3 targets. In complement, they supported the shareholder proposal requesting reporting on GHG targets, and notably Scope 3	BNY Mellon voted against remuneration arrangements as they note a slight misalignment in pay and performance that is aggravated by concerns around LTI grants. The LTI are constantly earned above targets, casting doubt over the stringency of the awards. The STI scorecard lacks disclosure on key pieces of information that would allow them to mitigate pay-for-performance concerns. They would have also appreciated a cap on

		emissions across the value chain.	negative TSR. Consequently, they opposed incumbent remuneration committee members.
Outcome of the vote	15% AGAINST	4.39% AGAINST	3.21% AGAINST
Implications of the outcome	The vote outcome demonstrates that a super majority of shareholders are not concerned with the potential valuation dilution. As such, these shareholders' right to complain is lost should the company place new shares with investors that are priced below the share's net asset value.	While the director election did not have significant dissent based on their rationale which was due to insufficient action on disclosing scope 3 targets, a complementary climate related shareholder proposal asking for emission reduction targets gathered majority support. Consequently, they expect the board to take some action on their climate plan to address this support.	While the dissent on the incumbent compensation committee member's election was not significant, the underlying say-on pay proposal had significant dissent (38.95% AGAINST). The outcome reflects increasing scrutiny and dissatisfaction of shareholders with executive pay practices, where the company will need to conduct external discussions to be able to effectively address shareholder concerns.
Criteria on which the vote is assessed to be "most significant"	The vote was deemed significant given the proposal failed to include industry accepted best practice in terms of pricing of placed shares. In such circumstances, the expected minimum is that the shares would be issued at or above their prevailing net asset value, which would prevent unnecessary value dilution for existing shareholders.	BNY Mellon determined this vote as significant owing to the fact that they opposed the election of the incumbent Public Policy and Sustainability Committee Chair owing to concerns around climate plan and it is a rarity that a shareholder proposal (in this case, related to the same underlying issue of climate action) achieves majority support.	BNY Mellon determined this vote as significant owing to the high level of dissent around executive pay.

Capital Group Emerging Markets Total Opportunities Fund	Vote 1	Vote 2	Vote 3
Company name	AIA Group Limited	Barrick Gold Corp.	Galaxy Entertainment Group Limited
Date of vote	19/05/2022	03/05/2022	12/05/2022
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	1.6%	1.3%	0.7%
Summary of the resolution	Elect Narongchai Akrasanee as Director	Advisory Vote on Executive Compensation Approach	Elect Charles Cheung Wai Bun as Director
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	This director is deemed to be overboarded which may impact their commitment to the company.	More financial or operational metrics needed.	This director is deemed to be overboarded which may impact their commitment to the company.
Outcome of the vote	Passed	Passed	Passed
Implications of the outcome	Capital will continue to engage with the company regarding	Capital will continue to engage with the company	Capital will continue to engage with the company regarding

	their vote rationale, in order to provide better outcomes for shareholders.	regarding their vote rationale, in order to provide better outcomes for shareholders.	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	Anglo American Plc	Atacadao SA	Atacadao SA
Date of vote	19/04/2022	19/05/2022	19/05/2022
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	Approve Climate Change Report	Approve Acquisition of Grupo BIG Brasil S.A. (Grupo BIG)	Approve Agreement to Acquire Grupo BIG Brasil S.A. (Grupo BIG)
How the investment manager voted	For	For	For
Where the investment manager voted against management, did they communicate their intent to the company ahead of the vote	Aligned to management	Aligned to management	Aligned to management
Rationale for the voting decision	The Company meets expectations in terms of disclosure and governance surrounding climate change. The	The company has provided a sound strategic rationale for the proposed acquisition; The 5.55-percent full	The company has provided a sound strategic rationale for the proposed acquisition; The 5.55-percent full dilution to

	Company's long-term goals have a shorter time frame than many peers (2040, as opposed to 2050). Its ambition is for carbon neutrality across operations by 2040. Although the Scope 3 ambitions do not include a net zero target, it has provided targets to 2040, accompanied by clear descriptions of the challenges it faces and its intended actions to decrease its scope 3 targets. There has been accelerated progress towards Scope 1 and 2 emissions reduction.	dilution to current shareholder appears reasonable; and there are no known concerns about the terms of the transaction.	current shareholder appears reasonable; and there are no known concerns about the terms of the transaction.
Outcome of the vote	Passed	Passed	Passed
Implications of the outcome	N/A	N/A	N/A
Criteria on which the vote is assessed to be "most significant"	ESG – Environmental	Significant corporate transaction	Significant corporate transaction

**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	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	ExxonMobil	BP Plc	J Sainsbury Plc
Topic	Environment: Climate change (Climate Impact Pledge)	Environment: Climate change (Climate Impact Pledge)	Social: Income inequality - living wage (diversity, equity, and inclusion)

Rationale	As one of the world's largest public oil and gas companies in the world, LGIM believe that Exxon Mobil's climate policies, actions, disclosures and net zero transition plans have the potential for significant influence across the industry as a whole, and particularly in the US. At LGIM, they believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under LGIM's Climate Impact Pledge, they publish their minimum expectations for companies in 20 climate-critical sectors. LGIM select 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 engagement is	As one of the largest integrated oil and gas producers in the world, BP has a significant role to play in the global transition to net zero, hence LGIM's focus on this company for in-depth engagements. As members of the CA100+ LGIM commit to engaging with a certain number of companies on their focus list and on account of LGIM's strong relationship with BP, they lead the CA100+ engagements with them. At LGIM, they believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under LGIM's Climate Impact Pledge, they publish their minimum expectations for companies in 20 climate- LGIM sectors. They select 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	Ensuring companies take account of the 'employee voice' and that they are treating employees fairly in terms of pay and diversity and inclusion is an important aspect of their stewardship activities. As the cost of living ratchets up in the wake of the pandemic and amid soaring inflation in many parts of the world, LGIM's work on income inequality and their expectations of companies regarding the living wage have acquired a new level of urgency. LGIM's expectations of companies: i) As a responsible investor, LGIM advocates that all companies should ensure that they are paying their employees a living wage and that this requirement should also be extended to all firms with whom they do business across their supply chains. ii) LGIM expect the company board to challenge decisions to pay employees less than the living wage.

	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 their minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions). UN SDG 13: Climate action	improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. LGIM's in-depth 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). UN SDG 13: Climate action	iii) LGIM ask the remuneration committee, when considering remuneration for executive directors, to consider the remuneration policy adopted for all employees. iv) In the midst of the pandemic, LGIM went a step further by tightening their criteria of bonus payments to executives at companies where COVID-19 had resulted in mass employee lay-offs and the company had claimed financial assistance (such as participating in government-supported furlough schemes) in order to remain a going concern. With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury's is one of the largest supermarkets in the UK. Although Sainsbury's is currently paying higher wages than many other listed supermarkets, the company has been selected because it is more likely than

			many of its peers to be able to meet the requirements to become living-wage accredited. UN SDG 8: Decent work and economic growth
What the investment manager has done	LGIM have been engaging with Exxon Mobil since 2016 and they have participated willingly in LGIM's discussions and meetings. Under their Climate Impact Pledge, LGIM identified a number of initial areas for concerns, namely: lack of Scope 3 emissions disclosures (embedded in sold products); lack if integration or a comprehensive net zero commitment; lack of ambition in operational reductions targets and; lack of disclosure of climate lobbying activities. LGIM's regular engagements with Exxon Mobil have focused on their minimum expectations under the Climate Impact Pledge. The improvements made have not so far been sufficient in their opinion, which has resulted in escalations. The	LGIM have been engaging with BP on climate change or a number of years, during the course of which LGIM have seen many actions taken regarding climate change mitigation. BP has made a series of announcements detailing their expansion into clean energy. These include projects to develop solar energy in the US, partnerships with Volkswagen (on fast electric vehicle charging) and Qantas Airways (on reducing emissions in aviation), and winning bids to develop major offshore wind projects in the UK and US. LGIM's recommendation for the oil and gas industry is to primarily focus on reducing its own emissions (and production) in line with global climate targets before considering any	Sainsbury's has recently come under scrutiny for not paying a real living wage. LGIM engaged initially with the company's (then) CEO in 2016 about this issue and by 2021, Sainsbury's was paying a real living wage to all employees, except those in outer London. LGIM joined forces with ShareAction to try to encourage the company to change its policy for outer London workers. As these engagements failed to deliver change, LGIM then joined ShareAction in filing a shareholder resolution in Q1 2022, asking the company to becoming a living wage accredited employer. This escalation succeeded insofar as, in April 2022, Sainsbury's moved all its London-based employees (inner and outer) to the

	first escalation was to vote against the re-election of the Chair, from 2019, in line with their Climate Impact Pledge sanctions. Subsequently, in the absence of further improvements, LGIM placed Exxon Mobil on their Climate Impact Pledge divestment list (for applicable LGIM funds) in 2021, as LGIM considered the steps taken by the company so far to be insufficient for a firm of its scale and stature. Nevertheless, LGIM's engagement with the company continues. In terms of further voting activity, in 2022 LGIM supported two climate-related shareholder resolutions (i.e. voted against management recommendation) at Exxon's AGM, reflecting LGIM's continued wish for the company to take sufficient action on climate change in line with their minimum expectations. Levels of individual typically engaged with include lead independent director, investor	potential diversification into clean energy. BP has also announced that it would be reducing its oil and gas output by 40% over the next decade, with a view to reaching net-zero emissions by 2050. LGIM met with BP several times during 2022. In BP's 2022 AGM, LGIM were pleased to be able to support management's 'Net Zero – from ambition to action' report (Resolution 3). Having strengthened its ambition to achieve net-zero emissions by 2050 and to halve operational emissions by 2030, BP has also expanded its scope 3 targets, committed to a substantial decline in oil and gas production, and announced an increase in capital expenditure to low-carbon growth segments. Levels of director typically engaged with include the chair, the CEO, head of sustainability, and investor relations.	real living wage. LGIM welcomed this development as it demonstrates Sainsbury's values as a responsible employer. However, the shareholder resolution was not withdrawn and remained on the 2022 AGM agenda because, despite this expansion of the real living wage to more employees, there are still some who are excluded. This group comprises contracted cleaners and security guards, who fulfil essential functions in helping the business to operate safely. Levels of individual typically engaged with include the Chair, the CEO, and head of investor relations.

	relations, director and CFO.		
Outcomes and next steps	Since 2021, LGIM have seen notable improvements from Exxon Mobil regarding LGIM's key engagement requests, including disclosure of Scope 3 emissions, a 'net zero by 2050' commitment (for Scopes 1 and 2 emissions), the setting of interim operational emissions reduction targets, and improved disclosure of lobbying activities. However, there are still key areas where LGIM require further improvements, including inclusion of Scope 3 emissions in their targets, and improving the level of ambition regarding interim targets. LGIM are also seeking further transparency on their lobbying activities. The company remains on LGIM's divestment list (for relevant funds), but LGIM's engagement with them continues.	LGIM will continue engaging with BP on climate change, strategy and related governance topics. Following the company's decision to revise their oil production targets, LGIM met with the company several times in early 2023 to discuss their concerns.	Since filing the shareholder resolution, Sainsbury's has made three further pay increases to its directly employed workers, harmonising inner and outer London pay and is now paying the real living wage to its employees, as well as extending free food to workers well into 2023. LGIM welcome these actions which demonstrate the value the board places on its workforce. LGIM have asked the board to collaborate with other key industry stakeholders to bring about a living wage for contracted staff.

Capital Group Emerging Markets Total Opportunities Fund	Case study 1	Case study 2	Case study 3
Name of entity engaged with	Tokyo Electron	First Quantum Minerals	Angola
Topic	Governance – Remuneration	Environment - Pollution, Waste	Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)
Rationale	Tokyo Electron is one of the world's largest semi-conductor equipment vendors. The company has continued to hold large amounts of cash (a non-productive asset) on their balance sheet, without communicating a clear policy of paying out to shareholders or investing in the business. While the investment analyst has conviction in the company's ability to grow the business, the analyst believes a stronger pay-out policy could improve returns for shareholders.	Based in Canada, First Quantum Minerals (FMCN) is among the world's top 10 copper producers with production in gold, nickel, zinc and cobalt. Copper and nickel are key materials used in new renewable energy infrastructure and electric vehicles. Mining these minerals can generate significant GHG emissions relative to other sectors, due to the operation of heavy equipment and energy-intensive processing plants. Their analyst believes that climate change due to GHG emissions, and increased regulatory scrutiny, are material, long-term ESG risks for FMCN. The coal-fired power station at the Cobre Panama mine is FMCN's largest source of GHG emissions, presenting an opportunity for FMCN to increase its production of renewable energy.	As part of Capital Group's sovereign monitoring process, Angola was flagged primarily on governance indicators, requiring additional analyst review and in-depth analysis.
What the investment manager has done	Throughout 2021, one of their analysts engaged with Tokyo	In January 2022, FMCN published its inaugural Climate Change Report,	To effectively monitor governance risks,

	Electron's management team to gain a better understanding of its dividend pay-out and share buyback policies. The analyst also shared insights into broader market practices, outlining the higher pay-out structures of foreign peers. The management team responded positively to the feedback and highlighted its longer-term plans to maintain a 50% pay-out ratio and conduct buybacks opportunistically.	aligned with the TCFD recommendations, setting out its climate strategy as well as targets to reduce its GHG emissions. A Capital Group investment analyst engaged with the company seeking an update on progress in building its renewable energy infrastructure, particularly for its operations in Zambia and Panama.	their analyst has frequently engaged with Angolan officials on issues around transparency and privatisation. Their analyst notes that improvements in governance by the sovereign rely on both an ability and a willingness by the Angolan government to adjust public finances. The need for this is heightened by previous excessive government spending and oil price shocks. Through their analysis, their analyst formed the view that the effectiveness of Angola's public finances apparatus is materially better than in other comparable countries. In addition, there have been several improvements in control of corruption since the Lourenco administration came to power, most notably, detention of senior former political figures. Transparency has also improved significantly with privatisation of large parts of the non-core businesses held by the state or state

			owned enterprises (SOEs), reducing the scope for corruption. These changes have contributed to an improvement in the Worldwide Governance Indicator for Angola, particularly driven by the control of corruption and government effectiveness inputs.
Outcomes and next steps	The company has increased its free cash flow pay-outs significantly and improved its communications regarding capital allocation. While management did not change their official dividend pay-out or shareholder returns policies, they did announce that they will consider share buybacks. The analyst continues to engage with the company on plans to improve returns to shareholders through rising profitability and productivity combined with pay-out policies that are beneficial to shareholders. As at January 2023. Sources: Capital Group, Tokyo Electron.	The engagement provided the analyst with a better understanding of FMCN's plans: - At the Cobre Panama mine, it intends to reduce its reliance on coal by sourcing alternative supply options, including renewable energy. - In Zambia, where over 85% of power is renewable, it is also evaluating the establishment of alternative and renewable sources of power. Their analyst also gained clarity on how FMCN intends to meet its target of 30% and 50% reductions of its absolute GHG emissions by 2025 and 2030, respectively. Their investment analyst will continue to monitor for company developments. As at 7 December 2022. Source: Capital Group, First Quantum Minerals. GHG = greenhouse gas. TCFD = Taskforce on Climate-related Financial Disclosures	Following our refresh of the ESG sovereign monitoring process in Q4 2022, Angola was unflagged, primarily due to the significant improvement in governance. It should be noted, however, that the improvement was not uniform. There was a setback in political stability, due at least in part to crackdowns ahead of the 2022 elections. Voice and accountability and the rule of law remained essentially stable. Their investment thesis in the sovereign bond relies on both the fundamental outlook for the country and improvements in governance.

Insight Broad Opportunities Fund	Case study 1	Case study 2	Case study 3
Name of entity engaged with	Greencoat UK Wind plc	HICL Infrastructure plc	Aquila European Renewables Income
Topic	Strategy, Financial and Reporting - Strategy/purpose	Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)	Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)
Rationale	In H1’22, the company’s Board sought feedback on proposed changes to the agreement with the investment manager that had been in place initially for a period of 5 years since IPO in 2013. A change in the investment manager’s ownership announced in Q4’21 and portfolio growth additionally highlighted the need to renew IMA terms and ensure continuity of capabilities.	Towards the end of Q3`22 long dated UK government bond yields rose sharply following the release of the 'Growth Plan 2022'. The rise in yields reflected market concerns with funding requirements for these announcements against a backdrop of slower forecast UK economic growth. Long dated yields, inflation and tax are important inputs in the valuation of long-term cash flows expected from social and public infrastructure investments. Since HICL’s last valuation at Q1’22, key valuation assumptions had changed considerably which brought concerns with its valuation approaching Q3 to the fore and contributed additionally to share price volatility over the period. Insight therefore engaged	ESG-linked objectives to the company’s borrowings could help reduce borrowing costs in some instances and improve overall ESG outcomes

		with the investment manager to discuss likely changes to the portfolio valuation assumptions. They additionally engaged with the chairperson to discuss the governance framework around valuation assumptions.	
What the investment manager has done	Insight engaged with the Chairperson and expressed their preference for a longer tenure in the IMA. This is to afford continuity that has been instrumental in the company's successful track record. They discussed other terms and the new fee structure which could lower overall cost to investors. In Q1 23, they met with the investment manager to review succession planning at its board, and related capability transfers. The board changes followed on from retirement of the chairperson since the company's IPO. The company maintains gender diversity with 60% female representation on the board and c30% at investment manager level.	Insight therefore initiated an engagement with the lead investment manager and the CFO to discuss likely changes to the portfolio valuation assumptions and market transaction activity. They additionally engaged with the company's Chairperson to discuss the governance framework around valuation assumptions and overall portfolio valuation process.	In Q1 23, Insight encouraged the company to adopt ESG-linked objectives in its borrowings. This could help reduce borrowing costs and improve overall ESG outcomes.
Outcomes and next steps	The company remains an important component of the Fund's infrastructure exposures providing	The company was in process of updating portfolio valuation for Q3 NAV so the engagements were	Insight plan to review progression towards ESG-linked objectives with the

	higher scale, liquidity and exposure UK renewable assets. At this stage, Insight have retained the holding in portfolio.	timely. Having discussed likely changes to the portfolio valuation assumptions, market transaction activity and the overall valuation process, Insight decided to retain existing positioning pending release of Q3 NAV. The company remains an important component of the Fund's infrastructure exposures providing scale, liquidity and exposure to globally a diversified portfolio of social and public infrastructure assets. HICL released its Q3 NAV in mid-October, with updates to valuation assumptions. These were broadly in line with the engagement at the end of Q3.	company in future engagements.

Ninety One Emerging Markets Multi-Asset Fund	**Case study 1**	**Case study 2**	**Case study 3**
Name of entity engaged with	PEMEX	Government of Colombia	Government of Angola
Topic	Climate Mitigation	Deforestation, social inclusion and sustainable bond finance	Climate action and Budget Transparency
Rationale	Ninety One engaged with the company on their carbon emissions, and the company admitted they are focussing on this as they are aware	Ninety One questioned the government's plans for land reform and agricultural development while meeting deforestation	In a country trip to Angola, Ninety One engaged with relevant government officials on their two strategic engagement topics.

	many investors are starting to impose restrictions.	reduction targets. They also encouraged Hacienda to explore the issuance of SLB with deforestation target (like Uruguay)	
What the investment manager has done	Pemex shared that more than 60% of emissions come from E&P (exploration and production) so it is important for them to tackle emissions in this area. Since 2021, capex linked to emissions improvements were 4bn (mxn) in 202,with targets of 29bn mxn in 2023 and 2024. They also have a commitment to reduce gas use by 98%. Pemex started an ESG committee in December which will help drive their emission reduction strategy and help with investors reporting. Additionally, they engaged with Pemex on their UNGC Violation flag relating to fuel theft. They are in discussions with MSCI to fix this and are awaiting a final verdict but expect that they will remove the flag. The company have also seen a large reduction on the amount of oil stolen thanks to security technology to detect and prevent risks and threats to Pemex's installations. The company are also working on better budget disclosure to	Land reform: Land ownership is extremely unequal. The government is looking to redistribute 3 million hectares. President increased Agriculture budget a lot to allow for this, but unlikely they'll manage to spend it all. Recently they stopped talking about the 3 million hectares target as it is unachievable. Minister wants to spend money on developing large scale agriculture projects as well, rather than only buying land for redistribution. Getting support from Green Fund (100m USD loan) to develop green inputs Deforestation: Questioned how land reform and development of agricultural sector is compatible with halting deforestation: In Amazonia, where deforestation is most severe, establishing "farm reserves" to prevent pushing the agricultural frontier any further. Focusing land development on Atlantic coast and Magdalena basin	In relation to Climate action we discussed how Angola are looking to transition away from an oil producer to new industries such as gas and renewable energy and what role the state owned energy company is likely to play. Ninety One also engaged on budget transparency discussing details regarding Chinese debts and how the government intends to disclose mechanics of some of their oil backed loans while also moving away from opaque structures. They further engaged on the development of their ESG framework for possible ESG focused bond issuance in future.

	be able to disclose the amounts they are spending on to alleviate these issues.	where land is most productive. Cognisant of new EU directives, big export markets for Colombia.	
Outcomes and next steps	Ninety One have followed up with investor relations to get a better understanding of Pemex's CAPEX earmarked for transition and will continue to follow up on this matter.	Ninety One will continue monitoring the progress of Colombia's deforestation goals and continue engaging on plans to issue sustainable bonds.	Ninety One will follow up on this once they have seen their ESG framework.

RLAM UK Long Corp Bond Fund – Firm Level	Case study 1	Case study 2	Case study 3
Topic	RLAM Net Zero engagement	Just Transition	Water Utilities
Rationale	RLAM has initially committed 71% of their total assets under management to be managed in line with Net Zero. Their primary engagement objective is to evaluate and influence companies which represent 70% of RLAM's financed emissions to adopt emissions reductions targets and transition plans that are reinforced by credible science-based methodologies. Through this approach, RLAM expect to achieve real economy decarbonisation that will in turn support their target of a 50% reduction in emissions by 2030.	To encourage companies to integrate social considerations in their climate transition plans. Continuing their collaboration with Friends Provident Foundation (FPF) and building on their successful Just Transition engagement with Utilities, RLAM are expanding their focus to banks and social housing.	To enhance their understanding on how the water industry is approaching the increase in pollution incidents and adapting to physical climate risk.

	Although it may be far quicker and easier to divest from carbon intensive companies and sectors, divesting heightens the risk that assets will fall under the stewardship of less responsible owners – divestment strategies can therefore have very little real-world impact on emissions when there is still demand for fossil fuels. RLAM choses to tackle climate change rather than avoid it. They believe, through cooperation and accountability, it is still possible to prevent the worst effects of global warming.		
What the investment manager has done	As part of the Net Zero Asset Managers initiative (NZAM), RLAM has initially committed approximately 71% of their total assets under management (AUM) to be managed in line with net zero. Their primary engagement objective is to evaluate and influence companies, which represent 70% of RLAM's financed emissions, to adopt emissions reduction targets and climate transition plans that are reinforced by credible science-based methodologies. RLAM have developed 12 indicators to help assess companies' climate transition	Energy utilities During 2022 and early 2023 RLAM have been provding feedback on utility companies' just transition plans and will continue with this excersie into Q2 2023. Banks Update: Capital providers play an important enabling role in transitioning customers to sustainable low-carbon economies. By developing and having in place a Just Transition policy, banks can better assist the wide range of sectors, regions, and communities that they finance. Within the first quarter 2023, a number of banks including HSBC,	RLAM are engaging with companies on water management and adaptation to climate risk. This builds on our long-standing engagement with the sector dating back to 2018. As big investors in the sector, they want water companies to have comprehensive water management, biodiversity and climate adaptation plans. Climate change is increasing variability in the water cycle, producing extreme weather events, and increasing the risk of water scarcity. This is linked to increased water pollution which is a long-standing

	plans. Through this approach, they expect to influence real-economy decarbonisation that will in turn support RLAM's target of a 50% reduction in emissions by 2030. RLAM is co-lead with CA100+ on both EDF and E.ON. As part of the Net Zero Engagement Initiative (NZEI), a collaborative engagement initiative by the Institutional Investor Group on Climate Change (IIGCC), RLAM sent letters to 107 companies. The letters asked companies to have credible net zero transition plans. This is in line with the Net Zero Investment Framework and RLAM's own 12 indicator approach. The key transition plan requests set out in the letter were: 1) a comprehensive net zero commitment; 2) aligned GHG targets; 3) emissions performance tracked; and 4) credible decarbonisation strategy.	Lloyds, and NatWest held events to describe their climate transition plans. We took the opportunity to focus on the inclusion of a just transition within these plans. A number of these companies such as HSBC then reached out after these events to gather feedback on their plans. Social Housing: Their recently published report 'Net zero social housing: a just transition through a perfect storm' highlights findings from this engagement programme and concludes with recommendations for HAs, the government and financiers. Showcasing the priorities which HAs are having to balance (e.g. rent caps, health and safety, new construction) and common challenges they are facing in order to reach government mandated EPC targets (e.g. strategic and financial support from the government, resident engagement), the report concludes with their planned net steps. They will continue to work with their partners Friends Provident Foundation to engage with the Regulator for Social Housing, National Housing Federation and Social Housing Sustainability	unresolved problem in the United Kingdom. There have been widespread downgrades in the 2021 Environment Agency Environmental Performance Assessment (EPA) star rating system and an increase in more serious pollution incidents since 2013.

		Reporting Standard to develop investor expectations on just decarbonisation plans.	
Outcomes and next steps	RLAM are continuing their engagement program and looking to continue engaging with the top 70% of RLAM's financed emissions.	Energy utilities •National Grid plc – RLAM sent a letter to National Grid providing feedback on its approach to just transition. Within the letter they focused on five main points: affordability; community; education, jobs, and skills; nature and resilience; and accessibility. Furthermore, they organised a collaborative meeting with a peer group of investors from North America and the United Kingdom for early Q2. This meeting will be with National Grid Chief Sustainability Officer to discuss this matter further. •SSE plc – Having been the first company to publish a Just Transition report, SSE continues to lead the way. Following RLAM and FPF's suggestions they are seeking to report against the principles set in their strategy and use social metrics that show progress. SSEN (subsidiary of SSE) hosted a session to discuss 'A Fair Energy Future' and the role of Distribution Network Operator (DNOs) in encouraging a just transition; within this session participants	We have concluded phase one of their engagement with the water utility companies in scope on water management and adaptation to climate risk. They have sent letters to 11 of their largest water holdings, and they have received a response from nine of the companies thus far. Pennon's climate adaptation plans and biodiversity work are progressing. They will be engaging with all 11 companies in scope when they commence phase two of this engagement in 2023. Phase two will focus on engagement for change and they intend to share their investor expectations with the water utility companies.

were split into groups to discuss a range of issues. Within this quarter we provided feedback on SSE's just transition accountability report. In this report the company will use indicators and evidence of actions for each of the 12 principles it set in its just transition plan in 2020. SSE will be hosting an event in April 2023 to present this report and it invited RLAM to join as a speaker.

Banks

•Barclays: RLAM met with Barclays' Group Head of Sustainability and Global Head of Sustainable Finance to discuss its sector climate targets, just transition and green financing plans for 2023. The meeting was an opportunity to hear about some of the improvements Barclays had made over the past year with respect to its climate practices. We find its newly introduced Climate Transition Framework could be a good platform from which to engage with corporate clients, although it does not appear fully integrated in the company's decision-making process, as the potential impacts on client relationships remains unclear. Barclays has introduced disclosures on just transition, related to its strategy and how it assesses its clients. Furthermore, the company has set new residential real estate targets. These include considerations of just transition implications and an innovative outlook as a social housing financier. This complements the company's current and planned 'Rebuilding Thriving Local Community project'. Separate to just transition, Barclays has clarified its alignment to 1.5 in all sector's targets and that offsets are not accounted for in the delivery of financed emissions reductions. We find that the company's approach to oil and gas financing is still behind peers, as Barclays still lacks a policy on new oil and gas expansion. However, we acknowledge the improvements the company has made regarding policies for coal and unconventional oil and gas.

•Home Group – Home Group is confident its roadmap to EPC (Energy Performance Certificate) C by 2030 and Net Zero by 2050 (2045 in Scotland) is suitably planned out. Home group is at the forefront of raising awareness of the

		solutions and best practice amongst other HAs, highlighting policy gaps to the government and demonstrating a high level of care for residents. •Housing & Care 21 – This year Housing & Care 21 has achieved EPC C across all its properties, 8 years ahead of the government deadline. Starting 6 years ago, the CEO estimated that the HA upgraded 4,000 properties from EPC D to C at a cost of approximately £140m. •Notting Hill Genesis – Notting Hill Genesis (NHG) has achievable plans of EPC C by 2030 supported by planned capex for the next five years. Regarding fuel poverty, NHG is taking a targeted approach, by identifying the most vulnerable clients struggling to pay the energy bills was challenging due to a lack of data on the finances of its residents.