Gardner Denver Pension Scheme

Engagement Policy Implementation Statement for the year ending 2022

Introduction

The Trustees of the Gardner Denver Scheme have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies set out in the Statement of Investment Principles ("the SIP") on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 December 2022 This statement also describes the voting behaviour by, or on behalf of, the Trustees including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustees, in conjunction with their investment consultant, appoints their investment managers and choose the specific pooled funds to use in order to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial and non-financial performance of underlying investments (including environmental, social and governance (ESG) factors, 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 Trustees also expect their investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

During the year, the Trustees received training from their investment consultant on ESG issues, including stewardship and engagement.

The Trustees have also received additional training over the period on cashflow driven investments and ESG training.

Members of the Trustee Board received the following training over the period:

Date	Provider	Subject
29 September 2022	Buck	Considering the S in ESG

Stewardship - monitoring and engagement

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

The Trustees acknowledge that the concept of stewardship may be less applicable to some of their assets, particularly for short-term money market instruments, gilt and liability-driven investments. As such the Scheme's investments in these asset classes are not covered by this engagement policy implementation statement.

The Trustees' policy is 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 investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees' also delegate responsibility for engaging 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.

For direct investments, the Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

The Trustees seek to appoint managers that have strong stewardship policies and processes 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. Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
Ashmore	Yes	No
HICL	No	No
MFS	Yes	Yes
Legal & General Investment Management	Yes	Yes
RLAM	Yes	Yes
LionTrust	Yes	Yes

The Trustees have not set out their own stewardship priorities but follow that of the investment managers.

The Trustees will engage with a manager should they consider that manager's voting and engagement policy to be inadequate or if the voting and engagement undertaken is not aligned with the manager's own policies, or if the manager's policies diverge significantly from any stewardship policies identified by the Trustees from time to time.

As all of the investments are held in pooled vehicles, the Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

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 Trustees with information on how the investment managers engage 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.

The Trustees are comfortable that these policies are broadly in line with the Scheme's chosen stewardship approach and that they do not diverge significantly from any key stewardship priorities identified for the Scheme.

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

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

The latest available information provided by the investment managers (with mandates that contain equities or bonds) is a follows:

Engagement	**LGIM North America Equity Index – GBP Hedged**	**LGIM Europe (ex UK) Equity Index-GBP Hedged**	**LGIM Japan Equity Index - GBP Hedged**	**LGIM Pacific (ex Japan) Equity Index - GBP Hedged**
Period	01/01/2022-31/12/2022	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.			
Number of companies engaged with over the year	157	92	70	65
Number of engagements over the year	252	139	100	108

Engagement	LionTrust UK Equity	MFS Global Equity	Ashmore Emerging Market Multi-Asset	RLAM Sterling Extra Yield Bond
Period	01/01/2022-31/12/2022	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.			
Number of companies engaged with over the year	62	21	n/a	18
Number of engagements over the year	186	29	n/a	51

n/a indicates the investment manager had not provide this information ahead of completing this report.

Exercising rights and responsibilities

The Trustees recognise 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.

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

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

The investment managers publish online the overall voting records of the firm on a regular basis.

All investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustees do 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 Trustees consider 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 latest available information provided by the investment managers (with mandates that contain public equities) is as follows:

Voting behaviour	**LGIM North America Equity Index – GBP Hedged**	**LGIM Europe (ex UK) Equity Index-GBP Hedged**	**LGIM Japan Equity Index - GBP Hedged**	**LGIM Pacific (ex Japan) Equity Index - GBP Hedged**
Period	01/01/2022-31/12/2022	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	668	605	503	503
Number of resolutions eligible to vote on	8,416	10,296	6,255	3,592
Proportion of votes cast	99.4%	99.8%	100.0%	100.0%
Proportion of votes for management	65.2%	81.4%	88.5%	71.6%
Proportion of votes against management	34.8%	18.1%	11.5%	28.4%
Proportion of resolutions abstained from voting on	0.1%	0.5%	0.0%	0.0%

Voting behaviour	**LionTrust UK Equity**	**MFS Global Equity**	**Ashmore Emerging Market Multi-Asset**
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	171	86	74
Number of resolutions eligible to vote on	2,705	1,398	740
Proportion of votes cast	100.0%	100.0%	100.0%
Proportion of votes for management	95.8%	95.1%	82.7%
Proportion of votes against management	2.5%	4.5%	12.7%
Proportion of resolutions abstained from voting on	0.7%	0.0%	4.6%

Trustees' assessment

The Trustees have considered the environmental, social and governance rating for each fund/investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

Where an investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustees will consider how best to engage with the investment manager.

The Trustees have reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and will continue to review them periodically.

The Trustees recognise 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
Ashmore	https://ir.ashmoregroup.com/corporate-governance/esg
HICL	https://www.assetmanagement.hsbc.co.uk/en/institutional-investor/about-us/responsible-investing/stewardship https://www.ircp.com/sites/default/files/2021-03/InfraRed%20Stewardship%20Policy%20December%202020%20final.pdf
MFS	https://www.mfs.com/en-gb/investment-professional/insights/sustainable-investing/responsible-investing-policy-statement.html?prevCookieValue=en-gb%7cinstitutions-and-consultants
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
RLAM	https://www.royallondon.com/globalassets/docs/shared/investment/pdf5pd0102-our-approach-to-stewardship-and-engagement.pdf
LionTrust	https://www.liontrust.co.uk/about-us/corporate-sustainability/a-responsible-investor

* Latest available
** ESG reports available at fund level from LGIM's online Fund Centre.

Information on the most significant votes for each of the funds containing public equities is shown below. At present, Ashmore do not capture 'most significant votes', however, are working to capture more granular data around voting activities.

LGIM North America Equity Index - GBP Hedged	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Amazon.com, Inc.	Alphabet Inc.

Date of Vote	04/03/2022	25/05/2022	01/06/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.0	2.8	1.7
Summary of the resolution	Resolution 9 - Report on Civil Rights Audit	Resolution 1f - Elect Director Daniel P. Huttenlocher	Resolution 7 - Report on Physical Risks of Climate Change
How the fund manager voted	For	Against	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
Outcome of the vote	53.6%	93.3%	17.7%
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is assessed to be "most significant"	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for

	manage on their behalf.		high quality and credible transition plans to be subject to a shareholder vote.

LGIM Europe (ex UK) Equity Index - GBP Hedged	**Vote 1**	**Vote 2**	**Vote 3**
Company name	LVMH Moet Hennessy Louis Vuitton SE	TotalEnergies SE	UBS Group AG
Date of Vote	21/04/2022	25/05/2022	06/04/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.2	1.5	0.7
Summary of the resolution	Resolution 5 - Reelect Bernard Arnault as Director	Resolution 16 - Approve Company's Sustainability and Climate Transition Plan	Resolution 3 - Approve Climate Action Plan
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	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies not to combine the roles of Board Chair and CEO. These two roles are substantially different and a division of	Climate change: A vote against is applied. LGIM recognize the progress the company has made with respect to its net zero commitment, specifically around the	Climate change: A vote AGAINST this proposal is applied following internal discussion. While LGIM positively note the company's progress over the last year, as well as its

	responsibilities ensures there is a proper balance of authority and responsibility on the board.	level of investments in low carbon solutions and by strengthening its disclosure. However, LGIM remain concerned of the company's planned upstream production growth in the short term, and the absence of further details on how such plans are consistent with the 1.5C trajectory.	recent commitment to net zero by 2050 across its portfolio, LGIM have concerns with the strength and coverage of the Climate Action Plan's Scope 3 targets and would ask the company to seek external validation of its targets against credible 1.5°C scenarios. Gaining approval and verification by SBTi (or other external independent parties as they develop) can help demonstrate the credibility and accountability of plans.
Outcome of the vote	92.0%	88.9%	77.7%
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is assessed to be "most significant"	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.

	distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM have voted against all combined board chair/CEO roles.		

LGIM Japan Equity Index - GBP Hedged	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Shin-Etsu Chemical Co., Ltd.	Mitsubishi Corp.	Sumitomo Mitsui Financial Group, Inc.
Date of Vote	29/06/2022	24/06/2022	29/06/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.4	1.0	1.0
Summary of the resolution	Resolution 3.1 - Elect Director Kanagawa, Chihiro	Resolution 5 - Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement	Resolution 5 - Amend Articles to Disclose Measures to be Taken to Make Sure that the Company's Lending and Underwriting are not Used for Expansion of Fossil Fuel Supply or Associated Infrastructure
How the fund manager voted	Against	For	For
Where the fund manager voted against management, did they communicate	LGIM publicly communicates its vote instructions on its website with the	LGIM publicly communicates its vote instructions on its website with the	LGIM publicly communicates its vote instructions on its website with the

their intent to the company ahead of the vote	rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Diversity: A vote against is applied due to the lack of meaningful diversity on the board. Accountability: A vote against has been applied as the Company has not provided disclosure surrounding the use of former CEO as Advisor to the Board. Independence: A vote against is applied due to the lack of independent directors on the board. Independent directors bring an external perspective to the board. Bringing relevant and suitably diverse mix of skills and perspectives is critical to the quality of the board and the strategic direction of the company. LGIM would like to see all companies have a third of the board comprising truly independent outside directors.	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.	Resolution 5 - A vote in support of this proposal is warranted as LGIM expects company boards to devise a strategy and 1.5C-aligned pathway in line with the company's commitments and recent global energy scenarios. This includes but is not limited to, stopping investments towards the exploration of new greenfield sites for new oil and gas supply.

Outcome of the vote	N/A	20.2%	10% For
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM have had positive engagement with the Company. Despite this, LGIM felt support of the shareholder proposal was appropriate to provide further directional push. LGIM will continue to engage with the Company to provide their opinion and assistance in formulating the Company's approach.
Criteria on which the vote is assessed to be “most significant”	LGIM views diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	Significant shareholder support for a Climate Shareholder Resolution in the Japan market. Support of shareholder proposal not in line with management recommendation despite positive engagement with the Company.

LGIM Pacific (ex Japan) Equity Index - GBP Hedged	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Rio Tinto Limited	Oversea-Chinese Banking Corporation Limited	Hyundai Motor Co., Ltd.
Date of Vote	05/05/2022	22/04/2022	24/03/2022
Approximate size of fund’s holding as at	1.0	0.9	0.7

the date of the vote (as % of portfolio)			
Summary of the resolution	Resolution 17 - Approve Climate Action Plan	Resolution 2a - Elect Ooi Sang Kuang as Director	Resolution 2.2.1 - Elect Jeong Ui-seon as Inside Director
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	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	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 decarbonisation efforts. However, while LGIM acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, LGIM remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as	Climate change: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors. Lead Independent Director: A vote AGAINST the elections of Sang Kuang Ooi, Kwee Fong Hon (Christina Ong), and Joo Yeow Wee is warranted given that they serve on the nominating	Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Board Chair and CEO to be separate. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.

	well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.	committee and the company, under the leadership of a non-independent chairman, is not considered to have appointed an independent lead director (LID). Beng Seng Koh, the company's lead independent director, is not considered independent.	
Outcome of the vote	84.3%	74.8%	N/A
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is assessed to be “most significant”	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

LionTrust UK Equity	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Compass Group	NatWest Group	RS Group
Date of Vote	03/02/2022	28/04/2022	14/07/2022
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	2.8%	3.1%	2.8%

Summary of the resolution	Approve Remuneration Policy	Re-elect Frank Dangeard as Director	Approve Remuneration Policy
How the fund manager voted	Supported Management	Against Management	Supported Management
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	N/A	No	N/A
Rationale for the voting decision	LionTrust felt the remuneration policy was not excessive.	A vote against the re-election of Frank Dangeard is considered warranted: In addition to his role as NED of the Company, Frank Dangeard serves on boards of three other publicly listed companies, in particular, as Board Chair in two of those. This could potentially compromise his ability to commit sufficient time to his role at NatWest Group Plc.	LionTrust believe the CEO and FD have done an outstanding job in reversing the fortunes of the company and positioning the business for long term success. It is important for the remuneration to competitive, especially considering that the CEO is American and is probably a greater flight risk as a consequence. Moreover, the award targets are extremely stretching and have the strong underpinning of the 20% ROCE condition.
Outcome of the vote	The resolution was passed with close to 20% of votes against.	The resolution was passed with over 30% of votes against.	The resolution was passed with over 39% of votes against.
Implications of the outcome	N/A	N/A	N/A
Criteria on which the vote is assessed to be “most significant”	This item was from a meeting of one of the portfolio's top 5 holdings in the reporting year where ISS and Management voting recommendations disagreed.		

MFS Global Equity	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Linde Plc	Honeywell International Inc.	Oracle Corporation
Date of Vote	25/07/2022	25/04/2022	16/11/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.4%	2.0%	1.8%
Summary of the resolution	Adopt Simple Majority Vote	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Elect Directors (Compensation Committee)
How the fund manager voted	Against Management	Against Management	Against Management
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	While MFS may engage with issuers ahead of their vote at a shareholder meeting, they may not disclose their final vote decisions that are considered on a case-by-case basis prior to the meeting.		
Rationale for the voting decision	MFS supports shareholder proposals requesting the reduction of the supermajority vote requirement as such an action would further enhance shareholder rights.	MFS generally supports proposals requesting the right for shareholders who hold at least 10% of an issuer's outstanding stock to call a special meeting.	As a reflection of their strong, ongoing concerns with the company's pay practices, MFS also voted against the re-election of the members of the compensation committee for the second consecutive year due to what MFS consider to be poor responsiveness to shareholders in addition to consecutive years of

			low say-on-pay vote results.
Outcome of the vote	52.3%	38.9%	70.3% (average)
Implications of the outcome	This level of support demonstrates clear shareholder desire for the repeal of the company's supermajority vote provisions. MFS expect to see the issuer work to resolve the issue brought forth in this majority-supported proposal.	MFS believe this level of support indicates a fair level of shareholder concern. MFS hope to see a robust response from the issuer, as well as engagement efforts to address shareholders' concerns.	Multiple years of low-level support for the executive compensation plan indicates that the compensation committee continues to demonstrate insufficient responsiveness to shareholder concerns. MFS expect the compensation committee to enhance its engagement efforts with shareholders in order to understand their concerns and demonstrate accountability by making meaningful changes to the executive compensation program so that it better aligns with the expectations of shareholders.
Criteria on which the vote is assessed to be “most significant”	For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc.		

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

LGIM – firm level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	BP	McDonalds	Experian

Topic	Climate Transition	Antimicrobial resistance	Financial Inclusion
Rationale	LGIM's work with the Institutional Investor Group on Climate Change (IIGCC) is a crucial part of their approach to climate engagement. IIGCC is a founding partner and steering committee member of Climate Action 100+ (CA100+), a global investor engagement initiative with 671 global investor signatories representing $65 trillion in assets that aims to speak as a united voice to companies about their climate transition plans. LGIM actively support the initiative by sitting on sub-working groups related to European engagement activities and proxy voting standards. LGIM also co-lead several company engagements programmes, including at BP 5* (ESG score: 27; -11) and Fortum 5* (ESG score: 27; -11). UN SDG: 13 - Climate Action	The overuse of antimicrobials (including antibiotics) in human and veterinary medicine, animal agriculture and aquaculture, as well as discharges from pharmaceutical production facilities, is often associated with an uncontrolled release and disposal of antimicrobial agents. Put simply, antibiotics end up in their water systems, including their clean water, wastewater, rivers and seas. This in turn potentially increases the prevalence of antibiotic-resistant bacteria and genes, leading to higher instances of difficult-to-treat infections. In autumn 2021, LGIM worked again with Investor Action on AMR and wrote to the G7 finance ministers, in response to their Statement on Actions to Support Antibiotic Development. The letter highlighted investors' views on AMR as a financial stability risk. UN SDG 3 - Good Health & Wellbeing	Pay equality and fairness has been a priority for LGIM for several years. LGIM ask all companies to help reduce global poverty by paying at least the living wage, or the real living wage for UK based employees. Income inequality is a material ESG theme for LGIM because they believe there is a real opportunity for companies to help employees feel more valued and lead healthier lives if they are paid fairly. These are important steps to help lift lower-paid employees out of in-work poverty. This should ultimately lead to better health, higher levels of productivity and result in a positive effect on communities. Global credit bureau Experian† (ESG score: 69; +9) has an important role to play as a responsible business for the delivery of greater social and financial inclusion. UN SDG 8 - Decent work and economic growth

What the investment manager has done	LGIM engaged with BP's senior executives on six occasions in 2021 as they develop their climate transition strategy to ensure alignment with Paris goals.	During 2021, LGIM voted on the issue of AMR. A shareholder proposal was filed at McDonald's seeking a report on antibiotics and public health costs at the company. LGIM supported the proposal as they believe the proposed study, with its particular focus on systemic implications, will inform shareholders and other stakeholders on the negative implications of sustained use of antibiotics by the company.	LGIM has engaged with the company on several occasions in 2021 and are pleased to see improvements made to its ESG strategy, encompassing new targets, greater reporting disclosure around societal and community investment, and an increasing allocation of capital aligned to transforming financial livelihoods.
Outcomes and next steps	Following constructive engagements with the company, LGIM were pleased to learn about the recent strengthening of BP's climate targets, announced in a press release on 8 February 2022, together with the commitment to become a net-zero company by 2050 – an ambition LGIM expect to be shared across the oil and gas sector as we aim to progress towards a low-carbon economy. More broadly, LGIM's detailed research on the EU coal phase-out earlier this year reinforced their view	The hard work is just beginning. LGIM continues to believe that without coordinated action today, AMR may be the next global health event and the financial impact could be significant.	The latter includes the roll-out of Experian Boost, where positive data allows the consumer to improve their credit score, and Experian Go, which is hoped to enable access for more people. The company also launched the United for Financial Health project as part of its social innovation fund to help educate and drive action for those most vulnerable.

	that investors should support utility companies in seeking to dispose of difficult-to-close coal operations, but only where the disposal is to socially responsible, well-capitalised buyers, supported and closely supervised by the state. In LGIM's engagement with multinational energy provider RWE's senior management, for example, LGIM have called for the company to investigate such a transfer. LGIM think transfers like this could make the remaining transition focused companies more investable for many of their funds and for the market more generally.		

LionTrust UK Equity Fund	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	Shell	Boohoo	Serco
Topic	Energy transition	Supply chains and governance	Risks and opportunities reporting
Rationale	Shell has an enormous exposure to the risks around not transitioning its business quickly	LionTrust have identified the responsible oversight of supply chain as a key risk for Boohoo.	LionTrust engaged Serco on its reporting as LionTrust weren't seeing enough connectivity across

	enough (or too quickly) to non-fossil fuels. This aligns with LionTrust's engagement process in that this is a key issue that they've mapped for the group and therefore they engage with the group on this issue. LionTrust analyse how the group is managing this risk (medium) and how it impacts their conviction in the holding.	The company has faced significant historical controversies regarding human rights in its supply chains. LionTrust also identified governance and risks controls as a key issue given the recurrence of controversies.	the group's strategy, key issue management, culture and pay. This aligns with LionTrust's engagement process as it was a key issue in their mapping and therefore is a point on which their engagement is based.
What the investment manager has done	LionTrust's approach has been to engage Shell over a long period of time on its energy transition risks. Of course, LionTrust's engagements have evolved over time as the group's stance on energy has changed. LionTrust typically engage the C-suite at Shell on this issue (or Board members). In February 2021, Shell issued its latest energy transition plan. LionTrust queried some of the group's underlying assumptions and asked, for example, if the group plans to publish science-based targets for carbon reduction. In November 2022, LionTrust met with the	LionTrust have engaged regularly with the company over these issues since initiating their position in 2021. LionTrust have engaged the company during in person meetings with C-suite executives and with Board directors, as well as in writing. LionTrust last engaged with Boohoo in September 2022 to query the company on the findings of a recent survey in its Leicester factory. LionTrust also asked about the controls in place to avoid greenwashing and how the company defines its "sustainable" clothing line.	LionTrust spent some time walking through Serco's annual report with the group to explain the messages that the group is giving through its reporting. LionTrust felt that Serco's connectivity between its group strategy, management of its key issues, culture and pay could be made more explicit. The group reached out to LionTrust for further feedback ahead of publishing their next annual report.

	Chair of the Remuneration Committee to give feedback on Shell's remuneration policy. LionTrust expressed their support to the weighting of energy transition measures in the annual bonus. LionTrust voted in favour of the remuneration policy.		
Outcomes and next steps	LionTrust believe that Shell is one of the most advanced companies in its peer group when it comes to managing climate risks. LionTrust are satisfied with the latest energy transition plan published in 2022, which was indubitably the result of multiple long-term engagements with a large number of different shareholders - not only with us. LionTrust continue to monitor how the company is progressing against its stated objectives and will keep engaging the holding in this topic.	Boohoo has made some progress to improve the oversight of its supply chain, notably by implementing its "Agenda for change" program. The company has robust auditing processes, both internal and external. However, concerns remain around risks controls and governance. LionTrust have reduced their resiliency and conviction scores for Boohoo and have reduced the weight of the holding in the fund.	Ongoing - the group has been receptive to LionTrust's feedback and seeked their input again. LionTrust will assess whether the next Annual Report includes some of their recommendations. LionTrust will continue to engage with the group on this.

MFS – firm level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Rolls Royce Holdings PLC	Danone	Glencore PLC

Topic	Environment - Climate Change	Governance - Board effectiveness - Diversity	Environment - Climate Change
Rationale	Illustrates MFS's involvement with Climate Action 100+ Rolls Royce engagement group. Objective: To focus on the company's efforts to reduce the climate impacts of air travel, with a particular focus on sustainable aviation fuels and alternative propulsion technologies (e.g., hydrogen).	Illustrates a key area of focus on board diversity and independence.	Objective: To discuss progress of the company's climate transition plan.
What the investment manager has done	While the engagement described below took place during the one-year timeframe to end December 2022, engagement may have been ongoing for a number of years. At a firm level MFS have open dialogue with companies that are long-term in nature. MFS engaged on a collective basis as part as their membership of the Climate Action 100+ Working group on Rolls Royce. Meeting date: Multiple meetings in 2022	While the engagement described below took place during the one-year timeframe to end December 2022, engagement may have been ongoing for a number of years. At a firm level MFS have open dialogue with companies that are long-term in nature. Meeting date: Multiple meetings in 2022 Led by: Director of Stewardship, equity analyst, portfolio manager MFS have conducted ongoing engagements with Danone's executive	While the engagement described below took place during the one-year timeframe to end December 2022, engagement may have been ongoing for a number of years. At a firm level MFS have open dialogue with companies that are long-term in nature. Meeting date: Multiple Led by: CSO, Stewardship team, portfolio managers, industry analyst. Members of MFS's investment team engaged with the sustainability lead, carbon lead and

	Led by: Equity Analyst, Stewardship team Our conversations focused on the company's efforts to reduce the climate impacts of air travel, with a particular focus on sustainable aviation fuels and alternative propulsion technologies (e.g., hydrogen). The company has already run both large and small engines on 100% sustainable aviation fuels. However, the adoption of such fuels will likely continue to be constrained by regulation for some time. The team was more positive on the company's small modular nuclear reactor business. Given that nuclear has always suffered from cost overruns and higher than expected energy prices, Rolls Royce is going to manufacture these small module reactors in a central facility which will reduce time to energy production and the higher costs associated with traditional reactor construction.	management team and Board members, including the Chairman and lead Independent Director about governance concerns, as well as several key ESG topics around sustainability and environmental footprint. Governance concerns have been focused on the lack of independence and size of the Board and the role of the combined Chairman/CEO. This came to a head with the announcement that Emmanuel Faber, the joint Chairman/CEO would relinquish his CEO role but intended to remain as Chairman. This was escalated by us in a meeting with the lead Independent Director and by other large shareholders.	company secretary of Glencore ahead of the upcoming AGM and vote on the progress report of the company's climate transition plan. MFS's discussion provided additional colour to the dynamics and factors shaping the decarbonization pathway for thermal coal and provided insight on both the progress and challenges in detailed public disclosure. Regarding product use emissions data, MFS encouraged Glencore to do more on customer engagement, including supporting the transfer of knowledge on carbon capture from Australia into Asia. MFS also identified areas where they would like to see enhanced disclosure in the future.

Outcomes and next steps	MFS will continue to keep engaging with the company on these issues.	MFS will continue to keep engaging with the company on these issues.	Shortly after their engagement with Glencore, MFS followed up with written correspondence mentioning that they plan to support the vote approving the progress report, despite limited implementation progress, and outlining feedback on multiple related topics. MFS further identified areas where they would like to see enhanced reporting on thermal coal in order to provide continued support of future progress reports such as capital allocation, the company's future emissions pathway, action to reduce customer emissions and mine rehabilitation. Regarding capital allocation, MFS requested further detail on the use of expansionary capital in thermal coal, such as location and activity, and the tests used to determine alignment of capital within the transition plan. MFS hope to meet again with the company in the coming months to

		continue engaging on these topics.

RLAM Sterling Extra Yield Bond	Case Study 1	Case Study 2
Name of entity engaged with	Kemble Water Holdings (Thames Water)	HSBC, NatWest, Lloyds Banking Group
Topic	Climate Physical Risk	Just Transition
Rationale	Seek info	Make commitment
What the investment manager has done	n/a	n/a
Outcomes and next steps	Water Utilities: RLAM have concluded phase one of our engagement with the water utility companies in scope on water management and adaptation to climate risk. RLAM have sent letters to 11 of our largest water holdings, and they have received a response from nine of the companies thus far. RLAM will be engaging with all 11 companies in scope when they commence phase two of this engagement in 2023. Phase two will focus on engagement for change and RLAM intend to share our investor expectations	Banks Capital providers play an important enabling role in transitioning customers to sustainable low-carbon economies. By developing and having in place a just transition policy, banks can better assist the wide range of sectors, regions, and communities that they finance. In Q2 RLAM and Friends Provident Foundation (FPF) asked at the AGMs of Barclays, Lloyds Banking Group, NatWest and HSBC, if the banks would consider integrating just transition throughout their climate transition plans. RLAM have met with all three banks since; all banks have agreed to address our request within their climate transition plans but asked for further guidance on how to do this. Partly addressing this ask from Banks, RLAM provided practitioner feedback and insight to the International Labour Organization (ILO) and The London School of Economics (LSE) Just Transition Finance tool published at COP27. HSBC was the first Bank to include just transition in a policy and did so last quarter. • HSBC – HSBC published an Energy Policy outlining its position on oil, gas, hydrogen, renewables, hydropower, biomass and

	with the water utility companies. • Thames Water - Thames Water provided extensive disclosures and have a pollution action plan in place. They were well prepared and able to give great insight on the questions asked. RLAM will focus our future engagements on pollution targets and customer rating scores.	nuclear, which supplements the Group's coal policy. RLAM engaged with HSBC during 2021 and 2022 on its net zero commitment and climate transition plans, and to discuss embedding just transition into this plan. RLAM provided detailed feedback on this policy which was partly incorporated in the published draft. The policy prevents HSBC from financing new oil and gas exploration activities and any activity in the most polluting and sensitive types of oil and gas, including oil sands, heavy crudes, deep water, artic and amazon. Following our feedback, the bank improved definitions for 'existing' and 'new' oil field and clarified wording of the commitment. The notion of just transition is incorporated as one of HSBC's three policy objectives: 'support a just and affordable transition, recognising the local realities in all the communities we serve'. Just transition was also included as a factor when assessing O&G clients climate plans. RLAM asked the bank to change wording from 'consideration' of just transition principles to 'integration' or 'application' of just transition principles, but they did not address this request. • Lloyds Banking Group plc - Lloyds appeared eager to integrate Just Transition into their work and reporting, yet uncertainty remains about how this will look in practice. They were particularly keen to receive guidance from GFANZ and TPT, two organisations developing guidance on climate transition plans. RLAM will continue to monitor their disclosures going forward and seek more opportunities to provide them with feedback. • NatWest Group plc - NatWest acknowledged the need for Just Transition to be considered when implementing their climate goals but are not prepared currently to signal commitment. They consider their purpose closely aligned with social impact and guiding how they implement their climate commitments.