Essentra Pension Plan (“the Plan”)

Annual Implementation Statement for the Year Ended 5 April 2023

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year running from 6 April 2022 to 5 April 2023 (the “**Plan Year**”). This 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 statement is based on, and should be read in conjunction with, the relevant versions of the SIP that were in place for the Scheme Year, which were the SIP dated September 2020 (covering the period between 6 April 2022 and 31 October 2022) and the SIP dated November 2022 (covering the period between 1 November 2022 and 5 April 2023).

Sections 2.1 and 2.2 of this statement set out the investment objectives of the Plan and the changes that have been made to the SIP during the Plan Year.

Section 2.3 of this statement sets out how, and the extent to which, the policies in the Defined Benefit (“DB”) Sections (the “Essentra Section” and the “Essentra Senior Section”) and Defined Contribution (“DC”) Section of the SIP have been followed. **The Trustee can confirm that all policies in the SIP have been followed in the Plan Year.**

A copy of the SIP is available at https://www.essentraplc.com/en/responsibility/our-culture/pensions.

Sections 3 and 4 include information on the engagement and key voting activities of the underlying investment managers within each Section of the Plan.

2. Statement of Investment Principles

2.1. Investment Objectives of the Plan

The Trustee believes it is important to consider the policies in place in the context of the objectives they have set.

DB

The Trustee believes its prime duty regarding the DB Sections is to ensure that Plan members receive their promised benefits. To that end, the Trustee’s approach to investment involves firstly considering the least risk approach to investment strategy setting and secondly the Sponsoring Company’s attitude towards investment risk.

In this context, a least risk approach means investing in a portfolio of UK government bonds (gilts) that match the characteristics of the liabilities. However, the desire to manage investment risk is balanced against the other objectives discussed in the SIP.

The Trustee has discussed investment strategy with the Company and in doing so has taken into account the current investment return assumptions implicit in the actuarial valuations. The Trustee has sought to achieve a balance between minimising risk and helping keep the reported costs of providing the pension benefits to a level acceptable to the Company. To that end, the Trustee has a medium term objective of achieving a return that is at least in-line with the assumptions underlying the actuarial valuations and Recovery Plans.

For the DC section of the Plan, the Trustee recognises that members have differing investment needs, that these may change during the course of their working lives and that they may have differing attitudes to risk. The Trustee believes that members should generally make their own investment decisions based on their individual circumstances. The Trustee considers its primary objective in respect of the DC Section to be to make available a range of investment funds which enable members to construct a portfolio that meets their own needs. The Trustee also recognises that members may not believe themselves qualified to take investment decisions. As such, the Trustee has made available a default lifestyle option.

These objectives translate to the following principles:

- Offering members a 'Lifestyle' approach for the default investment strategy and ensuring that the other investment strategy options allow members to plan for their specific retirement objectives.
- Making available a range of pooled investment funds which serve to meet the varying investment needs and risk tolerances of Plan members. This includes offering mainly passively managed funds and some actively managed investment funds where the Trustee feels this is appropriate.
- Providing general guidance as to the purpose of each investment option.
- Encouraging members to seek independent financial advice from an appropriate party in determining the most suitable strategy for their individual circumstances.
- In determining an appropriate balance between providing flexibility and choice, as well as simplicity and cost control, the Trustee aims to make available a range of options which satisfy the needs of the majority of members.

The Trustee periodically reviews the suitability of the options provided and from time to time will change or introduce additional investment funds as appropriate.

Members can combine the investment funds in any proportion in order to determine the balance between different kinds of investments. This will also determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerances. Each of the available funds is considered to be diversified across a reasonable number of underlying holdings/issuers.

2.2. Review of the SIP

During the year, the Trustee reviewed the Plan's SIP, taking formal advice from its Investment Consultant (Mercer Limited ("Mercer")). A revised SIP was agreed, dated November 2022, reflecting the purchase of a bulk annuity policy for the Essentra Senior Section.

The Investment Policy Implementation Document ("IPID"), which sets out the further details of the Plan's investment arrangements, was also reviewed in November 2022 to reflect the above, as well as the reduction in liability hedging for the Essentra Section.

2.3. Assessment of how the policies in the SIP have been followed during the Plan Year

The information provided in this section highlights the work undertaken by the Trustee during the year, as well as over the longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP.

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Plan Year.

Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy

As required by legislation, the Trustee consults a suitably qualified person when making investment selections by obtaining written advice from its Investment Consultant. The policy is detailed in Section 1 of the SIP, which applies to the DB and DC Sections of the Plan.

How has this policy been met over the Plan Year?

DB

Essentra Section

The Trustee made no changes to the appointed investment managers over the year under review. However, the Trustee has received investment advice in relation to the construction of the Liability Hedging Portfolio.

The increases in gilt yields experienced over the course of 2022 triggered several deleveraging events in respect of the leveraged liability driven investment (“LDI”) funds held by Essentra Section. Based on advice provided by Mercer, during October 2022, the Trustee agreed to reconstruct the LDI portfolio in order to:

- Maintain a 20% cash buffer to meet potential future de-leveraging events.
- Broadly maximise the level of hedging achievable with the remaining LDI assets, by extending the duration of the hedge. Consequently, the target level of hedging was reduced from c.100% to c.85% (measured on the technical provisions basis).

Essentra Senior Section

During the year under review, the Trustee decided to secure all of the outstanding liabilities with an insurer, by way of a buy-in contract with Aviva. The buy-in contract is an asset of the Plan and therefore the Trustee retains ultimate responsibility for paying members’ benefits. However, the buy-in contract is designed to perfectly match the payments promised to members.

The residual assets post the transfer were retained in the LGIM Sterling Liquidity Fund. The Trustee received investment advice throughout the buy-in process, as well as in relation to the retention of the residual assets in the LGIM Sterling Liquidity Fund.

DC

No new investments were implemented over the year under review.

The last investment strategy review was prepared in 2020 and the next review will take place in H2 2023.

Investment Mandates

Realisation of Investments

Policy

The Trustee's policy is that there should be sufficient liquidity within the Plan's assets to meet short term cashflow requirements in the majority of foreseeable circumstances, so that realisation of assets will not disrupt the Plan's overall investment policy. The policy is set out in Sections 2.5 (DB) and 3.5 (DC) of the SIP.

How has this policy been met over the Plan Year?

DB

Essentra Section

Over the year, the Essentra held a diversified portfolio consisting mostly of readily-realisable assets, as detailed below:

- The passive equity funds managed by LGIM are weekly priced and traded.
- The diversified growth fund ("DGF") managed by abrdn is daily priced and traded.
- The DGF managed by Ruffer is daily priced and traded.
- The BlackRock fund of hedge funds is monthly priced and traded.
- The assets managed by Mercer are all daily priced and traded.

The Trustee continues to consider there to be sufficient liquidity to meet both the short-term and longer-term cashflow requirements of the Plan.

The Trustee, taking advice from the Investment Consultant, has continued to review the cashflow policy for the Essentra Section at quarterly Trustee meetings to ensure sufficient liquidity is available to meet expected cashflows.

Essentra Senior Section

The cashflow requirements will be met through the buy-in contract in place with Aviva, the insurer. The residual investments were managed by LGIM at the end of the year under review and are weekly priced and traded.

DC

Members' investments within the DC Section are predominantly daily traded pooled investment funds which hold liquid assets. The investment funds are commingled investment vehicles which are managed by LGIM. The selection, retention and realisation of assets within the pooled funds are managed by LGIM in line with the mandates of the funds. There were no liquidity concerns arising in respect of the Plan's DC holdings over the Plan Year.

Environmental, Social and Governance (“ESG”)

Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

Policy

The Plan’s SIP outlines the Trustee’s beliefs on ESG factors (including climate change). Further details are included in Section 9 of the SIP, which applies to the DB and DC Sections of the Plan. The Trustee keeps its policies under regular review.

How has this policy been met over the Plan Year?

DB DC

The Trustee has given the appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, in particular in relation to the selection, retention, and realisation of underlying investments. In order to monitor the extent to which ESG factors are integrated into the managers’ investment decision making, the Trustee has continued to review the Mercer ESG ratings assigned to the strategies in which the Plan invests as part of regular quarterly performance reporting. Mercer’s ESG ratings also continued to be monitored as part of the annual Value for Member Assessment in respect of the DC Section.

In addition, the Trustee has asked the managers to comment on these areas when they have presented at meetings.

Where managers may not be highly rated from an ESG perspective the Trustee continues to monitor and engage with the managers. When implementing a new manager the Trustee considers the ESG rating of the manager and balances this against the prospects of the fund achieving its objective.

The Trustee acknowledges that managers in certain asset classes, such as fixed income, may not have a high ESG rating assigned by the investment consultant due to the nature of the asset class.

The Trustee does not require the Plan’s investment managers to take non-financial matters into account in their selection, retention and realisation of investments.

Over the year, a quantitative Responsible Investment Total Evaluation (“RITE”) assessment was commissioned by the Trustee and undertaken by the Plan’s Investment Consultant. RITE assesses how well the Trustee integrates ESG factors into the Plan’s investment decision-making. The Trustee is considering the recommended actions from the Plan’s Investment Consultant to improve the level of ESG integration for the Plan.

Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

Policy

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the investment managers. Further details are set out in Section 9 of the SIP, which applies to the DB and DC Sections of the Plan. In addition, it is the Trustee's policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

How has this policy been met over the Plan Year?

DB DC

During the Plan Year, voting and engagement summary reports from the Plan's investment managers were provided to the Trustee for review to ensure that they were aligned with the Trustee's policy. The Trustee does not use the direct services of a proxy voter.

Section 3 includes examples of engagement activity undertaken by the Plan's investment managers within equities, while section 4 sets out a summary of voting activity and a sample of the most significant votes cast on behalf of the Trustee by these investment managers.

The Trustee supports the aims of the UK Stewardship Code and has encouraged its investment managers to report their adherence to the Code. Most of the Plan's investment managers within the DB Sections are currently (or are in the process of becoming) signatories to the current UK Stewardship Code. The Plan's investment manager within the DC Section (LGIM) is also a signatory to the current UK Stewardship Code.

Following the Department of Work and Pensions' consultation response and outcome regarding Implementation Statements on 17 June 2022, updated guidance was produced which is effective for all scheme year ends on or after 1 October 2022. The updated guidance requires trustees to include a description of what constitutes a significant vote within Implementation Statements (amongst other things). Further details are included in section 4 of this statement. However, in summary, the Trustee's significant vote definition is largely based on the following key stewardship themes/priorities agreed over the course of the Plan Year:

- Climate Change & Environmental Impact
- Diversity, Equity & Inclusion
- Executive Remuneration

The Trustee determined these priorities based on the Trustee Directors' ESG beliefs, taking into account the Principle Employer's strategic priorities on ESG and sustainability matters. The investment managers are aware of the Trustee's policies on stewardship and engagement.

Monitoring the Investment Managers

Incentivising asset managers to align their investment strategies and decisions with the Trustees' policies

Policy

The Trustee's policy is set out in Section 8 of the SIP, which applies to the DB and DC Sections of the Plan.

How has this policy been met over the Plan Year?

DB DC

As the Trustee invests predominately in pooled investment funds, it accepts that it cannot specify the risk profile and return targets for these funds. However, the Trustee has continued to review the appropriateness of the funds to ensure that they are aligned with the investment strategy being targeted. Although the market has been quite challenging over the last 12 months, there were no major performance concerns over the year to 5 April 2023.

DB DC

Evaluation of asset managers' performance and remuneration for asset management services

Policy

The Trustee's policy is set out in Section 8 of the SIP, which applies to the DB and DC Sections of the Plan.

How has this policy been met over the Plan Year?

Over the year, the Trustee has received quarterly investment performance reports which show performance (versus relevant benchmarks and targets) over shorter and longer-term periods. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and against the underlying manager's stated target performance (over the relevant time period) on a net of fees basis. Whilst the Trustee's focus is on long-term performance, they also take shorter-term performance into account.

From a DC standpoint, the Trustee reviewed the net performance of all funds members are invested in as part of the annual Value for Members assessment, which highlighted that the Plan is offering good value from a performance perspective, with most funds meeting their long term objectives and also remaining highly rated in the forward looking assessment by Mercer.

Monitoring the Investment Managers

Monitoring portfolio turnover costs

Policy

The Trustee's policy is set out in Section 8 of the SIP, which applies to the DB and DC Sections of the Plan.

How has this policy been met over the Plan Year?

DB

The Trustee does not actively monitor portfolio turnover costs with respect to the DB Sections of the Plan. Investment manager performance was reported and evaluated net of all fees and transaction costs (costs incurred as a result of buying and/or selling assets). In addition, where possible, performance objectives for investment managers have been set on a net basis. In this way, managers were incentivised to keep portfolio turnover costs to the minimum required to meet or exceed their objectives.

DC

The Trustee considered the level of transaction costs as part of their annual Value for Members' assessment for the year to 5 Aprill 2023 The transaction costs for each fund covers the buying, selling, lending and borrowing of the underlying securities in the fund by the investment manager. The Trustee does not have an overall portfolio turnover target for the Plan.

In addition, transaction costs are disclosed in the annual Chair's Statement. The Trustee is required to assess these costs for value on an annual basis for the Plan. However, at present, the Trustee notes a number of challenges in assessing these costs: no industry-wide benchmarks for transaction costs exist, the methodology leads to some curious results, most notably "negative" transaction costs and explicit elements of the overall transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs

The Trustee will continue to monitor transaction costs on an annual basis and assess market developments in terms of assessing these costs

DB DC

The duration of the arrangements with asset managers

Policy

The Trustee is a long-term investor and does not seek to change the investment manager arrangements on a frequent basis. Further details of the Trustee's policy are set out in Section 8 of the SIP, which applies to the DB and DC Sections of the Plan.

How has this policy been met over the Plan Year?

For the Essentra Section, no changes were made to the appointed investment managers during the year, and all the funds are open-ended. The Plan's funds have no set end date for the arrangement. For the Senior Section, Aviva were appointed as the insurer to manage the buy-in policy. The Plan's DC section default investment option and self-select fund range are reviewed on at least a triennial basis and also reviewed by the Trustee as part of the annual Value for Members report, with the 2023 version concluding that the Plan delivers good value for members. The next triennial investment strategy review is due in H2 2023. An underlying manager's appointment may be terminated if it is no longer considered optimal nor have a place in the default investment option or general fund range.

Strategic Asset Allocation

Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

Policy

DB

The Trustee's policy on the kinds of investments to be held and the balance between different kinds of investments can be found under Sections 2.1, 2.3 and 2.4 of the SIP.

The Trustee recognises the risk that may arise from a lack of diversification of investments. Subject to managing the risk from a mismatch of assets and liabilities, the Trustee aims to ensure the asset allocation policy in place results in an adequately diversified portfolio.

DC

The Trustee's policy on the kinds of investments to be held and the balance between different kinds of investments can be found under Sections 3.1, 3.3 and 3.4 of the SIP.

The Trustee recognises that members of the Plan have differing investment needs and believes that members should generally make their own investment decisions based on their individual circumstances. The Trustee makes available a range of investment funds which enable members to construct a portfolio that meets their own needs. Meanwhile, the default lifestyle option is made available for members who may not believe themselves qualified to take investment decisions. The Trustee periodically reviews the suitability of the options provided and from time to time will change or introduce additional investment funds as appropriate. Members can combine the investment funds in any proportion in order to determine the balance between different kinds of investments. This will also determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerances. Each of the available funds is considered to be diversified across a reasonable number of underlying holdings / issuers.

How has this policy been met over the Plan Year?

DB

Essentra Section

The Trustee has maintained an investment strategy that seeks to deliver the return required to meet the funding objective in a risk controlled manner. This has been accomplished by constructing a portfolio consisting of a well-diversified range of return seeking assets, coupled with assets that are designed to match the characteristic of the liabilities.

Essentra Senior Section

During the year under review, the Trustee decided to secure all of the outstanding liabilities with an insurer, by way of a buy-in contract with Aviva. The buy-in contract is an asset of the Plan and therefore the Trustee retains ultimate responsibility for paying members' benefits. The residual assets post the transfer were retained in the LGIM Sterling Liquidity Fund.

DC

The Trustee has reviewed investment performance on a quarterly basis as part of Mercer's quarterly reporting, which considers fund and benchmark performance over both short and longer-term periods.

Due to the Russia/Ukraine conflict, inflation and central bank policies, the market had remained volatile during the year. Overall, the Trustee was satisfied that the funds had performed in line with their underlying aims and objectives over the year. As such, the Trustee remains comfortable that the default strategy and self-select funds remain appropriate for the DC Section's membership.

As already mentioned, the next triennial investment strategy review is due in the later part of 2023 and will include an extensive review of the Plan membership demographics, the suitability of the current default arrangement, as well as the investment mix of the underlying growth and de-risking phases and the adequacy of the self-select fund range.

Strategic Asset Allocation

Risks, including the ways in which risks are to be measured and managed

Policy

DB

The Trustee recognises a number of risks involved in the investment of the assets of the DB Sections and that the choice and allocation of investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found under Section 2.2 of the SIP.

The Trustee considers both quantitative and qualitative risk measures on an ongoing basis when deciding investment policies, strategic asset allocation and the choice of asset classes, funds, and asset managers.

DC

As for the DB Sections, the Trustee recognises a number of risks involved in the investment of the assets of the DC Section and that the choice and allocation of investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found under Section 3.2 of the SIP.

In determining which investment options to make available the Trustee considers the investment risks associated with investment. The level of overall risk can be defined as the uncertainty over the ultimate amount of savings available at retirement.

How has this policy been met over the Plan Year?

DB

Essentra Section

In addition to the comments made in the previous section, relating to the balance of investments to be held, the Trustee has received a quarterly investment performance report from Mercer that helps monitor the risk and return of the funds used within the Essentra Section of the Scheme. The report considers both quantitative and qualitative measures of risk. The Trustee has also received updates from its Investment Consultant on developments concerning the Scheme's DB investment managers.

Essentra Senior Section

The Trustee has no control or visibility over how the assets supporting the buy-in contract are invested, which is entirely at Aviva's discretion. In light of this, the Trustee has not considered the indirect risks to which the buy-in contract provides exposure.

DC

As detailed in the risk table in the SIP, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.

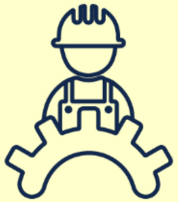
All monitoring activity detailed in the SIP was undertaken, with the Trustee receiving appropriate advice where relevant at quarterly Trustee Meetings. No changes were made to the investment strategy as a result of these considerations over the Plan Year.

The Trustee maintains and continuously monitors a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions.

3. Examples of Engagement Activity by the Plan's Equity Investment Managers

The following are examples of engagement activity undertaken by the Plan's investment managers.

abrdn engages with Tesco on labour management and climate



Tesco is a leading multinational retailer that sells groceries, beauty products, consumables, homeware, consumer electronics and more from more than 4,750 stores and online. Abrdn has been engaging with Tesco to understand how Tesco is balancing colleagues' rates of pay, cost of living crisis impacts on customers and inflationary concerns.

At the time of the engagement, Tesco paid the real living wage to colleagues outside of London but did not pay the London real living wage and abrdn encouraged the firm to increase this. Abrdn also learnt of Tesco's strong relationship with unions and focus on total compensation.

Abrdn also touched on Scope 3 emissions, which are the majority of Tesco's carbon footprint. Tesco has a Net Zero by 2050 strategy, which covers all Scope 3 sources, but abrdn recommended that Tesco publish an interim target for Scope 3 that we can track ahead of 2050. The company provided abrdn with some positive case studies on its partnerships with suppliers, such as farmers, to reduce emissions.

A month on from abrdn's engagement, Tesco increased the London hourly rate for its colleagues to the real living wage at the time. Abrdn will continue to engage on its climate strategy and track its carbon reductions.

Abrdn are encouraged by Tesco's initiatives and continue to view the company as a climate leader.

As investors, abrdn will continue to pressure supermarkets to offer employees competitive and fair compensation packages, to report on contractor wages, and to align contractor compensation packages with those of supermarket employees.

LGIM explores new sectors to engage under their Climate Impact Pledge

Over the year, LGIM has strengthened their dedicated engagement programme (Climate Impact Pledge) on climate issues and now cover 5,000 'climate-critical' firms across 20 sectors. Aided by improvements in data availability, LGIM expanded the coverage tenfold to cover substantially more sectors such as forestry, aluminium, glass, logistics, and multi-utilities, with clear voting sanctions for the companies not meeting all of LGIM's minimum standards.

LGIM noticed the leading practice in the aluminium sector has demonstrated the opportunities for de-carbonisation. LGIM noted that companies such as Norsk Hydro and Alcoa continue to develop low-emission products that integrate renewable power, innovative tech and increased recycling rates. Improvement is still needed and LGIM are sanctioning several companies for their lack of credible plans to meet demanding de-carbonisation targets.

LGIM see many companies introducing sustainable forest management practices, applying third party certifications, and calculating and disclosing their material Scope 3 emissions. However, progress is needed in increasing the share of production from recycled fibre and setting comprehensive zero-deforestation and no-land conversion commitments and policy with monitoring systems in place. LGIM note Klabin worked to have its science-based targets aligned to a 1.5°C trajectory and Sylvamo Corp. set a commitment to source 100% of its fibre from sustainably managed forests by 2030.

During the engagement with the logistics sector, LGIM noted that companies in this space vary, given their different business models. Some have large air fleets, others have pure ground transportation. Business models that are built with a sustainability focus at the core, such as that of InPost, allow for faster de-carbonisation. Those with more complex operations will need to do much more, from offering sustainable products to de-carbonising the ground fleet.

Ruffer engages with H&M on board independence

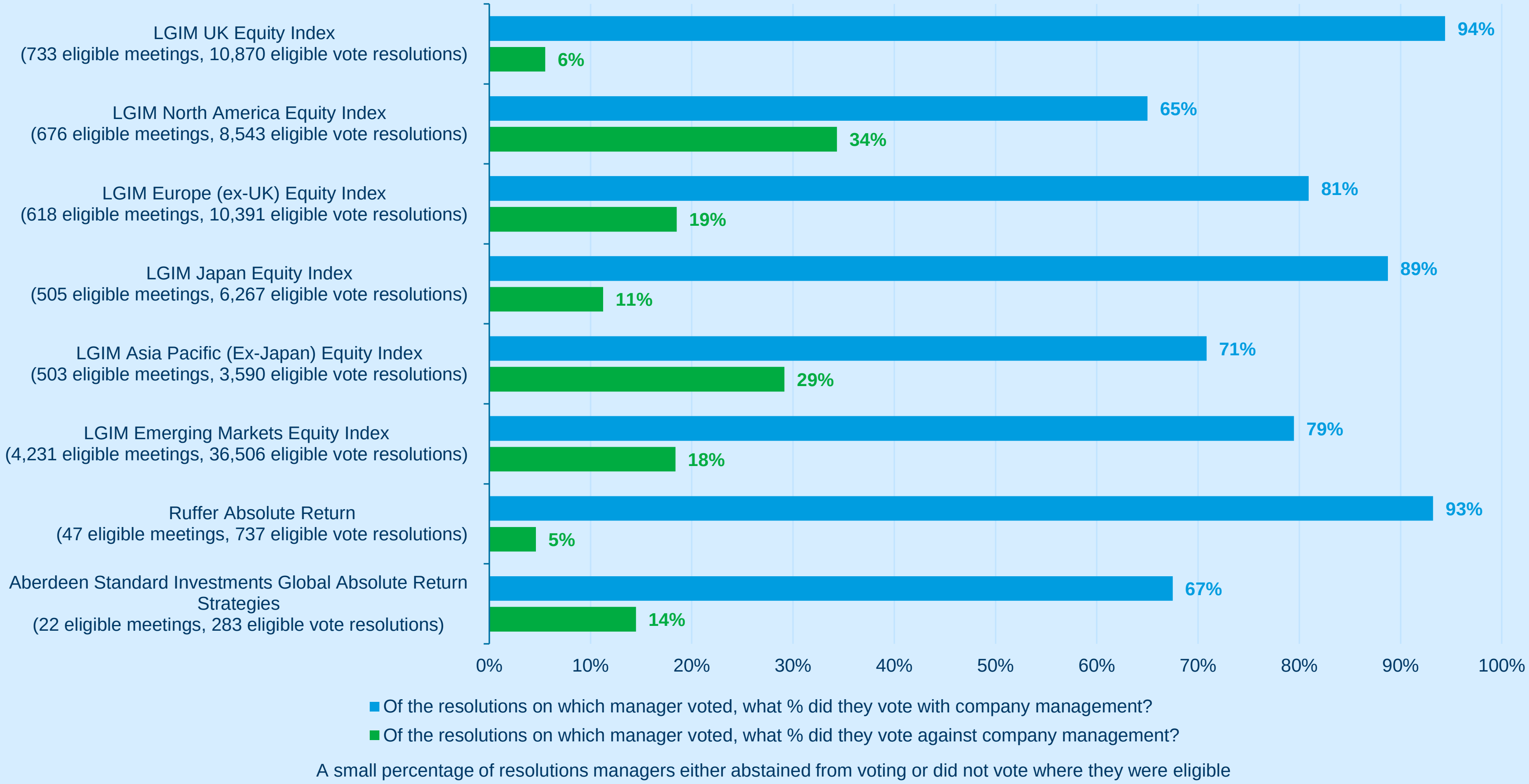
Ruffer have been engaging with H&M since 2020 on the topic of board independence. Ruffer have continued to express concerns that two members of the audit committee have been on the board for more than ten years, and one is the CEO of a company with ties to the family majority shareholder of H&M. The latter director also serves as the Chair of the audit committee and whilst H&M recognises he is not considered independent, it does not share Ruffer's view that long tenures can compromise a director's independence and, more specifically, their ability to perform a crucial role on the audit committee.

Ruffer believe that the committee needs to be strong to challenge executives, especially given the family ownership structure. Whilst their concerns were fed back to the Chair, Ruffer have not seen any efforts to refresh the audit committee, so Ruffer voted against the re-election of the audit Chair at the 2021 AGM and against the re-election of both directors at the 2022 AGM. Ruffer met again with H&M in 2022 to reiterate their concerns, but the company maintained that Swedish regulations don't consider tenure as a condition for independence, nor are there any rules against a non-independent audit committee Chair. Ruffer followed up by writing a letter to the board of directors to express their concerns and to encourage a refresh of the audit committee. Ruffer are cognisant of the differences in corporate governance practices in the UK and Sweden and realise they are unlikely to effect change when it comes to different definitions of independence.

Ruffer also discussed the policies H&M has in place to address possible conflicts of interest between the majority family shareholder and other shareholders, especially given the composition of the board. Ruffer were reassured that the publicly available code of ethics was explicitly a part of the board's order of procedure and any market abuse regulation was taken very seriously.

4. Voting Activity during the Plan Year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DB Section of the Plan. Funds where voting is not applicable (i.e. non-equity funds) are not included in the list below.



Voting data covering the period from 6 April 2022 to 5 April 2023.
Source: Investment managers, data may not sum due to rounding.

Most significant votes

DB

A "Significant Vote" is defined as one that is related to the Scheme's beliefs and stewardship priorities, which refers to voting in relation to climate change or broader environmental impact, board diversity and executive remuneration. The Trustee only considers a vote to be significant if it relates to a holding that represents at least 2% of the relevant fund (where data is available). The table below shows available voting information of companies in relation to the Trustee's key priority areas.

Resolution **not** passed | Resolution passed

Manager	Fund	Company	Approx. Size of Holding at date of vote	Date of vote	Summary of resolution	How the Manager voted	Trustee Priority Area	Rationale of Manager vote	Final outcome following the vote
LGIM	UK Equity	Royal Dutch Shell Plc	6.70%	24 May 2022	Approve the Shell Energy Transition Progress Update	Against	Climate change	A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	Resolution passed
LGIM	UK Equity	BP Plc	3.03%	12 May 2022	Approve Net Zero - From Ambition to Action Report	For	Climate change	A vote for is applied, though not without reservations. While LGIM note the inherent challenges in the de-carbonisation efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. It is LGIM's view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, LGIM remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.	Resolution passed
LGIM	UK Equity	Rio Tinto Plc	2.67%	8 April 2022	Approve Climate Action Plan	Against	Climate change	LGIM recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's de-carbonisation efforts. However, while LGIM acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, they remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.	Resolution passed

Manager	Fund	Company	Approx. Size of Holding at date of vote	Date of vote	Summary of resolution	How the Manager voted	Trustee Priority Area	Rationale of Manager vote	Final outcome following the vote
LGIM	UK Equity	Glencore Plc	2.66%	28 April 2022	Approve Climate Progress Report	Against	Climate change	A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C.While LGIM note the progress the company has made in strengthening its medium-term emissions reduction targets to 50% by 2035, LGIM remain concerned over the company's activities around thermal coal and lobbying, which LGIM deem inconsistent with the required ambition to stay within the 1.5°C trajectory.	✓
	Europe (ex-UK) Equity	Novartis AG	2.01%	7 March 2023	Re-elect Joerg Reinhardt as Director and Board Chair	Against	Board Diversity	A vote against is applied as LGIM expects a company to have a diverse board, with at least one-third of board members being women. LGIM expect companies to increase female participation both on the board and in leadership positions over time.	n/a
Ruffer	Absolute Return Bond	BP Plc	3.10%	12 May 2022	Environmental - Approve Shareholder Resolution on Climate Change Targets	Against	Climate change	Ruffer voted in line with ISS and management. Ruffer have done extensive work on BP's work on the energy transition and climate change and Ruffer think they are industry leading. Ruffer support management in their effort to provide clean, reliable and affordable energy and therefore we voted against the shareholder resolution.	✗

Source: Investment managers
Extracts from LGIM's voting policy:

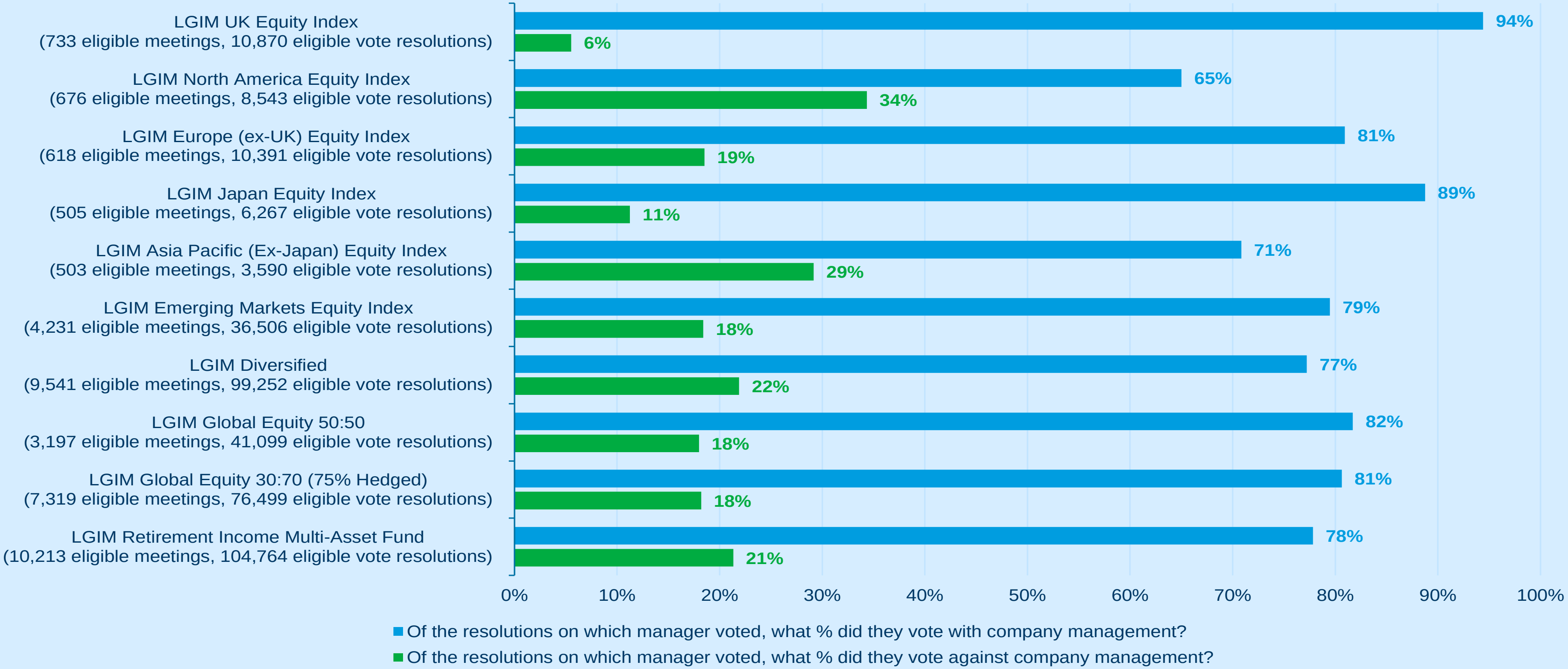
> *"LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.*
>
> *All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually.*
>
> *LGIM's Investment Stewardship team uses Institutional Shareholders Services' (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions."*

Ruffer use proxy voting advisor, Institutional Shareholder Services ("ISS"). Ruffer have developed its own internal voting guidelines, however Ruffer take into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers' voting recommendations, Ruffer do not delegate or outsource its stewardship activities when deciding how to vote on its clients' shares. Ruffer define 'significant votes' as those that will be of particular interest to its clients. In most cases, these are when they form part of continuing engagement with the company and/or Ruffer have held a discussion between members of the research, portfolio management and responsible investment teams to make a voting decision following differences between the recommendations of the company, ISS and its internal voting guidelines. The largest three votes, approximate holding size, are disclosed.

Abrdn use proxy voting advisor, ISS for all of its voting requirements. Abrdn view all votes as significant and votes all shares globally for which Abrdn have voting authority. There were no votes aligned to the Trustee's definition of "most significant".

Voting Activity during the Plan Year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Plan. Funds where voting is not applicable (i.e. non-equity funds) are not included in the list below.



Of the resolutions on whcih LGIM voted, LGIM abstained from less than 1% of eligible votes.
Resolutions that LGIM did not vote for which LGIM was eligible were less than 1%.

Source: LGIM
Extracts from LGIM's voting policy:

"LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually.

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Most signficant votes

DC

A “Significant Vote” is defined as one that is related to the Scheme’s beliefs and stewardship priorities, which refers to voting in relation to climate change or broader environmental impact, board diversity and executive remuneration. The Trustee only considers a vote to be most significant if it relates to one of the top five equity holdings (where data is available) of the default strategy funds, where the majority of members are invested. The table below shows available voting information of companies in relation to the Trustee’s key priority areas.

✗ Resolution **not** passed ✓ Resolution passed

Fund	Company	Approx. Size of Holding at date of vote	Date of vote	Summary of resolution	How the Manager voted	Trustee Priority Area	Rationale of Manager vote	Final outcome following the vote
LGIM Growth - (30:70) Global Equity	Royal Dutch Shell Plc	2.07%	24 May 2022	Approve the Shell Energy Transition Progress Update	Against	Climate change	A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	✓
	Rio Tinto Plc	0.79%	8 April 2022	Approve Climate Action Plan	Against	Climate change	LGIM recognises the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company’s decarbonisation efforts. However, while LGIM acknowledges the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, LGIM remains concerned with the absence of quantifiable targets for such a material component of the company’s overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.	✓
LGIM Diversified	Prologis, Inc.	0.37%	4 May 2022	Elect Director Hamid R. Moghadam	Against	Board diversity	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. LGIM also expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	✓
	NextEra Energy, Inc.	0.34%	19 May 2022	Elect Director Rudy E. Schupp	Against	Board diversity	A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. LGIM is targeting the largest companies as they believe that these should demonstrate leadership on this critical issue. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	✓

Source: LGIM