

# Engagement Policy Implementation Statement (“EPIS”)

## Persimmon PLC Pension & Life Assurance Scheme

### Scheme Year End – 31 December 2022

The purpose of the EPIS is for the Trustee of the Persimmon PLC Pension & Life Assurance Scheme (the “Scheme”), to explain what it has done during the year ending 31 December 2022 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How the Trustee has exercised voting rights or how these rights have been exercised on its behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

### Conclusion

**Based on the activity the Trustee has undertaken during the Scheme year, it believes that the policies set out in the SIP have been implemented effectively.**

In the Trustee’s view, most of the Scheme’s material investment managers were able to disclose good evidence of voting and engagement activity, that the activities completed by its managers align with its stewardship priorities, and that its voting policy has been implemented effectively in practice.

The Trustee will continue to review the voting and engagement policies and activities of the Scheme’s managers each year to ensure that they align with its own policies and are being implemented effectively on its behalf.

## How voting and engagement policies have been followed

The Scheme is invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers. The Trustee reviewed the stewardship activity carried out by the material investment managers over the Scheme year and in our view, most of the investment managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found later in this document.

Over the reporting year, the Trustee monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from its investment adviser, Aon Investments Limited ("Aon"). In particular, the Trustee received quarterly Environment Social Governance ("ESG") ratings from Aon for the funds the Scheme is invested in where available.

Each year, the Trustee reviews the voting and engagement policies of the Scheme's investment managers to ensure they align with its policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP:

<https://www.persimmonhomes.com/corporate/sustainability/db-pensions-governance/>

## Engagement Action Plan

Based on the work the Trustee has done for the EPIS, it has decided to take the following steps over the next 12 months:

1. Epoch Investment Partners, Inc. ("Epoch") did not provide the engagement information requested. The Trustee disinvested from its Global Equity Shareholder Yield Fund in June 2022, and according to the manager, the engagement season for the Fund commenced in August 2022. Epoch also highlighted that there were no engagements before this point. Given the Trustee has fully disinvested from the Fund, it will not be proceeding with further engagement with the manager.
2. Following investment strategy de-risking over the year, the investments with Aon, Lindsell Train and Barings were fully redeemed by the end of 2022. Despite this, the Trustees collected voting and engagement information from these managers to review along with the retained managers. All managers provided data in the industry standard voting and engagement reporting template, which the Trustee finds encouraging.
3. The Trustee will continue to review the voting and engagement policies and activities of the Scheme's managers each year to ensure that they align with its own policies and are being implemented effectively.

### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

## Fund of funds manager's engagement activity

Over the year, some of the Scheme's assets were invested via a fiduciary manager in the Aon Investments Limited ("Aon") Global Active Equity Fund. This is a fund of funds arrangement, where Aon selects the underlying investment managers on behalf of the Trustee.

The Trustee delegates monitoring of ESG integration and stewardship of the underlying managers to Aon. The Trustee has reviewed Aon's latest annual Stewardship Report and it believes it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios. Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code ("the Code"). The Code is a set of high stewardship standards for asset owners and asset managers. The Code is maintained and assessed by the Financial Reporting Council ("FRC").

As part of investment strategy de-risking activity over the year, the Scheme's assets in Aon's Global Active Equity Fund were fully disinvested during the fourth quarter of 2022.

### What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the Trustee still retains responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the Trustee will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

## Managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

### Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the Scheme year ending 31 December 2022.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Lindsell Train - UK Equity fund	368	100.0%	0.0%	0.5%
Epoch - Global Equity Shareholder Yield Fund	1,585	96.1%	5.1%	0.0%
Baillie Gifford - Long Term Global Growth Fund	439	100.0%	3.4%	0.2%
Troy - Troy Trojan Fund	239	100.0%	7.9%	0.0%
GQG – Global Equity Fund*	1,073	96.5%	8.4%	5.4%
Ardevora - Global Long-Only Equity Fund*	2,539	100.0%	8.5%	0.5%
C Worldwide - Global Equities Fund	459	100.0%	5.0%	0.0%
Lazard - Global Listed Infrastructure Equity Fund	378	95.0%	2.8%	0.0%

Source: Managers

\* Examples of material underlying investments within Aon's Global Active Equity Fund

## Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

	Description of the investment managers' use of proxy voting advisers
Lindsell Train	Lindsell Train has appointed Glass Lewis to aid the administration of proxy voting and provide additional support in this area. It is important to stress however that the portfolio managers maintain final decision-making responsibility, which is based on their detailed knowledge of the companies in which they invest, as this forms an important part of our investment process and proactive company engagement strategy.
Epoch	Institutional Shareholder Services (ISS)
Baillie Gifford & Co. ("Baillie Gifford")	Whilst Baillie Gifford are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon

### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

### Description of the investment managers' use of proxy voting advisers

	recommendations when deciding how to vote on their clients' shares. All client voting decisions are made in-house. Baillie Gifford vote in line with their in-house policy and not with the proxy voting providers' policies. Baillie Gifford also have specialist proxy advisers in the Chinese and Indian markets to provide us with more nuanced market specific information.
Troy Asset Management ("Troy")	Voting is conducted through ProxyExchange, a platform provided by ISS. ISS also provide Troy with proxy voting research. Troy uses ISS's research to help inform the decision making process and combines this and other inputs with our deep understanding of the companies in which Troy's portfolios invest. Troy retains full discretion to vote in our clients' best interests and we are not bound to follow any other party's recommendations.
GQG Partners LLC ("GQG")	ISS
Ardevora Asset Management LLP* ("Ardevora")	<p>Ardevora partnered GL as their proxy administrator in 2017. GL is responsible for submitting votes across all Ardevora Funds and segregated portfolios. GL have partnered with Sustainalytics who provide detailed ESG profiles for each of the companies they vote on. Their proxy voting guidelines can be viewed at: <a href="http://www.glasslewis.com/guidelines">www.glasslewis.com/guidelines</a>.</p> <p>The Responsible Investment team oversees Glass Lewis's voting recommendations using an internal proxy voting dashboard. Additional scrutiny is applied to ballots concerning election of directors, 'say on climate' and shareholder resolutions. Ardevora vote in line with their values and priorities, particularly taking into account fairness and environmental considerations. Ardevora's proxy voting dashboard filters Glass Lewis research, allowing for efficient analysis of recommendations. The RI team then approves the recommendation or changes the vote if the recommendation does not align with Ardevora's views on fairness or the environment.</p>
C Worldwide Asset Management* ("C Worldwide")	C Worldwide use Glass Lewis as the proxy voting service provider. In practice, this means that they receive notice of all ballots in the investee companies and research and vote recommendations reflecting our voting policy directions from the proxy voting service provider.
Lazard Asset Management ("Lazard")	<p>Lazard currently subscribes to advisory and other proxy voting services provided by ISS and Glass, Lewis. These proxy advisory services provide independent analysis and recommendations regarding various companies' proxy proposals. While this research serves to help improve our understanding of the issues surrounding a company's proxy proposals, Lazard's Portfolio Manager/Analysts and Research Analysts (collectively, "Portfolio Management") are responsible for providing the vote recommendation for a given proposal except when the Conflicts of Interest policy applies. ISS provides additional proxy-related administrative services to Lazard. ISS receives on Lazard's behalf all proxy information sent by custodians that hold securities on behalf of Lazard's clients and sponsored funds. ISS posts all relevant information regarding the proxy on its password-protected website for Lazard to review, including meeting dates, all agendas and ISS' analysis.</p> <p>The Proxy Administration Team reviews this information on a daily basis and regularly communicates with representatives of ISS to ensure that all agendas are considered and proxies are voted on a timely basis. ISS also provides Lazard with vote execution, recordkeeping and reporting support services. Members of the Proxy Committee, along with members of the Legal &amp; Compliance Team, conducts periodic due diligence of ISS and Glass Lewis consisting of an annual questionnaire and, as appropriate, on site visits.</p>

Source: Managers

\* Examples of material underlying investments within Aon's Global Active Equity Fund

## Significant voting examples

To illustrate the voting activity being carried out on its behalf, the Trustee asked the Scheme's material investment managers to provide a selection of what they consider to be the most significant votes in relation to the funds in which the Scheme invests. A sample of these significant votes can be found in the appendix.

## Managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available. Some of the engagement information provided is at a firm level i.e., is not necessarily specific to the fund invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a firm-level
	Fund specific	Firm level	
Lindsell Train - UK Equity fund	11	33	Environment - Climate change  Social - Human and labour rights (e.g., supply chain rights, community relations)  Governance - Leadership - Chair/CEO; Remuneration, Financial and Reporting - Capital allocation; Strategy/purpose
Baillie Gifford - Long Term Global Growth Fund	52	1,255	Environment - Climate change  Governance - Remuneration; Board effectiveness - Independence or Oversight, Financial and Reporting - Strategy/purpose; Reporting (e.g., audit, accounting, sustainability reporting)
Troy - Troy Trojan Fund	10	43	Environment - Natural resource use/impact (e.g., water, biodiversity); Climate change  Governance - Board effectiveness – Diversity; Independence or Oversight; Remuneration
GQG - Global Equity Fund*	36	80	Environment - Climate change; Pollution, Waste  Social - Conduct, culture, and ethics (e.g., tax, anti-bribery, lobbying); Human capital management (e.g., inclusion & diversity, employee terms, safety)  Governance - Strategy, Financial and Reporting - Risk management (e.g., operational risks, cyber/information security, product risks)
Ardevora - Global Long-Only Equity Fund*	245	245	Environment - Climate change,  Social - Human capital management (e.g., inclusion & diversity, employee terms, safety), Human and labour rights (e.g. supply chain rights, community relations)  Governance - Board effectiveness – Diversity, Strategy, Financial and Reporting - Risk management (e.g., operational risks, cyber/information security, product risks)
Barings - European Loan Fund	476	760	Environment - Climate change; Natural resource use/impact (e.g., water, biodiversity)  Governance - Board effectiveness – Diversity, Strategy, Financial and Reporting - Strategy/purpose; Reporting (e.g., audit, accounting, sustainability reporting)
Barings - Global High Yield Credit Strategies	476	760	Environment - Climate change; Natural resource use/impact (e.g., water, biodiversity)  Governance - Board effectiveness – Diversity Strategy, Financial and Reporting - Strategy/purpose; Reporting (e.g., audit, accounting, sustainability reporting)

Funds	Number of engagements		Themes engaged on at a firm-level
	Fund specific	Firm level	
C Worldwide - Global Equities Fund	43	157	Environment - Climate change  Social - Human capital management (e.g., inclusion & diversity, employee terms, safety)  Governance - Leadership - Chair/CEO, Strategy, Financial and Reporting - Strategy/purpose; Financial performance
Lazard – Global Listed Infrastructure Equity Fund**	16	1320	Environment - Climate change; Pollution, Waste  Social - Inequality  Governance - Remuneration, Strategy, Financial and Reporting - Capital allocation
Epoch - Global Equity Shareholder Yield Fund		Not provided	

Source: Managers.

\* Examples of material underlying investments within Aon's Global Active Equity Fund

\*\* Themes engaged for Lazard Listed Infrastructure Equity Fund are at the strategy level.

## Data limitations

At the time of writing, Epoch had not provide the engagement information requested. The Trustee disinvested from its Global Equity Shareholder Yield Fund in June 2022, so it will not be undertaking any further engagement with this manager.

This report does not include commentary on the Scheme's asset backed funding arrangement or the investments in cash, gilts and index linked gilts because of the limited materiality of stewardship to these asset classes. Further this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme’s managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

<b>Lindsell Train - UK Equity fund</b>	<b>Company name</b>	Unilever
	<b>Date of vote</b>	5-Apr-2022
	<b>How the manager voted</b>	For
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	Not Provided
	<b>Summary of the resolution</b>	Various Elections of Executive Members.
	<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	~7.8%
	<b>Outcome of the vote</b>	Pass
	<b>Rationale for the voting decision</b>	<p>We continue our engagement with the management of Unilever and spoke to the Chair, Nils Andersen, in June. This follows two engagements earlier in the year, related to capital allocation (following news of the failed bid for GSK’s consumer healthcare division) and animal testing.</p> <p>In this instance, our engagement centred on the recent news of the appointment of activist investor, Nelson Peltz of Trian Fund Management, to its board as a non-executive director, after his purchase of 1.5% of Unilever’s shares. As Trian’s objectives are ostensibly in line with our own, we had no objection to the appointment despite being somewhat surprised at the low ticket-price to get a seat at the table. We did however take the opportunity to urge the board to resist any proposals that merely boost short-term value. Andersen confirmed that the board remain committed to their long-term strategy and are focussed on protecting the strategic value of Unilever’s assets.</p>
	<b>Implications of the outcome</b>	Not provided
	<b>Criteria on which the vote is considered significant?</b>	We have engaged with management on capital allocation and board appointments this year and concluded post these engagements to support the board in their decisions.
	<b>Epoch – Global Equity Shareholder Yield Fund</b>	<b>Company name</b>
<b>Date of vote</b>		05-May-2022
<b>How the manager voted</b>		Against management (supporting shareholder proposal)
<b>Did the manager communicate its intent to the company ahead of the vote?</b>		No
<b>Summary of the resolution</b>		Adopt independently verified science based GHG <sup>i</sup> reduction targets.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>		~0.6%
<b>Outcome of the vote</b>		Fail
<b>Rationale for the voting decision</b>		A vote for this proposal is warranted, as additional information on the company’s efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and climate change related risks.
<b>Implications of the outcome</b>		We will continue to monitor proxy proposals on a case-by-case basis, supporting those which align with our ESG focus issues and investment beliefs. Where beneficial, we may increase our levels of communication with management regarding our proxy voting decisions.
<b>Criteria on which the vote is considered significant?</b>		Vote against management. Vote rationale incorporates an ESG factor - Environmental - Climate Change.



<b>Baillie Gifford – Long Term Global Growth Fund</b>	<b>Company name</b>	Tesla, Inc.
	<b>Date of vote</b>	4-Aug-2022
	<b>How the manager voted</b>	Against Management (Supporting Shareholder resolution)
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	No
	<b>Summary of the resolution</b>	Shareholder Resolution – Social
	<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	~7.8%
	<b>Outcome of the vote</b>	Fail
	<b>Rationale for the voting decision</b>	We supported the resolution requesting additional disclosure on the company's efforts to address harassment and discrimination in the workplace. We believe quantitative disclosure would help us understand and monitor the company's efforts.
	<b>Implications of the outcome</b>	We have been engaging with the company on their approach to human capital management for a number of years. While our engagement indicates that they are committed to addressing these issues are investing in human capital management, we believe that additional quantitative disclosure would help us understand and monitor the company's efforts. While a standalone report may not be necessary, we would like to encourage the company to continue to enhance their disclosures on this topic via their annual Impact Report. Following the submission of our votes we reached out to the company to outline our voting rationale and encourage improvements to their disclosures.
	<b>Criteria on which the vote is considered significant?</b>	This resolution is significant because it was submitted by shareholders and received greater than 20% support.
<b>Troy - Troy Trojan Fund</b>	<b>Company name</b>	American Express
	<b>Date of vote</b>	3-May-2022
	<b>How the manager voted</b>	Against Management
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	No
	<b>Summary of the resolution</b>	Shareholder proposal to require an Independent Board Chair
	<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	~2.7%
	<b>Outcome of the vote</b>	The shareholder proposal was unsuccessful.
	<b>Rationale for the voting decision</b>	Segregation of roles would offer stronger governance so we voted against management and in-line with the shareholder proposal.
	<b>Implications of the outcome</b>	We will continue to vote in the best interests of investors and monitor future AGM resolutions.
<b>Criteria on which the vote is considered significant?</b>	The resolution satisfied the criteria of materiality. In this case it was a governance factor and we voted against management.	
<b>GQG - Global Equity Fund</b>	<b>Company name</b>	America Movil SAB de CV
	<b>Date of vote</b>	1-Dec-2022
	<b>How the manager voted</b>	Against Management
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	No
	<b>Summary of the resolution</b>	Approve/amend conversion of securities
	<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	Not Provided
	<b>Outcome of the vote</b>	Pass
	<b>Rationale for the voting decision</b>	Although the proposal to convert different share classes into a single share class would represent an improvement in the company's corporate governance structure, a vote AGAINST this item is warranted because:

		<ul style="list-style-type: none"> <li>The company has not disclosed the full text of the proposed bylaw amendments, related to the shares' conversions, which, according to the company, will be disclosed after the shareholder meeting;</li> <li>The full impact of the article amendments on shareholders' rights is unclear, in a context in which current holders of the L shares<sup>ii</sup> would lose the right to appoint two board members as well as certain economic rights.</li> </ul>
	<b>Implications of the outcome</b>	Not provided
	<b>Criteria on which the vote is considered significant?</b>	Vote against management, potential impact on financial and/or stewardship outcomes, and size of the holding in the mandate.
<b>Ardevora - Global Long-Only Equity Fund</b>	<b>Company name</b>	McDonald's Corp
	<b>Date of vote</b>	26-May-2022
	<b>How the manager voted</b>	Against Management (Supporting shareholder proposal)
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	Yes, we informed the company of the voting intentions.
	<b>Summary of the resolution</b>	Shareholder Proposal Regarding Civil Rights Audit
	<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	~0.8%
	<b>Outcome of the vote</b>	Pass (55.1% voted in favor)
	<b>Rationale for the voting decision</b>	Given broad societal changes, it is particularly important for consumer-facing companies, such as the Company, whose operations heavily rely on their customers' trust and loyalty, to address issues of racial equity, including those raised by this proposal. Particularly given the wide scope of the Company's operations, we believe that a concerted effort to ensure it has thoroughly assessed its potential adverse impacts on various stakeholder groups would ultimately benefit shareholders. Therefore, we believe that undertaking the requested audit would help to identify and mitigate potentially significant risks.
	<b>Implications of the outcome</b>	We will continue to monitor the company on this issue.
	<b>Criteria on which the vote is considered significant?</b>	High profile vote which has a degree of controversy and/or received public scrutiny; AND is linked to one of our key focus areas (improving the workplace and human rights).
<b>C Worldwide - Global Equities Fund</b>	<b>Company name</b>	Home Depot
	<b>Date of vote</b>	01-May-2022
	<b>How the manager voted</b>	Against management
	<b>Did the manager communicate its intent to the company ahead of the vote?</b>	No
	<b>Summary of the resolution</b>	Report on efforts to eliminate deforestation in the supply chain.
	<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	~5.0%
	<b>Outcome of the vote</b>	Pass (majority voted against management)
	<b>Rationale for the voting decision</b>	We voted for a report on efforts to eliminate deforestation in the supply chain. Home Depot is lagging its biggest competitor in this area and is not reporting to CDP Forestry <sup>iii</sup> . Focusing on deforestation increases the reputational risk to Home Depot, and further disclosure will provide shareholders with information on steps taken to avoid supply chain risks.
	<b>Implications of the outcome</b>	N/A
	<b>Criteria on which the vote is considered significant?</b>	Transparency is a topic we usually always vote in accordance with.
<b>Lazard – Global Listed Infrastructure Equity Fund</b>	<b>Company name</b>	National Grid PLC
	<b>Date of vote</b>	11-Jul-2022
	<b>How the manager voted</b>	With management

<b>Did the manager communicate its intent to the company ahead of the vote?</b>	Not provided
<b>Summary of the resolution</b>	Management - Approve climate transition plan
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	~8.2%
<b>Outcome of the vote</b>	Pass
<b>Rationale for the voting decision</b>	A vote FOR this resolution is considered warranted, as no significant concerns have been identified.
<b>Implications of the outcome</b>	As active managers, outcomes stemming from voting decisions and engagement are incorporated into our investment process, further enhancing long-term value for clients and beneficiaries. We believe the most effective shareholder engagement is undertaken by analysts who can contextualize the information that arises from the dialogues which is reflected in our voting decisions and then incorporated into our investment process. We engage with companies on a regular basis and in the case where we have voted against management we would typically follow up.
<b>Criteria on which the vote is considered significant?</b>	<p>In this instance, we have considered most significant votes in the following order: firstly, any "Say on Climate" management proposal or ESG focused shareholder proposals, secondly, any votes considered controversial by our investment, and lastly, any management proposals where we voted against management professionals. The resultant proposal buckets are then ranked by the company's average holding within the fund/or portfolio over the period under review to identify the top 10 votes for disclosure in the template. The resultant proposal buckets are then ranked by the company's average holding within the fund/or portfolio over the period under review to identify the top 10 votes for disclosure in the template.</p> <p>Our voting approach is based on our global governance principles which lays out our expectations of company management. They are founded on the belief that long-term shareholder value is enhanced through a more comprehensive assessment of stakeholder management. This includes governance issues such as remuneration policies, independence of appointed board members, human capital issues including employees, suppliers, their customers, and the community, as well as natural capital issues, including its dependency and use of natural resources and its approach to manage climate change risk. We believe that we must vote in a manner that (i) will maximize sustainable shareholder value as a long-term investor; (ii) is in the best interest of its clients; and (iii) the votes that it casts are intended in good faith to accomplish those objectives.</p>

Source: Managers

<sup>i</sup> A greenhouse gas (GHG) emissions target is a state-level goal to reduce emissions by a specific amount by a pre-determined date.

<sup>ii</sup> Series L Shares means validly issued, fully paid and non-assessable limited voting Series L Shares, without par value, of the Company as to which all pre-emptive rights have been irrevocably and validly exercised or waived.

<sup>iii</sup> Carbon Disclosure Project forests works on a range of global projects that aim to remove commodity-driven deforestation and forest degradation from corporate value chains.