15. IMPLEMENTATION STATEMENT

Ransomes Pension Scheme

Implementation Statement for the year ending 31 December 2022

Introduction

This implementation statement has been prepared by the Trustee of the Ransomes Pension Scheme (the Scheme). The Scheme provides benefits calculated on a defined benefit (DB) basis for members in the DB Section and benefits calculated on a defined contribution (DC) basis for members in the Contracted Out Money Purchase Scheme (COMPS) Section.

The statement:

- sets out how, and the extent to which, the policies set out in the Statement of Investment Principles (the SIP) have been followed during the year;
- describes any review of the SIP, including an explanation of any changes made; and
- describes the voting behaviour by, or on behalf of, the Trustee over the same period, including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustee's policies contained in the SIP are underpinned by their investor beliefs, which have been developed in consultation with their investment consultant.

Trustee's overall assessment

In the opinion of the Trustee, the policies as set out in the SIP have been followed during the year ending 31 December 2022.

Review of the SIP

The Trustee's policies have been developed over time by the Trustee in conjunction with their investment consultant and are reviewed and updated periodically and at least every three years.

The SIP was reviewed following the end of the scheme year as a result of changes in investment strategy. In Q4 2022, the Trustee invested in two new funds (namely the Baillie Gifford Private Companies and Man Group GPM RI Community Housing funds). The updated SIP as at March 2023 reflects the new asset allocations.

Policy in relation to the kinds of investments to be held

The Trustee has full regard to their investment powers under the Trust Deed and Rules and the suitability of the various types of investments, the need to diversify, the custodianship of assets and any self-investment.

Investment strategy and objectives

Investment strategy (DB Section)

The Scheme's investment strategy has been agreed by the Trustee having taken into consideration advice from the investment consultant and takes due account of the Scheme's liability profile along with the level of disclosed surplus or deficit.

The Trustee's agreed investment strategy is based on consideration of the Scheme's liability profile, the required investment return and the returns expected from the various asset classes over the long-term. Long-term returns from equities are expected to exceed the returns from bonds and cash, although returns and capital values may demonstrate higher volatility. The Trustee is prepared to accept this higher volatility in order to aim to achieve the overall investment objectives.

Policy in relation to the balance between various kinds of investments and the realisation of investments (DB Section)

The appointed investment managers will hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market each manager will maintain a diversified portfolio of securities.

In the event of an unexpected need to liquidate all or part of the assets of the portfolio, the Trustee requires the investment managers to be able to liquidate the Scheme's investments in a reasonable timescale by reference to the market conditions existing at the time the disposal is required and subject to the best interests of the Scheme. The majority of the assets are not expected to take an undue time to liquidate.

During the year, the Trustee' discussed the performance of the asset classes invested in and the attributes of the asset classes that contributed to that.

During the year, the Trustee reduced the Scheme's allocation to BlackRock Long Dated Index Linked Gilt Fund. The Scheme also appointed two new managers during the year, by investing in Baillie Gifford Private Companies and Man Group GPM RI Community Housing funds.

Policy in relation to the expected return on investments (DB Section)

The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary's published actuarial valuation report in order to reach then maintain a fully funded status under the agreed assumptions.

COMPS Section

The Scheme provides members in the COMPS Section with a range of funds in which to invest. The fund range has been designed having taken due regard to the membership profile of the Scheme, including consideration of the ways members may choose to use their savings to fund their retirement.

The objective of the investment options available is to allow members to tailor their investments based on their individual investment requirements, while avoiding complexity. The range should assist members in achieving the following:

- maximising the value of retirement benefits;
- protecting the value of benefits in the years approaching retirement against equity market falls and (should they decide to purchase an annuity) fluctuations in annuity costs; and

- tailoring a member's investments to meet his or her own needs, and to how the member intends to make use of their benefits at and through retirement.

In considering these factors, the Trustee believes they have complied with their SIP regarding investment considerations.

Policy in relation to the balance between various kinds of investments and the realisation of investments (COMPS Section)

The investment managers will maintain a diversified portfolio of stocks or bonds within each of the funds offered under the Scheme.

Investments within the COMPS Section are subject to the same liquidity requirements as the DB Section of the Scheme.

The funds in the COMPS Section did not experience any liquidity issues that had any impact on members during the year.

During the year, the Trustee monitored the performance of the funds invested in and the attributes of the asset classes that contributed to that.

Suitability of Investments (COMPS Section)

The Trustee is satisfied that the funds offered to members and the appointed investment managers are consistent with the objectives of the Scheme, particularly in relation to diversification, risk, expected return and liquidity.

Risk capacity and risk appetite

Policy in relation to risks (DB Section)

Although the Trustee acknowledges that the main risk is that the Scheme will have insufficient assets to meet its liabilities, the Trustee recognises other contributory risks, including the following. Namely the risk:

- associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors.
- of the Scheme having insufficient liquid assets to meet its immediate liabilities.
- of the investment managers failing to achieve the required rate of return.
- of insufficient diversification of investments.
- of failure of the Scheme's Sponsoring Employer to meet its obligations.

The Trustee manages and measures these risks on a regular basis via actuarial and investment reviews, and in the setting of investment objectives and strategy.

The Trustee undertakes monitoring of the investment managers' performance against their targets and objectives on a regular basis. Four monitoring reports were received during the year. These did not highlight any significant concerns over the level of risk being run within the Scheme.

Policy in relation to risks (COMPS Section)

The Trustee has considered risk from a number of perspectives. These are the risk that:

- the investment return over members' working lives may not keep pace with inflation and does not, therefore, secure an adequate retirement income,

- investment market movements in the period prior to retirement lead to a substantial reduction in the anticipated level of pension or other retirement income,
- investment market movements in the period just prior to retirement lead to a substantial reduction in the anticipated cash lump sum benefit,
- fees and transaction costs reduce the return achieved by members by an inappropriate extent.

The investment options have been chosen to provide members with the flexibility to address these risks for themselves.

The Trustee monitors these risks through the annual performance monitoring reports.

One monitoring report was received during the year. The report did not highlight any significant concerns over the level of risk being run within the Scheme.

The self-select funds available have been chosen to provide members with the flexibility to address these risks for themselves.

Stewardship in relation to the Scheme assets

Policies in relation to investment manager arrangements

The Scheme's assets are invested in pooled funds which have their own policies and objectives and charge a fee, set by the investment manager, for their services. The Trustee has very limited to no influence over the objectives of these funds or the fees they charge (although fee discounts can be negotiated in certain circumstances).

There have been no changes to the benchmark/objectives of the funds in which the Scheme invests over the year.

The Trustee, in conjunction with its investment consultant, has processes in place to review investment turnover costs incurred by the Scheme on an annual basis. The Trustee receives a report which includes the turnover costs incurred by the investment managers used by the Scheme.

The Trustee does not explicitly monitor turnover, set target turnover or turnover ranges. The Trustee believes that the investment managers should follow their stated approach with a focus on risk and net return, rather than on turnover. In addition, the individual mandates are unique and bespoke in nature and there is the potential for markets to change significantly over a short period of time.

In addition, the Trustee receives information on any trading costs incurred as part of asset transfer work within either the DB or the COMPS Section, as and when these occur. The exercise is only undertaken if the expected benefits outweigh the expected costs. The Trustee notes that, in respect of the COMPS Section, trading costs are also incurred in respect of member switches (including within the lifestyle strategy).

There were three Trustee-led asset transfers during the year, and information on switching costs incurred was included in the 27 July 2022, 27 September 2022 and 25 November 2022 pre-transfer advice from the investment consultant.

The investment managers have invested the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation. In return the Trustee has paid their investment managers a fee which is a fixed percentage of assets under management.

The investment consultant has reviewed and evaluated the investment managers on behalf of the Trustee, including performance reviews, manager oversight meetings and operational due diligence reviews.

Investment manager monitoring and changes

During the year the Trustee received quarterly and annual reports from the investment consultant for the DB and COMPS Sections, respectively, examining the performance of the pooled funds used.

During the year, the Trustee invested in two new mandates, one with Baillie Gifford, the Baillie Gifford Private Companies Fund, and one with Man Group, the GPM RI Community Housing Fund.

Appropriate written advice will be taken from the investment consultant before the review, appointment, or removal of the investment managers.

Stewardship of investments

The Trustee has a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns, within an acceptable level of risk, for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

The Trustee, in conjunction with its investment consultant, appoints its investment managers and chooses the specific pooled fund to use in order to meet specific Scheme policies. It expects that its investment managers make decisions based on assessments about the financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustee also expects its investment managers to take non-financial matters into account as long as the decision does not involve a risk of detriment to members' financial interests.

During the year, the Trustee received an update on regulatory information from their investment consultant on ESG issues, including stewardship and engagement.

Stewardship - monitoring and engagement

The Trustee recognises that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustee acknowledges that the concept of stewardship may be less applicable to some of its assets, particularly for gilt investments. As such the Scheme's investments in this asset class are not covered by this engagement policy implementation statement.

The Trustee's policy is to delegate responsibility for engagement and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustee's policy is also to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The Trustee has not set out its own voting policy but follow that of the investment managers. The investment managers are expected to provide regular reports for the Trustee detailing their voting activity.

The Trustee has not set out its own stewardship priorities but follow that of the investment managers.

Investment manager engagement policies

The Scheme's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustee with information on how each investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on each investment manager's websites.

The latest available engagement information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

Engagement

	Baillie Gifford Global Alpha Growth Fund	**IFP Global Equity Fund**	**BlackRock Currency Hedged World ex UK Equity**
Period	01/01/2022 – 31/12/2022	01/01/2022 – 31/12/2022	01/01/2022 – 31/12/2022
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	Their definition of engagement has focussed on purposeful, targeted communication. They manage concentrated equity portfolios of typically 20-40 positions. They think about ESG engagement and risks at a company-specific level as part of their consideration of all financially material risks and opportunities. Therefore, with the exception of their engagement on climate, they have provided single entity engagement case studies, detailing their engagements with each of the companies, rather than on a theme basis.	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.
Number of companies engaged with over the year	52	11	968
Number of engagements over the year	98	20	1,578

Implementation Statement for the year ending 31 December 2022

Engagement		
	abrdn Corporate Bond Fund	BlackRock All Stocks Corporate Bond Fund
Period	01/01/2022 – 31/12/2022	01/01/2022 – 31/12/2022
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, industry body, collaborative engagements) with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.
Number of companies engaged with over the year	45	n/a
Number of engagements over the year	114	n/a

n/a indicates the investment manager did not provide this information when requested

Engagement	Aviva Pension Baillie Gifford Managed	Aviva Pension BlackRock UK Equity	Aviva Life & Pensions UK Limited Secure Growth
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Engagement definition	n/a	n/a	n/a
Number of companies engaged with over the year	137	67	n/a
Number of engagements over the year	234	116	n/a

**n/a indicates the investment manager did not provide this information when requested*

Exercising rights and responsibilities

The Trustee recognises that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers. All investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights, however, all three equity managers for the DB Scheme vote in line with their in-house policy and not with the proxy voting providers' policies. The Trustee does not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustee considers the proportion of votes cast, and the proportion of votes against management and believe this to be an important (but not the only) consideration of investor behaviour.

The Trustee has been provided with details of what each investment manager considers to be the most significant votes. The Trustee has not influenced the manager's definitions of significant votes but have reviewed these and are satisfied that they are all reasonable and appropriate.

The Trustee has selected the three votes affecting the largest asset holdings for inclusion in this statement. The Trustee did not communicate with the manager in advance about the votes it considered to be the most significant.

The latest available information provided by each investment manager (for mandates that contain public equities) is as follows:

Voting behaviour	Baillie Gifford Global Alpha Growth Fund	IFP Global Equity Fund	BlackRock Currency Hedged World ex UK Equity
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Number of meetings eligible to vote at	95	29	2,202
Number of resolutions eligible to vote on	1,137	536	27,494
Proportion of votes cast	98.2%	100%	91%
Proportion of votes for management	97.3%	91.8%	92%
Proportion of votes against management	2.4%	6.0%	7%
Proportion of resolutions abstained from voting on	0.3%	2.2%	0%

Implementation Statement for the year ending 31 December 2022

Voting behaviour	Aviva Pension Baillie Gifford Managed	Aviva Pension BlackRock UK Equity	Schroder Strategic Global Equity Fund (part of the Aviva Life & Pensions UK Limited Secure Growth
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Number of meetings eligible to vote at	n/a	145	25
Number of resolutions eligible to vote on	n/a	2304	199
Proportion of votes cast	n/a	100%	91%
Proportion of votes for management	n/a	97.0%	90%
Proportion of votes against management	n/a	3.1%	9%
Proportion of resolutions abstained from voting on	n/a	1.2%	0%

n/a indicates the investment manager did not provide this information when requested

Voting behaviour	Schroder UK Listed Equity ex Tobacco (part of the Aviva Life & Pensions UK Limited Secure Growth
Period	01/01/2022-31/12/2022
Number of meetings eligible to vote at	4
Number of resolutions eligible to vote on	44
Proportion of votes cast	100%
Proportion of votes for management	97%

Proportion of votes against management	2%
Proportion of resolutions abstained from voting on	0%

Trustee's engagement

The Trustee has reviewed the investment managers' policies relating to engagement and voting activity and how they have been implemented and have found them to be acceptable at the current time.

The Trustee recognises that engagement and voting policies, practices, and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the Engagement Policies for the investment managers can be found here:

Investment manager	Engagement Policy (or suitable alternative)
BlackRock Investment Management	https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf
abrdn	https://www.abrdn.com/europe/sustainable-investing
Baillie Gifford	https://www.bailliegifford.com/en/uk/institutional-investor/literature-library/corporate-governance/our-stewardship-approach-esg-principles-and-guidelines-2022/
Independent Franchise Partners	https://db164s6jwq5bl.cloudfront.net/assets/Stewardship%20Policy%20-%20August%202021-133bb0b77105f61afc2007dcfeb9d448370a15ff3fa278a79d57d10e1424e0a9.pdf
Man Group	https://www.man.com/responsible-investment

Information on the most significant votes for each of the funds containing equities within the DB section is shown in the tables below. Baillie Gifford and IFP provided a list of 10 most significant votes, Buck selected the 3 votes for the highest size holdings as a % of the total portfolio (unless specified otherwise). BlackRock provided a list of 525 most significant votes, as the size of the fund's holding was not indicated Buck selected 3 votes against management and in relation to Climate Risk Management and Board Composition & Effectiveness.

Baillie Gifford Global Alpha Growth Fund	Vote 1	Vote 2	Vote 3
Company name	TESLA, INC.	TESLA, INC.	THE TRADE DESK, INC.
Date of Vote	04/08/2022	04/08/2022	26/05/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.8%	1.8%	1.4%

Summary of the resolution	Shareholder Resolution - Social	Shareholder Resolution - Social	Remuneration
How the fund manager voted	For	For	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	No	No	-
Rationale for the voting decision	Baillie Gifford supported the resolution requesting additional disclosure on the company's efforts to address harassment and discrimination in the workplace. They believe quantitative disclosure would help us understand and monitor the company's efforts.	Baillie Gifford supported the resolution requesting a report on the impact of using mandatory arbitration in line with their voting approach in 2020 and 2021. They believe increased transparency would help them better understand the company's use of the practice and any implications for workplace practices and culture.	Baillie Gifford opposed the executive compensation due to concerns over the quantum and performance conditions attached to the large off-cycle grant made during the year.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	Baillie Gifford have been engaging with the company on their approach to human capital management for a number of years. While their engagement indicates that they are committed to addressing these issues are investing in human capital	Baillie Gifford continued to support this proposal after supporting at the 2020 and 2021 AGMs. Their discussions with Tesla have clarified that the company does not require mandatory arbitration, nor does it require outcomes of	Baillie Gifford did not feel that the executive compensations large quantum and poor performance aligned with shareholders' interests.

	Gifford believe that additional quantitative disclosure would help them understand and monitor the company's efforts. While a standalone report may not be necessary, they would like to encourage the company to continue to enhance their disclosures on this topic via their annual Impact Report. Following the submission of their votes they reached out to the company to outline their voting rationale and encourage improvements to their disclosures.	to remain confidential, however it does encourage employees to arbitrate. While a standalone report may not be necessary, they continue to think increased transparency would help us better understand the company's use of the practice and any implications for workplace practices and culture. Following the submission of their votes they reiterated their position and encouraged improved transparency on these issues.	
Criteria on which the vote is assessed to be "most significant"	This resolution is significant because it was submitted by shareholders and received greater than 20% support.	This resolution is significant because it was submitted by shareholders and received greater than 20% support.	This resolution is significant because it received greater than 20% opposition.

IFP Global Equity Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Bristol Myers Squibb	British American Tobacco	Philip Morris
Date of Vote	05/03/2022	28/04/2022	05/04/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.0%	5.9%	4.7%

Implementation Statement for the year ending 31 December 2022

Summary of the resolution	Board governance	Executive compensation	Executive compensation
How the fund manager voted	IFP voted 'For' (which was against Management but with ISS)	IFP voted 'Against' (which was against Management and ISS)	IFP voted 'Against' (which was against Management but with ISS)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Yes	Yes	Yes
Rationale for the voting decision	IFP voted for a shareholder proposal to require an independent board chair. While they are satisfied that the current Chair/CEO Giovanni Caforio is doing a solid job managing the company and they think he has pursued shrewd capital allocation during their holding period, they think that companies are best served with a segregation of duties.	IFP voted against the approval of the new remuneration policy. IFP have engaged with BAT's compensation committee consistently since 2016, and continuously highlighted the importance of including a return on capital metric in the performance metrics used for executive compensation. BAT's remuneration policy included updated performance metrics for the next three years, but once again did not include a return on capital metric.	IFP voted against management's proposal to make two one-off payments to a departing executive. The payments in question sat outside of the company's routine pay structures and in their view were excessive. They met with the company's investor relations to better understand the company's rationale for the proposed payments. Two justifications were provided. The first was that the departing CEO of PMI America was a long-serving veteran of 25 years. IFP shared their view that long service alone should not qualify the individual for additional awards. The second was that PMI had awarded similar packages to retiring executives in prior years and ISS,

			the proxy advisory firm, had not had an issue with those awards, unlike this time. They explained that the ESG landscape has changed dramatically over the years, particularly with regards to executive compensation, and that what was previously seen as acceptable should not be the benchmark of what passes as acceptable today.
Outcome of the vote	The vote was unsuccessful, the proposed change was not adopted.	The vote was successful, the new remuneration policy was approved.	The vote was successful, the payments were approved.
Implications of the outcome	IFP will continue to monitor material risks related to this topic.	IFP will continue to monitor material risks related to this topic.	While the vote passed, it only did so with 70% support. All other items passed with 95-99% approval. This suggests they were not the only shareholder with concerns over the size of the payment.
Criteria on which the vote is assessed to be "most significant"	This was selected as it is a vote against management and demonstrates that their votes reflect their investment views.	This was selected as it is a vote against management and reflects their returns-led approach to voting and its alignment with their investment views.	This was selected as it is a vote against management and demonstrates that they will use voting to encourage portfolio companies to act in the best long-term interests of their clients.

Implementation Statement for the year ending 31 December 2022

BlackRock Currency Hedged World ex UK Equity	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Costco Wholesale Corporation	TotalEnergies SE	Electric Power Development Co., Ltd.
Date of Vote	20/01/2022	25/05/2022	28/06/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	-	-	-
Summary of the resolution	Report on Charitable Contributions	Elect Agueda Marin as Representative of Employee Shareholders to the Board	Amend Articles to Disclose Business Plan through 2050 Aligned with Goals of Paris Agreement
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote		-	
Rationale for the voting decision	The company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.	Another candidate is better suited to represent employees' interest.	AGAINST shareholder proposal as the proposal will not serve shareholder's interest.
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	-	-	-

Criteria on which the vote is assessed to be "most significant"	Vote Bulletin	Vote Bulletin	Vote Bulletin

Schroder Strategic Global Equity Fund (part of the Aviva Life & Pensions UK Limited Secure Growth	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Cisco Systems, Inc.	Cisco Systems, Inc.	Microsoft Corporation
Date of Vote	08/12/2022	08/12/2022	13/12/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	-	-	-
Summary of the resolution	Elect Director Brenton L. Saunders	Ratify PricewaterhouseCoopers LLP as Auditors	Ratify Deloitte & Touche LLP as Auditors
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Schroder may tell the company of our intention to vote against the recommendations of the board before voting, in particular if they are large shareholders or if they have an active engagement on the issue. They always inform companies after voting against any of the board's recommendations.		
Rationale for the voting decision	Nominee sits on a number of external boards which may impact their role.	Excessive auditor tenure and no commitment to tender.	Excessive auditor tenure.
Outcome of the vote	Pass	Pass	Pass

Implications of the outcome	Schroder monitor voting outcomes particularly if they are large shareholders or if they have an active engagement on the issue. If they think that the company is not sufficiently responsive to a vote or their other engagement work, they may escalate their concerns by starting, continuing, or intensifying an engagement. As part of this activity, they may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.	Schroder monitor voting outcomes particularly if they are large shareholders or if they have an active engagement on the issue. If they think that the company is not sufficiently responsive to a vote or their other engagement work, they may escalate their concerns by starting, continuing, or intensifying an engagement. As part of this activity, they may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.	Schroder monitor voting outcomes particularly if they are large shareholders or if they have an active engagement on the issue. If they think that the company is not sufficiently responsive to a vote or their other engagement work, they may escalate their concerns by starting, continuing, or intensifying an engagement. As part of this activity, they may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
Criteria on which the vote is assessed to be "most significant"	Significant Vote - SH E&S Proposal; Votes against mgmt.	Significant Vote - SH E&S Proposal; Votes against mgmt.	Significant Vote - SH E&S Proposal; Votes against mgmt.

Information on the most significant engagement case studies for each of the managers containing public equities or bonds is shown below.

IFP Global Equity Fund	Case study 1	Case study 2	Case study 3
Name of entity engaged with	Electronic Arts	News Corp	GSK
Topic	Strategy, Financial and Reporting – Reporting	Strategy, Financial and Reporting - Strategy/Purpose	Strategy, Financial and Reporting - Reporting

Rationale	IFP selected this engagement as it is a good example of their climate engagement work. EA does not disclose to the CDP, nor does it have an emissions reduction target. IFP think this has the potential to become a financially material risk for the company over the long term. Strong environmental credentials are important for consumer facing brands. This is particularly essential for EA given the young demographic profile of its customer base which increasingly factors environmental considerations into purchasing decisions. This is also a notable factor in employee satisfaction, attraction, and retention, especially in EA's key creative and technical fields.	IFP selected this engagement as it is a good example of their long-term engagement work to maximise shareholder value. It demonstrates that they take significant action in instances where they believe companies are not taking shareholders' best interests into account, including taking their engagements public. In October 2022, News Corp and Fox announced that the Murdoch Family Trust was exploring a potential re-combination of the two companies. News Corp and Fox were demerged in 2013 and The Murdoch Family Trust remains a significant shareholder of both companies. In the two and half years prior to the announcement, they had engaged with News Corp to encourage the company to combine its news and publishing assets with Fox. However, they had made it clear that this should follow the sale or spin-off of its real estate portal assets. News Corp's real estate portals are highly attractive assets that have limited synergies with the rest of the business and should garner outside interest.	IFP have selected this engagement as an example of their engagement work to encourage improved transparency. This engagement also demonstrates that they will use collaboration to escalate their engagements. In 2022 IFP stepped up their engagement with GSK to encourage separate disclosure of its vaccines business. GSK's vaccines business is a world leader with strong market shares. Vaccines is a structurally advantaged category that has attractive growth prospects, enviable margins and high returns on capital. We think the business should deliver significant value for GSK and help to close the stock's discount relative to industry peers. GSK has the highest proportion of (ex-Covid) vaccines revenues among its peers. Further, GSK's fastest growing drug and most promising pipeline drugs are both vaccines. However, the attractiveness of the business is hidden due to opaque disclosure. Reporting its vaccines business separately would enable investors to value this high-quality business more appropriately.
What the investment manager has done	During the year, IFP continued the engagement work they started in 2021 to encourage EA to	As mentioned above, IFP have been engaging with News Corp on this issue for a number of years, and after reviewing the	IFP first raised this topic in July 2021 in a letter to the board of directors. Their letter included a number of other actions

	disclose to the CDP and set science-based emissions reduction targets. This included two meetings with EA's sustainability experts and investor relations team, taking part in the CDP's collaborative investor campaign, and writing a formal letter to the chair of EA's board in which we set out the business case for CDP disclosure and emissions reduction targets.	details of the potential combination, they were concerned that it would not maximise the value of News Corp's assets. Therefore, they wrote to News Corp's independent board members to outline their concerns. In their letter, IFP made it clear that they would be unlikely to support a combination unless it reflected their $30 per share estimate of News Corp's intrinsic value. They also stated that they thought the sale or spin-off of News Corp's real estate businesses was required to help realise this value. In November, they released a statement to the press outlining our views. A number of other large shareholders also voiced their concerns publicly.	focused on maximising shareholder value. Many of these were implemented during the next 12 to 18 months: executive compensation was aligned with stretching revenue and operating income growth targets, and the consumer healthcare business was successfully separated and listed on the London Stock Exchange as Haleon. However, there was no progress on vaccines disclosure. In their subsequent meetings with the board and management team, they continued to play down the need for separate disclosure. In September 2022 IFP commissioned a survey of fellow UK-based investors with significant positions in GSK to establish the extent to which separate vaccines disclosure was an important topic to other shareholders. The results of the survey were clear: almost 70% of survey respondents viewed this as an area for improvement. This led IFP to co-ordinate a group letter to GSK urging the company to provide separate vaccines disclosure. The letter's signatories held 13% of GSK's share capital.
Outcomes and next steps	While EA has not yet completed their engagement requests, IFP saw positive signs of progress in 2022.	In January 2023, the proposal to re-combine the two companies was formally withdrawn. It was determined that a	There are preliminary, positive signs that the company is open to better disclosure in relation to its vaccines

	First, EA hired its first head of environmental sustainability and, second, it publicly committed to completing a full inventory of scope 1, 2 and 3 emissions by the end of the 2023 fiscal year.	combination was "not optimal" for both companies' shareholders "at this time". IFP were pleased that the proposal was withdrawn and that shareholders' concerns – including theirs – were heard. They were also pleased that News Corp has publicly committed to actively assess opportunities to optimise the value of its digital real estate assets and to maximise shareholder value. IFP will continue to engage with both companies as further developments take place.	business. IFP will continue to pursue this engagement for as long as they believe it is in shareholders' best long-term interests.

abrdn Corporate Bond Fund	Case study 1	Case study 2	Case study 3
Name of entity engaged with	ENEL	EDF	SSE
Topic	Environment - Climate change	Environment - Natural resource use/impact (e.g. water, biodiversity)	Environment - Climate change
Rationale	During 2022 abrdn worked in collaboration with other institutional investors to lead two engagements with ENEL as part of the Climate Action 100+ (CA100+) initiative. The key objective of their collaborative engagements was to seek alignment of Enel's disclosures to the Net Zero Benchmark, which was launched by CA100+ in	abrdn met with EDF in July 2022 with the aim to better understand their biodiversity approach and progress and their new green bond framework.	abrdn engaged with SSE as part of their Net Zero engagement with the top 20 Financed Emitters. SSE refreshed its 2030 goals, which are aligned to SDGs 13. Climate action, 7. Affordable and clean energy, 9. Industry, innovation and 8. Decent work and economic growth, in February 2022. The new targets are to cut carbon intensity (scope 1 & 2) by 80% (compared to

	March 2021. The Benchmark is the foundation for investors engaging with focus companies through CA100+ as it calls for robust and comparable information on how companies are realigning their business strategies and operations with the goals of the Paris Agreement.		2017/18 levels), increase renewable energy output fivefold, enable at least 20 GW of renewable generation and facilitate around 2 million EVs, championing a fair transition. Additionally, SSE's thermal strategy is focusing on both decreasing the output from existing unabated generation whilst increasing investment in CCS (Carbon Capture Storage) and hydrogen power stations and repurposing assets for Net Zero. It is developing CCS projects with Equinor at Keadby and Peterhead and 2 projects in the Humber tidal estuary.
What the investment manager has done	In their engagements abrdn spoke with members of Enel's investor relations team. Their first collaborative engagement with the company took place in April 2022. The company provided important updates on their climate strategy including their new long-term targets related to Scope 1 emissions, their new 2030 gas targets for Scope 3 emissions, their progress on disclosing how capital expenditure is aligned to the Paris Agreement and their work to improve disclosure on lobbying. Abrdn	abrdn only met with EDF once over 2022 to discuss their biodiversity approach and new green bond framework which they have received a second party opinion on and it 'likely' aligns to the EU Taxonomy. The framework aligns to ICMA's principals, and they also anticipate that this green bond framework will meet EU green bond standards too. Overall, this framework is best in class, and they carried out an issue under this new framework later in 2022. A note is that they do receive uranium from Russia. However, they will be clear in their	SSE was the first company worldwide to publish a Just Transition strategy. It published a Net Zero Strategy earlier in the year where it updated its targets discuss above and aligned itself to the 1.5c° Paris scenario certified by SBTi. abrdn met with them to confirm if these targets were creditable and were comfortable with the targets, they have set given the nature of the utilities sector and post engagement we have not set strict milestones for short term targets.

	considered these to be positive developments which would improve their assessment by CA100+. In late 2022, they also contributed to and co-signed a letter which was sent to the company through CA100+. The letter detailed additional requests of the company, including requests related to climate governance on the board, climate lobbying disclosure, climate metrics within executive remuneration and disclosure related to progress in reducing scope 3 emissions.	issuances whether the particular issue will finance nuclear or not, recognising that some investors have restrictions on nuclear.	
Outcomes and next steps	Together with the two CA100+ co-leads, abrdn were pleased to acknowledge that, in November 2022, Enel became the first and only company to fully align their corporate disclosures with the CA100+ Net Zero Company Benchmark. Enel has committed to decarbonizing in line with a 1.5°C pathway and aims to reach net zero emissions by 2040. The company's decarbonisation strategy consists of shifting towards renewable energy generation and storage, phasing out coal power generation by 2027 and natural gas, in both power generation and sales to clients, by 2040. abrdn will continue to monitor progress in the	Whilst abrdn were happy with the biodiversity progress they thought EDF would benefit from a higher degree of transparency and so they asked they set a target to publish a biodiversity report and strategy so that it can be viewed publicly. They intend to follow up in the 2023 to see if this goal has been met. Their engagement has strengthened their positive view of the issuer and it will continue to feature in the portfolio.	SSE rates well through CA100 and has a high TPI score of 4 though it could further improve its score by covering Scope 3 targets. Its climate policy would also improve further if it would disclose membership and involvement in organisations dedicated specifically to climate issues. abrdn encouraged SSE to disclose the methodology used to determine the Paris alignment of its future capex. Although the company aligns its capex with its long term GHG reduction abrdn would like to see the same commitment of capex to the 1.5c° Paris alignment. These are the milestones they will focus on and continue to engage with the company. abrdn's engagement has strengthened their

	requests made of the company through their engagement efforts.	positive view of the issuer and its net zero pathway and it will continue to feature in the portfolio.