RWE GROUP OF THE ELECTRICITY SUPPLY PENSION SCHEME

IMPLEMENTATION STATEMENT – For year ended 31 March 2023

Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. The Regulations, amongst other things, require that the Group Trustees provide information on various aspects of the Group's Statement of Investment Principles ("**SIP**"). The Group Trustees have prepared this Implementation Statement under the Regulations to cover the year ended 31 March 2023 (the "**Year**").

This Implementation Statement will outline:

- the extent to which, in the opinion of the Group Trustees, the policies and objectives set out in the SIP have been adhered to over the course of the year; and
- the voting behaviour carried out by, or on behalf of, the Group Trustees over the year (including the most significant votes cast by, or on behalf of, the Group Trustees), and any use of the services of a proxy voter during the year.

Unless otherwise stated, this Statement will refer to the SIP dated March 2022, a copy of which can be found here: https://epa.towerswatson.com/doc/RWH/pdf/rwe-statement-of-investment-principles--.pdf This is the SIP which was applicable during the year. The SIP has since been updated in line with the Group Trustees' ongoing monitoring and review of the Group's investment strategy.

The Group is divided into 3 Sections: the RWE Section, the Innogy Section, and the DC Section. All DC members and their DC assets, as well as the majority of DB AVCs, were transferred to the Mercer Master Trust during the previous year; the DC Section now holds only a small number of legacy DB AVC funds and is closed to future accrual.

While the Group Trustees adopt a Group wide approach to the Group's investment strategy, all of the assets and liabilities in respect of each Section of the Group are segregated from those in the other Sections, which is why some investment activity is not relevant to all Sections of the Group. Where investment activity is only related to one Section of the Group, this is indicated in this Statement.

Conclusion

Over the course of the year, the Group Trustees believe that they – and where relevant, the investment managers acting on their behalf – have adhered to the policies set out in the SIP. In addition, the Group Trustees believe that the funds invested have met the objectives set out in the SIP, which has been regularly monitored and reviewed by the Group Trustees and their advisers throughout the Year. The Statement that follows explains the Group Trustees' reasoning for this conclusion.

Contact Details

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Glossary

In this document the following words and expressions shall have the following meanings:

“DB” means Defined Benefit
“DC” means Defined Contribution
“DB AVCs” means the Additional Voluntary Contributions of members of the Defined Benefit Sections of the RWE Group, held with The Prudential Assurance Company Limited and Utmost Life & Pensions Limited.
“ESG” means environmental, social and (corporate) governance
“GL” means Glass, Lewis and Co., a proxy advisory services company
“Group” means the RWE Group of the Electricity Supply Pension Scheme, comprising the RWE Section, the Innogy Section, and the DB AVCs remaining in the DC Section.
“Group Trustees” means the trustees of the RWE Group of the Electricity Supply Pension Scheme from time to time.
“Investment Advisers” means the Group’s Investment Advisers, Towers Watson Limited (WTW).
“IIC” means the Investment Implementation Committee as established by the Group, with the directive to focus on the investment implementation matters related to the RWE and Innogy Sections.
“ISS” means Institutional Shareholder Services, a proxy advisory firm
“MiFID II” means the Markets in Financial Instruments Directive 2014, a legal act of the European Union. This regulation looks to provide the costs and charges the Group has been subject to over the course of a year, defined as 1 January to 31 December.
“PLSA” means the Pensions & Lifetime Savings Association, whose voting guidance has been provided to investment managers as a guideline on which to inform the significant votes provided.
“Principal Employer” means, in the case of the Group, RWE Generation UK plc.
“Regulations” means, the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019/982, being the regulations governing this document.
“RI” means Responsible Investment, namely a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership.
“RIC” means the Responsible Investment Committee. This was originally established as the Responsible Investment Working Group during July 2020 and transitioned to a permanent committee in March 2022
“Scheme” means the Electricity Supply Pension Scheme
“SIP” means the Statement of Investment Principles in place at the end of the Year, dated March 2022, unless otherwise noted.
“Statement” means this document, the Implementation Statement.
“TCFD” means refers to the Taskforce for Climate-Related Disclosures regulation that is mandatory for the Group, as part of the ESPS. The report looks to assess the risks that the Group is exposed to through climate change and the management processes in place. This report is shared online and available to the public as required by the Department of Work and Pensions.
“Year” means the period 1 April 2022 to 31 March 2023.

How and to what extent have the Group-wide objectives and policies in the SIP been followed during the Year?

In the following tables, we set out the objectives and policies in the SIP and summarise the most significant activity undertaken in relation to these across the Group. In turn, we describe the actions and decisions that have been taken by the Group Trustees throughout the year, and the extent to which these align with the beliefs or policies stated within the SIP.

There were no instances of the Group's objectives and policies in the SIP being departed from in any material way during the year.

Investment governance

Relevant policy in the SIP		How and to what extent this policy has been met over the Year
2.1	**The Group Trustees' approach to setting investment objectives, appointing investment managers, and agreeing delegations and performance targets (*Investment Governance, SIP March 2022*)**	The approach that the Group Trustees have taken to decision-making over the year has aligned with the approach set out in the SIP. Whilst the Group Trustees ultimately retain direct responsibility for the setting of objectives and the risk/return relationship, they have received relevant advice from the Investment Advisers regarding their strategy and delegated implementation matters to the IIC. Most notably: • The Group Trustee undertook an investment strategy review of the Innogy Section, following the agreement of the 31 March 2021 Actuarial Valuation. This review covered an update of the Section's funding level and the implications of the results of the covenant review on the Section's investment strategy. As a result of this review, the Group Trustees reconsidered the long-term investment target of the Section and whether the current strategy remained appropriate to achieve this target given the well-funded nature of the Section. The Group Trustees decided to adopt a new target for the Innogy Section, which looks to protect the Section's current position and build up a risk buffer, aiming to increase the funding surplus over time (targeting 110% funding on a Gilts+0.5% basis by 2036). The Group Trustees also agreed to update the SIP to reflect this. • The Group Trustees' long-term objective for the Innogy Section remains to purchase suitable assets which will generate income and capital growth to meet benefit requirements (alongside contributions from members and the Principal Employer). The Group Trustees remained comfortable with this objective and that the current strategy (targeting a return of Gilts+1.0%) would allow them to meet this objective. • The Group Trustees will review the objective of the RWE Section in light of the 31 March 2022 Actuarial Valuation over the year commencing 1 April 2023.
2.2	**Setting the investment guidelines and objectives for the Group's managers *(Investment***	The Group Trustees have reviewed and discussed guidelines with each segregated asset manager to ensure investment decisions coincide with the Group's investment policies, including the Group's approach to ESG, climate-related risks and opportunities, and stewardship. The Group Trustees note that, for pooled mandates specifically, they have limited ability to influence the manager's investment policy. Therefore, their process remains to review these policies ahead of any new investments (for example, this occurred

Relevant policy in the SIP	How and to what extent this policy has been met over the Year
Manager, SIP March 2022)	ahead of the Group's recent investment in Renewable Energy), engage with managers where they disagree with policies (for example, questioning an equity manager with high Greenhouse Gas ("GHG") emissions on whether climate risk was adequately being considered) and ultimately disinvest from managers, if deemed necessary (no such disinvestments have yet been made). Further, the Group's segregated mandates require their investment managers to inform the Group should they breach the guidelines in place. The Group Trustees were not informed of any such breaches during this year. This review of policy alignment is done by providing a copy of the SIP to each manager on an annual basis and formulating specific policies where the assets are managed on a segregated basis. The Group Trustees require managers to align with the Group Trustees' investment strategy and approach to risk through their relationships with their managers, where possible. The pooled fund managers are provided with a copy of the SIP annually and asked to align the processes under which they manage the mandate with the SIP as far as possible.
Investment Objectives *(Investment Objectives, SIP, March 2022)*	The Group Trustees reviewed the asset performance, expected investment return and expected time horizon to meet the respective target of each Section on a quarterly basis throughout the year. The Group Trustees agreed that no changes were necessary to the RWE Section's strategy as part of these reviews, to allow them to achieve their long-term target. The RWE Section's target was not formally reviewed over the course of the year. This will be done during the year commencing 1 April 2023 following the completion of the 31 March 2022 Actuarial Valuation Following the review of the Innogy Section's investment strategy, the Group Trustees redefined the long-term target of the Section, following an agreement to look to build up a risk buffer over time. The Group Trustees agreed that the current level of return targeted by the Innogy Section remained appropriate. Despite this, the Group Trustees agreed a number of strategic changes to the target long-term asset allocation to improve liquidity and diversify return drivers of the Section. As a result, the Group Trustees disinvested a portion of their equity holdings to fund an outstanding secure income commitment, crystallise profit from these assets and de-risk the Section's portfolio. The Group also funded an additional investment into the core credit portfolio from run-off of the hedge fund assets. The Group expects to take further action to move towards the long-term target portfolio when appropriate in the future (for example, by use of further credit investments and a cashflow matching review). The Group Trustees monitored the level of hedging of both DB Sections and forecasted cashflows on a quarterly basis, making *ad hoc* disinvestments as necessary.

Relevant policy in the SIP		How and to what extent this policy has been met over the Year
2.3	**Trustee knowledge and understanding**	The Group Trustees received training on secure income assets, equities, currency hedging, liquidity, and inflation hedging, as part of an ongoing series of both asset class and topical 'deep dive' sessions provided by their Investment Advisers. These particular deep dives were chosen as they represented significant positions held within the Group's portfolio and related to pertinent market events, such as gilt yield volatility. Training was also received on the TCFD report, required by the DWP's regulation. This included an introduction to the regulation, climate scenario analysis, selection and evaluation of the Group's climate metrics, as well as an introduction to Climate Transition Value at Risk ("CTVaR") as a financial measure of climate risk.

Risk management

Relevant policy in the SIP		How and to what extent this policy has been met over the Year
2.4	**Compliance with the risk policies listed in the SIP *(Investment Risk and Return, March 2022 SIP)***	Investment risks are monitored on an ongoing basis with the help of the Group's Investment Advisers. The Group Trustees maintain a risk register in order to monitor such risks. The register rates the likelihood of risks and summarises any mitigations and additional actions. These are subject to an in-depth review at least quarterly by the Group Trustees' Risk Committee with specific risks being highlighted to the Group Trustee board twice a year ordinarily, or as necessary if material. The Risk Committee met four times during the year. The Group Trustees also receive quarterly investment reports which they utilise in order to monitor volatility risk in their investment strategies. Further, the Group Trustees introduced a new annual risk monitoring tool, the Risk Radar, to assist the Risk Committee with their assessment of investment risks and provide the Group Trustees insight into a number of investment risks that they do not consider on a quarterly basis. Following the unprecedented volatility in UK government bond markets reflected in extreme movements in gilt yields over September and October 2022, the Group Trustees reviewed both their governance and liquidity arrangements to ensure they could move quickly if necessary. The Group Trustees have agreed to incorporate further risk monitoring into their quarterly reporting for each Section. This includes a liquidity ladder (which illustrates what proportion of the Group's assets can be sold down over various time periods) and collateral heatmap (illustrating the reduction in collateral headroom for various changes in interest rates and inflation) with early warning targets in place to allow for collateral to be topped up as needed. The Group Trustees were comfortable with the risk management of their portfolio over the year given the portfolio's diversification and low investment risk. Overall, the Group Trustees remained comfortable throughout the Year that all risks were being managed appropriately and decided that no action was required.

Monitoring of investment strategy and investment managers

Relevant policy in the SIP	How and to what extent this policy has been met over the Year
2.5 **Monitoring investment managers throughout the year** ***(Investment Manager, SIP March 2022)***	The Group Trustees have held managers accountable during the Year, with the assistance of the Investment Advisers. This was done by reviewing the performance of managers on a quarterly basis and engaging with managers where appropriate. As part of the production of the first annual TCFD report, the RIC reviewed the GHG emissions of the portfolio from both an absolute and intensity perspective (in the form of a GHG footprint metric). As a result of this review, the RIC engaged with one of its equity managers to understand the strategic decision to weight the portfolio towards certain higher GHG footprint industries. The manager explained that this was a result of positions in the cyclical energy and materials sectors which the manager believes are important to the overall transition to a low carbon economy, despite producing greater GHG emissions in the short-term. The selection process for each manager includes input from the Investment Advisers' manager research team and meetings with the managers involved. The Group's investment managers are reviewed on a quarterly basis as part of a quarterly monitoring item at each Full Group Trustee (Investment) meeting. At these meetings during the year, any substantial changes relating to the investment managers (such as team turnover, investment process changes, and performance) were considered. No immediate action was deemed necessary as a result of the quarterly investment manager reviews, as the Group Trustees retained their conviction in both the strategy and investment managers in all cases.
Investment management fees ***(Investment Manager, SIP March 2022)***	The Group Trustees reviewed their investment costs in their annual cost review undertaken in Q2 2022, to ensure that investment management fees were in line with normal market practice. As part of this cost review, the Group Trustees reviewed transaction costs via their annual cost report and a MiFID II cost and charges report. The Group Trustees remained comfortable with the current level of costs and decided that no action was required.
Portfolio Turnover ***(Investment Manager, SIP March 2022)***	The Group Trustees also considered the turnover of each mandate of the Group in the annual Cost Review (measured as the lesser of sales and purchases divided by the average mandate value over the period) and compared this to managers expectations (which were sense checked by the Investment Advisers). Where there were deviations (in the case of 2022, there were a small number caused by market volatility in gilt and equity markets), this was questioned with managers to ensure the Group Trustees were comfortable with the reasoning. The Group Trustees remained comfortable with the turnover during the year and decided that no action was required.

Socially responsible investment and corporate governance

Relevant policy in the SIP		How and to what extent this policy has been met over the Year
2.6	**Consideration of ESG factors and risks *(Socially Responsible Investment and Corporate Governance, SIP March 2022)***	The Group Trustees, with advice from their Investment Advisers, formulated their investment beliefs in relation to RI in 2020. Those beliefs, and RI factors, are reviewed as part of an annual integrated risk review. In April 2022, the Group Trustees undertook a high-level review of the RI policy, and agreed that it remained fit for purpose, but would need to be updated over time to incorporate the more detailed work being done in the area of climate change. The Group's Investment Advisers have incorporated their assessment of the nature and effectiveness of each manager's approach to RI (including climate change) into their advice to the Group Trustees on the selection and ongoing monitoring of the Group's investment managers. Where managers are not highly rated by the Investment Advisers' manager research team from a RI perspective, the Group Trustees continue to monitor this within quarterly investment performance reports, provided to them by the investment manager and Investment Advisers. The Group Trustees also received a detailed RI report from their Investment Advisers on the capabilities and activities of the Group's equity managers in February 2023 as part of an ESG review on that portion of the portfolio. On behalf of the Group Trustees, the RIC engaged directly with a number of underlying managers during the year on their stewardship and approach to climate data collection. The stewardship engagement was a result of the perception that a particular manager was falling behind in the fixed income space (they subsequently set out their plans to improve stewardship, which the Group Trustees will continue to monitor). On the climate data collection, the engagement was primarily completed to set out the Group Trustees' expectations to managers (that climate data collection needed to improve within property assets), and progress will be monitored in the future. In all instances the RIC has expressed a wish for more work to be done in this area on behalf of the Group's members. All other Group reporting, such as asset class deep dives, strategy reviews, and investment manager selections, incorporate a strong element of RI consideration.
2.7	**Non-financial considerations**	No member views relating to investments were sought during the year, in line with the SIP, and none were received. The Group Trustees are, however, working to provide more regular updates on the topic of RI to members.
2.8	**Stewardship, voting and engagement *(Socially Responsible Investment and Corporate Governance,***	The exercise of voting rights and engagement is delegated to the respective investment managers.

Relevant policy in the SIP	How and to what extent this policy has been met over the Year
SIP March 2022)	After considering the Investment Advisers' manager research on a quarterly basis throughout the year, as well as the manager engagements undertaken during the previous year, the Group Trustees did not explicitly engage with any managers on their voting policies. They did, however, question one of their managers on the topic of water risk, specifically future shortfall, and the risk this introduces to future profits of companies with high water dependencies, and another of their managers on the high GHG emissions of their portfolio. The manager subsequently provided additional information on their water risk project and how this was expected to evolve over time. The Group Trustees were comfortable with this information and the manager's position. Further details on voting behaviour in relation to the RWE Section and the Innogy Section are set out in Appendix A.

Voting behaviour

As set out in the SIP, the Group Trustees' policy is to delegate the day-to-day RI considerations (including consideration of ESG factors) and stewardship activities (including voting and engagement) to the Group's investment managers.

The RWE Section and the Innogy Section make use of both pooled and segregated mandates. Investing in pooled funds allows the Group to benefit from economies of scale and potentially lower management fees. However, this means that the investment or engagement decisions regarding the companies invested in by each pooled fund are made at the discretion of the investment manager of the pooled fund. The Group Trustees are comfortable with this, given the considerations and due diligence involved in the initial appointment of the respective managers, including their views on RI, to follow their respective investment mandates. While the Group Trustees do not direct votes or engagement activities themselves, they seek to exert their influence as asset owners through engaging with the managers where concerns are identified through various regular monitoring exercises. The Group Trustees require their investment managers to develop and maintain appropriate voting and engagement policies, both as part of the initial manager selection process and on an ongoing basis, where applicable. The Group Trustees review the managers' policies annually and monitor investment procedures and practices as necessary. The Group Trustees consider the voting activity of managers, and their respective funds, over the year as part of their engagement monitoring process. As part of this review process, the Group Trustees engaged further with two of the underlying investment managers during the year to encourage more progressive voting on the topic of climate change.

A summary of managers' voting policies over the year is listed in Appendix A, along with information on the most significant votes undertaken by the managers on behalf of their clients (including the Group Trustees) in Appendix B.

The Group Trustees have a particular focus on those votes that pertain to climate change, which has been identified as a significant topic due to the systemic nature and potential financial impact of the risk, and the reporting surrounding this. The Group Trustees have, therefore, identified this as key focal point when determining significant votes. The Group Trustees, in conjunction with the RIC, are in the process of identifying additional stewardship priorities for the future. The Group Trustees continue to encourage the managers to consider the following criteria for a significant vote, as provided by the PLSA:

- a high-profile vote which has a degree of controversy such that there is high client and/or public scrutiny;
- significant client interest for a vote: directly communicated by clients to the relevant stewardship team or where there is a significant increase in requests from clients on a particular vote; and
- a sanction vote as a result of a direct or collaborative engagement.

The Group Trustees are satisfied with the above benchmarks for a significant vote at present but will look to develop their approach in the coming year. The Group Trustees remain satisfied (based on the voting information provided) by the approach to voting and engagement adopted by the investment managers during the year and believe that these are in line with the Group's SIP.

DB Additional Voluntary Contributions ("DB AVCS")

There are a very small number of legacy DB AVCs held in respect of 9 members of the Group. These DB AVCs amount to approximately 0.001% of the Group's assets and are invested in closed AVC arrangements, namely the Prudential With Profits Cash Accumulation Fund and with Utmost Life & Pensions.

	As at 31 March 2023 £
Prudential Assurance Society - Limited liability insurance company With Profits fund	30,608
Utmost Life and Pensions - Authorised unit trust	11,382
Total	41,990

These funds are closed to new contributions and are administered by WTW. The Group Trustees take a proportional approach to monitoring these DB AVCs, and their suitability is reviewed on a periodic basis.

RWE Group – RWE Section and Innogy Section

APPENDIX A: SUMMARY OF MANAGER VOTING POLICIES (AS PROVIDED BY INVESTMENT MANAGERS)

Manager: GQG (RWE Section)

The portfolio manager is responsible for proxy voting decisions and will typically vote in line with ISS recommendations. The manager will escalate votes that are of high strategic relevance to the underlying company and ensure that those proxies are being voted in the best interests of GQG's clients, given the potential significance of the proxy vote to the company's shareholders.

To augment their independent research, GQG uses ISS as an additional source of information to guide voting. While GQG votes with ISS on the majority of issues, they do not automatically follow their lead, and will vote against their recommendations when they deem it necessary. GQG will engage with company management if it believes such engagement will maximise shareholder value in the long term. Engagement activities may be carried out via individual engagement, thematic engagement, and collaborative engagement.

Manager: State Street Global Advisors (SSgA) (Innogy and RWE Section)

SSgA also makes use of ISS, using them for their vote execution, administration, and research capabilities.

SSgA's Stewardship team reviews its Proxy Voting Guidelines on an annual basis and undertakes specific analysis where necessary for nuanced votes. Voting matters that are nuanced or that require additional analysis are referred to and reviewed by members of the Stewardship Team. Members of the Stewardship Team evaluate the proxy solicitation to determine how to vote based on facts and circumstances consistent with State Street Global Advisors Proxy Voting Guidelines, which seek to maximize the value of our client accounts.

SSgA follows its 'Issuer Engagement Protocol' when designing its engagement strategy. Each year, as part of its strategic review process, the Stewardship team develops an annual engagement strategy, and it identifies a target list of companies that SSgA intends to engage with during the year. This might be on thematic issues, companies identified through sustainability screens or sector specific engagements. SSgA considers geographic diversity and the engagement culture in a market/geographic region when developing a target list and approach.

Manager: Ardevora (Innogy Section)

Ardevora uses GL as a proxy administrator to vote proxies on behalf of the various funds and accounts they manage. GL is responsible for submitting votes across all their funds and segregated portfolios based on their own research and market specific policy guidelines. GL has partnered with Sustainalytics who provide detailed ESG profiles for each of the companies they vote on.

Ardevora reviews the submitted votes and may engage in dialogues with GL regarding proxy voting guidelines and specific future voting recommendations when they deem it necessary to vote contrary to what the guidelines may suggest. As part of the annual approval process, Ardevora's ESG Committee review the GL proxy voting guidelines.

Ardevora prioritises its engagement activities based on the materiality of the ESG issue and its exposure to the investee. Ardevora will generally engage with an investee for reasons such as improving ESG disclosure, seeking improvement in performance, and influencing corporate practice on ESG issues.

Manager: Metropolis (Innogy Section)

Metropolis has engaged ISS to provide Proxy Voting advice. The research provided by ISS is reviewed by Metropolis' Investment Team on a triannual basis. Metropolis will vote against a board's recommendations if it does not believe the actions proposed are in the best interests of its investors. If, following detailed analysis, Metropolis does not have a strong view for or against a board recommendation, it will follow the ISS recommendations, which are based on the NAPF (National Association of Pension Funds) guidelines and ISS's own proprietary research. Engagement with each investee company starts during the due diligence stage prior to investment. The investment team seeks third party reassurance through talking to other industry participants and reviewing external ESG research. Engagement with the company is critical to monitoring all relevant matters to its assessment of quality and intrinsic value, including strategy, financials, capital, and board structure, ESG impact and reporting/transparency.

Summary Voting Statistics	GQG Global Equity	SSgA RAFI	Ardevora Global Long-Only Equity	Metropolis Value Fund
Underlying Fund	Global Equity	RAFI – hedged and unhedged	Global Long-Only Equity	Value Fund
Total Size of Fund (as at 31 March 2023)	$438,104,206	£1,525,379,053	£6,035,258,957	$337,099,726
Number of holdings at end of reporting period	53	2,659	187	25
Number of meetings eligible to vote	48	2,980	190	26
Number of resolutions eligible to vote	829	37,554	2,631	433
% of resolutions voted on for which the fund was eligible	100.0%	98.3%	99.6%	100.0%
% of resolutions voted with management	85.8%	90.7%	91.7%	93.8%
% of resolutions voted against management	9.5%	9.3%	8.1%	6.2%
% of abstention votes	4.7%	1.2%	0.5%	0.0%
% of resolutions on which manager voted contrary to proxy advisor	2.2%	7.5%	N/A	8.8%

APPENDIX B: SIGNIFICANT VOTES OVER THE YEAR:

The Group Trustees have collected information on the most significant votes (as defined in the main body ("Voting behaviour and engagement") of the Statement) undertaken on their behalf by the aforementioned equity investment managers.

The equity investment managers have provided the Group Trustees with the following information in relation to the most significant votes made on their behalf. Of the votes provided, the Trustees have listed below those that demonstrate/align with significant policies or concerns of the Group.

Manager: GQG

The Group Trustees requested that the manager provide all votes relating to "Environment", as classified by the manager, as well as their significant votes from which the four votes below have been selected.

Investee company	Johnson & Johnson	Enbridge Inc.	Exxon Mobil Corporation	Microsoft Corporation
Date of vote	28/04/2022	04/05/2022	25/05/2022	13/12/2022
Nature of the resolution	Publish Third-Party Review of Alignment of Company's Lobbying Activities with its Public Statements	Elect Director Gregory L. Ebel	Report on Reducing Plastic Pollution	Assess and Report on the Company's Retirement Funds' Management of Systemic Climate Risk
How voted	For	Abstain	For	For
If voting against management, was this communicated to the company ahead of the vote?	Not provided	Not provided	Not provided	Not provided
Rationale for voting decision	GQG felt a vote for this resolution is warranted, as more comprehensive information comparing Johnson & Johnson's public policy statement on Universal Health Coverage and its political contributions and lobbying efforts would benefit shareholders in assessing its management of related risks.	Significant risks to shareholders stemming from severe ESG controversies have been identified at the company, which reflects a failure by the Board to proficiently guard against and manage material environmental, social and governance risks. GQG chose to abstain from voting for Board chair Gregory (Greg) Ebel as they believe that the chair of the board ultimately shoulders the most	GQG chose to vote for this proposal, as additional disclosure on metrics and targets related to the ability of the Company to transition from virgin polymer production would allow shareholders to better assess the Company's management of associated financial, environmental, and reputational risks.	GQG felt that, whilst Microsoft may not be responsible for its employees' investment decisions, the information requested in the report would complement and enhance Microsoft's existing commitments regarding climate change. They also believe that it would allow shareholders to better evaluate the company's strategies and management of related risks.

Investee company	Johnson & Johnson	Enbridge Inc.	Exxon Mobil Corporation	Microsoft Corporation
		responsibility amongst all Board members for failing to effectively supervise the management of risks to the company and its shareholders and should therefore be held the most accountable for poor Board oversight of ESG risk exposures at the firm.		
Outcome of vote	Not provided	Not provided	Not provided	Not provided
Implications of the outcome	Not provided	Not provided	Not provided	Not provided
On which criteria have you assessed this vote to be "significant"?	High profile/public scrutiny	High profile/public scrutiny	Climate Change	Climate Change

Manager: SSgA RAFI

The manager provided the following commentary regarding their significant voting policy:

The manager considers the below votes to be significant, noting they can provide further filters, including one for market capitalisation.

1. All votes on environmental related shareholder proposals.
2. All votes on compensation proposals where we voted against the company management's recommendation.
3. All against votes on the re-election of board members due to poor ESG performance of their companies (as measured by their proprietary R-Factor ESG scoring system).
4. All against votes on the re-election of board members due to poor compliance with the local corporate governance score of their companies (as measured by their R-Factor Corporate Governance proprietary scoring framework).
5. All against votes on the re-election of board members due to a lack of gender diversity on board.

The four votes provided below have been chosen from the 454 significant votes provided by the manager and have been selected as they either relate to climate change policies at the company or are high profile votes.

Investee company	Chevron Corporation	Amazon.com, Inc.	Alphabet, Inc.	Alphabet, Inc.
Date of vote	25/05/2022	25/05/2022	01/06/2022	01/06/2022
Nature of resolution	Oversee and Report on Reliability of Methane Emission Disclosures	Commission a Third-Party Audit on Working Conditions	Report on Metrics and Efforts to Reduce Water Related Risk	Report on Physical Risks of Climate Change
How voted	For	For	For	For
If voting against management, was this communicated to the company ahead of the vote?	No	No	No	No
Rationale for voting decision	SSgA view methane emissions management as a critical component of effective climate transition planning for the oil and gas industry. They recognise the growing reputational, regulatory, and financial risks related to managing methane emissions and believe that addressing methane is essential in ensuring the viability of natural gas as a transition fuel. SSgA support the use of direct measurement for calculating methane emissions as opposed to relying solely on engineering estimates to ensure stronger transparency and accountability. SSgA are supportive of Chevron enhancing disclosure on direct measurement efforts as well as regarding its methane detection, monitoring, reduction initiatives.	Amazon provides various disclosures about its health and safety practices, and these disclosures have improved in recent years. However, workers and other stakeholders have continued to articulate concerns about the Company's practices in warehouses, some of which are not reflected in current disclosures. Given this context and the reputational, legal, and regulatory risks associated with the company's approach to human capital management, an independent assessment of the Company's practices would be beneficial to shareholders.	While the Company has published a Water Stewardship report and adopted water-related goals, SSgA feels investors would benefit from additional information on the company's strategy for addressing risks in water-stressed regions.	Investors would benefit from additional information on the company's approach to assessing and responding to physical climate-related risks including any mitigation actions or plans.
Outcome of vote	Pass	Fail	Fail	Fail

Investee company	Chevron Corporation	Amazon.com, Inc.	Alphabet, Inc.	Alphabet, Inc.
On which criteria have you assessed this vote to be "significant"?	Climate Change	High profile/public scrutiny	Climate Change	Climate Change

Manager: Ardevora

The *manager provided the following commentary regarding their significant voting policy:*

Ardevora considers a vote to be significant when we cast our vote against a management-tabled proposal or where we support a shareholder proposal that is opposed by management. We consider a high-profile vote, which has a degree of controversy and/or received public scrutiny, to be particularly significant when it is linked to one of our key focus areas (GHG emission, human rights & diversity, biodiversity, decarbonisation, renewable energy, clean technology, water management).

The four votes provided below have been chosen from the ten significant votes provided by the manager and have been selected as they either relate to climate change policies at the company or are high profile votes.

Investee company	United Parcel Service, Inc.	United Parcel Service, Inc.	Amazon.com, Inc.	Tesla, Inc.
Date of vote	05/05/2022	05/05/2022	25/05/2022	18/07/2022
Nature of resolution	Shareholder Proposal Regarding Report on Science-Based GHG Targets and Alignment with Paris Agreement	Shareholder Proposal regarding Lobbying Activity Alignment with the Paris Agreement	Shareholder Proposal regarding Report on Working Conditions	Shareholder Proposal regarding Report on the Impact of Mandatory Arbitration Policies
How voted	For	For	For	For
If voting against management, was this communicated to the company ahead of the vote?	Yes	Yes	Yes	Yes
Rationale for voting decision	Verification of these targets would provide shareholders assurance that the Company's targets were aligned with the Paris Agreement in a satisfactory manner. Ardevora believe that this is even more important for	The requested report would ensure that the Company was transparent in its policy objectives, would mitigate reputational risks and would provide shareholders with assurance that Company funds	In light of troubling reports and allegations concerning the Company's working conditions, Ardevora believe that additional independent scrutiny on this matter is warranted.	Disclosure will help shareholders assess the Company's response and handling of mandatory arbitration in employee disputes. Given the Company's limited disclosure concerning mitigation of issues that result in

Investee company	United Parcel Service, Inc.	United Parcel Service, Inc.	Amazon.com, Inc.	Tesla, Inc.
	the Company given that greenhouse gas emissions are a material topic for the Company according to the Sustainability Accounting Standards Board. This proposal would benefit the Company by allowing shareholders to better understand how closely aligned its current targets are with science.	were being spent appropriately to further its stated objectives.		employment-related claims, Ardevora believe that additional disclosure on this issue is warranted.
Outcome of vote	Failed	Failed	Failed	Failed
On which criteria have you assessed this vote to be "significant"?	Climate Change	Climate Change	High profile/controversial	High profile/controversial

Manager: Metropolis

The manager provided the following commentary regarding their significant voting policy:

Metropolis considers all votes “significant” where an engagement is associated with the vote.

The four votes provided below have been chosen from the six significant votes provided by the manager and have been selected as they either relate to climate change policies at the company or are high profile votes.

Investee company	Berkshire Hathaway	Alphabet	Comcast Corporation	Oracle
Date of vote	30/04/2022	01/06/2022	01/06/2022	16/10/2022
Nature of the resolution	Report on Climate-related Risks and Opportunities	Commission Third Party Assessment of Company’s Management of Misinformation and Disinformation across Platforms	Report on Retirement Plan Options Aligned with Company Climate Goals	Executive Officers’ Compensation

Investee company	Berkshire Hathaway	Alphabet	Comcast Corporation	Oracle
How voted	For	For	For	Against
If voting against management, was this communicated to the company ahead of the vote?	Yes	Yes	Yes	Yes
Rationale for voting decision	Metropolis reviewed the proxy adviser's and EOS Hermes reports and decided to vote against management, and with the proxy adviser and Hermes recommendations. This issue is important to Metropolis, as they feel shareholders and custodians would benefit from receiving more information regarding how Berkshire Hathaway performs in this area, and what the direction of travel is.	Metropolis Capital reviewed the proxy adviser's reports and engaged with the company directly before submitting their votes. Metropolis contacted Alphabet on 26th May in relation to several items that the proxy adviser and EOS Hermes were initially recommending voting against. In the absence of a response from Alphabet to these objections, they decided to vote against management on the item. The proposed assessment would increase transparency into Alphabet's management of misinformation and disinformation risks. Metropolis have some concerns over the cost of producing this report, but in the absence of being able to discuss these concerns with management were minded to support the shareholder motion.	Metropolis Capital reviewed the proxy adviser's and EOS Hermes reports and engaged with the company directly before submitting their votes. Metropolis decided to vote in favour of this proposal, against the Management recommendation. The proposal states that Comcast's retirement plan offers no diversified equity funds that avoid investments in fossil fuel companies, companies with high deforestation risk, and companies with high carbon emissions and its default option is rated poor in terms of climate change action. Metropolis understand that the company's response to this is that it has a fiduciary responsibility to select funds for the pension schemes whose investment objectives are "solely" in the interests of plan participants. The company's response states: "The fundamental request of this proposal, however, would seek to impose a specific and uniform set of non-economic goals, promoted by Comcast and set for reasons completely outside of any	Metropolis remain opposed to the changes made in 2021 to the performance period for Safra Catz and Larry Ellison's Performance-based Stock Options (PSO) plan. The Board has not taken any steps to address this issue. The performance period terminus was extended by three years which allows Larry and Safra another three years within which to fulfil the goals of the plan and trigger the vesting of further option award tranches. By continuing with the current plan, Larry and Safra have the chance to earn option awards potentially worth hundreds of millions of dollars. Metropolis think this quantum is too high. They also object to the criteria for the PSOs. The operational goals exclusively target cloud business metrics. Metropolis believe this focus is too narrow and has the potential to incentivize expensive acquisitions of cloud competitors. They also believe the market capitalization goals are also too narrow and would prefer to see a plan that includes a focus on return on capital employed.

Investee company	Berkshire Hathaway	Alphabet	Comcast Corporation	Oracle
			specific financial planning or investment considerations, on all of our retirement plan participants and beneficiaries". Metropolis believes that the company has misinterpreted this and the proposal is simply seeking a review of whether there is a way of offering plan participants access to one or more options which give them the opportunity to invest some of their own pension plans (through exercise of personal choice) in investments which seek to reduce exposure to the long-term risk from climate change. With a long investment horizon, this objective is not incompatible with the objective of maximising economic returns. As Comcast employees can already choose from a series of options, they believe that the committee should investigate this further and therefore believe that the request for a report is warranted.	Metropolis would also prefer a plan that requires the market capitalization goals be sustained until the time of vesting rather than requiring the goal only be sustained for 30 days.
Outcome of vote	Fail	Fail	Fail	Pass
Implications of the outcome	Metropolis will continue to monitor the situation.	Metropolis will continue to monitor the situation.	Metropolis will continue to monitor the situation.	Metropolis will continue to monitor the situation.
On which criteria have you assessed this vote to be "significant"?	Climate Change	High profile/controversial	Climate Change/Controversial	High profile/controversial