Columbia Threadneedle (CT)

As an LDI investor, CT have limited scope for engagement, as they have no voting rights, however CT have noted that they have a strong engagement programme with their counterparties. They point to their long and proud tradition of engagement, with a dedicated team of analysts in their Responsible Investment Team.

In regards to CT's LDI funds and the Sterling Liquidity Fund, there are two specific areas of work that they have communicated to the Plan: the first relates to the selection and monitoring process and the second relates to engagement. Their counterparty approval process includes input from their credit analysts, who produce explicit ESG scores for all the entities they research. CT's Responsible Investment team additionally engages with trading counterparties and clearing members on ESG topics to assess their ESG credentials and to foster improvement in areas of concern. This engagement work is structured in terms of prioritisation (both in terms of companies to whom CT have the greatest exposure and to companies whom they feel have the greatest ESG deficiencies) and in terms of progress, monitoring against predefined milestones.

In the first half of 2022 CT took part in 1,002 engagements and in the second half of the year they took part in 918. The engagements focused on a number variety of engagement themes including Corporate Governance, Climate Change, Business Conduct, Human Rights, Labour Standards, Public Health and Environmental Stewardship.

PGIM UK Retirement Savings Plan – Defined Contribution section Implementation Statement

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ("SIP") produced by the Trustees has been followed during the year running from 6 April 2022 to 5 April 2023 (the "Plan Year"). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

The statement is based on, and should be read in conjunction with, the SIP that was in place for the Plan Year, which is the SIP dated September 2020.

The Plan has both a Defined Benefit ("DB") Section and a Defined Contribution ("DC") Section. This implementation statement covers the DC Section only; a separate statement has been produced in respect of the DB Section.

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

Section 2.3 of this statement sets out how, and the extent to which, the policies in the DC Section of the SIP have been followed.

A copy of the SIP is available at https://cdn.pficdn.com/cms/pgim4/sites/default/files/2020-09/PGIM-UK-Retirement-Savings-Plan-Defined-Contribution-2020.pdf.

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

2. Statement of Investment Principles

2.1. Investment Objectives of the Plan

The Trustees believe that it is important to recognise members of the Plan have differing investment needs, which may change during the course of members' working lives and must be provided for. The following encapsulates the Trustees' objectives, as outlined in the SIP:

- To ensure there is a sufficient number of appropriate investment options available to allow the member to plan for retirement.
- To maximise the value of members' assets at retirement at an acceptable level of risk.
- To maintain the purchasing power of members' savings.
- To provide some protection for members' accumulated assets in the years approaching retirement against sudden volatility in the capital value and fluctuations in the cost of providing benefits.

The Trustees aim to meet these objectives by the following:

- Offering members four 'Lifestyle' approaches to investment strategy (one of which is also the Default Investment Option) and ensuring that the other investment options also allow members to plan for retirement.
- Making available a range of pooled investment funds which serve to meet the varying investment needs and risk tolerances of Plan members.
- Providing general guidance as to the purpose of each investment option.

- Encouraging members to seek financial advice from a FCA regulated financial adviser in determining the most suitable option.
- The Trustees will regularly review the suitability of the options provided and from time to time will change manager or introduce additional investment portfolios as appropriate.

2.2. Review of the SIP

The latest SIP came into effect during September 2020 and the SIP was not reviewed during the Plan Year. The SIP is presently under review as part of the investment strategy review conducted during the Plan Year and implemented post Plan Year-end.

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

The information provided in this section highlights the work undertaken by the Trustees during the Plan Year, and longer term where relevant, and sets out how this work followed the Trustees' policies in the SIP, relating to the DC Section of the Plan.

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

Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy

The Trustees consider the investment objectives and policies when choosing investments for the DC Section of the Plan. The Trustees receive written advice from their Investment Consultant on any investments prior to them being implemented. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended). The policy is detailed in Section 1 of the SIP.

How has this policy been met over the Plan Year?

No investment changes were implemented over the Plan Year to 5 April 2023 covered by this Statement. However, following the triennial investment strategy review, with support from our investment advisers, the Trustees implemented changes to the Diversified Fund in September 2023.

- The previous 50% allocation to BlackRock Aquila 30:70 Global Equity – Currency Hedged Fund was replaced with a 22.5% allocation to each of the BlackRock World ESG Equity Tracker Fund and the BlackRock World ESG Equity Tracker (GBP Hedged) Fund, along with 5% to the BlackRock Emerging Markets Equity Fund.
- The previous 30% allocation to Baillie Gifford Diversified Growth Fund was replaced with the Ruffer Diversified Return Fund.

It was further agreed to remove the Majedie (Liontrust) UK Equity Fund and introduce the BlackRock World ESG Equity Tracker Fund (50% GBP Hedged)[1] within the self-select fund range.

Lastly, the Trustees have agreed to remove the Legacy Global Equity Lifestyle, given its substantial UK equity overweight in the growth phase and to ensure consistency with the remaining lifestyle strategies available to members. In particular, following this change, only one lifestyle strategy targeting annuity purchase will be available within the Plan.

[1] Blended fund comprising equal proportions of BlackRock's hedged and unhedged versions of this fund.

Investment Mandates

Realisation of Investments

Policy

The Trustees requires that 90% of all investments should be realisable at short notice. All funds are daily-dealt pooled investment arrangements. These pooled investment arrangements are themselves regulated and underlying investments are all mainly in regulated markets, and therefore are believed to be readily redeemable based on member demand. The Trustees considers the liquidity of the investment in the context of the likely needs of members. The policy is detailed in Section 4.2 of the SIP

How has this policy been met over the Plan Year?

The Trustees access daily dealt and daily priced pooled funds held with a range of investment managers.

The Trustees receive an administration report on a quarterly basis to confirm and ensure that core financial transactions are processed within Service Level Agreements (SLAs) and regulatory timelines. The administration report is reviewed at every meeting and confirms the performance of all SLAs in particular those related to the realisation of investments and investment of regular contributions. These have consistently met the Trustees' target within timescales in the majority of the cases.

All funds are daily dealt pooled investment vehicles, accessed by an insurance contract and should be realisable based on member demand. There were no known issues relating to the liquidity of investments over the Plan Year.

Environmental, Social and Governance ("ESG")

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

Policy

The Trustees consider financially material considerations in the selection, retention and realisation of investments. Within the funds consideration of such factors, including environmental, social and governance (ESG) factors, is delegated to the investment manager. Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice. Further details are included in Sections 2 and 4 of the SIP.

Non-financial matters, such as member views, are not taken into consideration. Further details are included in Section 2 of the SIP.

How has this policy been met over the Plan Year?

The Trustees review the investment performance report at each Trustees' meeting. This includes ratings (both general and ESG specific) from the investment advisers. All the investment managers remained highly rated during the Plan Year.

The investment performance report sets out how investment managers are delivering against their specific mandates. The investment performance reports were reviewed by the Trustees at their three meetings over the Plan Year.

The Trustees considered the investment adviser's assessment of how each investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustees' responsible investment policy. This includes the investment managers' policy on voting and engagement. The Trustees will use this assessment in decisions around selection, retention and realisation of manager appointments. This formed part of the Trustees' process in agreeing the investment strategy changes implemented post Plan Year-end, as set out earlier in this statement.

The Trustees did not explicitly seek member views regarding any investments or arrangements over the period covered by this statement. However, member views are reflected through consideration of received member queries discussed at Trustees' meetings.

Voting and Engagement Disclosures

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

Policy

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the investment managers. Further details are set out in Section 2 of the SIP. In addition, it is the Trustees' policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

How has this policy been met over the Plan Year?

As the Plan invests solely in pooled funds, the Trustees delegate the exercise of voting rights to the appointed investment managers.

The Plan's investment managers provided voting summary reporting setting out voting activity over the Plan Year, which the Trustees have reviewed. Significant votes over the Plan Year are set out later in this statement.

Once appointed, the Trustees give appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

Section 3 of this report includes voting and engagement activity undertaken by the Plan's investment managers and sets out a summary of voting activity and the most significant votes cast on behalf of the Trustees by these investment managers. Following the DWP's consultation response and outcome regarding Implementation Statements in June 2022 ("Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance") one of the areas of interest was the significant vote definition. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote" and that trustee boards are now required to include specific details on why a vote is considered significant.

The Trustees define a significant vote as one that is linked to topics closely linked to UN Sustainable Development Goals ("SDGs"), focusing on the following ESG areas:

- **Good corporate governance**: in particular board diversity and independence
- **Climate change**: for example, votes relating to low-carbon transition plans consistent with the Paris Agreement goals

The Trustees will keep this definition under consideration based on emerging themes within internal discussions and from the wider industry. The Trustees did not inform the investment managers of what it considered to be a 'significant vote' in advance of voting.

Monitoring the Investment Managers

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

Policy

The Trustees' focus is on longer-term performance but shorter-term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustees review both absolute and relative performance of the investment managers' funds on a quarterly basis, including assessments of both shorter and longer time horizons.

How has this policy been met over the Plan Year?

Over the year, no mandates were terminated due to performance concerns or as a result of changes in underlying targets. However, responding to considerations from the triennial investment strategy review, adjustments were made to the Diversified Fund's composition to align with the long-term strategy of the default investment option, as set out earlier in this statement. The Trustees have also agreed to remove the Majedie (Liontrust) UK Equity Fund from the self-select fund range, due to performance concerns and low conviction in the strategy going forward.

The Trustees monitor the performance of the default investment option, additional lifestyle arrangements and self-select funds at each Trustee meeting.

The current range of investment managers are aware that their continued appointment is dependent on them meeting these performance targets.

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

Policy

The Trustees are a long-term investor, all funds are open-ended and therefore there is no set duration for manager appointments. The Trustees are responsible for the selection, appointment and removal of investment managers. The Trustees may also choose to remove a fund from the fund range, if no longer considered appropriate.

How has this policy been met over the Plan Year?

The remuneration for investment managers used by the Plan is based on assets under management; the levels of these fees are reviewed annually as part of the annual value for money/members assessment to ensure they continue to represent value for members. If performance is not satisfactory, the Trustees will ask the fund manager to provide additional rationale, and if not satisfied with this, may request further action be taken, including a review of fees.

The Trustees receive investment manager performance reports on a quarterly basis, which present performance information over three month, one year, three year, five year and since inception periods. The Trustees review the absolute performance, relative performance against a suitable benchmark, and against the underlying manager's stated target performance (over the relevant time period) on a net of fees basis. Whilst the Trustees' focus is on long-term performance, it also takes shorter-term performance into account. Based on its performance monitoring over the Plan year, the Trustees were satisfied with the investment strategy's performance, against long term objectives and given the wider market context.

Monitoring the Investment Managers

Monitoring portfolio turnover costs

Policy

The Trustees monitor portfolio turnover costs, which are incorporated in the annual costs and charges, on an annual basis as part of their value for members assessment. Further details are set out in Section 3.3 of the SIP.

How has this policy been met over the Plan Year?

The Trustees carried out an annual 'value for members' assessment covering the Plan Year. As part of this assessment they reviewed the portfolio turnover costs (also referred to as transaction costs) of the underlying managers.

The Trustees do not have an overall portfolio turnover target for the Plan. There is little flexibility for the Trustees to impact transaction costs as the Plan invests in pooled funds. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Plan invests in, there is not, as yet, an "industry standard" or universe to compare these to. However the Trustees view the transaction costs over the Plan Year as reasonable in the context of net performance achieved and the fund managers' objectives.

The duration of the arrangements with asset managers

Policy

There is no set duration for the manager appointment. The Trustees are long-term investors and are not looking to change the investment arrangements on a frequent basis. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Trustees are dissatisfied with the manager's ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee. Further details are set out in Section 3.4 of the SIP.

How has this policy been met over the Plan Year?

The Trustees are a long-term investor and all funds are open-ended. Therefore, there is no set duration for manager appointments. The funds are reviewed on a regular basis, supported by advice from the investment advisors. The Trustees may choose to remove a fund from the fund range, if it is no longer considered appropriate, and the fund range is reviewed on at least a triennial basis.

No changes were made to the managers used within the DC Section over the Plan Year. However, following the conclusion of the triennial strategy review carried out in October 2022, underlying fund changes were agreed and due to be implemented over the course of 2023.

Strategic Asset Allocation

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

Policy

The Trustees believe that the investment options are appropriate for meeting the investment objectives. In particular, for members who do not wish to take an active role in the investment decisions, the Trustees offer a Default Investment Option. The Trustees have also made available two alternative lifestyle strategies. Bearing in mind the level of investment knowledge of a typical member and the desire to keep the available fund range simple and understandable (while providing appropriate choice) the Trustees have decided to make a range of additional funds available to members, offering both passively and actively managed funds. Further details are set out in Sections 4 and 5 of the SIP.

How has this policy been met over the Plan Year?

The kind of investments held were reviewed in detail as part of the investment strategy review described previously. The Trustee concluded the overall asset allocation within the default investment option remains appropriate for targeting good member outcomes, however scope for improvement was identified in respect of effective ESG factor integration, and fund selection within the multi-asset allocation. The Trustee recognises that the default investment option will not meet the needs of all members and as such, a self-select fund range is available for members to choose from.

Appropriate investment advice was received from the Plan's investment advisor and the arrangements implemented are consistent with the policies in the SIP and continue to provide members with appropriate options across the risk/return spectrum to implement the policy.

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

Policy

The Trustees have considered risk from a number of perspectives in relation to the DC Section, including the default option, all of which the Trustees believe are financially material. Further details are set out in Section 4.2 of the SIP.

How has this policy been met over the Plan Year?

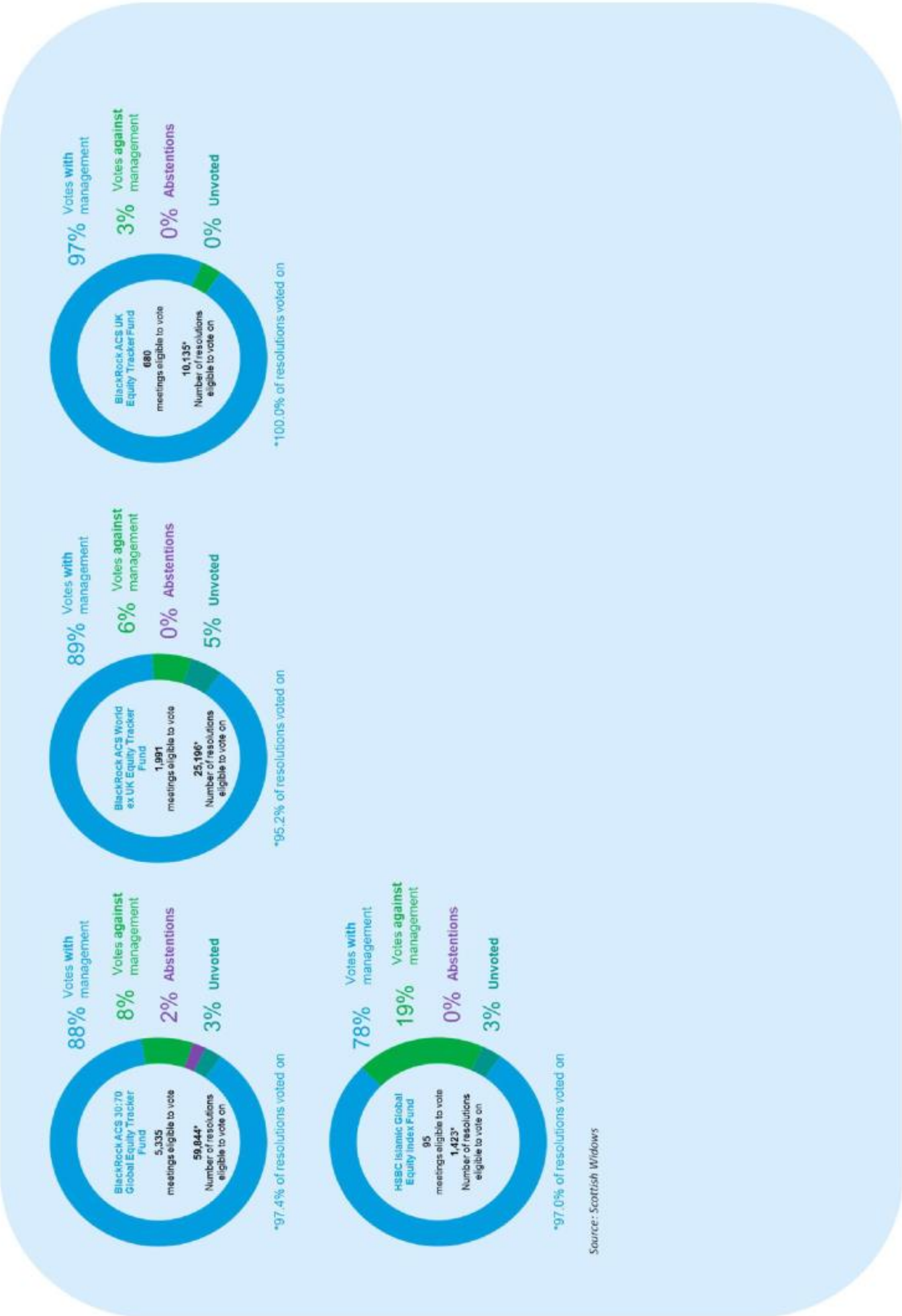
The Trustees have considered risk for the DC Section of the Plan from a number of perspectives. The list provided in this section is not exhaustive but covers the main risks that the Trustees consider and how these are managed and measured. The Trustees maintain a risk register in respect of the Plan, setting out key risks including market risks, investment manager risks and ESG risks and how they are mitigated. This rates the impact and likelihood of the risks and summarise existing mitigations and additional actions. The Plan maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions.

- Inflation Risk
- Pension Conversion Risk
- Market Risk
- Currency Risk
- Operational Risk
- Liquidity Risk
- Valuation Risk
- Environmental, Social and Governance Risk
- Manager Skill / Alpha Risk

3. Voting Activity during the Plan Year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Plan. Votes "for / against management" assess how active managers are in voting for and against management. Purple represents abstention from voting. Funds where voting is not applicable (i.e. most non-equity funds) are not included in the list below.

Source: Scottish Widows


BlackRock ACS 30:70 Global Equity Tracker Fund
5,335
meetings eligible to vote
59,844*
Number of resolutions eligible to vote on
88% Votes with management
8% Votes against management
2% Abstentions
3% Unvoted
*97.4% of resolutions voted on
BlackRock ACS World ex UK Equity Tracker Fund
1,991
meetings eligible to vote
25,196*
Number of resolutions eligible to vote on
89% Votes with management
6% Votes against management
0% Abstentions
5% Unvoted
*95.2% of resolutions voted on
BlackRock ACS UK Equity Tracker Fund
680
meetings eligible to vote
10,135*
Number of resolutions eligible to vote on
97% Votes with management
3% Votes against management
0% Abstentions
0% Unvoted
*100.0% of resolutions voted on
HSBC Islamic Global Equity Index Fund
95
meetings eligible to vote
1,423*
Number of resolutions eligible to vote on
78% Votes with management
19% Votes against management
0% Abstentions
3% Unvoted
*97.0% of resolutions voted on
Source: Scottish Widows

DC Most signficant votes

⊗ Resolution **not** passed ✓ Resolution passed

Managers have provided significant votes across equity-containing funds. The Trustees disclose the most significant votes, prioritising stewardship related to climate change and Good Corporate Governance in accordance with the size filter for materiality. These significant votes include the top holdings of equity and DGF funds, provided the information is available. The Trustees do not use the direct services of a proxy voter.

Fund	Company	Approx. size of fund's holding (as % of portfolio)	Date of vote	How the Manager voted	Summary of the resolution	Rationale of Manager vote	Final outcome following the vote	Trustee Priority Area
BlackRock ACS 30:70 Global Equity Tracker Fund	Royal Dutch Shell Plc	2.14%	24/05/22	Against	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	Proposal is not in shareholders' best interests.	⊗	Climate Change
Baillie Gifford - Diversified Growth	Duke Realty Corporation	14.95%	28/09/22	Against	Remuneration	Baillie Gifford opposed the advisory proposal to approve executive compensation to be paid in connection with the company merger due to concerns regarding single trigger provisions and the introduction of excise tax gross-ups in connection with severance payments.	⊗	Good Corporate Governance
BlackRock - Passive Overseas Equity	Amazon.com, Inc.	2.34%	25/05/22	For	Report on Efforts to Reduce Plastic Use	The company does not meet their expectations for disclosure of natural capital policies and/or risk.	⊗	Climate Change
BlackRock - Passive UK Equity	Rio Tinto Plc	2.45%	08/04/22	For	Approve Climate Action Plan	Not Provided	✓	Climate Change
LGIM Ethical Global Equity Index Fund	Alphabet Inc.	2.00%	01/06/22	For	Report on Physical Risks of Climate Change	LGIM expects companies to be taking sufficient action on the key issue of climate change.	⊗	Climate Change

Source: Scottish Widows

Voting information provided by Insight for the Broad Opportunities Fund does not disclose votes that fall within the Trustees' priority areas.

Fund	Company	Approx. size of fund's holding (as % of portfolio)	Date of vote	How the Manager voted	Summary of the resolution	Rationale of Manager vote	Final outcome following the vote	Trustee Priority Area
LGIM Global Equity Fixed Weights (60:40) Index Fund	Royal Dutch Shell Plc	4.14%	24/05/22	Against	Approve the Shell Energy Transition Progress Update	LGIM acknowledges the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, they remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	✓	Climate Change
Majedie UK Equity Fund	RS Group	2.80%	14/07/22	For	Approve Remuneration Policy	Majedie believes 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.	✓	Good Corporate Governance
BlackRock Aquila Connect Emerging Markets Fund	Grupo Mexico S.A.B. de C.V.	Not provided	28/04/22	Against	Elect or Ratify Directors	The Company does not meet BlackRock expectations of having adequate climate risk disclosures against all 4 pillars of TCFD.	✓	Climate Change
HSBC Islamic Global Equity Index Fund	Apple Inc.	7.35%	03/10/23	Against	Elect Director Sue Wagner	HSBC has concerns about insufficient diversity of the board.	✓	Good Corporate Governance

The voting and engagement policies of the three investment managers used in the default investment option (BlackRock, Baillie Gifford and Insight) are detailed below. Policies of the other investment managers are available on request.

Overview of BlackRock's approach to voting and engagement (provided by the manager)

BlackRock's policy on consulting with clients before voting

BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. We believe that there are certain fundamental rights attached to shareholding. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. Shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws.

BlackRock's process for deciding how to vote

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Our voting guidelines are market-specific to ensure we take into account a company's unique circumstances by market, where relevant. We inform our vote decisions through research and engage as necessary. Our engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. We may also update our regional engagement priorities based on issues that we believe could impact the long-term sustainable financial performance of companies in those markets. We welcome discussions with our clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in our Global Principles, BlackRock determines which companies to engage directly based on our assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes.

Use of proxy voting services

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

Overview of Baillie Gifford's approach to voting and engagement (provided by the manager)

Baillie Gifford's policy on consulting with clients before voting

All voting decisions are made by Baillie Gifford's ESG team in conjunction with investment managers. Baillie Gifford does not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then they will engage with them on this. If a vote is particularly contentious, Baillie Gifford may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Baillie Gifford's process for deciding how to vote

Thoughtful voting of Baillie Gifford clients' holdings is an integral part of their commitment to stewardship. Baillie Gifford believes that voting should be investment led, because how they vote is an important part of the long term investment process, which is why their strong preference is to be given this responsibility by their clients. The ability to vote Baillie Gifford clients' shares also strengthens their position when engaging with investee companies. Their ESG team oversees the voting analysis and execution in conjunction with their investment managers. Unlike many of their peers, the manager does not outsource any part of the responsibility for voting to third-party suppliers. They utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with their ESG Principles and Guidelines and they endeavour to vote every one of their clients' holdings in all markets.

Proxy voting services

Whilst Baillie Gifford is 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 their recommendations when deciding how to vote on their clients' shares. All client voting decisions are made in-house. Baillie Gifford votes in line with their in-house policy and not with the proxy voting providers' policies. They also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.

Overview of Insight Investment's approach to voting and engagement (provided by the manager)

Insight Investment's policy on consulting with clients before voting

Insight does not consult with clients prior to voting on resolutions. However, Insight is committed to voting all proxies where it is deemed appropriate and responsible to do so. Insight takes its responsibility to vote very seriously and votes in the best interest of clients.

Insight Investment's process for deciding how to vote

Insight retains the services of Minerva Analytics (Minerva) for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from thousands of market, national and international legal and best practice provisions from jurisdictions around the world. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote.

Proxy voting services

Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. Minerva Analytics monitors company meeting agendas and items to be voted on. Minerva reviews each vote against Insight's specific criteria and provides a recommendation for each item. Insight votes in line with the recommendations of the proxy voting agent and documents where it makes a voting decision against the recommendation. The rationale for abstaining or voting against the voting recommendation is retained on the Minerva platform on a case-by-case basis.