Schlumberger UK Pension Scheme

Implementation Statement

12 months to 31 December 2022

Contents

1. Introduction

Background

The Trustee (Schlumberger Trust Company Limited) of the Schlumberger UK Pension Scheme (the Scheme) positively welcomes the increased attention given to Environmental, Social and Governance (ESG) policies within pension scheme investment, as well as the drive towards wider engagement on scheme investments with members.

As part of this drive, the Department for Work and Pensions (DWP) is increasing regulation to improve the disclosure of financially material risks. These regulatory changes recognise ESG factors as financially material, and all schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that trustee boards detail their policies in their Statement of Investment Principles (SIP) and demonstrate adherence to these policies in an annual Implementation Statement.

This Implementation Statement (the Statement) has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

The Trustee has elected to participate in the Schlumberger UK Common Investment Fund (SCIF), a fund set up to manage the investments of certain UK pension schemes within the Schlumberger Group. The Trustee has delegated the choice of investment managers and their investment objectives and restrictions to the trustee of the SCIF (Schlumberger Common Investment Fund Limited - SCIFL) who reviews and monitors the performance of the investment managers on an on-going basis. SCIFL reports to the Trustee regularly and works closely with the Funding, Valuation and Asset Strategy Sub-Committee (Sub Comm C) which is a Sub Committee set up by the Trustee in accordance with the Scheme's trust deed and rules to assist the Trustee in the discharge of its investment responsibilities.

The Trustee has also set up an ESG Sub-Committee (Sub Comm D) whose function is to implement the ESG strategy and policies that have been agreed by the Trustee. The steps that have been undertaken and completed during 2021 and 2022 include:

- To incorporate the Scheme’s ESG Beliefs Document into decisions concerning the investment managers, which has included interviewing the investment managers on their ESG capabilities and sharing the ESG Beliefs Document ahead of manager selection meetings to allow the investment managers to provide information on areas of specific interest to the Trustee.
- To continue to work with its investment consultant, Isio, and SCIFL to assess each investment manager against the set of objectives agreed in the ESG Beliefs Document and to assign them a compliance rating. Isio and SCIFL then engaged further with the managers to improve their compliance and understand any reasons for non-compliance. The annual ESG Status Report for the year 2022 was produced by Isio and reviewed by Sub Comm D in July 2023.
- To finalise, In Q3 2021, the on-boarding of specific ESG Global Equity strategies within the Personal Money Fund (PMF) section of the Scheme. These include a passive strategy with a strong ESG tilt, in the LGIM Future World Fund, and three active impact and sustainable focussed global equity funds with Wellington Management International Ltd and Baillie Gifford. The new strategies have materially enhanced the overall portfolio from an ESG perspective alongside providing more self-select options for members.
- To switch one third of the passive global equity in the PMF section into passively managed global equity funds that have an ESG focused strategy. The remaining holdings will be switched in 2023 and 2024. All investments are managed by LGIM.
- To complete the process of becoming a member of the Task Force on Climate-Related Financial Disclosures (‘TCFD’) in May 2021, committing the Scheme to align future reporting in line with TCFD recommendations wherever possible.
- To accelerate, in Q4 2021 and H1 2022, the preparatory work required by upcoming regulations to provide future TCFD reporting, focussing on the Scheme’s climate considerations. The first TCFD Report has been prepared for publication in July 2023.
- To issue and adopt a SUKPS Climate Governance Statement which will specify the proposed roles and responsibilities to manage climate related risks & opportunities. This document has been drafted and will be issued during 2023.

Statement of Investment Principles (SIP)

The Trustee has updated its SIP to cover changes to the strategic asset allocation. There have been no updates to the Scheme's policies during the year 2022. Following the year end the SIP was reviewed further and additional changes were made in relation to ESG stewardship and engagement in line with current regulations.

The SIP can be found online at the following web address.

https://epa.towerswatson.com/accounts/slb/public/schlumberger-uk-pension-investment-principles/

Prior year policy changes made to the SIP are detailed in Section 2 of this Statement. Details of strategic changes made to both the Final Salary Benefit (FSB) and Personal Money Fund (PMF) sections of the Scheme can be found in Section 3 of this Statement.

Implementation Statement

This Implementation Statement documents (in Sections 4 to 7) the ways in which the Trustee follows and acts on the principles outlined in the SIP. The statement covers the 12-month period to 31 December 2022 and the changes made to the SIP during that period and includes:

- actions the Trustee has taken to manage financially material risks and implement the key policies in its SIP. This section also details any changes the Trustee has made to the investment strategy in the previous 12 months and the relevance of such changes to the agreed investment policies,

- the current policy and approach with regards to ESG and the actions taken with managers to manage ESG risks,

- the extent to which the Trustee has followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies they invest, and

- voting behaviour covering the reporting year up to 31 December 2022 for and on behalf of the Scheme including the most significant votes cast by the fund manager on its behalf.

This Implementation Statement was adopted by the Trustee on

28th July 2023

S White

Simon White - Chairman

2. Changes to the SIP

Although minor changes were made to the strategic investment allocations there were no policy changes made to the SIP during 2022 or 2021. As stated above, following the year end, changes have been made in relation to ESG Stewardship and engagement in line with current regulations. Below are the most recent policy changes made during 2020:

Policies added to the SIP	
Date updated 30 September 2020	
The Trustee has prepared an Environmental, Social and Governance Beliefs Document which sets out the Trustee's beliefs and policies on how ESG factors should be integrated in investment decision-making to promote Responsible Investing. The Trustee has also developed a set of ESG KPI's which they and SCIFL will use to monitor the investment managers on an ongoing basis.	• Further details on the ESG policy can be found in section 4 of this document.
How the investment managers are incentivised to align their investment strategy and decisions with the Trustee's policies.	• Via SCIFL, the Trustee has segregated arrangements with certain investment managers, thereby allowing investment managers to align their strategy with the Trustee's policies. The Scheme is also invested in some pooled funds where there is limited scope for these to tailor their strategy and decisions in line with the Trustees policies, however these selected funds are aligned to the Trustee's strategic objective. This is reviewed on an ongoing basis. • The Trustee invests in several mandates which are subject to a performance related fee.
How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.	• The Trustee/SCIFL reviews the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements. Managers that do not perform to the agreed criteria are challenged and may be removed. • The Trustee/SCIFL monitors the investment managers' engagement and voting activity against a set of Trustee defined ESG /stewardship related factors on an annual basis as part of its ESG monitoring process. • Currently, the Trustee/SCIFL do not incentivise the investment managers to make decisions based on non-financial performance.
How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustee's policies.	• The Trustee/SCIFL reviews the performance of all the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives. • The Trustee/SCIFL evaluates performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years. • Investment manager fees are reviewed regularly to make sure the correct amounts have been charged and that they remain competitive.
The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	• The Trustee/SCIFL does not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.

Policies added to the SIP	
The duration of the Scheme's arrangements with the investment managers.	• The duration of the arrangements is considered in the context of the type of fund the Scheme invests in. ○ For closed-ended funds or funds with a lock-in period, the Trustee/SCIFL ensures the timeframe of the investment or lock-in is in line with the Trustee objectives and Scheme's liquidity requirements. ○ For open-ended funds, the holding periods are flexible and the Trustee/SCIFL will on an ongoing basis consider the appropriateness of these investments and whether they should continue to be held.

3. Managing risks and policy actions

The Trustee has prepared an Integrated Risk Management Document which recognises a number of risks, including those involved in the investment of the assets of the Scheme. Below are examples of how some of those risks have been managed.

Risk / Policy	Definition	Policy	Actions taken during the year
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	The Trustee aims to hedge this risk both directly and indirectly where appropriate and affordable.	The Trustee mitigates this risk through its LDI Mandate which is held with Insight and its bond mandates that are held with BlackRock and Insight. In Q1 2022 as part of the Trustees long term strategy review, the LDI hedge was extended further to cover 105% of all liabilities of the Scheme on a technical provisions basis in line with the Scheme's long term funding target. In September 2022, market volatility increased and, following discussions with its investment advisors, the Trustee agreed that in order to improve both the Scheme's liquidity position and its overall risk it would reduce the level of this hedge to cover 95% of all liabilities of the Scheme on a technical provisions basis. Further to that, the Trustee requested the Company to provide a material bridging line of credit in September 2022, which was put in place to provide liquidity to avoid the possibility of a need to unwind the hedges given the extremely tight liquidity situation, and that this line of credit was later replaced by a line of credit from the Scheme's custodian, which remained in place until February 2023, when the liquidation of the semi liquid assets was completed, and liquidity restored. By maintaining the hedge at this level, the Scheme remained in surplus both on a technical provisions basis and

			a long tern funding target basis and was able to provide sufficient levels of collateral throughout a period of considerable uncertainty. These mandates will continue to be reviewed regularly.
Security Concentration	The risk that the level of concentration in individual holdings (both equity and bond) leads to the risk of an adverse impact of investment values arising from corporate failure.	The Trustee seeks to hold a diversified investment portfolio (by asset class, sector and region), holds regular reviews of stock concentration and has regular discussions with the investment managers about sustainability risks.	The Trustee has embarked on an accelerated de-risking strategy since 2021 when the Scheme sold all of its public equity holdings and invested the proceeds in the range of fixed instruments known as The Collateral Waterfall which retains hedging of the liabilities whilst maintaining diversification of both manager and investment risk. During 2022 the majority of assets in the collateral waterfall had to be sold during the gilts crisis in order to provide collateral to maintain the LDI hedge in Q4 2022. Investment proceeds from the Trustee's de-risking strategy have subsequently been reinvested in low risk asset backed securities whilst maintaining diversification of both manager and investment risk. There is an ongoing strategy review in 2023 by the Trustee and its investment advisors to determine whether to add additional diversification to the assets held within the collateral waterfall.

Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away unrewarded risks, where affordable and practicable.	The Trustee has recognised that market movements can have a significant impact on the Scheme's funding levels, meaning that the Scheme reached its Long Term Funding Target before the target date of 2038, whilst still holding a relatively high levels of growth assets. The Trustee agreed in 2020, following consultation with its investment consultants, the actuarial advisors and the Principal Employer to implement a framework of triggers, linked to the Scheme's funding level on a technical provisions (TP) basis, to accelerate the de-risking from the Growth Portfolio to the Matching Portfolio. In 2021, all of these triggers were hit, resulting in the Trustee disinvesting 100% of the public equities held in the DB section of the scheme and investing the proceeds in the LDI Collateral Waterfall assets managed by Insight. During 2022, due to its strong funding position, the Trustee continued the process of de-risking by disinvesting its holdings in semi liquid and multi asset credit along with its investment in an inflation linked property fund. The proceeds from these investments were invested in low-risk asset backed securities replacing those investments in the collateral waterfall which had been sold during the period of market volatility in September 2022 in order to maintain the LDI hedge. Although there is a natural de-risking over time as the private market portfolios in the DB section of the Scheme, wind down and disinvest their holdings, the Trustee is considering options to accelerate this process and sell one of its less mature private equity

			portfolios on the secondary market. At the time of this report this process remains on-going.

Manager Risk	The risk that a manager will underperform resulting in a loss in the assets held by the Scheme.	The Trustee has implemented a formal review process. A review is triggered if the performance of a manager is more than 10% behind the benchmark over a rolling 1-year period for open ended funds and if the performance is more than 4% p.a. behind benchmark over a rolling 3-year period for closed ended funds (excluding funds below £2m in size). This is supplemented by ongoing monitoring of the portfolio positioning to ensure it is in line with the fund's stated investment approach and philosophy.	In 2021 although no managers significantly underperformed during the period, the Trustee did review the value of assets held by some of the investment managers which had grown in size due to market conditions and the flow of funds into the Matching Portfolio. Following this review, the Trustee, following advice from its investment consultants, agreed to disinvest £100m from the semi liquid portfolio with Apollo, which had AUM at the time of over £400 million, and invest the proceeds in the M&G Alpha Opportunities Fund. This has led to a lower concentration of assets in any one manager. In 2022 no managers significantly underperformed during the period although some of the long term closed ended private debt mandates did underperform their short term performance benchmarks. The Trustee monitors these on a quarterly basis and recognises that in the long term these funds continue to outperform their long term IRR objectives.

Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	The Trustee's policy is that day-to-day decisions relating to the investment of the Scheme's assets (i.e. the selection, retention and realisation of investments) are left to the discretion of the investment managers. This includes consideration of all financially material factors including ESG-related issues where relevant. The extent to which ESG considerations are taken into account in these decisions is also left to the discretion of the investment managers, acting within the guidelines and objectives set by SCIFL and the Trustee. The Trustee explores these issues with SCIFL and its advisers to understand how the investment managers exercise these duties in practice. When considering the appointment of any future managers and reviewing existing managers, SCIFL together with its advisers will look to take account of the approach taken by investment managers with respect to sustainable investing including engagement and voting policies where relevant. Non-financial ESG matters (including members' views on such matters) have been considered in the Trustee ESG Beliefs document and where relevant are included as part of the overall monitoring of the investment managers. .	ESG actions undertaken: • The Trustee integrated the Environmental, Social and Governance Beliefs Document into investment decision making. For example, in 2020, the Trustee agreed to add ESG focussed global equity funds to the PMF section of the Scheme both as part of the 3 lifestyle options and also as a self-select option. In August 2021, SCIFL disinvested £128 million from UK equities and invested the proceeds across 4 ESG focussed global equity funds. • During 2022, the Trustee agreed to switch £119.6 million from passively managed global equities in the PMF section into passively managed global equity with an ESG focus. All investments are managed by LGIM. The switch of the remaining passive global equity holdings will continue over the next two years. • Additionally, following consultation with its investment consultants, the Trustee decided to offer a Global equity fund managed under Sharia principles to members of the PMF as an additional self-select option. • The policy sets out the Trustee's beliefs and policies on how ESG factors should be integrated in investment decision-making to promote Responsible Investing. • The Trustee has set up Sub Comm D, which meets regularly specifically to deal with ESG issues and to develop the policy going forwards. • The Trustee has also developed a set of ESG

			KPI’s which they and SCIFL will use to monitor the investment managers on an ongoing basis. • Progress on the Scheme’s ESG policy was also discussed at both SCIFL and Trustee meetings throughout the year including the annual ESG review of the managers and the mid-year progress report on the managers action points. • The Scheme became a supporter of the TCFD in May 2021 and will issue its first TCFD report for the year 2022. This step allows the Trustee to better understand climate risk opportunities. The Trustee has set targets to improve the quality and consistency of the climate data that is received from its asset managers. More details of the ESG policy and how it was implemented are presented in Section 4 of this report.

4. Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG as a financially material risk. This section details the Scheme's current ESG policy, while the following page outlines the areas the Trustee and its investment consultant, Isio, have used when evaluating the Scheme's managers' ESG policies and procedures. The rest of this statement details the approach to engagement with the managers and a summary of managers' own engagement activity.

Current Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social and Governance factors and the exercising of rights and engagement activity.	• When attending SCIFL meetings, investment managers will be asked to present on actions they have taken in respect of ESG factors and their exercise of rights and engagement activity. • The Trustee and SCIFL will be provided with detailed summaries of existing manager engagement on Environment, Social and Corporate Governance factors.	• The manager has not acted in accordance with their policies and frameworks.

Areas of assessment

The Trustee has laid out its ESG policy in a detailed ESG Beliefs Document. The table below summarises those areas identified in the Document on which the Scheme's investment managers are assessed when evaluating their ESG policies and engagements. The Trustee intends to review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

Risk Management	1. Integrating ESG factors, including climate change risk, represents an opportunity to increase the effectiveness of the overall risk management of the Scheme. 2. ESG factors can be financially material and managing these risks forms part of the fiduciary duty of the Trustee.
Approach / Framework	3. The Trustee will endeavour to understand how the ESG policies of their asset managers align with the Beliefs Document and how the managers integrate ESG factors into their decision-making . 4. The Trustees will seek to align their ESG objectives with an internationally recognised framework. 5. The Trustees will seek to align the DC Section Lifestyle Fund with the ESG beliefs set out in this document. If a material proportion of the membership should express an appetite for an ESG specific Self Select Fund, the Trustees will evaluate this and take appropriate action.
Reporting & Monitoring	6. The Trustees will monitor each manager against their ESG KPI's on an ongoing basis and will conduct a full review of the overall compliance of the portfolio against these on a regular basis. 7. ESG factors are dynamic and continually evolving; therefore, the Trustee will receive training as required to develop their knowledge. 8. ESG metrics (e.g. carbon reporting) will be added to ongoing reporting activity to determine the impact of the Trustees' ESG policies.
Voting & Engagement	9. The Trustee will seek to understand each asset manager's approach to voting and engagement when reviewing the asset manager's approach. 10. Engaging with companies is an effective way of initiating change i.e. there is a desire to engage with companies rather than sell the Scheme's holdings in them if issues are identified.
Collaboration	11. Asset managers should sign up and comply with common codes and practices such as the UNPRI & Stewardship code. If they do not sign up, they should have a valid reason why. 12. Asset managers should engage with other stakeholders and market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, risk management and debtholder rights.

5. ESG summary and actions with the investment managers

The Trustee worked alongside its investment consultant, Isio, during 2022 in engaging with all of the Scheme's investment managers to review their ESG policies and set actions and priorities. Isio regularly reports back to the ESG subcommittee and to SCIFL with updates on the engagements with each manager.

As part of this process, SCIFL has prepared the following report on its managers' engagement and voting activity for 2022. This report covers both the Final Salary Benefit (FSB) and the Personal Money Fund (PMF) sections of The Scheme.

6. SCIFL Investment Management Engagement

Mandate	Scheme Schlumberger UK FSB	 PMF	Engagement summary	Commentary
Legal & General Investment Management (LGIM) Future World Fund		✓	Total engagements: 528* Environmental: 297 Governance: 217 Social: 156 Other: 74	LGIM has firm wide stewardship priorities with a current focus on inequality, ethnic diversity, and tax transparency. The manager takes a holistic approach to voting and engagement across all its portfolio companies, within which LGIM's Investment Stewardship team and all investment teams collaborate to ensure they are using a common framework. This strengthens and streamlines engagement and voting activities, allowing the manager to maximise effectiveness by leveraging its position as a large, influential investor. LGIM produces an annual Active Ownership report which summarises the decisive actions taken on behalf of clients. Examples of significant engagements include: **Cardinal Health**: LGIM co-filed a shareholder resolution, together with IOPA members, asking Cardinal Health† (ESG score: 65; -5) to publish annually an in-depth report disclosing its direct and indirect lobbying activities and expenditures, as well as its policies and procedures governing such activities. Following engagements with the company, the board agreed to significantly expand its political contributions and activities reporting, including its approach when a trade association of which it is a member takes a position that differs from the company's corporate view. Given the commitments on

Mandate	Scheme		Engagement summary	Commentary
	Schlumberger UK			
	FSB	PMF		
			* The breakdown may not sum to the total as some engagements covered multiple areas.	additional disclosures, the shareholder proposal was withdrawn ahead of the vote. **Experian:** LGIM has engaged with the company on several occasions regarding pay equality and are pleased to see improvements made to its ESG strategy, encompassing new targets, greater reporting disclosure around societal and community investment, and an increasing allocation of capital aligned to transforming financial livelihoods. The latter includes the roll-out of Experian Boost, where positive data allows the consumer to improve their credit score, and Experian Go, which is hoped to enable access for more people. The company also launched the United for Financial Health project as part of its social innovation fund to help educate and drive action for those most vulnerable.
LGIM UK Equity Index Fund		✓	Total engagements: 266* Engagements fell into the following categories: Environmental: 91 Governance: 171 Social: 60 Other: 36 * The breakdown may not sum to the total as some engagements covered multiple areas.	Examples of significant engagements include: Barclays Plc: Barclays plc published its ESG report and issued a statement, outlining the ambitious target of aligning the entire business to the goals of the Paris Agreement through plans to shrink its carbon footprint to net zero by 2050. LGIM endorsed this proposal, which was voted on by shareholders alongside a shareholder resolution on the same topic.
LGIM North America and EAFE		✓	Total engagements: 263* Engagements fell into the following categories: Environmental: 149 Governance: 90 Social: 97 Other: 32	Examples of significant engagements include: Wirecard – German fin-tech: Early in the research process, LGIM's proprietary ESG Active View tool raised red flags about Wirecard's governance. In particular, the Financial Times had reported suggestions of accounting irregularities at Wirecard. The underlying logic of the proposed bond deal raised further concerns for LGIM. The company planned to use the proceeds of its bond issue to repay some bank loans. The suggestion that banks wanted this exposure off their balance sheet required additional investigation. Finally, LGIM noted that Wirecard had just one rating (Baa3 at Moody's). Any issuer with only one rating raises concerns; even more so when that rating is below BBB/Baa2.

Mandate	Scheme: Schlumberger UK – FSB	Scheme: Schlumberger UK – PMF	Engagement summary	Commentary
			* The breakdown may not sum to the total as some engagements covered multiple areas.	Lagardère: LGIM believed the company strategy had not been value-enhancing and the governance structure of the company was not allowing the SB to challenge management on this. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardère, as well as to remove all the incumbent directors (apart from two 2019 appointments). This was due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures.
Wellington Management International Ltd. - Global Stewards Fund (GSF)		✓	Total engagements: 38 Engagements fell into the following categories: Environmental: 4 Governance: 19 Social: 7 Broader corporate engagement: 8	Wellington believes a successful engagement is one in which the issues discussed are material to the business, company management provides thoughtful responses and is receptive to their feedback on those material issues, and the insight gained during the engagement informs or leads to an investment decision. The ESG Research Team tracks all engagements they host and attend in a proprietary ESG tracking tool. Within this assessment, they note company attendees, topics discussed, and assign each topic a qualitative assessment indicating their concern level and progress towards achieving engagement objectives. Examples of significant engagements include: **Merck**: Pharmaceutical holding Merck has been through a recent leadership change. In July 2021 former CFO Rob Davis replaced Ken Frazier as CEO, the handoff comes at a time when Merck was facing its own unique set of long-term challenges. Leadership of Merck's Research Labs transitioned at the same time. The company was much more focused on bioscience following the spin-off of its women's health business, Organon. This puts pressure on R&D to discover and develop new treatments for unmet medical needs, and to eventually replace the blockbuster cancer drug Keytruda (30% of revenues) which goes off patent in 2028. In early March 2022 Wellington met with the lead independent director of Merck's board to discuss strategy, oversight, succession planning and capital discipline. They came away very impressed with the board's level of engagement, and the

Mandate	Scheme Schlumberger UK FSB	 PMF	Engagement summary	Commentary
				value-add provided in supporting and appropriately challenging day-to-day management of the business. **National Grid**: The CEO of National Grid visited Wellington's Boston office in November 2022. This was a very positive meeting, focused on how the company's portfolio of businesses has been repositioned to focus on distribution and transmission in electricity markets. Wellington believes National Grid will prosper amid a 'greening of the grid'. They are a beneficiary of inflation as higher pricing is contracted in their regulatory agreements. **Prologis** – real estate logistics: Wellington had a successful engagement with Prologis on the complexity of their remuneration plan after their 2021 vote against. Prologis should be recognized for the strong level of investor outreach after receiving only 52% shareholder support on their say on pay vote in 2021. With amendments to the plan, support rose to 84% this season. Prologis made important improvements, simplifying, and reducing the double counting of performance criteria, narrowing, and improving the fit of their plan peer group, and introducing max caps on high-paying long-term plans. They saw strong improvement in the level of disclosure, including targets, thresholds, and maximums for all metrics, including ESG measures. Wellington supported their responsiveness and engagement on the topic but encouraged continued efforts to reduce complexity and raise the bar further on measurement targets to limit the potential for egregious pay-outs and misalignment.
Wellington Management International Ltd. - Global Impact Fund (GIF)		✓	Total engagements: 239 Portfolio Companies: 71 Potential portfolio candidates: 33	Examples of significant engagements include: **Darling Ingredients**: Investments in Darling Ingredients can reduce greenhouse gas emissions from transportation. The company is a leading, low cost and scaled renewable diesel feedstock supplier and producer. Through its partnership with Valero, it offers fuels that can reduce emissions from transportation by up to 85%. In addition, producing food and feed products from inputs that would otherwise be wasted helps to lower the resource intensity of the agriculture industry. Following a visit to the company's headquarters and one of its plants, Wellington came away with a strong conviction about the

Mandate	Scheme		Engagement summary	Commentary
	Schlumberger UK			
	FSB	PMF		
				prospects for innovation in new product lines. They also saw increased potential to return capital to shareholders alongside reinvestment in the company's newest renewable production facility. **National Vision**: The company helps to meet the needs of low-income consumers with their value-focused pricing for glasses and eye exams. Access to affordable eye exams and prescription eyeglasses and contact lenses can improve nearly every aspect of an individual's life. Wellington wanted to understand the company's commitment to its mission, recognizing that competitors were increasing prices to offset cost inflation. The company reassured them that its culture is not built around upselling, and it remains focused on providing access to eye care at affordable prices. This gave them conviction about the company's commitment to its long-term mission and client base. **Laureate:** Investments in Laureate's differentiated model for providing education and job placement support to student populations from disadvantaged socioeconomic groups can close generational wealth gaps and increase overall economic prosperity in emerging markets.
Wellington Management International Ltd. (WM) - Segregated Global (Ex-NAM) Equity mandate.		✓	Total engagements: 685 Environmental: 8 Governance: 87 Social: 15 Broader corporate engagement: 575	Examples of significant engagements include: **Brazilian metals and mining provider**: Wellington have had 9 engagements with a Brazilian metals and mining provider to gain a better understanding of environmental risks. Wellington believes the company has an underappreciated energy transition portfolio of high-quality iron ore, battery grade nickel, and copper. The company boasts one of the lowest Scope 1+2 intensity of the diversified miners and is targeting a 15% reduction in Scope 3 emissions by 2035. The improvements in governance and approach to safety and risk management are significant. While it's encouraging that the company's injury rate is the lowest among diversified miners, community member injuries and fatalities are still problematic and should be monitored. **Banking and Financial Services Company in the UK**: Wellington have been actively engaging with this company for several years as the company has been on a long road to improving its governance structure,

Mandate	Scheme		Engagement summary	Commentary
	Schlumberger UK			
	FSB	PMF		
				remuneration policies, and environmental goals. Wellington's ESG team in collaboration with the Global Industry Analyst and other investors sent a letter to the board, conducted multiple engagements, including a follow-up meeting to their letter with the Board Chair, and voted against the remuneration policy at the FY22 annual general meeting. The company board ultimately made the decision to improve the profitability hurdle in its incentive plan by increasing the return on tangible equity target to 10%-12.5%, versus previously 7%-11%. Wellington are encouraged to see the board significantly increasing the degree of challenge to better align and incentivize management with stated targets and respond to their feedback / shareholder dissent.
Baillie Gifford - Positive Change Fund		✓	Total engagements: 96* Engagements fell into the following categories. Governance: 35 Social: 35 Environmental: 24 Strategy, Financial and Reporting: 61	The Baillie Gifford Positive Change team lead engagements with underlying holdings. Engagement activity is driven by the firm's stewardship priorities, these are: Understanding (e.g., to build insight and conviction of the company's impact), Relationship Building, and Influencing (e.g., identifying actions that will maximise the company's growth and impact. Examples of significant engagements include: **Nu Holdings** – digital banking platform: Baillie Gifford engaged with Nu Holdings to cover the company's approach to expanding and measuring the social impact of its operations. Nu Holdings is particularly focused on supporting its staff diversity, which is important in a country with very high inequalities. They took the opportunity to emphasise what they believe are priorities for Nu Holdings to achieve positive impact over the coming years. Following their previous engagements with Nu Holdings on financial inclusion, Baillie Gifford were invited to speak at the company's Financial Inclusion strategy day. They gave a shareholders' perspective on why they believe protecting and improving its lower-income customers' financial health will be beneficial in the long run. **Umicore** – a global materials technology and recycling group: Baillie Gifford met with the ESG team at Umicore to follow up on the company's progress of its ambitious net zero targets. They also wanted to understand

Mandate	Scheme: Schlumberger UK – FSB	Scheme: Schlumberger UK – PMF	Engagement summary	Commentary
			* The breakdown may not sum to the total as some engagements covered multiple areas.	Umicore's approach and emphasise their support for minimising its impact on biodiversity. They are pleased that Umicore has committed to the Science Based Targets Initiative and announced an ambitious target to reduce its Scope 3 emissions by working with suppliers. Baillie Gifford will continue monitoring how the company approaches key ESG topics and advocate for responsible business practices. **Mercado Libre** – operates online marketplaces for ecommerce and online auctions: Baillie Gifford engaged with the CFO and ESG team at the company to discuss its approach to ESG and sustainability policies. They discussed its efforts to reduce its carbon footprint by electrifying its fleet of vehicles. The meeting also covered its plans to work with stakeholders to provide education on sustainability. The detailed nature of the conversations, alongside the discussion of senior management's motivation and intent, impressed them. They were pleased with the depth of the company's thinking about sustainability and will continue to monitor and encourage the implementation of sustainability initiatives.
HSBC CCF Islamic Global Equity Index Fund		✓	Total engagements: 160	HSBC Asset Management engages with corporate issuers' counterparts with focus on individual improvements on climate-related strategies, governance structure and social issues (management of workforce and addressing human rights violation risks). Some of the most impactful change comes from their engagement with groups such as stock exchanges, investor groups, and regulators. An example of seeking to improve resilience to market-wide risks includes their ongoing involvement with the Carbon Disclosure Project.
HarbourVest Partners LLC – Private Equity Programmes HIPEP VI Fund Braemar Fund	✓	✓	Two engagements as a result of HarbourVest using the RepRisk tool where two incidents were raised relating to companies within the HIPEP VI Fund and Braemar Fund during 2022.	As an indirect investor, HarbourVest's approach to engagement is primarily through dialogue with their General Partners (GPs). In addition to integrating ESG factors into their investment analysis, a core component of their approach to responsible investing is how they use their influence to foster GP adoption and support of ESG principles, increasing awareness of ESG risks and opportunities to maximize the overall value to their investors and their beneficiaries. HarbourVest's ESG Manager Scorecard is maintained as a live

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				monitoring tool and updated regularly. The scoring data can be used to provide specific feedback to GPs on areas for improvement, and to benchmark them to peers. Their investment strategy teams use RepRisk to complement their ESG due diligence and incident monitoring efforts, and this resource is a catalyst for further dialogue with their GPs on ESG issues. RepRisk is a comprehensive global database that is helping them better identify, assess, and monitor ESG and business conduct risks across their portfolio. Examples of significant engagements, all based on the standard RepRisk incident monitoring process. include: **European industrial conglomerate**: A European manufacturer of aluminium products had suffered a fire at one of its plants. The fire was caused by a hydraulic leak, with employees being exposed to smoke. Upon reaching out to the GP, HarbourVest were able to establish that the fire was relatively small and was quickly extinguished without injury. The GP assured them that there was no impact to the local community or disruption to the company's operations beyond the immediate response. **European textile company**: A worker at a Dutch textile manufacturing company had died in a fall accident. HarbourVest reached out to the GP to ask them for an update on the situation. They were informed that the GP held a board meeting to discuss the incident. The facility is currently being reviewed by the Dutch Health and Safety regulator, with the report yet to be published. The GP was able to confirm that the worker in question was a contractor and that they had climbed over a safety railing to another machine and fell. The GP does not believe this incident was caused by negligence.
Unigestion SA – Private Equity programmes – vintages 2006 to 2019. EuroChoice IV, EuroChoice V, CIF Choice	✓		Total Engagements: 47 Engagements fell into the following categories: Environmental: 16 Social: 6 Governance: 6 Strategy, Financial and Reporting: 14 Other: 5	As a signatory of the UN supported Principles of Responsible Investment since 2013, and as a responsible shareholder in various companies on behalf of their clients, Unigestion has a duty to ensure that management teams are held to account and monitored in their corporate activities. Engagement plays a significant role in their private equity business. They initiate engagement in meetings (in person or virtual) with (i) management, mostly alongside their

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				investment partners, for direct investments, and (ii) with fund managers for fund investments. They follow the progress of engagement via board meetings or ad-hoc meetings with companies' management or fund managers on a regular basis. Unigestion, in partnership with their investors, are working together on improving and expanding data collection, tracking, and engagement, relating to ESG issues across their strategies. Their most recent funds have SFDR Article 8 and Article 9 classifications, with corresponding ESG data reporting and scoring. Starting in 2021, Unigestion produced ESG fund scores for all new investment vehicles and separate accounts, allowing investors insights into their particular portfolio and the ability to monitor developments over time. In 2022, Unigestion published their first annual Private Equity ESG Report. Moreover, in accordance with EU regulation, Unigestion is currently publishing the Principle Adverse Impact (PAI) Indicators on a voluntary basis as part of the Q4 2022 and Q1 2023 reporting. Examples of significant engagements include: **Avallon III MBO**: Unigestion engagement related to governance, and specifically board effectiveness. The fund manager proposed a broadening of the fund's geographical scope. Unigestion, as a member of the fund's advisory board, reviewed the proposal and amendment of governing documents to reflect the proposal. **Oakley Capital IV**: Unigestion was in discussion with the GP on the ability to release ESG KPIs and reporting. The result was the release of the first ESG report in 2022. **Tecnopol**: Unigestion engaged with Tecnopol to improve the diversity at senior management level with a target of 50/50. With ongoing engagement and support to find suitable candidates the level of females on the management level has increased from 0 to 33% in 2022. **Stronger**: Unigestion engaged with Stronger, a producer of workout clothing for women, to consider sustainability in its production and distribution cycle. Stronger has now started tracking its scope 1, 2 and 3 carbon-footprint.

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BlackRock Advisers UK Ltd - BlackRock Private Equity Partners (PEP) – QPC lll Private Equity Fund	✓		No engagements, as QPC III fund investment period ended almost a decade ago and the fund is now in liquidation stage.	
Insight Investment Management Ltd -Segregated LDI Mandates	✓	✓	Total engagements: 24	Insight has a dedicated Responsible Oversight Committee who is responsible for overseeing a working group of LDI specialists. The group reports directly to the Head of Responsible Investment Research. Insight engages on two areas within LDI: counterparties and the broader financial stability of markets. Examples of engagements over the period include: **UK Debt Management Office (DMO):** In Q2 2022 Insight engaged with the DMO, the issuer of UK Government Bonds, to raise several issues related to green gilt issuance and other sustainability topics. These included encouraging the DMO to increase the frequency of reporting on green gilts to annually, in line with the requirement for some UK pension funds to complete TCFD reporting on an annual basis. The DMO expressed the frequency of reporting on green gilts is unlikely to increase in the near term. Insight has stated it will continue its ongoing engagement with the DMO on a wide range of issues and will keep engaging on ESG topics Insight deems relevant. **World Bank:** In Q2 2022 Insight engaged with the World Bank, one of the largest issuers of green bonds with $18 billion issued in 25 currencies since 2008. Insight aimed to understand its experiences issuing in the green bond market over the last 14 years, and to discover how it sees the development of impact investing within fixed income. The World Bank expressed they were looking to use their position and influence in the financial markets to bring in capital to help tackle worldwide environmental and social challenges. They would look to partner with NGOs such as UNICEF, who do not have access to capital markets to increase private capital. They highlighted that biodiversity was trailing in the green bond space, with most capital targeting climate change, and so the World Bank issued its Wildlife Conservation Bond in

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				March 2022. Insight have resolved to continue discussions with the World Bank to aid the development of the green bond market and impact investments and provide support from an investor perspective. **Bank of America (BOA):** During Q3 2022, Insight engaged with BOA as part of its counterparty engagement programme, which aims to provide a high-level overview of performance regarding ESG themes and follow up on areas of underperformance. Although in line with many other US banks, BOA's performance on Insight's sustainability questionnaire was behind its European peers. BOA's representatives stated this was consistent with feedback from stakeholders. BOA is one of a minority of banks surveyed that has not signed up to the UN's Principles for Responsible Banking. Although targeting greater female representation in senior management roles across Europe, the Middle East and Africa by 2025 – 33% up from the current 30% - the target is not ambitious compared to its peers. BOA's impact bond framework received a red rating from Insight and is therefore excluded from Insight's Responsible Horizons strategies. This was due to issues identified including the poorly defined use-of-proceeds categories, and if improvements are made to the framework the rating could be upgraded to light green. After discussing improvement areas, BOA indicated the approach from ESG ratings agencies poses a challenge given its size and the complexity. Insight has organised a more detailed meeting with BOA representatives to discuss its climate strategy and fossil fuel financing policies in more detail and will provide feedback following the meeting.
Insight Investment Management Ltd – Global & Liquid Asset Backed Securities Funds	✓	✓	Total engagements: 40	Insight engaged with the companies in which they held Asset Backed Securities to discuss various issues related to climate change, accounting, financial policies, general results, and equity. They were satisfied with the outcomes of the majority of those discussions but will continue to monitor and follow up where they were not content with the current status. Examples of significant engagements include: **Pepper:** Insight engaged with Pepper on their

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				overall environmental strategy and asked for information on which member of the board overseas environmental performance, believing that how Pepper deals with environmental risks was an area of weakness. Insight requested that Pepper provide details of any new measures they are putting in place regarding how they will environmentally assess any new loans and will have follow up engagement conversations looking for progress on their environmental disclosure. **Kensington**: Insight engaged with Kensington to understand their ESG-related initiatives and to provide an opportunity for Insight to provide feedback. They discussed Kensington's initiatives like their launch of a green mortgage product and discussed ways they could improve structures in the RMBS market to address ESG obligations. **UBS**: Insight engaged with UBS to address their weak governance scores in Prime ESG ratings and understand how they are working to improve their performance. Insight enquired about the controls in place to avoid the governance issues in the future and received a satisfactory response. For example, there was a complete overhaul of the control framework in relation to tax. Insight continues to regularly engage with UBS.
Insight Investment Management Ltd – Pooled Broad Market Bond Fund		✓	Total Engagements: 147	Insight have recently made updates to the way they record and track their ESG-focused engagements, which takes a more outcomes-focused approach. Their new ESG engagement template includes a requirement to set targets and recommendations for each issuer, and for analysts to track progress against these recommendations over time. Examples of significant engagements include: **Commonwealth Bank of Australia (CBAAU)**: CBAAU provides banking, life insurance, and related services for individuals, small businesses and medium sized commercial enterprises. The Bank provides corporate and general banking, international financing, institutional banking and stock broking and fund management. Insight met with CBAAU following their annual results announcement. They were pleased to see that the bank recently signed up to the Net Zero Banking

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				Alliance, following their reluctance when Insight last spoke. They are still committed to publishing transition plans and targets for the four most intensive sectors on their balance sheet (thermal coal mining, upstream oil, upstream gas, and power generation) and will develop plans for the rest of their exposures over the next 3 years. CBAAU informed Insight that all loans above $30m are required to complete an ESG risk assessment at origination and annually, which aligns with their Environmental and Social framework, and covers topics from climate to modern slavery. Any assessment that comes back as medium or high risk requires additional due diligence and engagement with the client - if plans are not met, they are willing to exit client relationships. Insight was encouraged by the discussion, particularly around their ESG risk assessment and willingness to exit client relationships when necessary and is awaiting publication of their transition plans for the four sectors and will look to engage again. **Motability Operations**: a UK-based mobility solutions company, which provides leasing of powered wheelchairs, cars, and scooters. It capitalises on the opportunities of financial inclusion in underserved markets by enabling disabled people to use their mobility allowance to access affordable motoring through a leasing package. They have a monopoly with no competition, with payment paid directly from DWP payments. As well as discussing Motability's latest results announcement, Insight wanted to follow up on executive remuneration which they discussed at length in 2021. Insight left the previous meeting satisfied with their responses regarding the introduction of more modest remuneration packages which they deemed more appropriate for the business. However, when reviewing their latest disclosures, Insight was concerned that executive pay still looked very high given the lack of competition in the market. When challenged, Motability agreed that there isn't a direct competitor, but that they are in competition for customers' disposable income which may be used for various forms of transportation. They informed Insight that renumeration has been subject to an extensive review, which included external benchmarking. Management bonus is now

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				deferred for 3 years and will only be awarded subject to performance. Insight was happy to see some developments in Executive remuneration, but do not feel it goes far and will continue to engage with Motability with the intention of further influencing modest pay.
BlackRock Advisers UK Ltd – Aquila + 5 years Index Linked Gilts (ILG) Fund		✓	The data is not available.	The fund tends not to lend itself to Engagement and ESG as much as other asset classes, as the instruments traded are not directly linked to public corporations. BlackRock's approach to sovereign debt sustainability engagement is governed by their Sovereign Sustainability Issuers Advisory Council, a group which meets bi-monthly to discuss sovereign sustainability issues as they emerge. The council seeks to advise and coordinate the various teams across the BlackRock investor community on topics specific to their treatment and engagement with sovereign issuers and partners on environmental and social topics. ESG factors are an important component of the risk framework used by the fixed income research teams to evaluate sovereign debt and associated pricing for their active portfolios. The ESG investing team works on sovereign sustainability evaluation and engagement, including on the issuance of green and social bonds. Their Financial Markets Advisory provides dedicated support to governments, central banks and financial institutions, offering services to the public and private sector including sustainability and climate-risk advisory. Examples of significant engagements include: Blackrock wrote to the **DWP** regarding climate and investment reporting. They had several engagements with the **Debt Management Office (DMO)** on topics such as feedback on upcoming syndications and advocating for the issuance of index-linked green gilts. In Q1 2022 BlackRock published their second TCFD report.
Aegon Asset Management Absolute Return Bond Fund		✓	Total engagements: 22 Engagements fell into the following categories. Governance: 10	Aegon believe taking responsibility as an investor also means being a truly active owner, not just as a shareholder but as a financier more broadly. Aegon aspire to influence positive change by engaging in dialogue with issuers, either bilaterally or as part of an

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			General Disclosure: 2 Environmental: 7 Social: 3	investor consortium. This dialogue can provide opportunities to highlight ESG risks, inform management on sustainability concerns, promote growth in sustainable business lines or advocate for changes that align with responsible investment standards. Examples of significant engagements include: **SSE**: One of Aegon's significant engagements during the year includes working with energy company SSE. The engagement focused on climate change end ensuring their external climate policy engagement is in line with the Paris Agreement. The goal of the engagement is to encourage the company towards emissions reductions, better climate governance, and stronger disclosures. Other areas of engagement during 2022 relate to human capital management, biodiversity and pollution, and governance of an Information Technology company.
Apollo Multi Credit Fund - Pooled Total Return fund and segregated Semi-liquid Credit mandate	✓	✓	Total engagements: 105 Engagements fell into the following categories. Environmental: 47 Governance: 26 Social: 32	Apollo has a clear due diligence and engagement framework. The team continually engages with portfolio companies through discussion with management, and these engagements have been a key driver for the production of formal company ESG reports and Key Performance Indicators. As bond investors, Apollo's voting rights are limited, making it more difficult to engage with portfolio companies in comparison to equity investors. Examples of significant engagements include: **Southwestern Energy Company**: Apollo discussed the company's ESG efforts and goals to responsibly develop its natural gas assets. ESG remains a key focus area for the management team, as it is for many public Exploration and production companies. **Adani Ports and Special Economic Zone Limited**: Apollo engaged with the company to get clarity on news regarding disqualification from bidding for a particular government port project. They had a detailed discussion and company shared follow up action plan.
Permira Debt Manager Ltd – PCS II Senior Fund	✓		The manager was unable to provide the data upon request.	Permira maintain ongoing contact with the management teams of their portfolio companies. However, given their position as

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				lenders, they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks. To further integrate ESG considerations within the Fund, Permira engaged with portfolio companies to collect ESG related KPIs, noting a good response rate on this. Additionally, Permira engaged Environment Resources Management (ERM) to undertake a climate risk assessment of portfolio companies and is working with ERM to estimate carbon foot printing for the portfolio. Permira has stepped up the level of ESG integration in its newer vintages significantly and has some stewardship objectives for the fund range, including climate and social factors.
Pemberton Capital Advisors LLP – European Debt Investments Jersey II Fund	✓		The manager was unable to provide the data upon request.	Pemberton is committed to being a responsible investor and building sustainable, long-term value for their investors in partnership with their borrowers. ESG criteria have been a key part of their stewardship responsibility since inception and are embedded in their business practices. These include their investment decision-making process and efforts to create a diverse and empowered workforce. Specifically with respect to its Limited Partners' (LPs') climate related ambitions, Pemberton sees itself as aligned with its LPs around their climate goals. ESG related engagements are not handled by a central team. Instead, they are conducted by the analyst and supporting team responsible for monitoring individual borrower companies. Example of a significant engagement with an underlying company: **Project Linear**: Carbon Reduction: Measures to reduce carbon emissions over the next five years such as: cycle to work and car sharing schemes, installation of electric car charging ports at head office.

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				Learning Programme: showcased the outstanding work and achievement of apprentices from Black, Asian, and Minority Ethnic (BAME) communities. Gender Equality: Plan to improve gender pay gap including making jobs more attractive to male applicants such as changing job titles and adverts to remove gender bias.
Partners Group Management S.a.r.l. – PMCS 2018 Fund	✓		Total engagements: 4 – all corporate and governance based.	Partners Group maintain ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks. Examples of significant engagements include: **Cote Bistro**: Despite the challenging macro environment characterized by high inflation, tight labour markets and record-low consumer confidence in the UK, Cote's financial performance is encouraging. In line with industry peers, sales are consistently above pre-Covid levels driven by higher average spend per head somewhat offset by footfall still below pre-Covid levels. **IDEMIA:** Despite a fluid inflationary environment, Management further upgraded its outlook for the full year 2022. Performance was strong across businesses lines (Enterprises and Governments). Third party mandated to organize sales process over H1 2023.
Adams Street Partners -- ASP Rivera UK Fund	✓		Adams Street does not have direct access to underlying portfolio companies and therefore no direct engagements to report.	Adams Street is committed to working collaboratively with industry peers towards improving ESG standards in private markets. Adams Street Partners is a signatory to the United Nations supported Principles for Responsible Investment (UNPRI) and a supporter of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). They are also members of the Initiative Climate international (ICI), which aims to foster private equity action on climate change and promote the transition to a low carbon, climate resilient global economy in line with the goals of the Paris Agreement. Additionally, they endorse the ILPA Diversity in Action initiative, as well as the ESG Data Convergence Project. Adams Street will regularly evaluate

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				industry initiatives that align with their ESG goals and commitments which present opportunities to collaborate with industry peers to enhance or accelerate their own ESG efforts as a firm. Across most of their strategies, they typically do not have direct access to the underlying portfolio company to engage on specific ESG topics. Therefore, their focus is on engaging with their GPs where they have greater influence to drive improvement in their ESG approach, including in the specific areas of climate-related reporting and target setting. They do this primarily through their annual ESG survey where they contracted a third-party data provider, Apex Group, to assist in evaluating GPs across their primary strategy. Adams Street also monitors their portfolio companies for ESG incidents reported via RepRisk. Where these incidents occur, their investment teams contact the relevant GPs to clarify the incident and ensure that appropriate steps are taken to address the incident if deemed material.
M&G Total Return Credit Investment Fund and Alpha Opportunities Fund	✓	✓	Total Engagements: 12 Engagements fell into the following categories. Environmental: 5 Governance: 1 Social: 6	M&G have a systematic approach around engagements in which specific objectives are outlined in advance and measured based on the outcomes from the engagements. M&G Analysts are expected to have a more granular awareness of key ESG risks which impact the individual issues they monitor. Where engagements are deemed to be necessary, analysts engage with issuers supported by M&G's Sustainability and Stewardship Team, allowing them to leverage their expertise and sustainability themes. M&G monitor the success of an engagement by assessing whether they have met their objective and log this in a central system. Examples of significant engagements include: **ArcelorMittal**: M&G engaged with them to encourage multi-national steelmaker ArcelorMittal to consider scope 3 reporting, having executive remuneration tied to climate considerations and publishing a public commitment to align lobbying with climate goals.

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				Marks and Spencer PLC (M&S): M&G engaged to explore the potential of M&S, British multinational retailer, becoming Real Living Wage accredited. Their aim is to maintain pay levels for all M&S colleagues which are competitive in the relevant market. For frontline colleagues in stores, their national and London rates are above the real living wage. Currently their position is that they are not seeking accreditation as a Living Wage Employer. This is because they prefer to set rates independently and do not wish to impose pay arrangements on third-party contractors. M&G noted the concerns that the company had with regards to becoming accredited and were happy with the overall work that the company was doing to ensure that employees are paid fairly.
M&G Real Estate Debt	✓		Total engagements: 6* Engagements fell into the following categories. Environment - Climate change: 6 Environment - Natural resource use/impact: 4 Social - Human capital management: 1 Other: 1 * The breakdown may not sum to the total as some engagements covered multiple areas.	Examples of significant engagements include: **Commercial Real Estate Finance Council Europe**: M&G had a meeting with five other lenders to encourage Real Estate lenders to develop a CREFC Europe ESG Charter - a voluntary commitment to request a baseline level of ESG-related data and information from all borrowers particularly energy and water use in line with the SASB Materiality Matrix for Real Estate - however they will be looking to ensure biodiversity and waste are also covered by the charter. Their ultimate objective is to encourage widespread adoption across the real estate lending industry, thereby increasing consistency and transparency across the market. Sponsor management team: M&G financed a portfolio of hotel properties in January 2023. ESG issues were prioritised as part of the loan term negotiation and environmental performance will be closely monitored throughout the loan term.
LaSalle AIFM Europe S.a.r.l. Real Estate Debt Strategies lll Fund	✓		Total Engagements: 5 Engagement fell into the following category: Environmental: 5	The Fund does not have any specific ESG objectives as per the EU taxonomy given the Fund is SFDR Article 6 compliant and as a closed-end Real Estate Debt fund, it is removed from the underlying real estate during lending activities and does not have management control of the underlying assets. The scope of engagements is therefore limited to ESG matters relevant to the funds'

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				collateral. However, LaSalle believes that the environmental and social impact of the buildings that their investors lend against is within their sphere of influence. As part of the initial underwriting, asset screening and due diligence process, they review the assets with the same level of detail as those assets that the Firm manages through their direct real estate business. Their approach to sustainability begins in the screening phase where, at a minimum, specific KPI metrics are inspected, which might include (where relevant): flood risk, EPC rating, property physical condition and state of repair and green building certifications such as BREEAM and LEED. If any significant ESG red flags are identified, they look to ensure where appropriate that mitigation measures are in place in the borrower's business plan. For development and repositioning lending, they target completed schemes that demonstrate strong sustainability credentials. LaSalle is conscious that environmental legislation differs from country to country and therefore ensures that they review local legislative risks (e.g., Minimum Energy Efficiency Standards in the UK). From a risk management perspective, in their capacity of lender, they monitor asset financial performance, construction progress (in case of developments and refurbishments), and financial covenants. They also review yearly budgets and business plans as frequently as dictated in the facility agreements in place. As the markets evolve and more data points are available to their Sponsors (Borrowers), they continuously review the level of reporting required from their Sponsors on ESG matters to enable better assessment and monitoring of ESG related risks across the loan book. In 2022 LaSalle contributed and co-authored the publication of the (UK) BBP Guide to Climate Resilience Strategies for Commercial Real Estate. They are also participating in the Owner-Occupier Forum, sit as a co-chair of the Investor working group, and are reviewing the Data protocol and Benchmarking workstreams.

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				Examples of significant engagements: One asset is in the process to be onboarded onto the Deepki system and maintain full records on energy and water consumption data. For another project ESG processes were evaluated with the aim of reducing energy use such as LED light replacements, saving water, mindful waste management and effective team and community engagement.
BentallGreenOak (BGO) – UK Secured Lending II Fund	✓		Total engagements with 2 borrowers.	This Fund invests in loans secured by commercial real estate. The lending team screens ESG criteria as part of the investment process and generally discusses at some stage with the borrower/ sponsor of the transaction. This is documented in an ESG scorecard which is included in each investment credit memo. BGO believe that considering ESG related factors are important for the liquidity and performance of the underlying real estate. The lending team developed a formal ESG scorecard that documents the evaluation of material ESG risks and opportunities during the investment process and standardizes the Investment Committee review of such factors. For environmental issues this questionnaire examines the following criteria: • Climate Risk Assessment – Third party reports from consultant Moody's ESG Solutions where analysis focuses on extreme weather impacts and other climate impacts at a mid-term projection period, 2030-2040. Risks include earthquakes, floods, heat stress, hurricanes & typhoons, sea level rise, water stress and wildfires. Property Analysis is compared to country benchmarks. • Green Building Certifications (Achieved or Targeted) – For example BREEAM “Outstanding” • Energy Performance/Efficiency • Net Zero Carbon readiness assessment • Pollution Prevention • Biodiversity • Health and Wellbeing features • Community Engagement

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				The ESG scorecard has allowed to assess the presence of any significant environmental risk factors that could cause long term harm e.g., contaminated land, biodiversity loss, pollution to water, generation of hazardous waste as well as climate risks associated with the underlying properties and discuss with the borrowers how they will address any material climate risks identified. It also assists to understand environmental risks associated with tenant activities, asset energy performance and how this relates to regulation requirements and net zero carbon targets. For governance issues this questionnaire examines the following criteria: • KYC completion • Sponsor/Borrower ESG policies and reporting • Sponsor/Borrower EDI (Equity, Diversity, and Inclusion) policies • Sponsor/Borrower policies to support compliance against the UN Global Compact (UNGC) principles and Organisation of Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises The ESG scorecard has allowed to understand how developed Sponsor / Borrowers policies are and discuss how they see their policies developing over the future. For social issues this scorecard examines the following criteria: • Controversial tenants • Social Building Certifications (Achieved or Targeted) – For example WELL “Platinum” • Community engagement • Health and Wellbeing features • Property’s contribution to social/community infrastructure • Sustainable Transportation The scorecard has allowed BGO to understand social risks associated with tenant activities and the contributions the underlying properties will make to the communities they are situated within and how they benefit the tenants/users of the underlying properties.

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				During investment due diligence the investment team will coordinate via email or directly with the Sponsor/Borrower on these criteria, understanding their business plan for addressing them until the investment team is comfortable all risks are mitigated. BGO believes their Borrowers think more intently about these risks/topics after they engage with them on it through their ESG scorecard process.
Siguler Guff & Company (SG) – Distressed Opportunities IV Fund (DOF IV) Distressed Opportunities V Fund (DOF V)	✓		Total Engagement: 28 Engagements fell into the following categories: DOF IV: Environment: 24 Other: 4 DOV V Environment: 40 Governance: 20 Strategy, Financial and Reporting: 40 SG does not have a formalized approach to tracking engagement but has provided metrics based on the frequency of formal and informal meetings with portfolio companies' management and advisory boards. SG is in the process of implementing a formalized tracking system of ESG-related engagements.	SG has a robust and constantly improving ESG policy, actively promotes ESG characteristics in its investments, and incorporates ESG into its due diligence and ongoing engagement with its portfolio companies. In general, SG engages, either directly or via a deal sponsor, with direct and co-investments on ESG issues as part of the due diligence process (ESG questionnaires), and, when applicable, as part of the investment team's role on the company's advisory board. SG's focus at remains on seeking positive change at individual issuers. In 2022, SG began piloting new ESG-related DDQs to ensure that the Firm acquires relevant data from its investment managers and portfolio companies on ESG and DEI-related matters. In addition, the Firm's Senior ESG Associate, and the Chief Compliance Officer, participated in the Responsible Investment Council hosted by the Bank of New York Mellon ("BNYM"), which brings together BNYM-affiliated investment managers to discuss emerging ESG regulations, share best practices and tools for ESG integration, collaborate on responses to public calls for consultation on emerging regulations, and support one another in their pursuit of implementing asset stewardship and carbon management methodologies. Example of a significant engagement with an underlying company: **Front Marine Ltd**- Shipping: SG's active involvement in the company's advisory board and risk committee, and ongoing engagement with senior management, played an important role in the company making ESG issues a priority and improving its practices to reduce both broader

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	Schlumberger UK			
	FSB	PMF		
				environmental and regulatory risk. In shipping, failure to comply with new environmental regulations and ensure safety and efficiency presents regulatory, legal, and financial risks and potentially a risk of serious environmental damage. In particular, the company has confirmed via a third-party certification firm that they are already in compliance with new emissions regulations which are expected to take effect in 2023: a full year ahead of schedule. A member of the DOF IV Investment team is chairman of the board for Frontmarine and is a member of the company's executive and risk committees, which meet regularly to discuss operations issues, including ESG/environmental issues and crewing / labour issues. Engagement is ongoing since initial investment. Continued engagement with Frontmarine on ESG issues via the company's board has improved its environmental regulatory compliance and put the company ahead of industry standards regarding emissions and fuel consumption. It has also improved ESG transparency; the board receives an ESG-specific report annually. Financially, the company has benefitted from ESG improvements due to lower fuel consumption, and lower risk of regulatory fees or legal sanctions stemming from emissions violations or incidents. SG's role in the company's ESG improvement was not singlehanded, but Siguler Guff's commitment to incorporating ESG into its investee companies' long-term outlook has helped improve Frontmarine's environmental performance.
Kohlberg Kravis & Roberts LLP – (KKR) -Direct NAXI X Fund &*(Private Equity) and Special Situations ll Fund (Distressed Debt.)	✓		KKR has not historically tracked individual instances of engagement. Given both funds' investment period ended, they did not have a robust method of tracking ESG engagement on all investments.	KKR takes a materiality-driven approach and focuses on the issues that are most relevant to a particular asset, its area of operation, and its stakeholders. Where there are material issues identified during the diligence process, they include the management of these issues in their management plans post-close, or monitor ongoing progress on ESG issues, as applicable. KKR considers engagement on material ESG issues to be an important element of their active management of the companies in their portfolio, depending on their level of influence and governance. The ESG-related challenges and opportunities faced by their portfolio

Mandate	Scheme		Engagement summary	Commentary
	Schlumberger UK			
	FSB	PMF		
				companies vary greatly over time and are based on a company's individual characteristics, including its industry, geography, and stakeholders. These issues may also evolve over time. KKR provides general resources to participating portfolio companies and offers companies access to a range of best practices, trusted experts, tested resources, and a nuanced understanding of the issues that are most relevant to them. In addition, they provide resources such as best practice guides, webinars, and training on many of the key issues facing their portfolio companies. For some portfolio companies, KKR responds to specific ESG-related needs or challenges as part of an individually tailored plan. Also, KKR professionals are available to consult with portfolio company management teams and advise as needed. By ensuring that their approach to managing ESG-related issues is highly customized and collaborative, they believe they are more likely to achieve success. Since 2010 KKR has invested more than $25 billion in equity in climate and environmental sustainability-focused investments. In 2021 KKR scaled their team and capabilities, tripling their dedicated Sustainable Investment subject matter experts and establishing a cross Firm ESG Committee to advance a globally coordinated ESG agenda, formed a six-member independent Sustainability Expert Advisory council and invested in ERM, the largest global pure-play sustainability consultancy.
Oaktree European Principal Fund III LP (EPF III)	✓		Total engagements: 4 Environmental: 2 Governance: 2	Oaktree did not have a formal ESG implementation plan in EPF III and does not intend to introduce one, given the fund's vintage (2007). However, Oaktree as a company has a strong ESG focus and ESG Policy which is applied to new investments. As long-term investors, they believe that a concerted and consistent focus on ESG throughout the investment lifecycle allows them to avoid undue risk and better identify valuable opportunities. Integrating ESG into their investment process helps ensure that they are aligned with their clients, their beneficiaries, and

Mandate	Scheme		Engagement summary	Commentary
	Schlumberger UK			
	FSB	PMF		
				their collective long-term interests. At the same time, ESG fits squarely with their commitment to excellence in bottom-up investment analysis. For new investments, Oaktree incorporates ESG practices into its pre-investment and post-investment processes and management. Examples of significant engagements include: **Dublin Real Estate**: Oaktree have worked with management to have electric vehicle (EV) chargers installed at all Ireland Retail locations. The EPF team approved of the planting of indigenous grasses on the retail roofs to encourage biodiversity and assist in controlling surface water run-off and thus mitigate urban heat build-up. **Banca Progetto**: Management created an ESG Policy booklet which they presented to the EPF team, highlighting implementation efforts such as installing timers for temperature control to limit energy consumption. **Lifestory**: Oaktree has worked with Lifestory to implement a dedicated ESG session within board meetings, presented by the Lifestory internal ESG lead.
CVC- Global Special Situations II Feeder Fund –	✓		Continuous engagement with quarterly reviews.	The CVC Global Special Situations II Fund is coming towards the end of its investment phase and whilst rigorous ESG processes are applied when underwriting an investment, as a credit investor, the Firm typically does not hold a controlling stake in the businesses in which they invest, and as such does not have the power to control the underlying issuers it invests with. CVC believes that incorporating ESG considerations into investment decisions and portfolio company management incentives drives better outcomes and builds better businesses. The investment team will use tools (such as RepRisk and Ecovardis) at the start of the process, when underwriting a new investment. They will also review relevant RepRisk ratings on at least a quarterly basis as part of their on-going monitoring review to view how their issuers have performed during the quarter. They are aiming to understand at portfolio

Mandate	Scheme		Engagement summary	Commentary
	Schlumberger UK			
	FSB	PMF		
				level what investments do to drive down the actual carbon emissions, with more influence in private equity than credit. CVC can try and influence the borrowers' behaviour in the fund by offering a margin ratchet, i.e., giving a discount on their loan, if they hit certain ESG KPIs (for example if they manage to convert a certain percentage of their fleet to electric vehicles).
Patrizia Property Investment Managers (Rocksprings) TransEuropean Property (TEP) Funds TransEuropean IV, TransEuropean V, TransEuropean VI, TransEuropean VII	✓		As the TEP funds are at different points of their fund life, Patrizia is not currently able to provide meaningful data on engagements.	For most of the properties in the funds, day to day decision making on issues such as energy use falls to the tenant and therefore Rocksprings have identified engagement on ESG issues as a key target. Rocksprings have ESG KPIs for every asset and can share an MSCI carbon report for the portfolio, including asset by asset breakdowns of the funds' climate data scores. Rocksprings has defined a company- wide net zero carbon strategy that sets out steps for how they will identify and manage the transition to a low carbon economy, both for their corporate operations and Assets under Management. Rocksprings has several climate and ESG related goals, which are measurable and are released publicly. Rocksprings is aiming to reduce energy intensity by 30% and carbon intensity by 50% by 2030 across their Assets under Management, from an industry-wide baseline of 2019. They are also aiming to achieve 100% coverage of landlord procured energy data and establish an effective tenant engagement strategy by 2025. Engagement focusses on property specifics, including the following specific asset management initiatives: • Installation of LED lighting across the entire portfolio (in landlord-controlled areas at least). • The use of sustainable materials for any refurbishment projects. • At the end of life for existing machinery and equipment, to install the most sustainable upgrade affordable. • Switching to 100% renewable energy providers (in landlord-controlled areas at least). The most recent vintage of the Rocksprings fund, Trans European VII has adopted a net zero carbon strategy. This includes fossil fuel

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	FSB	PMF		
				sources of heat being removed from most assets by 2030 in line with lease events and planned replacement cycles.
AEW UK Investment Management UK Real Return Property Fund	✓		The manager was unable to provide the data upon request.	The landlord-tenant relationship is contractual and ultimately, if the terms of that contract do not require the tenant to collaborate or “engage”, many will not (hence AEW’s focus on green lease clauses which many occupiers still refuse to sign). AEW have a regular programme of trying to “engage” with its tenants, seeking their collaboration on matters primarily focused on climate change and carbon emissions and seeking their co-operation on sharing their energy consumption data to better inform their Net Zero pathway.

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7. SCIFL Equity Fund Manager Voting Activity

SCIFL invests via funds managed by external fund managers, who have provided details of their voting actions including a summary of the activity covering the reporting year to 31 December 2022. The managers also provided examples of any significant votes.

Mandate	Voting summary	Commentary
Baillie Gifford Positive Change Fund	Meetings eligible to vote for: 35 Resolutions eligible to vote for: 332 Resolutions voted for: 100% Resolutions voted with management: 97.29% Resolutions voted against management: 2.41% Resolutions abstained from: 0.30%	Baillie Gifford's voting decisions are made by their Governance and Sustainability team in conjunction with investment managers. Baillie Gifford do not outsource any part of the responsibility for voting to third-party suppliers and utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with their Governance & Sustainability Principles and Guidelines. Examples of Significant Votes: Tesla: Baillie Gifford supported a shareholder requesting a report on the impact of using mandatory arbitration in line with their voting approach in 2020 and 2021. Baillie Gifford believe that additional disclosure and transparency on this provision would help to understand Tesla's workplace practices. PT Bank Rakyat Indonesia: Baillie Gifford opposed a renumeration package for the board as independent directors were to receive incentive-based pay which Baillie Gifford believed could compromise their objectivity. Tesla: Baillie Gifford supported a shareholder resolution requesting additional disclosure on the company's efforts to address harassment and discrimination in the workplace. Baillie Gifford believes quantitative disclosure would help them understand and monitor the company's efforts. Illumina: Baillie Gifford opposed a shareholder resolution requesting the company to change its articles of

Mandate	Voting summary	Commentary
		association to provide shareholders the right to call a special meeting when they own more than fifteen per cent of share capital. They supported management's alternate proposal for setting the threshold at twenty-five per cent, as they agree that this threshold strikes an appropriate balance between facilitating shareholder rights and protecting the company's and shareholders' long-term interests.
Legal & General Investment Management (LGIM) Future World	Meetings eligible to vote for: 1,952 Resolutions eligible to vote for: 25,193 Resolutions voted for: 99.76% Resolutions voted with management: 80.59% Resolutions voted against management: 18.84% Resolutions abstained from: 0.57%	LGIM's voting and engagement activities are driven by ESG professionals who aim to achieve the best outcome for all their clients. All decisions are made by the Investment Stewardship team and in accordance with their relevant Corporate Governance, Responsible Investment and Conflicts of Interest Policy documents which are reviewed annually. Examples of significant Votes: Apple Inc: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf. LGIM therefore voted for a resolution report on civil rights audit. Amazon.com Inc: LGIM voted against a resolution to elect a director (Daniel P. Huttenlocher) following concerns as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings. Alphabet Inc: LGIM Voted for a resolution to report on physical risks of climate change. LGIM expects companies to be taking sufficient action on the key issue of climate change.
LGIM Passive Equity Funds	Meetings eligible to vote for: 88 Resolutions eligible to vote for: 835 Resolutions voted for: 99.64% Resolutions voted with management: 77.04%	Examples of Significant Votes: ICG Enterprise Trust plc: LGIM voted against a resolution to re-elect Jane Tufnell as Director. LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf. LGIM voted against the

Mandate	Voting summary	Commentary
	Resolutions voted against management: 22.96% Resolutions abstained from: 0.00%	resolution because of lack of progress on gender diversity on the board. LGIM expects boards to have at least one-third female representation on the board. WhiteHorse Finance, Inc: LGIM voted against a resolution to elect director Kevin F. Burke. A vote against is applied as LGIM expects a company to have at least one woman on the board with the expectation of reaching a minimum of a third women on the board by 2023. LGIM expects a board to be regularly refreshed to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. LGIM supports a declassified board as directors should stand for re-election on an annual basis. LGIM expects companies to obtain annual shareholder approval of executive directors' pay and non-executive directors' fees. FS KKR Capital Corp: LGIM voted against a resolution to elect director Michael C. Forman as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.
Wellington Management International Ltd. – Global Stewards Fund	Meetings eligible to vote for: 39 Resolutions eligible to vote for: 630 Resolutions voted for: 100% Resolutions voted with management: 95% Resolutions voted against management: 5% Resolutions abstained from: 0%	Wellington votes proxies in the best interests of clients, as shareholders, and in a manner that they believe maximizes the economic value of their holdings. They vote according to their own Global Proxy Voting Guidelines, which set forth general guidelines for voting proxies but evaluate each proposal on its merits. They employ a third-party vendor to perform administrative tasks related to proxy voting. The ESG Research Team examines each proxy proposal and recommends voting against proposals that they believe would have a negative effect on shareholder rights or the current or future market value of the company's securities. The portfolio manager for the client account has the authority to decide the final vote, absent a material conflict of interest. Examples of Significant Votes: Merck & Co Inc: Wellington voted for a Shareholder Proposal Regarding an Independent Chair due to board

Mandate	Voting summary	Commentary
		independence/composition. Home Depot, Inc: Wellington voted for a shareholder proposal regarding a Deforestation Report. Wellington believes enhanced disclosures are in the interest of shareholders. Visa Inc: Wellington voted against a resolution for an advisory vote on executive compensation due to concerning pay practices.
Wellington Management International Ltd. - Global Impact Fund	Meetings eligible to vote for: 77 Resolutions eligible to vote for: 809 Resolutions voted for: 97% Resolutions voted with management: 96% Resolutions voted against management: 4% Resolutions abstained from: 0%	Examples of significant votes: PowerSchool Holdings Inc: Wellington voted against a resolution to retain Classified Board. Wellington views the resolution not in shareholders' interests. Illumina Inc: Wellington voted for a shareholder proposal regarding right to call Special Meetings. Wellington views the resolution as improving shareholder rights. Bank Rakyat Indonesia: Wellington voted against a resolution for election of directors and/or commissioners (Slate) as the company had not provided sufficient information.
Wellington Management International Ltd. – Segregated Global Equity (Ex-NAM) mandate	Meetings eligible to vote for: 161 Resolutions eligible to vote for: 2,420 Resolutions voted for: 96% Resolutions voted with management: 95% Resolutions voted against management: 5% Resolutions abstained from: 0%	Examples of Significant Votes: PTT Global Chemical Public Company Ltd: Wellington voted against a resolution to elect Apisak Tantivorawong due to being an affiliate/insider on a committee and board independence/composition concerns. Bank Rakyat Indonesia: Wellington voted against a resolution for election of directors and/or commissioners (Slate). Wellington believes the company had not provided sufficient information. Yamaha Motor Co Ltd: Wellington voted against a resolution to elect Takuya Nakata due to concerns over cross-shareholdings.

Mandate	Voting summary	Commentary
HSBC CCF Islamic Global Equity Index Fund	Meetings eligible to vote for: 107 Resolutions eligible to vote for: 1623 Resolutions voted for: 95.8% Resolutions voted with management: 81.8% Resolutions voted against management: 17.6% Resolutions abstained from: 0.6%	HSBC use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene their guidelines. HSBC review voting policy recommendations according to the scale of their overall holdings. The bulk of holdings are voted in line with the recommendations based on HSBC's guidelines. Examples of Significant Votes: Microsoft Corporation: HSBC voted against a resolution to ratify named executive officers' compensation. The company is on HSBC's UK Excessive Pay watchlist, which means the quantum of the CEO pay is beyond what HSBC believes is fair and appropriate for the size and complexity of the business. Apple Inc.: HSBC voted for a shareholder's proposal to report on forced labour. The proposal would lead to increased transparency on Apple's supply chain policies and processes, which could help alleviate growing risks related to manufacturing in certain regions. Alphabet Inc: HSBC voted against the management recommendation for a resolution to disclose more quantitative and qualitative information on Algorithmic Systems. The company has faced scrutiny over biases in its algorithmic systems and increased reporting would assist shareholders in assessing progress and management of related risks.