Schlumberger UK Pension Scheme

Implementation Statement

12 months to 31 December 2020

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. This is the first time that this Statement has been required to be produced by the Trustee.

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 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 2020 include:

- To produce an ESG Beliefs Document which has subsequently been agreed and adopted by the Trustee.
- 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 engage with the managers to improve their compliance and understand any reasons for non-compliance.
- To assess potential membership of the existing national ESG frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD) and United Nations Principles for Responsible Investment (UNPRI), with a view of joining TCFD in H2 2021.

Statement of Investment Principles (SIP)

The Trustee has updated its SIP to cover:

- policies for managing financially material considerations including ESG factors and climate change, and
- policies on the stewardship of the investments.

The SIP can be found online at the following web address
https://epa.towerswatson.com/accounts/slb/public/schlumberger-uk-pension-investment-principles/

Policy changes made to the SIP during 2020 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 2020 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 2020 for and on behalf of the Scheme including the most significant votes cast by the fund managers on its behalf.

This Implementation Statement was adopted by the Trustee on

29 July 2021

S M White

Simon White - Chairman

2. Changes to the SIP

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 a number of 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 of 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. During the year, the Trustee extended the liability hedge within its LDI mandate so that all the liabilities after 2037 are fully hedged. This mandate will be reviewed periodically and extended further as and when market conditions allow.
Pension Conversion Risk	The risk in the Personal Money Fund (PMF) Section that the value of a member's account does not reflect the fluctuating costs of purchasing an annuity at retirement.	The Trustee has made available both an annuity matching lifestyle option and self-select options in bonds and index linked gilts (for those members who want an inflation linked annuity in retirement) to manage this risk.	The Trustee reviewed the data of its retiring members and found that very few purchased inflation-linked annuities at retirement. The Trustee therefore reviewed its asset allocation within the Annuity lifestyling option and switched the allocation from Index linked Gilts to a mandate consisting of 50% Corporate Bonds and 50% Government Bonds.
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 may reach its Long Term Funding Target before the target date of 2038, whilst the Scheme is still holding a relatively high levels of growth assets. The Trustee has therefore agreed, 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. The details of these triggers can be found in the Scheme's De-risking rule book.
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. 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.	During 2019, the under performance of the Absolute Return Fund held with Aberdeen Standard was closely monitored and, in January 2020, all monies were disinvested from the fund. Since this fund formed part of the growth phase of all 3 of the PMF Lifestyle options, the Trustee held a detailed strategy review of the PMF Default and Lifestyle options. Subsequently, changes were made to the asset allocations of all 3 lifestyle options for both UK Equity and Global Equity and the monies from Aberdeen Standard were invested into both Global Equity and a semi liquid credit mandate held with Apollo.
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	ESG actions undertaken: • 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 set up an ESG Sub committee 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

		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 .	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. 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 2020 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 Sub committee and to SCIFL with updates on the engagements with each manager.

As part of this process, SCIFL has prepared the following report on all of its managers' engagement and voting activity for 2020. This report covers both the Final Salary Benefit (FSB) and the Personal Money Fund (PMF) sections of The Scheme alongside the other participating scheme in the SCIF – Cameron Iron Works Retirement Benefits Plan (1974) (Cameron).

6. SCIFL Investment Management Engagement

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
Artemis Investment Management Ltd – UK Equity Income Fund	✓	✓		Total engagements: 18 Engagements fell into the following categories. Environmental: 11 Social: 2 Governance: 2 Environmental, Social: 3	Artemis has a strong culture of stewardship and engagement based on their belief that good or improving environmental or social credentials will lead to improved financial performance and share prices in the long-term. In 2020 they established a Stewardship Strategic Advisory Group chaired by their Chief Investment Officer and are meeting the principles of the UK Stewardship Code. Additionally, they have developed criteria to assess their funds' approach to stewardship like 'negative screening', 'ESG integration', 'sustainability' and 'impact'. The focus of the UK Equity Income Fund is on engaging directly with the companies to drive change and invest in companies with a positive ESG outlook. Examples of significant engagements include: Anglo American: Ongoing due diligence relating to operations and a path towards lower carbon intensity with a commitment by Anglo American to exit thermal coal within five years. Artemis wanted to know why this couldn't happen more quickly and was told, as a large employer in South African communities, it wants to ensure a sale to a responsible owner. Anglo continues to lead in innovation: from liaison with stakeholders, to applying new technology across the operational playing field from exploration, to remediation and everything in between.

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					Boliden: Artemis had a long discussion around company efficiency with Boliden. One example of an efficiency highlighted, was the fact that 1 tonne of nickel mined and processed by them produces just 1/8th of CO2 versus mining from Asian producers. The mines Boliden run, despite not being the largest, are among the most productive in the world, which is helped by using hydropower, modern equipment (some run on train lines) and new technology. Their approach to operational excellence is best in class, due to a strong culture. Origin Enterprises: Artemis as a significant shareholder has strong engagement with this agricultural services group. Origin Enterprises is focussing on improved disclosure and a clear sustainability program with a non-executive director at board level to support the sustainability program. The company sees ESG as an opportunity to provide solutions to farmers, supermarkets and other participants in the food value chain to reduce emissions and make better use of resources with reformulation of chemicals and nutrients, improving processes, innovation and better data.
Legal & General Investment Management (LGIM). – Passive Equity Index Funds	✓	✓	✓	LGIM does not currently provide details of their engagement activities at a Fund level. However, this is something they are looking to implement by Q2 2021, and the investment adviser remains in contact with LGIM surrounding the firm's engagement reporting.	LGIM's Investment Stewardship team are responsible for engagement activities across all funds. LGIM share their finalised ESG scorecards with portfolio companies and the metrics on which they are based.
Majedie Asset Management Ltd. – Segregated UK Equity mandate	✓	✓		Total engagements: 22 Engagements fell into the following categories. Environmental: 7 Social: 12 Governance: 1 Environmental, Social: 1 Environmental, Social, Governance: 1	Majedie has been actively engaging with senior management of companies held as part of the Schlumberger UK equity mandate. They discussed various topics ranging from the pandemic response, HSE and employee retention, carbon emissions and energy transition to supply chain and customer related issues. Their focus was on the companies' abilities to weather the Covid situation and maintain or improve their

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					financial positions, while considering social and environmental factors. Examples of significant engagements include: ABF: Majedie met with ABF in May, when the group was starting to reopen some of its retail stores following lockdown. ABF put several safety precautions in place in its stores to help reassure customers. It kept its followers engaged on social media during quarantine, posting relevant stories and information on Primark's provision of uniforms to health workers. ABF has been reassured that the loyalty of its customers remains high in Europe as Primark stores reopen there. ABF's grocery business has seen strong demand and its operations and supply chain have worked well. ABF believes it has one of the best supply chains in the retail business. Forty-five percent of the group's cotton comes from sustainable sources. ABF has worked to preserve and enhance its supply chains through the course of the pandemic. Overall, ABF feels that sustainability issues will "get a shove forward" because of Covid-19 and hopes that customers will see their commitment to sustainability across their business. Mondi: Majedie engaged with Mondi in March, against a background of weakening paper and container board prices, to explore with the new CEO how the market dynamics might change, given this weakness, and the actions they can take to protect and enhance their business in a softer economic environment. As one of the few integrated companies that owns forests, produces pulp and paper, and manufactures packaging, Mondi sees their business strengthening strategically as uncompetitive peers close capacity or cancel new projects. Mondi continues to find productivity-enhancing projects and balance sheet strength was reinforced by a recent rating agency upgrade. Mondi continues to work with FMCG companies and retailers to reduce packaging and to substitute plastic where possible. Royal Dutch Shell: Majedie spoke with Shell's Head of Downstream business to hear about

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					Covid-19's impact on the group's business. Following lockdown, many Shell employees are working from home, but this has not hindered the group from making decisions quickly and being able to reduce costs and improve working capital. Shell has a high market share in lubricants with car manufacturers. As the world moves to electric vehicles, the group will offer fast charging and e-fluids which provide protection against batteries overheating. Shell is reducing the number of its refineries from 45 to 10 by 2025 and will optimise returns from those remaining. Critically, it is helping customers globally across industries to decarbonise and will continue to invest in renewable energy projects such as wind farms. Ultimately, Shell will look at investment returns earned across the entire value chain and not just discrete parts such as a wind farm.
Wellington Management International Ltd. – Segregated Global Equity (Ex-NAM) mandate.	✓	✓	✓	Total engagements: 52 Engagements fell into the following categories. Environmental: 1 Governance: 9 Social: 1 Environmental, Social: 2 Environmental, Governance: 9 Social, Governance: 18 Environmental, Social, Governance: 12	Wellington is in ongoing discussions with management of the companies included in the fund relating to various issues including corporate culture, board structure, executive compensation, HSE, Product safety, supply chain management and climate change related issues, with the aim to understand and influence the companies behaviour in ESG matters. Some of their engagements are leading to changes in reporting and ESG related initiatives. Examples of significant engagements include: Engie: Wellington spoke to Engie about Diversity & Inclusion (D&I) issues. Engie have reworked their D&I strategy, introducing a 50/50 project which seeks to achieve 50% women in management by 2030; and a second initiative to achieve a score of 100 on France's gender equity index for the whole group. The company have developed comprehensive action plans and tools for these initiatives. They plan to officially launch in 2023 and accelerate over the following years with interim goals. A decline in gender balance in the overall workforce was a result of acquisitions of male-dominated service companies. Engie is looking to include gender

Mandate	Scheme			Engagement summary	Commentary
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	FSB	PMF	DB		
					metrics in the manager remuneration process to ensure accountability. Honda Motor Co Ltd: Wellington engaged with Honda to discuss their environmental strategy following their ambition to be carbon neutral by 2050, and to understand the company's plans for improvements to board composition and move to a one-tier board structure. Wellington provided feedback on their 2020 Sustainability Report and proposed integration of non-financial KPI's into business discussions and financial filings. They also discussed issues relating to product standards, reliability and safety. Wellington also recommended providing further disclosure around remuneration, including KPI's used for the LTIP, and including a skills matrix for the board of directors and encouraged Honda to increase disclosure on due diligence for human rights in the supply chain Lukoil PJSC: Wellington had a call with Lukoil which focussed particularly on their new emissions reduction target, physical risk in modelling, board conversations on ESG, and the impact of COVID on the business. Lukoil seemed very responsive to investor feedback and is planning to release an updated climate report as well as increase its power generation from renewables.
Unigestion SA – Private Equity programmes – vintages 2006 to 2019.	✓			Total Engagements: 27 Engagements fell into the following categories: Environmental: 2 Governance: 2 Environmental and Governance: 1 Environmental, Social and Governance: 22	Unigestion are working on improving and expanding data collection, tracking and engagement related to ESG issues together with their investors. So far, only limited information is available related to the older vintage funds. Unigestion worked with various General Partners during 2020 to assist with development of their ESG policy and started collecting KPI's on carbon footprint, energy usage, water consumption and waste, gender diversity and other KPI's with reporting starting in the 2020 Annual Reports. Examples of significant engagements include: Oakley Capital: Unigestion encouraged the hiring of a dedicated ESG officer to focus on strengthening Oakley's ESG approach. The ESG

Mandate	Scheme			Engagement summary	Commentary
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	FSB	PMF	DB		
					officer was hired in Q1 2021 with KPI's expected to be measured from 2022 at an investee level. Riverside: Unigestion worked with Riverside to exchange and share experience on Sustainable Finance Disclosure Regulation (SFDR) which resulted in exchange of information and updated processes / policies in accordance with SFDR. Riverside is starting to collect and report various ESG KPI's at a fund level in the Riverside ESG Report. EMS: Direct impact of Unigestion governance through Board of Director to reduce injuries via changes in policies
Harbourvest Partners LLC – Private Equity Programmes vintages 2009 to 2018	✓			Total Engagements: 48 Engagements fell into the following categories: Environmental: 4 Social: 23 Governance: 21	HarbourVest was very active in engaging with their General Partners in requesting dialogue about the social impact of the Covid-19 pandemic and implications for their ESG programs, reaching out to exchange best practices related to ESG issues and address specific issues which had come to their attention. They also completed proprietary ESG scorecards on the managers' approach to ESG, the results of which were factored into the Investment Committee materials. HarbourVest also followed up on various leads related to their investments reported in RepRisk (a third-party provider of ESG data). Examples of significant engagements include: Bain Capital: HarbourVest's head of ESG connected with the new head of ESG at Bain Capital to exchange best practices, discuss the ESG scorecard and review their approach to ESG with the proposal that Bain Capital join the initiative 'Climate International'. Battery Ventures: HarbourVest engaged in dialogue about the social impacts of Covid-19 and their ESG program. The general partner provided examples of cross portfolio best practice sharing and investments that have responded to the new trends in ESG. They also followed up on a governance related issue reported in RepRisk.

Mandate	Scheme			Engagement summary	Commentary
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	FSB	PMF	DB		
Kohlberg Kravis & Roberts LLP – (KKR) -Direct Private Equity NAXI X Fund & Distressed Debt Special Situations Fund II	✓			KKR is not currently able to provide any information on engagements	Engagement, in a private equity and private debt context, means the influence that KKR's nominated directors have on the boards of its portfolio companies and the interaction between KKR and management of portfolio companies is on an ongoing basis, rather than tracking specific engagements. KKR has specific policies when engaging with portfolio companies, which forms part of KKR's ESG policy. ESG issues are considered and managed in line with any other business issue. KKR's senior leadership provides ultimate oversight of its responsible investment efforts. Accountability for this work extends throughout the organization with global and regional team members, supported by subject matter experts, collaborating to achieve strong outcomes. Where applicable, Investment Committees oversee ESG issues that are material to an investment when deciding to invest. Portfolio Management Committees and investment professionals have monitoring and management roles with respect to material ESG issues that have been identified in the investment process. ESG-related issues that are material to the investments are managed and monitored as part of KKR's portfolio management processes. To promote progress across the portfolio, KKR monitors the ESG-related performance of companies, where relevant. KKR engages with portfolio companies in a variety of ways. Any material issues or opportunities identified during the due-diligence or management phases are shared with the relevant KKR industry team and KKR Capstone, a dedicated operations firm working with and supporting KKR's deal teams and portfolio companies, with the Portfolio Management Committee discussing the most important issues on an ongoing basis to ensure the appropriate level of management and oversight. When a material ESG-related issue has been identified, KKR tracks the progress of that issue over time. Where possible, performance is quantified, for example: the number of work-related injuries or the number of kilowatt hours consumed

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BlackRock Advisers UK Ltd – QPC lll Private Equity Fund	✓			Blackrock has no direct engagement activity to share at this point	The Manager has commented that ESG Engagement is not applicable as this is a fund of funds program with no direct investment in portfolio companies and confidentiality agreements are in place which would not allow any reporting
Insight Investment Management Ltd -Segregated LDI Mandates	✓		✓	Total engagements: 12	Insight have engaged with a number of industry participants on long term strategic issues in relation to LDI, including: • RPI reform and leading the UK's national conversation on RPI, working with the DWP, UK Government and various other institutions. • The LIBOR transition. • Working with derivative counterparty banks on the integration of ESG factors into the assessment of credit risk. The team regularly engages with regulators, governments and other industry participants to address long term structural issues, aiming to stay ahead of regulatory changes and adopt best practice.
Insight Investment Management Ltd – Pooled Absolute Return Corporate bond fund			✓	Total Engagements: 74 Engagements fell into the following categories: Environmental: 2 Governance: 29 Environmental, Governance: 5 Social, Governance: 14 Environmental, Social, Governance: 24	Insight actively engaged with the companies in which they held corporate bonds 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 did not feel satisfied with the current status. Examples of significant engagements include: London & Quadrat Housing Trust: Insight met with L&Q Housing Trust to discuss issues relating to climate change, their general results and financial policies. They were not satisfied with the outcomes of their discussions and will continue to monitor these topics. Commerzbank AG Frankfurt: Insight met with Commerzbank to discuss their financial policies and general results and were satisfied with the replies received. British Airways: Insight met with BA to discuss questions relating to climate change and

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					general results and were satisfied with the replies received.
Insight Investment Management Ltd – Pooled Broad Market bond fund		✓		Total Engagements: 63 Engagements fell into the following categories: Environmental: 25 Governance: 29 Social: 36	Insight actively engaged with the companies in which they held corporate bonds 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 did not feel satisfied with the current status. Examples of significant engagements include: Enel – Insight has been working with the company over many years including vetting the Directors nomination list to get a climate expert on the Board and meeting with the CEO to encourage issuance of Green Bonds. Volkswagen – Insight has been in close contact monitoring the numerous steps that the company has taken to improve product quality and governance structure including introduction of a whistle-blower process and KPI's for executive pay.
BlackRock Advisers UK Ltd – Passive Index Linked Gilts Fund		✓		N/A	The Fund is a passive Index-Linked Gilts fund that invests only in bonds issued by the UK Government, in line with the Fund's defined benchmark. Engagement is not considered as part of the investment process.
Aegon Asset Management (formerly Kames) Absolute Return Bond Fund		✓		Total engagements: 35 Engagements fell into the following categories. Governance:16 Social: 4 Environmental: 5 Environmental, Social and Governance: 2 Environmental and Governance: 6 General Disclosure: 2	As bond investors, Aegon do not have voting rights and therefore company engagement is a key part of the ESG process. Engagements are carried out on an ongoing basis as part of the risk analysis and due-diligence process. Aegon will identify key issues, including ESG factors, and look to encourage company management to implement best practices from an ESG perspective. Examples of significant engagements include:

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					BHP Group Ltd – Aegon had several conversations with the company over the period, including discussing financial disclosures and their alignment to the Paris climate agreement. Ford Motor Company – Aegon engaged with Ford on several issues over the period including the impact of COVID-19 on the balance sheet and the knock-on effect on Ford's ability to pursue sustainability goals, specifically achieving efficiency standards in Europe. Ford's response included that they are investing $11.5 billion in Electric Vehicles globally through 2022. Tesco PLC – Aegon joined a group of investors calling for supermarkets, food-to-go, packaging, and fast-moving-consumer goods companies to commit and take voluntary action to remove all PFAS (a chemical) from their food packaging. Tesco has recently confirmed their commitment to removing all PFAS from their food packaging.
Apollo Multi Credit Fund - Pooled Total Return fund and segregated Semi-liquid Credit mandate	✓	✓	✓	Total engagements: 28*	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: Clearway Energy - Apollo met with the firm's CEO and CFO to discuss the efficiency of the company's existing renewable wind farms, as well as the acquisition of new renewable wind and solar powered projects. Following this engagement, the company intends to invest at least $300m in renewable energy projects during 2020. Gannett Co. Inc. - As part of the Apollo Term Loan, Apollo negotiated two board observer rights for the company that extend to board seats based on certain leverage thresholds.

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
				*Numbers refer to the pooled fund	This enabled Apollo to have greater engagement rights regarding the overall governance structure of the company. Following on from this engagement, Apollo built upon their close relationship with the company in order to increase their involvement in the day to day operations of the business
Siguler Guff & Company – Distressed Debt Funds 2011 and 2015	✓			Total Engagement: 7 Engagements fell into the following categories: Environmental: 2 Governance: 4 Environmental, Social: 1	Siguler Guff has been very proactive in ESG issues and developed its first Responsible Investment and ESG policy in 2013 and became a signatory to the UNPRI in the same year. Siguler Guff seeks to engage with management at various stages of the investment process and utilizes the SASB (an ESG data provider) materiality map during its ESG review process to properly identify, engage, and monitor certain risks as they relate to various industries. Examples of significant engagements include: Cat Canyon Resources, an oil drilling company in California: Various ESG matters are incorporated into their board meeting agenda such as those relating to new environmental regulations, safety standards, HR matters, and legal affairs. Reporting is provided monthly and covers operations and financials of the Company, including HR, legal affairs, and certain ESG matters. Cat Canyon Resources are continuously reviewing management practices to meet the highest standards of safety and adhere to new regulations within the state. They adhere to local criteria for water handling and energy efficiency and offer a cleaner drilling solution than drilling in certain other countries that have different regulations and may be less environmentally friendly. Front Marine: Siguler Guff have been able to oversee engagement in various environmental and social matters. The shipping industry is a highly regulated industry with strict standards on fuel consumption and emissions. Front Marine vessels are ahead of industry standards with regards to fuel and emissions. With regards to engagement on social factors, management adheres to strict crewing mandates and maintains a low incident rate for

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					injuries amongst the crew. When there has been an injury or sickness, management is strict in making sure they are transferred to medical facilities, with costs paid by the Company. The Company maintains strict policies relating to the environment and the crew, which is overseen by the board. Social and environmental matters are discussed by the board at annual meetings. Reporting is provided to Siguler Guff, which provides an update on operations and the environmental and social matters outlined above. Arcticom Group: Siguler Guff engaged members of Arcticom Group's board to incorporate HSE issues into the board meetings, such as consideration of more environmentally friendly refrigerants, efforts to reduce energy usage along with a reduction in greenhouse gases, efforts to align good business decisions with good sustainability choices and updates on policies and procedures related to employee health & safety. The board members also provided details on the US Environmental Protection Agency's efforts to phase out climate-damaging commercial refrigerants and how they are preparing for this through refrigerant retrofit projects or partial equipment retrofits
Oaktree European Principal Fund lll LP – Distressed Debt	✓			Total Engagements: 2 Engagements fell into the following categories: Environmental, Social: 1 Environmental, Social, Governance: 1	Oaktree discussed its ESG policy with the boards of their major investments and asked them to review their businesses from an ESG perspective, develop policies and report back to Oaktree on a regular basis. Examples of significant engagements include: Ascot Lloyd: The Board of Ascot Lloyd were briefed on Oaktree's ESG policy and the management team were asked to consider ESG as a framework to consider risks and opportunities relevant to the company and the industry in which it operates. Ascot Lloyd's NED chair agreed and asked management to come back with regular updates. Subsequently, the CEO of Ascot Lloyd appointed his Operations Director as the person within the company responsible for ESG and who would brief the Board on the progress made. The areas addressed and

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					determined to be of greatest materiality were cyber security, energy and waste. Several actions were taken ranging from switching from plastic to glass bottles in meeting rooms to reporting energy use and carbon emissions on an annual basis via its annual accounts, as well as implementing a process for disposal of electrical and computer equipment. ESG-related topics have been scheduled for subsequent Board meetings. Arcade Beauty: After discussions with Oaktree , Arcade appointed their European MD as the lead person on ESG, started the process of preparing an ESG strategy, and is regularly reporting to the Board on the evolution of this initiative.
Permira Debt Manager Ltd – PCS II Senior Fund – Direct Lending	✓			Total engagements: 4 (all including ESG factors)	Permira 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: Delsey - Permira engaged with portfolio companies to understand compliance obligations with the EU Energy Efficiency Directive. It was confirmed following the engagement that there was an obligation for the company due to its position in the PCS II Fund, and the company agreed to follow up on the requirements. Kinaxia - The ESG team visited a Kinaxia facility to meet with management and discuss the company's progress on ESG topics identified back in 2017. This included interviews with managers, tours of key areas of selected sites, and discussions of issues such as health and safety, carbon reporting, gender pay gap reporting, cyber security and data protection. Following this engagement, the ESG team remained in contact with the leadership team, providing feedback to management and highlighting potential areas for improvement. Paperchase/Kinaxia - Permira held a portfolio company conference centred around crisis

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					management and cyber security. These types of engagements allow knowledge sharing with portfolio companies on specific ESG issues.
Partners Group Management S.a.r.l. – PMCS 2018 Fund - Direct Lending	✓			Total engagements: 6 Engagements fell into the following categories. Corporate: 5 Monitoring: 1	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: Gong Cha – Partners Group engaged with the company on their financial performance and the impact of COVID-19 over the period. Partners Group held monthly update calls with the company's CFO and management to discuss the FY20 performance overview, operations during the pandemic, FY21 expectations, reporting and covenant requirements. Partners Group established a line of communication for early intervention in case COVID-19 disrupts the business again. They also had more frequent verbal updates on performance and set out the timetable for delivery of the new budget and performance. TEG – Partners Group held quarterly lender calls and engaged with the company regarding specific updates on the impact of COVID-19. Following this engagement, Partners Group had comfort that the company has sufficient liquidity to ride out COVID-19 and the associated cancellations / delays of events, including an understanding of cost cutting measures taken and monthly levered cash burn.
Pemberton Capital Advisors LLP – European Debt Investments Jersey II Fund Direct Lending	✓			N/A	At the time of writing, no response to the request for engagement information has been received from the manager.

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
M&G Investment Management Ltd – Senior Commercial Loan Fund 1 & Real Estate Debt Finance V Fund - Commercial Real Estate Debt	✓			No engagements related to the commercial real estate debt were reported, but M&G has shown 75 engagements across the M&G Fixed Income and equities businesses related to ESG categories which shows their active engagement wherever possible.	In respect to engagements, as real estate debt providers, M&G's ability to control and dictate ESG initiatives at the borrower level is somewhat limited once an investment has been made. Engagement on ESG related issues forms part of the due diligence and initial negotiation process prior to the investment being executed. For many of their loan positions they have an input on approving new tenants where these are of a significant size to the portfolio. For instance, they would not approve a new tenant of significant size who is involved in certain sectors, such as the manufacturing or provision of cluster munitions and various arms. Currently it remains difficult to gather ESG data for the mandate, as they are several rungs removed from the actual source of the data which would be used for ESG performance reporting and underlying tenants aren't necessarily obliged to share this data. Looking forward, they are actively looking at ways to enhance assessment of ESG impact for new assets and to increase their engagement with borrowers, particularly in relation to M&G's commitment to reducing the greenhouse gas (GHG) emissions from their total assets under management to net zero by 2050. They are working with M&G colleagues, particularly in the Stewardship and Sustainability team and M&G Real Estate's Responsible Property Investment team to develop a scorecard specific to real estate debt issuers. The scorecard will acknowledge the qualitative nature of many ESG considerations and the current variability of the availability of data, but within the context of a structured and disciplined framework. They are working with industry bodies such as CREFC and the LMA to encourage meaningful change across the industry as well.
LaSalle AIFM Europe S.a.r.l. - Real Estate Debt Strategies lll Fund - Commercial Real Estate Debt	✓			LaSalle is not currently able to provide any information on engagements.	As the LaSalle Real Estate Debt Strategies Fund is a real estate debt fund, engagement with B borrowers is limited to ESG matters relevant to the Fund's collateral (e.g. energy performance certificates). It is not currently market practice to carry out engagements on wider ESG

Mandate	Scheme			Engagement summary	Commentary
	Schlumberger UK		Cameron		
	FSB	PMF	DB		
					policies of the sponsor. However, LaSalle recognises that the industry is evolving, and they are beginning to request that sponsors to provide details of their ESG policies & reporting
Patrizia Property Investment Managers -Trans European Property Funds – vintages 2006 through to 2019	✓			Patrizia is not currently able to provide any information on engagements but this is work in progress	Patrizia is in the process of implementing each asset's tenant engagement program as part of their overall ESG policy. This will require their property and asset management teams to meet with tenants regularly as part of the engagement program. As each asset's ESG strategy is implemented, this will start to allow engagement and the collection of the required information.
AEW UK Investment Management UK Real Return Property Fund	✓			Total Engagements: 40 (all including environmental factors	AEW can only engage with the tenants of the assets which are held in the Fund, and their overall influence as a landlord is limited. They maintain dialogue with all occupiers, and as part of this ESG-related behaviours are encouraged. Examples of significant engagements include: Engie Regeneration – AEW engaged with the tenant regarding a requirement to add car charging points for employee car parking on the premises. The implementation of these charging ports is currently ongoing and AEW have also begun a discussion on solar panels with the tenant. Volkswagen Group UK Limited – AEW engaged with the tenant to request utility data on energy and water consumption as part of the GRESB 2020 Performance submission. Consumption data allows AEW to work with tenants to make cost savings and to reduce the impact on the environment.

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 2020. The managers also provided examples of any significant votes.

Mandate	Voting summary	Commentary
Artemis Investment Management Ltd – UK Equity Income Fund	Meetings eligible to vote for: 60 Resolutions eligible to vote for: 1,121 Resolutions voted for: 98% Resolutions voted with management: 99.45% Resolutions voted against management: 0.55% Resolutions abstained from: 0.0%	As equity investors, Artemis employ a customised voting policy. They see it as their responsibility to exercise their clients' voting rights in a considered manner, within the context of a positive relationship with a company's management. Situations in which they may not support management are set out in the 'voting principles 'policy. Their voting is informed and carried out by an independent specialist, Institutional Shareholder Services ('ISS'). Together they have developed guidelines which consider local, national and international standards, to ensure that expectations for corporate governance are appropriate to the businesses they invest in. ISS provides company research and vote recommendations based on Artemis' policy, but the fund managers make the final decision on how to vote. Examples of significant votes: Ebro Foods SA: Artemis voted against the ratification of an executive officer's compensation. Reasons were that the performance period is less than 3 years as under the LTIP, most of performance objectives are measured over one year, whereas Artemis suggest a longer term approach. Ebro Foods also does not provide enough information on the performance outturn of LTIPs. Another reason for the vote against was that payments in the event of change of control are excessive, as the LTIP provisions foresee accelerated vesting of awards in a CiC event.
Legal & General Investment Management (LGIM) North America Equity Index Fund - (Currency hedged and unhedged)	Meetings eligible to vote for: 794 Resolutions eligible to vote for: 9,495	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

Mandate	Voting summary	Commentary
	Resolutions voted for: 100% Resolutions voted with management: 71.79% Resolutions voted against management: 28.17% Resolutions abstained from: 0.04%	Governance, Responsible Investment and Conflicts of Interest Policy documents which are reviewed annually. Examples of significant Votes: Cardinal Health: LGIM voted against a resolution to ratify the named Executive Officers' compensation. The company had recorded a total pre-tax charge of $5.63 billion for expected opioid settlement costs during the fiscal year. Further, the current CEO was head of pharma globally during the worst years of the opioid crisis. LGIM therefore expected accountability. LGIM voted against the resolution to signal their concern over the bonus payment to the CEO in the same year the company recorded the charge for expected opioid settlement. Medtronic plc: Executive directors were granted a special, one-off award of stock options to compensate for no bonus being paid out during the financial year. LGIM voted against the one-off payment as they are not supportive of one-off awards in general and in particular when these are awarded to compensate for a payment for which the performance criteria were not met. Procter & Gamble (P&G): LGIM voted for a resolution to produce a report on P&G's effort to eliminate deforestation. P&G uses both forest pulp and palm oil as raw materials within its products. Despite setting a goal for 100% certification by 2020, the company only obtained certification from the Roundtable on Sustainable Palm Oil for one third of its palm oil supply and two of its Tier 1 suppliers of palm oil were linked to illegal deforestation which called into question due diligence and supplier audits. Following extensive engagement on the issue, LGIM decided to support the resolution as although P&G has introduced several objectives to ensure

Mandate	Voting summary	Commentary
	*Note that the voting data above relates to the 12-month period to 31 March 2021 due to the data for the 12-month period to 31 December 2020 not being available, going forward LGIM expects to be able to provide the relevant data each quarter.	their business does not impact deforestation, LGIM felt it was not doing enough.
LGIM UK Equity Index Fund	Meetings eligible to vote for: 943 Resolutions eligible to vote for: 12,574 Resolutions voted for: 100% Resolutions voted with management: 92.94% Resolutions voted against management: 7.05% Resolutions abstained from: 0.01%	Examples of Significant Votes: Plus500 Ltd: LGIM voted against a resolution to approve a special bonus payment to the CFO. The company proposed several pay-related proposals for shareholder approval. Among these, the board recommended the approval of a substantial discretionary bonus to the CFO for his successful work with Israeli tax authorities over several years, resulting in a significant tax saving for shareholders. LGIM does not support one-off discretionary bonuses as these are not within the approval policy to reward the achievement of pre-set targets. Moreover, discussions with tax authorities for the company are part of a CFO's day-to-day job and should not be remunerated separately. Imperial Brands plc: LGIM voted against a resolution to approve a renumeration report following the appointment of a new CEO during 2020 who was granted a significantly higher salary than his predecessor. The new CEO had no previous experience in the specific sector or CEO experience at a FTSE 100 company, therefore, LGIM believed the CEO should have to prove himself beforehand to be set a base salary at the level, or higher, of the outgoing CEO with multiple years of such experience. Barclays: LGIM voted for a resolution relating to Barclays' commitment to tackling climate change. LGIM view this as

Mandate	Voting summary	Commentary
	*Note that the voting data above relates to the 12-month period to 31 March 2021 due to the data for the 12-month period to 31 December 2021 not being available, going forward LGIM expects to be able to provide the relevant data each quarter.	significant and beneficial for all parties involved, particularly long-term asset owners. This is viewed as just the beginning and LGIM note that they will work closely with Barclays to develop their plans and targets around this. International Consolidated Airlines Group: LGIM voted against a remuneration report for executives. This was due to bonus payments being 80-100% of several executives' salaries, despite significant cuts to the workforce and poor financial performance because of COVID-19. LGIM note that this highlights the importance of monitoring investee companies' responses to COVID-19, noting that they will engage closely with the board on this. SIG plc: LGIM voted against a one-off payment of £375k to the interim CEO which was outside the scope of the remuneration policy. While the resolution passed, LGIM noted this as a controversial vote and one which they will engage with the company on to ascertain the rationale for going ahead with the payment.
LGIM Japan Equity Index Fund	Meetings eligible to vote for: 551 Resolutions eligible to vote for: 6,518 Resolutions voted for: 100% Resolutions voted with management: 86.08% Resolutions voted against management: 13.92%	Examples of Significant Votes: Olympus Corporation: LGIM voted against the resolution to elect a director. LGIM had concerns over the lack of women at board level. In general, Japanese companies have trailed behind European and US companies in ensuring more women are appointed to their boards. LGIM opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, to signal that the company needed to act on this issue.

Mandate	Voting summary	Commentary
	Resolutions abstained from: 0.00% *Note that the voting data above relates to the 12-month period to 31 March 2021 due to the data for the 12-month period to 31 December 2021 not being available, going forward LGIM expects to be able to provide the relevant data each quarter.	Toshiba Corp: Following a significant decline in trust between its shareholders and management after recent controversies, including allegations of abnormal practices and behaviour by the company surrounding its July 2020 AGM, the company faced two independent shareholder resolutions calling for it to introduce remedies that would restore confidence and trust in the company's governance, management and strategy. LGIM supported the resolution calling for the appointment of investigators to address doubts over the company's 2020 AGM conduct and vote tallying.
LGIM Europe (ex UK) Equity Index Fund	Meetings eligible to vote for: 686 Resolutions eligible to vote for: 11,412 Resolutions voted for: 99.89% Resolutions voted with management: 84.21% Resolutions voted against management: 15.26% Resolutions abstained from: 0.53% *Note that the voting data above relates to the 12-month period to 31 March 2021 due to the data for the 12-month period to 31 December 2021 not being available, going forward LGIM expects to be able to provide the relevant data each quarter.	Example of a Significant Vote: Lagardère: LGIM felt that the company strategy of Lagardère was not creating value for shareholders, the board members were not sufficiently challenging management on strategic decisions and the company suffered from various governance failures. Due to the 'commandite' structure; a limited partnership, the managing partner had a tight grip on the company despite having only 7% share capital and 11% voting rights. LGIM therefore voted in favour of proposed candidates to replace five of the incumbent Lagardère directors after engaging with the proposed new SB chair and the incumbent SB chair.
LGIM Asia Pacific (ex Japan) Developed Equity Index Fund	Meetings eligible to vote for: 534 Resolutions eligible to vote for: 3,774 Resolutions voted for: 100%	Examples of Significant Votes: Quantas Airways Limited: LGIM voted against a Long-Term Incentive Plan (LTIP) which rewarded employees for specific goals leading to increased shareholder value. LGIM had concerns given the share price at the date and the renumeration committee not being able to exercise

Mandate	Voting summary	Commentary
	Resolutions voted with management: 74.22% Resolutions voted against management: 25.76% Resolutions abstained from: 0.03% *Note that the voting data above relates to the 12-month period to 31 March 2021 due to the data for the 12-month period to 31 December 2021 not being available, going forward LGIM expects to be able to provide the relevant data each quarter.	discretion on LTIPs, which LGIM found to be against best practice. LGIM voted against the resolution to signal their concerns. Whitehaven Coal: LGIM voted for a resolution asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders. LGIM believe the role of coal is increasingly uncertain due to the competitiveness of renewable energy as well as increased regulation: three of Australia's main export markets for coal – Japan, South Korea and China have announced targets for carbon neutrality around 2050. As the most polluting fossil fuel, LGIM believe the phase-out of coal will be key to reaching these global targets hence LGIM voted for the resolution.
Majedie Asset Management Ltd. – Segregated UK Equity mandate	Meetings eligible to vote for: 63 Resolutions eligible to vote for: 1,139 Resolutions voted for: 100% Resolutions voted with management: 96.22% Resolutions voted against management: 3.16% Resolutions abstained from: 0.61%	Majedie is guided by a set of Voting Principles, which can be accessed via their website. Majedie votes at all applicable meetings and takes voting research and platform services from ISS. In terms of reaching a voting decision, where a management recommendation and their proxy voting research provider's recommendation are in alignment, they will be minded to vote with management, except where items concern approval of political donations and expenditure, where they will be minded to vote against. Where there is divergence, the relevant Majedie fund manager will make a decision on how to vote. They also scrutinise in particular the recommendations of management and ISS in the UK small cap space. Examples of significant votes: Tesco: Majedie voted against the remuneration report with the majority of votes. The reason was that the comparator group used for the relative

Mandate	Voting summary	Commentary
		Total Shareholder Return (TSR) performance element of the long-term incentive plan (LTIP) had been amended. This enabled a significant amount of the award to vest, whereas use of the original comparator group would have led performance to be below the threshold target. They also noted concern that it was unusual for a TSR comparator group to be amended after the fact. To seek a way forward on the issue, Majedie requested that the company maintain the executive post-employment shareholding requirement at 100% of the guideline over two years, instead of one (the CEO and CFO were due to leave the company in subsequent months). Tesco was unable to agree to this change and consequently, Majedie voted against the Report. Ryanair: Majedie voted against the approval of the remuneration report but it was voted in by a majority of votes. Majedie noted that a significant bonus equal to 92% of maximum opportunity had been awarded to the CEO for FY2020. They agreed that this payment raised concerns, given the uncertainties facing the company and the airline industry, and in view of the broader stakeholder experience. Furthermore, they noted there was scope for additional disclosures on annual bonus targets and outcomes. SSP: Majedie voted to approve the company’s remuneration report. Although the bonus payment to the former CEO, Kate Swann, lacked pro-rating for time served on the Board, Majedie did not think the extra three months was a material amount of time. They also noted the company's explanation that it had accelerated Swann's departure to enable the new CEO to take up his role. Due to their view that Swann had made a valuable contribution to the company, they were content to vote in favour of the Report despite ISS having recommended a vote against.

Mandate	Voting summary	Commentary
Wellington Management International Ltd. – Segregated Global Equity (Ex-NAM) mandate	Meetings eligible to vote for: 215 Resolutions eligible to vote for: 2,807 Resolutions voted for: 97% Resolutions voted with management: 93% Resolutions voted against management: 5.0% Resolutions abstained from: 1.0%	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: Astra Zeneca: Wellington voted against the election of G. B. Berger due to low attendance at the shareholder meeting. Yamaha Motor Co Ltd: Wellington voted against due to a poor response to prior year's dissent and the potential impact on board independence / composition. Tencent Holdings Ltd: Wellington voted against the election of Charles St. Leger Searle related to issues with committee oversight.