



ITV PENSION SCHEME
DEFINED CONTRIBUTION SECTION



Following our
INVESTMENT PRINCIPLES

Annual implementation statement
Scheme year ended 31 December 2023

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SECTION 1:

Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of the ITV Pension Scheme (“the Scheme”) covering the Scheme year (“the year”) to 31 December 2023.

The purpose of this statement is to:

- Detail any reviews of the DC Section Statement of Investment Principles (“SIP”) that the Trustee has undertaken, and any changes made to the SIP over the year as a result of the reviews
- Set out the extent to which, in the opinion of the Trustee, the SIP has been followed during the Scheme year
- Describe the voting behaviour on behalf of the Trustee over the year.

The Scheme makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focusing on areas of maximum impact.

A copy of this implementation statement has been made available on the following website:

www.itv-pensions.com/library-items/

SECTION 2:

Review of, and changes to, the SIP

The SIP was reviewed by the Trustee at its September meeting and a revised version was agreed in September 2023. The changes to the SIP were:

- Updates to reflect the changes to the investment options available to members including:
 - Revising the fund options listed in the SIP for both DC Section and AVC members to reflect the new Guided and Customised options
 - Updating the Trustee's overall objectives for its investment strategy to reflect the new investment options available and new strategic approach.
 - Updated the Default Arrangements under the Scheme
 - Change the investment platform provider to be Legal & General.
- Updated the risk management section to update the risks involved in the investment of the Scheme's DC assets
- Included the Trustee's priorities for its stewardship activities
- Other minor amendments to reflect developments since the 2020 SIP was agreed.

This Implementation Statement will focus specifically on the September 2023 version of the SIP.

SECTION 3:

Adherence to the SIP

The Trustee believes the policies outlined in the SIP have been followed during the Scheme Year and the justification for this is set out in the remainder of this section. Please note that this statement only covers sections of the SIP deemed to represent the Trustee's policies, and not introductory or background comments, or statements of fact.

Investment policy and member investment options

The Trustee's investment policy is to make available to members:

- Lifecycle options that generate capital growth over the long term and then provide effective matching to the lifecycle's stated retirement objective in the lead up to retirement.
- A range of individual funds to give members the freedom to structure their own investment policy to suit their individual risk, return, liquidity and retirement planning preferences.

The Trustee implements its investment policy through the Guided strategies (the "lifestyle" choice for members where investment changes are made automatically) and Customised fund options (for members to manage their own investment changes) that it makes available to members.

The last formal review of the Scheme's investment strategy and the performance of the investment options (including the default arrangements) that the Trustee makes available was completed on 15 December 2021. The Trustee agreed that the following strategic framework should be implemented:

- A single growth phase to be offered across all Guided options with a Phased approach which gradually reduces the level of investment risk.
- Two Guided strategies to be offered with different consolidation phases:
 - One that targets an annuity purchase on retirement – this is based on the fact that the majority of the remaining DC members purchase an annuity with their DC savings to align with the RST benefits.
 - One that provides an appropriate balanced approach to allow for a range of retirement decisions – this was deemed appropriate as there were a number of members where a range of retirement options may be considered.
- A streamlined Customised fund range with a focus on passively managed investments options is appropriate.
- The investment options to be offered would now be harmonised across DC Section and AVC members.

In addition, to the fund range changes, the Trustee agreed at its November 2022 meeting to change its platform provider from Scottish Widows to Legal & General Investment Management (LGIM).

The above changes were implemented in July 2023.

Investment risk

The Trustee recognises that there are a number of risks involved in the investment of the assets of the DC Section. In particular, providing an appropriate range of investments for members (at an appropriate cost) which allows for a balance of investment return and security depending on how close members are to the age at which they can take their benefits. The Trustee recognises investment risks will impact individual members differently and seeks to manage this with the range of investment options provided to the members. The Trustee monitors investment risks associated with the Scheme DC Section in a number of ways:

- By receiving bi-annual reporting on the DC Section investment funds, which includes monitoring of short and long term performance, and monitoring of fund managers. The Trustee reviews the bi-annual monitoring report with the aim of ensuring that each of the funds continues to meet their respective objectives.
- Receiving additional investment performance as required, for example during 2023 the Trustee received more up to date performance to supplement the bi-annual reports to show the performance of the new fund options implemented part way through the year.
- As part of investment strategy reviews, the Trustee considered the membership demographics of the Scheme and considered both short and long term risks associated with the investment strategies. The new Guided strategies introduced in 2023 have been designed taking into account the key risks faced by members, in particular in relation to aligning the strategy with how members are expected to access their savings.
- Considering the sustainable investment practices of the DC Section managers on an annual basis to understand any potential risks in this area.

Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. The current investment strategy review took account of the overall balance of these risks.

The investment guide available on the Scheme website explains to members the balance between risk and reward and the types of risk they should consider when selecting their investment options.

In addition, the investment adviser will update the Trustee in between these meetings if a particular issue arises with the Scheme's platform provider or one of the funds made available within the Scheme.

Social responsibility and corporate governance

The Trustee believes that Environmental, Social and Governance (ESG) factors can have a significant impact on investment returns, particularly over the long-term, and that sustainable investment is an important and relevant issue. The Trustee also believes that investment managers should exercise strong stewardship, in accordance with the UK Stewardship Code, and follow a policy of active engagement with the companies in which a fund invests.

The Trustee explores the approaches to sustainable investment and stewardship followed by its investment managers, with advice from its investment adviser.

During the Scheme Year, the Trustee undertook a sustainable investment assessment. This exercise considered the sustainable investment and stewardship practices of the fund managers used in the DC Section. The report also included the adviser's views and ratings of managers' approach to ESG integration and stewardship activities. This included an assessment of the managers' commitment to ESG integration, the level of resources dedicated to ESG and stewardship, and the policies applied to corporate engagement and shareholder voting on relevant sustainable investment issues.

Overall, the managers' scored well in the majority of areas assessed.

The Trustee also agreed during the Scheme Year a new framework around the Trustee's views and priorities on the voting activity undertaken by its investment managers. This framework was incorporated onto the updated SIP which has been shared with LGIM as the Scheme's platform provider and principal fund manager to ensure their approach is aligned with the Trustee's views in these areas. LGIM has not raised any concerns in this area and has provided supporting information on its current approaches to the Trustee's stewardship priorities.

As part of the changes resulting from the investment strategy review the Trustee has made available a fund that takes account of a wide range of ESG factors in the way it invests. The new fund was selected to align with the Trustee's preferred strategic framework but also to ensure the ESG option would cater for a wider range of member needs and views

Arrangements with investment managers

The assets of the Scheme are invested in pooled funds, and as such the Trustee does not have direct control or influence on the underlying managers. However, through the regular performance and sustainable investment reporting provided by the investment adviser the Trustee has gained a good understanding of the managers' investment policies and processes. As noted above, The Trustee has also ensured that all managers have received a copy of the latest SIP so that they are aware of the Trustee's expectations regarding how the Plan's assets are managed.

The Trustee reviews the costs incurred in managing the Plan's assets annually, as part of its governance and in reporting of the costs and charges in the Annual Governance Statement. The Trustee has reviewed the level of turnover within each underlying fund and is comfortable that these are within expected ranges for each type of fund.

Realisation of investments

The Trustee's policy is to offer members fund options that can be readily realised to allow members to access funds quickly and easily. All funds held by members are daily priced and so the Trustee is comfortable that members are able to access their assets promptly on request.

SECTION 4:

Voting and Engagement

The Scheme's equity holdings are held within pooled investment vehicles and the Trustee delegates voting rights and the execution of those rights to the underlying managers for the securities they hold. The Scheme's investment advisers engage managers on areas for development, not least around resourcing, and improving the breadth and depth of corporate engagements.

The Trustee during the year agreed its stewardship and voting priorities for the DC Section of the Scheme. The agreed areas are:

- Climate change
- Income inequality
- Governance

The Trustee updated its SIP to reflect the above during the year and has engaged with its managers to outline the Trustee's new stewardship priorities with the aim of the managers aligning their approach as much as possible with these.

Further information on the voting and engagement activities of the managers is provided in the summary table below, with more detail provided in the supporting 'Supplementary Voting Activity' document. The votes included below under 'significant votes' section of the Supplementary Voting Activity' document were selected based on the information provided by the investment managers and the above priority areas.

The table covers all funds held during the year and so shows those held with Scottish Widows prior to July 2023 and then those invested with Legal & General following this date. For the Shariah Law (index tracker) fund and the UK shares (index tracker) fund, there was no change to the underlying manager used and so these funds are only shown once under the 'Legal & General' table.

Funds held on the Legal & General platform from July 2023

Fund	Underlying fund(s)	Votes cast	Use of proxy voter	Significant votes
Global Shares (index tracker)	LGIM All World Equity Index Fund	10,606 (99.88% of eligible votes) 23.48% of votes against management / 1.11% abstained	See "LGIM Index Funds" at bottom of the table	Alimentation Couche-Tard Inc.
UK Shares (index tracker)	LGIM UK Equity Index	10,517 (99.8% of eligible votes) 5.8% of votes against management / 0.0% abstained	See "LGIM Index Funds" at bottom of the table	Shell Plc.
Diversified Investments	LGIM Diversified	94,290 (99.82% of eligible votes) 23.36% of votes against management / 0.28% abstained	See "LGIM Index Funds" at bottom of the table	Prologis, Inc.
Global shares (index tracker) (responsible investments)	LGIM Future World Global Equity Index	52,639 (99.92% of eligible votes) 19.32% of votes against management / 0.36% abstained	See "LGIM Index Funds" at bottom of the table	Amazon.Com, Inc.
Shariah Law (index tracker)	HSBC Global Islamic Index	1,726 (95.0% of eligible votes) 23.0% of votes against management / 0.0% abstained	Uses proxy to assist with the global application of their own bespoke voting guidelines	Nike, Inc. Fast Retailing Co, Ltd
LGIM Index Funds			Uses proxy voting recommendations to augment its own research but ultimately all voting decisions are made by LGIM	See the separate supporting voting activity document.

Funds held on the Scottish Widows platform prior to July 2023

Fund	Underlying fund(s)	Votes cast	Use of proxy voter	Significant votes
Global Shares (index tracker)	L&G 30/70 Global Equity Index Fund	72,933 (99.88% of eligible votes) 18.54% of votes against management / 0.46% abstained	See "LGIM Index Funds" at bottom of the table	Glencore Plc.
Global Shares excluding UK (Index tracker)	L&G World ex-UK Equity Fund	35,367 (99.90% of eligible votes) 22.07% of votes against management / 0.14% abstained	See "LGIM Index Funds" at bottom of the table	The Coca-Cola Company.
UK Shares	M&G Recovery Fund	1,223 (100% of eligible votes) 0% of votes against management / 0.0% abstained	Voting is instructed through the ISS voting platform, ProxyExchange. Voting decisions are taken by the Sustainability and Stewardship team at M&G often in consultation with Fund Managers. Some routine resolutions are voted by ISS on M&G's behalf when clear criteria have not been met	Pearson Plc. BP plc
Emerging Markets (index tracker)	LGIM World Emerging Markets Equity	34,029 (99.91% of eligible votes) 18.62% of votes against management / 0.87% abstained	See "LGIM Index Funds" at bottom of the table	Tencent Holdings Limited.
Mixed Selection	Schroders Diversified Growth Fund	14,227 (93.84% of eligible votes) 10.96% of votes against management / 0.45% abstained	Uses proxy voting recommendations to augment its own research but ultimately all voting decisions are made by Schroders	Amazon.Com, Inc. Oracle Corporation
Social Conscience	Jupiter Ecology	20 (100% of eligible votes) 20% of votes against management / 0% abstained	Uses proxy voting recommendations to augment its own research but ultimately all voting decisions are made by Jupiter	Eurofins Scientific SE. Schneider Electric
Property & Infrastructure	LGIM Global Real Estate Equity	4,368 (99.66% of eligible votes) 20.20% of votes against management / 0.02% abstained	See "LGIM Index Funds" at bottom of the table	Public Storage.
	LGIM Infrastructure Equity MFG	1,239 (100% of eligible votes) 25.83% of votes against management / 0.0% abstained	See "LGIM Index Funds at bottom of the table"	American Water Works Company, Inc.
	M&G Pooled Pensions Property	Not applicable		
LGIM Index Funds			Uses proxy voting recommendations to augment its own research but ultimately all voting decisions are made by LGIM	See the separate supporting voting activity document.

SECTION 5:

Supplementary Voting Activity

1. Introduction

This document is supplementary to the Annual Implementation Statement (“the statement”) prepared by the Trustee of ITV Pension Scheme – DC Section covering the Scheme year (“the year”) to 31 December 2023. It provides additional detail on the key voting and engagement activities for the managers during the Scheme year. The votes included were based on the information provided by managers and the Trustee’s agreed voting priority areas. The agreed areas are:

- Climate change
- Income inequality
- Governance

Funds held as at 31 December 2023

Legal & General Investment Management (LGIM) – All World Equity Index Fund, UK Equity Index Fund, Diversified Fund, Future World Global Equity Index Fund,

Voting Activities:

Global shares (index tracker) Fund – LGIM All World Equity Index Fund:

- There were 10,606 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 99.88% of its votes over the year
- 23.48% of votes were against management and 1.1% were abstained
- 10.29% of votes were contrary to the proxy advisor’s recommendation

Example significant vote: Alimentation Couche-Tard Inc.

Resolution: Elect Director Melanie Kau

Approximate size of the fund’s holding as at the date of the vote: 0.06%

Management: For

Action: Against

Outcome: Passed

A vote against was applied due to:

- Remuneration - LGIM has had concerns with the remuneration practices for the past year.
- Independence - LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.
- This was an escalation of previous concerns around the joint role of CEO and Chair in place at the company.

This falls under the Trustee’s voting priority area of governance.

UK Shares (Index Tracker) – LGIM UK Equity Index Fund:

- There were 10,517 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 99.79% of its votes over the year
- 5.80% of votes were against management and 0% were abstained
- 4.63% of votes were contrary to the proxy advisor’s recommendation

Example significant vote: Shell Plc .

Resolution: Approve the Shell Energy Transition progress

Approximate size of the fund's holding as at the date of the vote: 6.96%

Management: For

Action: Against

Outcome: Passed

A vote against was applied though not without reservations. LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.

This falls under the Trustee's voting priority area of climate change.

Diversified Investments – LGIM Diversified Fund:

- There were 94,290 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 99.82% of its votes over the year
- 23.36% of votes were against management and 0.28% were abstained
- 14.62% of votes were contrary to the proxy advisor's recommendation

Example significant vote: Prologis, Inc.

Resolution: Elect Director Jeffrey L. Skelton

Approximate size of the fund's holding as at the date of the vote: 0.42%

Management: For

Action: Against

Outcome: Pass

A vote against was applied because:

- LGIM expects a company to have at least one-third women on the board.
- LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.
- The company has an all-male Executive Committee.

This vote was selected as it falls under the Trustee's voting priority areas of income inequality and governance with the Company demonstrating a number of issues with the Board's governance practices.

Global Shares (index tracker) (responsible investments) – LGIM Future World Global Equity Index Fund:

- There were 52,639 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 99.92% of its votes over the year
- 19.32% of votes were against management and 0.36% were abstained
- 10.98% of votes were contrary to the proxy advisor's recommendation

Example significant vote: Amazon.Com, Inc

Resolution: Report on Median and Adjusted Gender/Racial Pay Gaps

Approximate size of the fund's holding as at the date of the vote: 1.34%

Management: For

Action: Against

Outcome: Fail

A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. LGIM believes is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives.

This falls under the Trustee's voting priority area of income inequality.

What is LGIM's policy on consulting with clients before voting?

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

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Please describe whether LGIM has made use of any proxy voter services

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

Please provide an overview of LGIM's process undertaken for deciding how to vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

Is LGIM currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

Refer to <https://www.lgim.com/landg-assets/lgim/document-library/capabilities/conflicts-of-interest.pdf>

Please include here any additional comments which are relevant to LGIM's voting activities or processes

LGIM sees it as vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of our formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations.

Shariah Law (index tracker) - HSBC Global Asset Management – Islamic Global Equity Index Fund

Voting Activities

- There were 1,726 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 95% of its votes over the year
- 23% of votes were against management and 0% were abstained
- 1% of votes were contrary to the proxy advisor's recommendation

What is HSBC's policy on consulting with clients before voting?

The legal right to the underlying votes lies with the directors of the HSBC Islamic Global Equity Index Fund. It has delegated this execution of this voting to HSBC Global Asset Management (UK) Limited.

Please describe whether HSBC has made use of any proxy voter services

HSBC uses Institutional Shareholder Services (ISS) to assist with the global application of its voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. HSBC reviews voting policy recommendations according to the scale of its overall holdings. The bulk of holdings are voted in line with the recommendation based on HSBC's guidelines.

Please provide an overview of HSBC's process undertaken for deciding how to vote

HSBC exercises its voting rights as an expression of stewardship for client assets. It has global voting guidelines which protect investor interests and foster good practice, highlighting independent directors, remuneration linked to performance, limits on dilution of existing shareholders and opposition to poison pills.

Is HSBC currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

HSBC Funds and client mandates may hold shares in its parent, HSBC Holdings PLC. HSBC has a special procedure for voting on these shares to manage this conflict. HSBC also has procedures for managing other conflicts that may arise. However, HSBC does not believe that it has exposure to the conflicts listed.

Please include here any additional comments which are relevant to HSBC's voting activities or processes

Please refer to the link below for details on HSBC's Global Voting Guidelines:

<https://www.global.assetmanagement.hsbc.com/-/media/files/attachments/common/resource-documents/global-voting-guidelines-en.pdf>

Example significant vote – Vote 1: Nike Inc

Resolution: Report on Median Gender/Racial Pay Gap (shareholder proposal)

Approximate size of the fund's holding as at the date of the vote: 1%

Management: Against

Action: For

Outcome: Failed

HSBC believes that the proposal would contribute to improving gender inequality.

This falls under the Trustee's voting priority areas of income inequality.

Example significant vote – Vote 2: FAST RETAILING CO., LTD. Resolution: Elect Director Yanai, Tadashi

Approximate size of the fund's holding as at the date of the vote: 0.22%

Management: For Action:

Against Outcome: Passed

HSBC voted against the Board Chair as they have concerns about insufficient gender diversity of the Board. There were also concerns around insufficient independence on the Board.

This falls under the Trustee's voting priority areas of governance.

Funds held as at 31 December 2023

Legal & General Investment Management (LGIM) – 30/70 Global Equity Index Fund, World ex- UK Equity Fund, World Emerging Markets Equity, Global Real Estate Equity, Infrastructure Equity MFG

Voting Activities:

Global shares (index tracker) Fund – LGIM 30/70 Global Equity Index Fund:

- There were 72,933 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 99.88% of its votes over the year
- 18.54% of votes were against management and 0.46% were abstained
- 10.62% of votes were contrary to the proxy advisor's recommendation

Example significant vote: Glencore Plc.

Resolution: Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan"

Approximate size of the fund's holding as at the date of the vote: 0.75%

Management: Against

Action: For

Outcome: Failed

In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following LGIM's multi-year discussions with the company since 2016 on its approach to the energy transition.

This falls under the Trustee's voting priority area of climate change.

Global Shares excluding UK (Index Tracker) – LGIM World ex-UK Equity Fund:

- There were 35,367 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 99.90% of its votes over the year
- 22.07% of votes were against management and 0.14% were abstained
- 16.18% of votes were contrary to the proxy advisor's recommendation

Example significant vote: The Coca-Cola Company

Resolution: Report on Congruency of Political Spending with Company Values and Priorities

Approximate size of the fund's holding as at the date of the vote: 0.45%

Management: Against

Action: For

Outcome: Failed

LGIM expects companies to be transparent in their disclosures of their lobbying activities and internal review processes involved. While LGIM appreciates the level of transparency Coca-Cola provides in terms of its lobbying practices, it is unclear whether the company systematically reviews any areas of misalignment between its lobbying practices and its publicly stated values. LGIM believes that the company is potentially leaving itself exposed to reputational risks related to funding organisations that take positions that are contradictory to those of the company's stated values, and potentially attracting negative attention that could harm the company's public image and brand. Producing a report on the congruency of political spending with company values and priorities may help the company to identify and question its previous political spending priorities.

This falls under the Trustee's voting priority area of governance.

Emerging Markets (index tracker) – LGIM World Emerging Markets Equity Index Fund:

- There were 34,029 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 99.91% of its votes over the year
- 18.62% of votes were against management and 0.87% were abstained
- 7.26% of votes were contrary to the proxy advisor's recommendation

Example significant vote: Tencent Holdings Limited.

Resolution: Elect Jacobus Petrus (Koos) Bekker as Director

Approximate size of the fund's holding as at the date of the vote: 4.2%

Management: For Action: Against

Outcome: Passed

A vote against was applied because:

- The company is deemed to not meet minimum standards with regard to climate risk management.
- LGIM expects the Committee to comprise independent directors.

This vote was selected as it falls under the Trustee's voting priority areas of climate change and governance.

Property & Infrastructure Fund – LGIM Global Real Estate Equity:

- There were 4,368 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 99.66% of its votes over the year
- 21.20% of votes were against management and 0.02% were abstained
- 16.84% of votes were contrary to the proxy advisor's recommendation

Example significant vote: Public Storage

Resolution: Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal

Approximate size of the fund's holding as at the date of the vote: 2.97%

Management: Against

Action: For

Outcome: Failed

A vote for was applied because:

- LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C.

This vote was selected as it falls under the Trustee's voting priority areas of climate change. Property & Infrastructure Fund – Infrastructure Equity MFG:

- There were 1,239 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 100% of its votes over the year
- 25.83% of votes were against management and 0.00% were abstained
- 21.55% of votes were contrary to the proxy advisor's recommendation

Example significant vote: American Water Works Company, Inc.

Resolution: Oversee and Report a Racial Equity Audit

Approximate size of the fund's holding as at the date of the vote: 1.41%

Management: Against

Action: For

Outcome: Failed

A vote for was applied because:

- LGIM considered this shareholder proposal significant as it views gender diversity as a financially material issue for our clients, with implications for the assets they manage on their behalf.

This vote was selected as it falls under the Trustee's voting priority areas of income inequality.

Jupiter Asset Management – Jupiter Ecology Fund

Voting Activities

- There were 746 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 100% of its votes over the year
- 1% of votes were against management and 0.01% were abstained
- 1% of votes were contrary to the proxy advisor's recommendation

What is Jupiter's policy on consulting with clients before voting?

Jupiter is open to and welcomes dialogue with clients on stewardship matters, including voting decisions. Such dialogue is typically coordinated by Jupiter's in-house Governance and Sustainability team, who work with its fund managers on proxy voting and company engagement and the development of its Stewardship Policy.

Understanding client priorities, engaging in collective action with other investors, using third party data and remaining close to investor organisations and industry bodies informs its overall stewardship strategy, including voting. Ultimately, Jupiter expresses that it is transparent in communicating to the clients of its pooled funds that the fund managers at Jupiter take the lead and are accountable for stewardship activity, including voting decisions. This is in keeping with its active management philosophy and Jupiter does not think it is in keeping with its responsibilities to clients if these duties become detached from its fund managers.

Please describe whether Jupiter has made use of any proxy voter services

In order to assist in the assessment of corporate governance and sustainability issues, Jupiter subscribes to external corporate governance and sustainability research and data providers. Such external resources contribute to forming a balanced view on voting matters. However, while Jupiter takes the proxy adviser's recommendations into account, stewardship activities are not delegated or outsourced to third parties and recommendations are not automatically followed when deciding how to vote. Jupiter's primary proxy research providers are Institutional Shareholder Services (ISS).

Please provide an overview of Jupiter's process undertaken for deciding how to vote

Jupiter's individual fund managers with responsibility for an investment in a company retain ultimate discretion over voting decisions for the funds they manage on behalf of clients. This is consistent with Jupiter's active management philosophy.

Jupiter does not think it is appropriate or in keeping with its commitment to clients if these considerations become detached from its fund managers. Therefore, Jupiter does not outsource voting or engagement activity to third parties and does not automatically follow voting recommendations. The process is supported by Jupiter's Governance and Sustainability ('GS') team, which is involved in reviewing agenda items, disseminating information and engaging with companies. Resolutions are assessed against Jupiter's Stewardship Policy and any non-compliance with good market practice or major issues (including investment decisions) is discussed with fund managers prior to voting.

Is Jupiter currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

Jupiter expressed that it is not affected by any conflicts listed.

Please include here any additional comments which are relevant to Jupiter's voting activities or processes

No response provided.

Example significant vote– Vote 1: Eurofins Scientific SE Resolution: Approve

Remuneration Report

Approximate size of the fund's holding as at the date of the vote: 1.53%

Management: For

Action: Against

Outcome: Passed

Jupiter felt a vote against was warranted due to a lack of disclosure around weights and performance targets in the short term incentive plan (STIP), as actual remuneration earned under the STIP is not disclosed.

This falls under the Trustee's voting priority area of governance.

Example significant vote: Schneider Electric

Resolution: Approve the Company's Climate Transition Plan

Approximate size of the fund's holding as at the date of the vote: 3.52% **Management:** For

Action: For

Outcome: Passed

Jupiter felt a vote for the plan was warranted after considering the climate mitigation targets by 2030 and 2050 to achieve Net-Zero on a 1.5C trajectory were validated by SBTi and there are with intermediary checkpoints in their plan. The company have also further outlined a set of detailed implementation actions with interim targets in 2025 which is in line with the expectations of the net zero investment framework guidance. Jupiter believe this is a positive outcome and will monitor how the Company progress towards achieving the targets and milestones they have within the CTP.

This falls under the Trustee's voting priority area of climate change.

Mixed Selection - Schroders Diversified Growth Fund

Voting Activities

- There were 14,227 eligible votes for the fund over the 12 months to 31 December 2023
- The manager exercised 93.84% of its votes over the year
- 10.96% of votes were against management and 0.45% were abstained
- 7.4% of votes were contrary to the proxy advisor's recommendation

What is Schroders policy on consulting with clients before voting?

The corporate governance analysts input votes based on their proprietary research in line with Schroders' house voting policy and do not take voting instruction from our clients. We report transparently on our voting decisions with rationales on our website.

Please describe whether Schroders has made use of any proxy voter services

Institutional Shareholder Services (ISS) act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange.

Schroders receives recommendations from ISS in line with our own bespoke guidelines, in addition, we receive ISS's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

Please provide an overview of Schroders process undertaken for deciding how to vote

As active owners, we recognise our responsibility to make considered use of voting rights. We therefore vote on all resolutions at all AGMs/EGMs globally unless we are restricted from doing so (e.g. as a result of share blocking).

We aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with our published ESG policy.

The overriding principle governing our voting is to act in the best interests of our clients. Where proposals are not consistent with the interests of shareholders and our clients, we are not afraid to vote against resolutions. We may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues.

We evaluate voting resolutions arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. Our Corporate Governance specialists assess each proposal, applying our voting policy and guidelines (as outlined in our Environmental, Social and Governance Policy) to each agenda item. In applying the policy, we consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Our specialists will draw on external research, such as the Investment Association's Institutional Voting Information Services and ISS, and public reporting. Our own research is also integral to our process; this will be conducted by both our financial and Sustainable Investment analysts. For contentious issues, our Corporate Governance specialists consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

We also engage with companies throughout the year via regular face-to-face meetings, written correspondence, emails, phone calls and discussions with company advisors and stakeholders.

In 2022, we voted on approximately 7600 meetings and 96% of total resolutions, and instructed a vote against the board at over 50% of meetings.

Institutional Shareholder Services (ISS) act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with our own bespoke guidelines, in addition, we receive ISS's Benchmark research. This is complemented with analysis by our in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

ISS automatically votes all our holdings of which we own less than 0.5% (voting rights) excluding merger, acquisition and shareholder resolutions. This ensures consistency in our voting decisions as well as creating a more formalised approach to our voting process.

Is Schroders currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

Schroders accepts that conflicts of interest arise in the normal course of business. We have a documented Group wide policy, covering such occasions, to which all employees are expected to adhere, on which they receive training and which is reviewed annually. There are also supplementary local policies that apply the Group policy in a local context. More specifically, conflicts or perceived conflicts of interest can arise when voting on motions at company meetings which require further guidance on how they are handled.

Schroders' Corporate Governance specialists are responsible for monitoring and identifying situations that could give rise to a conflict of interest when voting in company meetings.

Where Schroders itself has a conflict of interest with the fund, the client, or the company being voted on, we will follow the voting recommendations of a third party (which will be the supplier of our proxy voting processing and research service). Examples of conflicts of interest include (but are not limited to):

- Where the company being voted on is a client of Schroders,
- Where the Schroders employee making the voting decision is a director of, significant shareholder of or has a position of influence at the company being voted on;
- Where Schroders or an affiliate is a shareholder of the company being voted on;
- Where there is a conflict of interest between one client and another;
- Where the director of a company being voted on is also a director of Schroders plc;
- Where Schroders plc is the company being voted on.

Separation of processes and management between Schroder Investment Management and our Wealth Management division helps to ensure that individuals who are clients or have a business relationship with the latter are not able to influence corporate governance decisions made by the former.

If Schroders believes it should override the recommendations of the third party in the interests of the fund/client and vote in a way that may also benefit, or be perceived to benefit, its own interests, then Schroders will obtain the approval of the decision from the Schroders' Global Head of Equities with the rationale of such vote being recorded in writing. If the third-party recommendation is unavailable, we will vote as we see is in the interests of the fund. If however this vote is in a way that might benefit, or be perceived to benefit, Schroders' interests, we will obtain approval and record the rationale in the same way as described above.

In the situation where a fund holds investments on more than one side of the transaction being voted on, Schroders will always act in the interests of the specific fund. There may also be instances where different funds, managed by the same or different fund managers, hold securities on either side of a transaction. In these cases the fund managers will vote in the best interest of their specific funds.

Where Schroders has a conflict of interest that is identified, it is recorded in writing, whether or not it results in an override by the Global Head of Equities.

Please include here any additional comments which are relevant to Schroders voting activities or processes

None provided.

Example significant vote – Vote 1: Amazon.Com, Inc.

Resolution: Report on Efforts to Reduce Plastic Use

Approximate size of the fund's holding as at the date of the vote: 0.4%

Management: Against

Action: For

Outcome: Failed

Schroders felt a vote for this proposal was warranted as it believes that the Company should be making meaningful steps towards eliminating use of plastic within the Company and its operations. More disclosure would enable shareholders to have a more comprehensive understanding of progress.

This falls under the Trustee's voting priority area of climate change.

Example significant vote – Vote 2: Oracle Corporation

Resolution: Report on Median and Adjusted Gender/Racial Pay Gaps

Approximate size of the fund's holding as at the date of the vote: 0.04%

Management: Against

Action: For

Outcome: Failed

Schroders felt shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives, and how it is positioning itself to realise the benefits of a diverse workforce.

This falls under the Trustee's voting priority area of income inequality.

UK Shares - M&G Recovery Fund

Voting Activities

- There were 1,223 eligible votes for the Fund over the 12 months to 31 December 2023
- The manager exercised 100% of its votes over the year
- 0.74% of votes were against management and 0.41% were abstained
- 1.14% of votes were contrary to the proxy advisor's recommendation

What is M&G Investments policy on consulting with clients before voting?

Voting decisions are taken in the best interests of clients and decision-making takes into account a wide range of factors. Whilst M&G do not solicit clients' views M&G would take them into account should they be known to them.

Please describe whether M&G Investments has made use of any proxy voter services

M&G use research provided by ISS and the Investment Association; and use the ProxyEdge platform from ISS voting platform for managing their proxy activity.

Please provide an overview of M&G Investments process undertaken for deciding how to vote

M&G have an active and informed voting policy which is an integral part of its investment philosophy. M&G have a view that voting should never be divorced from the underlying investment management activity. By exercising its votes, it seeks both to add value to clients and to protect interests as shareholders. M&G consider the issues, meet the management if necessary, and vote accordingly.

Is M&G Investments currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

No.

Please include here any additional comments which are relevant to M&G Investments voting activities or processes

M&G's voting policy and voting records are published on their website. The policy is regularly reviewed as it continues to evolve.

Example significant vote – Vote 1: Pearson Plc Resolution: Approve Remuneration Policy

Approximate size of the fund's holding as at the date of the vote: Not provided

Management: For

Action: Against

Outcome: Passed

M&G concern was that the targets are not stretching enough to warrant the increase in potential overall quantum.

This vote was selected as it fell under the Trustee's priority area of governance.

Example significant vote – Vote 2: BP Plc

Resolution: Shareholder Resolution on Climate Change Targets

Approximate size of the fund's holding as at the date of the vote: Not provided

Management: Against

Action: Against

Outcome: Failed

M&G had concerns that the vote was not in shareholders' best interest given current company strategy.

This vote was selected as it fell under the Trustee's priority area of climate change.

Notes:

1. The following five conflicts were provided to investment managers and have been sourced from the Vote reporting template for pension scheme implementation statement issued by the Pensions and Lifetime Savings Association ("PLSA"):

1. The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which it also has an equity or bond holding;
2. Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings
3. The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding
4. There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer
5. There are differences between the stewardship policies of managers and their clients