

Coats UK Pension Scheme

Implementation Statement for the Scheme year 1st April 2022 to 31st March 2023

Introduction

This Implementation Statement has been prepared by the Trustee of the Coats UK Pension Scheme ("the Trustee") and relates to the Coats UK Pension Scheme ("the Scheme").

Under new regulatory requirements now in force, the Trustee is required to produce an annual Implementation Statement setting out how the policies described in the Scheme's Statement of Investment Principles ("the SIP") have been followed. This statement covers the period 1st April 2022 to 31st March 2023, the Scheme year-end.

The statement aims to set out how, and the extent to which, in the opinion of the Trustee the SIP policies have been followed during this year. In addition, the document explains any changes made to the SIP during the year and describes the voting behaviour on behalf of the Trustee (including the most significant votes cast) during the year.

This Statement is split into three sections:

1. An overview of the Trustee's actions and highlights during the period covered;
2. The policies set out in the SIP and the extent to which they have been followed in the reporting period; and
3. An appendix of voting behaviour and significant votes undertaken by the fund managers on behalf of the Scheme.

Changes to the SIP over the period

The Scheme's SIP was updated in January 2023 to include reference to the Scheme's bulk annuity insurance policy with Aviva PLC. As part of this, the SIP was updated to include additional wording on counterparty risk and the management of ESG-related risks and stewardship in relation to Aviva.

From 1st October 2022, further Department of Work and Pensions ("DWP") guidance on the reporting of stewardship activities through Implementation Statements came into effect. The Trustee acknowledges this change in guidance, and this statement aims to consider it as the Trustee moves towards meeting the DWP's updated stewardship expectations. Following the Scheme's year end, the Trustee has received training on stewardship from their Investment Adviser and articulated their stewardship policy within the Scheme's SIP. Next year's Implementation Statement will reflect this updated document. The latest SIP can be found [here](https://www.coatspensions.co.uk/forms_factsheets/CUKPS_SIP_2023.pdf) at the following web address:

https://www.coatspensions.co.uk/forms_factsheets/CUKPS_SIP_2023.pdf

Overview of Trustee's Actions

Summary of how investment decisions are taken

The Trustee has established an Investment and Funding Committee ("IFC") to whom it delegates: the review of the Scheme's investment strategy, recommendations of long-term strategic asset allocations, the monitoring of Scheme's funding position and performance and the appointment and removal of Asset Managers. This is done in conjunction with the Scheme's Investment Adviser and reported to the Trustee Board as required.

There were no changes to the Scheme's governance structure over the year to 31 March 2023.

Investment Objectives and Strategy

Several key strategic changes were made to the Scheme's investment strategy over the period, all changes were in line with the Scheme's stated investment objectives and the investment beliefs articulated by the Trustee.

In August 2022, the Trustee agreed to transition the Scheme's equity allocation from the LGIM Global Equity Index Fund to the LGIM Low Carbon Transition Index Fund to better align with the Trustee's responsible investment beliefs given the expected reduction in the mandate's carbon intensity.

In November 2022, the Trustee entered into a bulk annuity insurance policy with Aviva PLC, which provides monthly payments to the Scheme covering member benefit payments to the insured population, c.30% pensioner members at outset.

In January 2023, the Trustee agreed to switch from the M&G Alpha Opportunities Fund ('AOF') to the M&G Sustainable Total Return Credit Investment Fund ('STRCI'). The STRCI fund applies broadly similar exclusions to those in the LGIM Low Carbon Transition Fund and BlackRock Buy and Maintain Credit portfolio. Beyond these exclusions, M&G employ active tilts towards companies that they deem to be 'Climate Transition Leaders', in addition to companies that score best on their discretionary ESG scorecard. Transitioning to the STRCI fund also helps improve the Scheme's liquidity, enabling the Trustee to obtain funds swiftly if required to meet obligations.

The Trustee relies on investment managers for the day-to-day management of the Scheme's assets but retains control over the Scheme's investment strategy. The Trustee continues to review and monitor the Scheme's Asset Managers as per the policies outlined in SIP, evidence of which can be found in the following section of this statement.

Overall, the Scheme's agreed Strategic Asset Allocation ("SAA") reflects the Trustee's view of the most appropriate investments, balancing risk/reward characteristics of the funds the Scheme is invested in to support the Scheme's full funding objective.

Concluding Remarks

As demonstrated in the following sections of this statement, The Trustee confirms that the policies set out in the SIP have been appropriately followed over the year to 31st March 2023.

How the Trustee has met the Objectives & Policies outlined in the SIP:

Policy	Has the policy been followed?	Evidence
Investment Objectives		
<p>The investment strategy of the Scheme is managed and monitored using a Pensions Risk Management Framework ("PRMF").</p> <p>The Trustee has agreed a primary funding objective for the Scheme to reach full funding by 2028 using a liability discount rate of Gilts + 0.40% and set a risk budget of 7% for the Funding Ratio-at-Risk.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The required return for full funding by 2028 (on a Gilts + 0.40% basis) and the Funding Ratio-at-Risk budget are both monitored within the PRMF. If these tolerances were breached, appropriate action would be taken. The Trustee monitors the Scheme's position against the objective using the risk budget, other metrics and tolerances. The Investment Adviser formally reports on this on a quarterly basis.</p> <p>At each quarterly meeting, there is a discussion around whether corrective action is required. Consideration is given to the metrics in the Pension Risk Management framework and any other relevant factors.</p> <p>Both metrics have been consistently in line with the required return or within target over the course of the Scheme year.</p>
Investment Strategy		

Policy	Has the policy been followed?	Evidence
<p>The Scheme's investment strategy is designed to ensure two criteria are met: diversification and suitability.</p> <p>The Trustee will monitor the strategy regularly to ensure they are comfortable with the level of diversification.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee receives quarterly reporting from its Investment Adviser which includes a breakdown of the Scheme's risk profile and the benefits of diversification.</p> <p>The Trustee and its Investment Adviser are comfortable that the Scheme's investment strategy is diversified and the SAA remains consistent with achieving its long-term funding objective. Given the Scheme's outperformance versus the long-term objective, the Scheme was able to reduce risk and complete a bulk annuity transfer with Aviva PLC over the period.</p> <p>The target asset allocation was updated in the Investment Implementation Policy in March 2023 to account for the buy-in with Aviva.</p>
Monitoring – Asset Manager Policy		
<p>Whilst the Trustee recognises there is less scope to directly influence how managers of pooled fund invest, the Scheme's Investment Adviser ensures the investment objectives and guidelines of the manager are consistent with that of the Trustee.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Scheme's Investment Adviser continues to monitor managers.</p>

Policy	Has the policy been followed?	Evidence
<p>When assessing a manager's performance, the Trustee's focus is on longer-term outcomes, and the manager is assessed over a medium to longer-term timeframe subject to a minimum of three years.</p> <p>The Scheme's Asset Managers should provide a written performance report each quarter to the Trustee through the Investment Adviser. The Investment Adviser will produce a manager report to the Trustee based on this information.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee reviews a quarterly Manager Monitoring Report from its Investment Adviser. This report is produced using quarterly performance data provided by the Scheme's Asset Managers. The Manager Monitoring Report focuses on medium to long-term performance, highlighting since inception and 3-year annualised return and includes written commentary provided by the Investment Adviser.</p> <p>If necessary, the Trustee receives formal written advice from its Investment Adviser in regards to manager performance. There were no material concerns with any of the Scheme's Asset Manager performance over the reporting period.</p>
<p>The Trustee will meet the managers on an ad hoc basis to review manager's actions and investment performance.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Over the Scheme year the Trustee scheduled regular manager monitoring meetings outside of the typical quarterly cycle. In July, the Trustee met with the Scheme's LDI and Buy & Maintain manager – BlackRock - and then with the Scheme's dynamic credit managers – Aegon & M&G – in October. The meetings covered updates on fund performance and strategy, market outlook and the funds' ESG capabilities. All managers were able to demonstrate how ESG considerations are incorporated into their investment process. Following these meetings, the Trustee remains comfortable with all allocations.</p>

Policy	Has the policy been followed?	Evidence
Monitoring – Asset Manager Policy (cont.)		
<p>The Trustee reviews the fees periodically to confirm they are in line with market practices.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The managers annual management charge (“AMC”) and total expense ratio (“TER”) are included in each quarterly reporting pack received by the Trustee – the Trustee remains satisfied that the Scheme continues to benefit from competitive fee deals.</p> <p>Additionally, the Scheme uses ClearGlass to annually review the manager fees. The Trustee remains comfortable that the fees paid are in line with market practices.</p>
<p>The Trustee reviews the portfolio transaction costs and portfolio turnover range of managers periodically where the data is disclosed and available. The Trustee will then determine whether the costs incurred were within reasonable expectations, with help from the Investment Adviser.</p>	<p>Yes, the Trustee is satisfied the policy has been followed.</p>	<p>The Trustee monitors the information relating to cost transparency and portfolio turnover for each of its asset managers in the Clearglass report provided on an annual basis. Following advice from the Investment Adviser, the Trustee is comfortable that the transaction costs and turnover figures are within expectations given the nature of each of the mandates and that no further action is required. This will continue to be monitored on an annual basis.</p>

Policy	Has the policy been followed?	Evidence
Monitoring – SIP		
<p>The Trustee aims to review the SIP annually, or without delay, following any changes to the investment strategy, and modify it with consultation from their advisers and the Sponsor.</p>	<p>Yes, the Trustee is satisfied the policy has been followed.</p>	<p>The Scheme’s SIP was updated in January 2023 to include reference to the Scheme’s bulk annuity insurance policy with Aviva PLC. As part of this, the SIP was updated to include additional wording on counterparty risk, and the management of ESG-related risks and stewardship in relation to Aviva.</p> <p>As the Trustee continues to develop their approach to stewardship, it is expected that this will be formally incorporated into the SIP following the end of the Scheme year.</p>
Monitoring – Risks		

Policy	Has the policy been followed?	Evidence
<p>The Trustee monitors and manages the risks outlined in the SIP through measures specific to each risk.</p>	<p>Yes, the Trustee is satisfied the policy has been followed.</p>	<p>The Trustee receives a quarterly report from its Investment Adviser monitoring the risks as described. It seeks guidance and written advice from its Investment Adviser as appropriate.</p> <p>The largest market risks facing the Scheme (interest rates and inflation) are managed by the Scheme’s liability matching portfolio (run by BlackRock). The Trustee receives detailed reporting on this mandate from its investment adviser and is satisfied with how BlackRock manages the portfolio as outlined in the Investment Management Agreement (IMA). The Scheme’s target hedge ratios were maintained throughout the reporting period.</p> <p>With respect to the Scheme’s investment managers, the Trustee’s Investment Adviser proactively monitors each manager against ten key factors and actively engages on the Trustee’s behalf on any issues highlighted with respect to these factors.</p> <p>A decision is then taken regarding whether action is required. The Trustee is satisfied that the Scheme’s risks have been well managed throughout the reporting period of this Statement, and no concerns or calls to action were raised regarding the Scheme’s risk over the period.</p>

Statutory Funding Objective

Policy	Has the policy been followed?	Evidence
<p>The Trustee will consider, with their advisers, whether the results of any actuarial valuations suggest that any change to investment strategy is necessary to ensure continued compliance with the statutory funding objective.</p>	<p>N/A for this reporting period.</p>	<p>There was not a formal actuarial valuation completed during this period. The date of the next triennial valuation is 31 March 2024.</p> <p>Following interim actuarial reports over the reporting period, the Trustee, and its advisers are comfortable that the investment strategy continues to comply with the statutory funding objective.</p>

Corporate Governance

Policy	Has the policy been followed?	Evidence
<p>The Trustee policy on the exercise of right attaching to investment, including voting rights is that these rights should be exercised by Asset Managers on behalf of the Trustee.</p> <p>The Trustee has been made aware of each Asset Manager's corporate governance policy where appropriate and delegated the exercise of such rights to the Asset Managers.</p>	<p>Yes, the Trustee is satisfied the policy has been followed.</p>	<p>In August 2022, the Trustee agreed to transition its holdings in the LGIM Global Equity Index fund to the LGIM Low Carbon Transition fund.</p> <p>This is the Scheme's only exposure to equity holdings, and as a pooled investment vehicle, voting rights are exercised by LGIM using the ISS's 'ProxyExchange' voting platform. Voting activity data over the period is provided in the Appendix 2.</p> <p>The Trustee is unaware of any departures by LGIM from their stated policy and has no concerns with the reporting and voting actions carried out by LGIM over the Scheme year.</p>

Social, Environmental and Ethical Issues

Policy	Has the policy been followed?	Evidence
<p>The Trustee requires their Asset Managers to factor ESG considerations into their investment decision making where it has the discretion to do so and invest in a responsible and sustainable manner.</p>	<p>Yes, the Trustee is satisfied this policy has been followed.</p>	<p>The way in which the Scheme’s managers factor ESG considerations into their decision-making forms a key part of the regular manager monitoring meetings attended by the IFC.</p> <p>Over the Scheme year the IFC met with BlackRock – manager for the Scheme’s Buy & Maintain and LDI mandate – Aegon, and M&G.</p> <p>Following these meetings, the IFC are comfortable that all managers are adequately managing climate and other ESG related risks and incorporating these risks into their investment process where applicable.</p>
Social, Environmental and Ethical Issues (cont.)		
<p>The Trustee considers how the exposure to ESG risk is managed when selecting asset classes, sub-sectors and specific Asset Managers or strategies.</p> <p>The Trustee requires its investment adviser to review and rate new Asset Managers’ credentials in managing risks arising from ESG and report this to the Trustee.</p>	<p>Yes, the Trustee is satisfied this policy has been followed.</p>	<p>As mentioned in the previous section, in August 2022, the Trustee agreed to transition its holdings in the LGIM Global Equity to the LGIM Low Carbon Transition fund. The switch was motivated by a desire to align with the Trustee’s responsible investment beliefs given the expected reduction in the mandate’s carbon intensity. The Low Carbon transition fund has a decarbonisation target of 30% relative to the broader market benchmark, along with a forecasted c.7% year-on-year reduction target, the combined effect of which is aligned with the Scheme’s decarbonisation targets.</p> <p>In January 2023, the Trustee agreed to switch from the M&G Alpha Opportunities Fund (‘AOF’) to the M&G Sustainable Total Return Credit Investment Fund (‘STRCI’). The STRCI</p>

Policy	Has the policy been followed?	Evidence
		<p>fund applies broadly similar exclusions to those in the LGIM Low Carbon Transition Fund and BlackRock Buy and Maintain Credit portfolio. Beyond these exclusions, M&G employ active tilts towards companies that they deem to be 'Climate Transition Leaders', in addition to companies that score best on their discretionary ESG scorecard.</p>

Policy	Has the policy been followed?	Evidence
<p>The Trustee requires its investment advisor and Asset Managers to communicate new and emerging risks from ESG considerations.</p> <p>This will continually inform the Trustee’s policy which the Trustee believes is important to be reviewed periodically and kept up to date with industry practice.</p>	<p>Yes, the Trustee is satisfied this policy has been followed.</p>	<p>In June 2022, as part of the decision to transition to the LGIM Low Carbon Transition Fund, the Trustee received training from their Investment Adviser on different climate-tilted index funds.</p> <p>Later, in September 2022, the Trustee received further training from their Investment Adviser on the Task Force on Climate-related Financial Disclosures (“TCFD”). In particular, the training covered climate scenario analysis and portfolio alignment metrics.</p>
<p>Stewardship and Engagement Policy</p>		

Policy	Has the policy been followed?	Evidence
<p>The Trustee chooses Asset Managers that align with its beliefs on stewardship and expects them to practice good stewardship, including engagement and voting activities.</p> <p>The Trustee requires its Investment Adviser to report periodically on how its Asset Managers have acted with respect to the Trustee</p>	<p>Yes, the Trustee is satisfied this policy has been followed.</p>	<p>The Trustee challenges its managers on their engagement and stewardship practices as part of the additional manager monitoring meetings. The managers met so far have been able to demonstrate how engagement and stewardship is fundamental part of their process and have provided examples of this. The regular meetings the Trustee has with the Scheme's managers throughout the year have provided comfort to the Trustee that the Scheme's investment managers are acting as stewards by engaging with the underlying companies on the Trustee's behalf. All the Scheme's Asset Managers are signatories of the UN PRI.</p>
<p>The Trustee requires its Investment Adviser to monitor and report on the voting behaviour carried out on its behalf.</p>	<p>Yes, the trustee is satisfied this policy has been followed.</p>	<p>For the year under review, voting behaviour is applicable to two of the Scheme's mandates, the Legal & General Investment Management Low Carbon Transition Fund and the Legal & General Investment Management World Equity Index Fund.. A summary of voting over the scheme year, including significant votes cast, is included in the appendix. The Trustee has no concerns of the voting actions carried out by LGIM over the year.</p>
<p>When selecting, monitoring and de-selecting Asset Managers, engagement is factored into the decision-making process to the appropriate levels for the specific asset class in question.</p>	<p>N/A</p>	<p>Whilst the Scheme transitioned to the LGIM Low Carbon Transition Fund and the M&G Sustainable Total Return Credit Income Fund, no new Asset Managers were selected by the Scheme over the period.</p>
<p>Buy-in Policy</p>		

Policy	Has the policy been followed?	Evidence
<p>The Trustee entered into a bulk annuity insurance policy with Aviva PLC, which provides monthly payments to the Scheme covering member benefit payments to the insured population.</p> <p>The Trustee will continue to monitor the counterparty risk exposure in relation to Aviva.</p>	<p>Yes, the trustee is satisfied this policy has been followed</p>	<p>The Trustee, with the help from their Investment Adviser, is satisfied with the financial strength of Aviva.</p>
<p>Additional Voluntary Contributions (AVCs)</p>		
<p>The Trustee has selected a range of investment funds for the AVCs to be invested in, which are reviewed regularly having regard to their performance, the objectives and the views of their advisers.</p>	<p>Yes, the trustee is satisfied this policy has been followed.</p>	<p>The Trustee last reviewed the suitability of the Scheme's AVC arrangement in March 2021. The Trustee is satisfied that the range of fund choices for AVC members continues to be sufficient and has no concerns relating to the funds' performance.</p>
<p>Corah Defined Contribution Section</p>		
<p>The members of the fund DC section within the Corah benefits structure are all invested in a single With-Profits Fund.</p> <p>The Trustee will continue to regularly review the fund in regard to performance, fees and objectives.</p>	<p>Yes, the trustee is satisfied this policy has been followed.</p>	<p>The Trustee last reviewed the suitability of the Prudential With-Profits Fund in June 2021. The Trustee is satisfied the fund continues to perform in line expectations and has no concerns relating to the funds' fees.</p>

Appendix

Engagement Examples

The Trustee expects the nature of engagement to vary between asset classes. The Trustee also believes engagement can take place across the Scheme's investments, and is not restricted to equity investments. With this in mind, below are examples of engagement within the credit mandates.

Manager:	M&G
Company:	Infineon Technologies AG
Focus of the engagement:	Ask Infineon to publish scope 3 targets and to have these, along with its scope 1 and 2 targets, validated by SBTi. Request Infineon to publish its internal climate roadmap.
Details of the engagement:	M&G met with the company's head of corporate sustainability and business continuity to encourage decarbonisation plans and understand how the company – a German semiconductor manufacturer - was tracking against its carbon reduction targets.
Outcome of the engagement:	Infineon said that publishing its internal roadmap should be achievable, M&G will wait to see what format it takes. Infineon believes that others in the industry do not measure scope 3 emissions to the same degree of detail that it does, so argue that setting a scope 3 target would be more onerous for them in comparison. However, there will be a board decision on this by the end of the year, M&G will await the results.

Manager:	BlackRock
Company:	A European Automobiles Company
Focus of the engagement:	At the beginning of November 2022, the Company was flagged as a UNGC violator due to allegations of forced labour being "severe" and "direct" from a UN report issued.
Details of the engagement:	BlackRock met with the Company to explain that the green bond framework and subsequent green issuance would be impacted by the UNGC flag. BlackRock suggested the company engage with the third party ESG data provider and increase transparency and reporting on the specific issue. BlackRock also engaged with the third party ESG data provider to understand their rationale for the UNGC flag and whether the flag would likely be reclassified or removed.
Outcome of the engagement:	Based on the lack of clarity on how the company intended to rectify allegations and BlackRock's view that dialogue between the company and third-party provider would continue to be on-going, BlackRock's view is that the risk associated with issuer remains material and therefore elected to proceed with divestment from within the fund.

Manager:	Aegon
Company:	Various RMBS and consumer ABS issuers

Focus of the engagement:	During engagements with originators, Aegon express preference for financing products which contribute to a better 'green' or 'social' environment. These products are incentive-based, encouraging people to buy energy-efficient properties, or making their current property more energy efficient. The incentive could be a favourable interest rate on residential mortgages for the financing of or improvement of energy-efficient properties. Or in a case of consumer loans by offering the borrowers a discount if the loan purpose has an environmental impact.
Details of the engagement:	Aegon start by sending the ABS issuer their ESG questionnaire specific for the ABS sector. After receiving the answers, Aegon have several meetings with C-suite to discuss the answers to their questionnaire, Aegon ESG goals and areas in which Aegon would like to see improvement/development or more ESG awareness. The engagements are led by the portfolio managers.
Outcome of the engagement:	Aegon have received positive feedback on the ideas over the last year and have seen the number of originators offering these mortgages and consumer loans grow substantially. While Aegon do not claim that this development is the result of their engagements, Aegon believe that their role as a large investor in ABS, their influence has helped to drive the growth in ESG-friendly mortgage products.

Voting Disclosures

Voting rights are only directly applicable to the listed equity holdings within the Scheme, however, asset managers of other investments within the fund will engage with underlying issuers to instigate change. Where managers have separate listed equity businesses, they may leverage the combined engagement capabilities across the firm and agree combined voting policies.

Over the period the Scheme was invested in two funds which held listed equities - managed by Legal & General Investment Management – the LGIM World Equity Index Fund and the LGIM Low Carbon Transition Index Fund. The voting activity for each across their respective time periods is outlined below.

Please note the Scheme transitioned from the LGIM World Equity Index Fund to the LGIM Low Carbon Transition Index Fund in August 2022, however LGIM are only able to provide annual voting reports and not bespoke time periods. As such the voting statistics below represent the 12-months to 31st March 2023. In selecting the "Most significant votes" for the Scheme the Trustee has chosen votes relevant to the respective time period of investment.

	Legal & General Investment Management Low Carbon Transition Global Equity Index Fund	Legal & General Investment Management World Equity Index Fund
How many meetings were you eligible to vote at over the year to 31/03/2023?	4,828	3,309

How many resolutions were you eligible to vote on over the year to 31/03/2023?	50,462	38,823
What % of resolutions did you vote on for which you were eligible?	99.86%	99.85%
Of the resolutions on which you voted, what % did you vote with management?	78.95%	78.81%
Of the resolutions on which you voted, what % did you vote against management?	19.89%	20.49%
Of the resolutions on which you voted, what % did you abstain from?	1.16%	0.7%
In what % of meetings, for which you did vote, did you vote at least once against management?	66.13%	75.6%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions	
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	11.09%	14.36%

Most Significant Votes

In determining significant votes, LGIM’s Investment Stewardship team considers the criteria provided by the Pensions & Lifetime Savings Association consultation (“PLSA”). This includes but is not limited to:

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

Below we outline most significant votes cast on behalf of the Trustee.

In line with the DWP’s updated guidance on stewardship, the Trustee will consider its own definition of what constitutes a significant vote. The votes disclosed in next year’s statement will reflect this definition.

Legal & General Investment Management World Equity Index Fund:

Company:	NVIDA Corporation
Date:	2 nd June 2022
Resolutions:	<ul style="list-style-type: none"> • Resolution 1g: Elect Director Harvey C. Jones.
LGIM Vote:	LGIM voted against the resolution.
Rationale:	LGIM expects companies to have at least 25% women on the board with the expectation of reaching a minimum of 30% women on the board by 2023. LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Company:	Berkshire Hathaway Inc.
Date:	30 th April 2022
Resolutions:	<ul style="list-style-type: none"> • Resolution 1.9: Elect Director Susan L. Decker.
LGIM Vote:	LGIM withheld from voting.
Rationale:	LGIM withheld from voting on the grounds that the company does not adequately disclose climate change-related risks and opportunities. LGIM withheld from voting as they expect a board to be regularly refreshed in order to

	maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
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Company:	Exxon Mobil Corporation
Date:	25 th May 2022
Resolutions:	<ul style="list-style-type: none"> Resolution 6: Set GHG Emissions Reduction Targets Consistent with Paris Agreement Goal.
LGIM Vote:	LGIM voted for Resolution 6
Rationale:	LGIM's vote for was applied in absence of reductions targets for emissions associated with the company's sold products and insufficiently ambitious interim operational targets. LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5C. 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 the 1.5C goal.

Legal & General Investment Management Low Carbon Transition Global Equity Index Fund

Company:	Costco Wholesale Corporation
Date:	19 th January 2023
Resolutions:	<ul style="list-style-type: none"> Resolution 1h: Elect Director Jeffrey S. Raikes.
LGIM Vote:	LGIM voted against the resolution.
Rationale:	LGIM expects companies to have at least one third women on the board. LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. LGIM expects a company to be diverse, voting against the resolution due to the company's all-male Executive Committee.

Company:	Tyson Foods, Inc.
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Date:	9 th February 2023
Resolutions:	<ul style="list-style-type: none"> Resolution 6: Comply with World Health Organisation Guidelines on Antimicrobial Use Throughout Supply Chains.
LGIM Vote:	LGIM voted for the proposal.
Rationale:	Antimicrobial resistance is one of LGIM's strategic areas of focus and believe it is important for companies to limit the use of antibiotics in animal husbandry within the supply chain.

Company:	Amorepacific Corp.
Date:	17 th March 2023.
Resolutions:	<ul style="list-style-type: none"> Resolution 1: Approve Financial Statements and Allocation of Income
LGIM Vote:	LGIM voted against the proposal.
Rationale:	The company did not provide the accounts ahead of meeting minimum standards with regards to LGIM's deforestation policy.