Brother Staff Retirement Benefits Scheme

Engagement Policy Implementation Statement for the year ending 31 March 2024

Introduction

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

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 March 2024. This statement also describes the voting behaviour by, or on behalf of, the Trustees including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustees, in conjunction with their investment consultant, appoints their investment managers and choose the specific pooled funds to use in order to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial performance of underlying investments (including environmental, social and governance (ESG) factors), and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

Stewardship - monitoring and engagement

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

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

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees' also delegate responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustees seek to appoint managers that have strong stewardship policies and processes and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
LGIM	Yes	Yes
Partners Group	Yes	No

The Trustees review each investment manager prior to appointment and monitor them on an ongoing basis through the regular review of the manager's voting and engagement policies, their investment consultant's ESG rating, and a review of each manager's voting and engagement behaviour.

Engagement Policy Implementation Statement (continued)

Stewardship - monitoring and engagement (continued)

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

If the Trustees find any manager's policies or behaviour unacceptable, they may agree an alternative mandate with the manager or decide to review or replace the manager.

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

Investment manager engagement policies

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

Links to the investment managers' engagement policy or suitable alternative is provided in the Appendix on pages 21 to 31.

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

Engagement	Period	Engagement definition	Number of companies engaged with over the year	Number of engagements over the year
LGIM All World Equity Index – GBP Hedged	01/04/2023-31/03/2024	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	544	816
LGIM Maturing Buy & Maintain Credit 2020-2024	01/04/2023-31/03/2024	See above	28	62

Engagement Policy Implementation Statement (continued)

Investment manager engagement policies (continued)

Engagement (continued)	Period	Engagement definition	Number of companies engaged with over the year	Number of engagements over the year
LGIM Maturing Buy & Maintain Credit 2025-2029	01/04/2023-31/03/2024	See above	72	152
LGIM Maturing Buy & Maintain Credit 2030-2034	01/04/2023-31/03/2024	See above	66	118
Partners Group Partners Fund (firm-level)	01/07/2021 – 30/06/2022 (latest available)	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	Not provided	Not provided

Partners Group have confirmed that their general engagement for the Partners Fund is on a continuous basis (relying on board representation where possible), and as such do not collect engagement statistics pertaining to the number of interactions.

Exercising rights and responsibilities

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

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

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

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

Engagement Policy Implementation Statement (continued)

Exercising rights and responsibilities (continued)

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

The latest available information provided by the investment managers, covering equity voting rights for the year ending 31 March 2024, is as follows:

Voting behaviour							
	Period	Number of meetings eligible to vote at	Number of resolutions eligible to vote on	Proportion of votes cast	Proportion of votes for management	Proportion of votes against management	Proportion of resolutions abstained from voting on
LGIM All World Equity Index – GBP Hedged	01/04/2023-31/03/2024	6,557	64,058	99.9%	79.3%	20.2%	0.5%
Partners Group Partners Fund	01/01/2023-31/12/2024	N/A	N/A	N/A	N/A	N/A	N/A

Trustees' assessment

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

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

Engagement Policy Implementation Statement (continued)

Appendix

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

Investment manager	Engagement policy
Partners Group	https://www.partnersgroup.com/~/media/Files/P/Partnersgroup/Universal/disclosures/corporate-sustainability/global-sustainability-directive.pdf https://www.partnersgroup.com/~/media/Files/P/Partnersgroup/Universal/about-us/our-impact/responsible-investment/sustainability-report-2023.pdf
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf

Information on the most significant votes for the LGIM All World Equity Index – GBP Hedged fund and the Partners Group Partners Fund during the year ending 31 March 2024 is shown below.

LGIM All World Equity Index - GBP Hedged	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.
Date of Vote	7 December 2023	28 February 2024	24 May 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.9	3.7	1.4
Summary of the resolution	Resolution 1.06 - Elect Director Satya Nadella	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps
How the fund manager voted	Against	Against	For (Against Management Recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

LGIM All World Equity Index - GBP Hedged (continued)	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	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. This is an important disclosure so that investors can assess the progress of the company’s diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as LGIM believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.
Outcome of the vote	N/A	Fail	29.0 % (Fail)
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is assessed to be “most significant”	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.	Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets LGIM manage on their behalf.	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets LGIM manage on their behalf.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

Partners Group Partners Fund	Vote 1	Vote 2	Vote 3
Company name	Galderma	Knowlton Development Corporation	AGS Health
Date of Vote	Data not provided	Data not provided	Data not provided
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Data not provided	Data not provided	Data not provided
Summary of the resolution	Corporate	Exit	Corporate
How the fund manager voted	Call with management	Call with sponsor	Investment Extension
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Data not provided	Data not provided	Data not provided
Rationale for the voting decision	In line with manager priorities	In line with manager priorities	In line with manager priorities
Outcome of the vote	Trading update	Refinancing and realization of first debt - Fully realized	Multiple engagements with sponsor Baring PE Asia on the extension (Amend and extent) of the acquisition loan provided in 2019 (add-on in 2021)
Implications of the outcome	Galderma (Nestle Skin Health) is a manufacturer of pharmaceutical preparation and performed well above PY as of Q4 (revenue ~+7% and EBITDA ~+14%) driven by high single digit organic growth driven by momentum across all segments (Injectable Aesthetics +7.5%; Dermatological Skincare +10.8%; Therapeutic Dermatology +9.6%).	The full realization generated a gIRR of 7.0% and a gTVPI of 1.21x for the first lien investment	Given that AGS health continued its good performance (de-leveraging from 6.0x (opening leverage 2019) to 4.1x in Sep-23, invested funds extended their exposure at attractive new terms and received an additional amendment fee.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

Partners Group Partners Fund (continued)	Vote 1	Vote 2	Vote 3
Criteria on which the vote is assessed to be “most significant”	In line with manager priorities	In line with manager priorities	In line with manager priorities

Information on the most significant engagement case studies for each of the funds containing public equities or bonds as at 31 December 2023 (latest available) is shown below.

LGIM - Firm-level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Aegon Ltd	Sainsbury's	Exxon Mobil
Topic	Governance	Social: Income inequality - living wage (diversity, equity and inclusion)	Environment: Climate change (Climate Impact Pledge)
Rationale	Following the disposal of Aegon Netherlands to ASR, Aegon no longer had insurance activities in the Netherlands. This transaction had transformed Aegon into an international insurance and asset management company. Since now over 99.5% of Aegon’s insurance businesses are not located in jurisdictions where Solvency II is the governing capital framework, Aegon made the decision to redomicile in Bermuda under the supervision of the Bermuda Supervision Authority (BMA). This required a vote by shareholders at an Extraordinary General Meeting on 30 September.	With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury’s is the second largest supermarket in the UK. Although Sainsbury’s is currently paying higher wages than many other listed supermarkets, the company has been selected because it is more likely than many of its peers to be able to meet the requirements to become living-wage accredited. Ensuring companies take account of the ‘employee voice’ and that they are treating employees fairly in terms of pay and diversity and inclusion is an important aspect of our stewardship activities.	As one of the world's largest public oil and gas companies, LGIM believe that Exxon Mobil's climate policies, actions, disclosures and net zero transition plans have the potential for significant influence across the industry as a whole, and particularly in the US. At LGIM, they believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under their Climate Impact Pledge, LGIM publish their minimum expectations for companies in 20 climate-critical sectors. LGIM select roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

LGIM - Firm-level (continued)	Case Study 1	Case Study 2	Case Study 3
Rationale (continued)	While the business rationale was sound, the main concerns with this proposal for LGIM were that the new regulatory framework would adversely impacted shareholders rights, and potentially its capital position. The key issues included: 1) No pre-emptive rights for existing shareholders on the issuance of common shares; (2) No shareholder approval would be required for share buybacks; and (3) No shareholder approval would be required for annual final dividend payments, amongst other issues. Consequently, LGIM decided to engage with Aegon management team ahead of the EGM in order to highlight our concerns on the weakening of shareholder rights under the proposed redomicile and amendments to the Company's Articles of Incorporation. Given concerns amongst investors and third-party service providers, such as ISS, LGIM sought to lend our voice to influence the proposals and push for enhanced shareholders rights ahead of the vote. Additionally, LGIM wanted to better understand the impact of the new supervisory environment on the business to ensure that it would not adversely impact both creditors and shareholders.	As the cost of living ratchets up in the wake of the pandemic and amid soaring inflation in many parts of the world, our work on income inequality and our expectations of companies regarding the living wage have acquired a new level of urgency. As a responsible investor, LGIM advocates that all companies should ensure that they are paying their employees a living wage and that this requirement should also be extended to all firms with whom they do business across their Tier 1 and ideally Tier 2, supply chains. LGIM expect the company board to challenge decisions to pay employees less than the living wage. LGIM ask the remuneration committee, when considering remuneration for executive directors, to consider the remuneration policy adopted for all employees. In the midst of the pandemic, LGIM went a step further by tightening our criteria of bonus payments to executives at companies where COVID-19 had resulted in mass employee lay-offs and the company had claimed financial assistance (such as participating in government-supported furlough schemes) in order to remain a going concern. UN SDG 1: No poverty and SDG 8: Decent work and economic growth	Their in-depth engagement is focused on helping companies meet these minimum expectations, and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions). Their Climate Impact Pledge 'red lines' for the oil & gas sector are: - Has the company committed to net-zero operational emissions? - Does the company have time-bound methane reduction/zero flaring targets? - Does the company disclose its climate-related lobbying activities, including trade association memberships, and explain the action it will take if these are not aligned with a 1.5°C scenario? UN SDG 13: Climate action

Engagement Policy Implementation Statement (continued)

Appendix (continued)

LGIM - Firm-level (continued)	Case Study 1	Case Study 2	Case Study 3
What the investment manager has done	LGIM were in touch with Aegon's Investor Relations team in early September ahead of a planned meeting with the CEO and management team at a roadshow in the US. LGIM noted their initial concerns with some of the proposed changes to the Company's Articles of Incorporation following the redomicile to a lower shareholder rights jurisdiction. This concern was also picked up by the main proxy advisory firms, ISS and Glass Lewis, who recommended negatively in respect of the proposed move. Following engagement on 14 September, Aegon announced amended proposals on 15 September, that now provided for enhanced shareholder rights to more closely align with provisions previously in place, especially around capital management authorities. LGIM also met with Aegon's CEO on 18 September. Given the importance of the vote on the Company's business performance, but potential negative effects on shareholder and creditor rights, the meeting was attended by the investment stewardship team as well as credit analysts both in London and the US. There was another follow-up meeting with the CEO only two days later, where changes to the proposals were discussed.	LGIM engaged initially with the company's [then] CEO in 2016 about this issue and by 2021, Sainsbury's was paying a real living wage to all employees, except those in outer London. LGIM joined forces with ShareAction to try to encourage the company to change its policy for outer London workers. As these engagements failed to deliver change, LGIM then joined ShareAction in co-filing a shareholder resolution in Q1 2022, asking the company to becoming a living wage accredited employer. This escalation succeeded insofar as, in April 2022, Sainsbury's moved all its London-based employees to the real living wage. LGIM welcomed this development as it demonstrates Sainsbury's values as a responsible employer. However, the shareholder resolution was not withdrawn and remained on the 2022 AGM agenda because, despite this expansion of the real living wage to more employees, contractors, i.e. cleaners and security guards, operating within Sainsbury's operations were excluded from the uplift. In the previous four years LGIM have held eight company meetings with Sainsburys, with the continued main focus on social inequality, whilst also covering broader topics such as capital management and biodiversity.	LGIM have been engaging with Exxon Mobil since 2016 and they have, over time, participated willingly in their discussions and meetings. Under our Climate Impact Pledge, LGIM identified a number of initial areas for concern, namely: lack of Scope 3 emissions disclosures (embedded in sold products); lack if integration or a comprehensive net zero commitment; lack of ambition in operational reductions targets and; lack of disclosure of climate lobbying activities. Levels of individual typically engaged with include the Head of Sustainability, Lead Independent Director, the Company Secretary and Investors Relations. LGIM's regular engagements with Exxon Mobil have focused on their expectations under the Climate Impact Pledge, as well as several other material issues for the company, including capital allocation and business resiliency. The improvements made have not so far been sufficient in their opinion, which has resulted in escalations. The first escalation was to vote against the re-election of the Chair, from 2019, in line with their Climate Impact Pledge sanctions.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

LGIM - Firm-level (continued)	Case Study 1	Case Study 2	Case Study 3
What the investment manager has done (continued)		They met with the CEO as well as the Chairman. In 2023, LGIM led its own campaign on income inequality where they targeted the largest global food retailers. Sainsbury's is one of the 15 companies LGIM are targeting. The campaign has as a consequence, a vote against the Chairman if our minimum requirements are not met by the time of their AGM in 2025.	Subsequently, in the absence of further improvements, LGIM placed Exxon Mobil on our Climate Impact Pledge divestment list (for applicable LGIM funds) in 2021, as they considered the steps taken by the company so far to be insufficient for a firm of its scale and stature. Nevertheless, our engagement with the company continues. In terms of further voting activity, in 2022 LGIM supported two climate-related shareholder resolutions (i.e. voted against management recommendation) at Exxon's AGM, reflecting their continued wish for the company to take sufficient action on climate change in line with our minimum expectations. Further escalating our engagement, LGIMA and CBIS co-filed a shareholder resolution at Exxon's 2023 AGM, requesting the company to disclose the quantitative impact of the IEA NZ scenario on all asset retirement obligations (AROs). The proposal was centred around disclosure and seeking greater insight into the potential costs associated with the decommissioning of Exxon's assets in the event of an accelerated energy transition. LGIM believe this is a fundamental level of information for the company's shareholders, in light of growing investor concerns about asset retirement obligations (AROs) in a carbon constrained future, and that it is financially material information. The proposal received over 16% support from shareholders which, although lower than LGIM would have liked, demonstrates an increasing recognition of the importance of this issue for investors.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

LGIM - Firm-level (continued)	Case Study 1	Case Study 2	Case Study 3
Outcomes and next steps	With pressure applied on the Company by both investors and proxy advisers, LGIM were able to push for improved shareholder rights and amended terms ahead of the vote taking place at the EGM. Both ISS and Glass Lewis changed their vote recommendations on the proposal upon the announcement on 15 September by the Company of changed terms and commitments, and LGIM felt comfortable to support all resolutions at the EGM. The redomicile of Aegon was overwhelmingly approved by shareholders with 98.7% of shares voted in favour.	Since LGIM co-filed the shareholder resolution in 2022, Sainsbury's has made three further pay increases to its directly employed workers, harmonising inner and outer London pay and is now paying the real living wage to its employees, as well as extending free food to workers well into 2023. LGIM welcome these actions which demonstrate the value the board places on its workforce. LGIM continue to engage with Sainsburys and have asked the board to collaborate with other key industry stakeholders to bring about a living wage for contracted staff. While the company may have been in the process of raising salaries, LGIMs campaigned engagement and shareholder resolution would have fast tracked the end result. It has also made the company aware of how important this topic is to their investors. LGIM are continuing to engage with Sainsbury's, both individually and collaboratively with the ShareAction Good Work Coalition, and have met with them a number of times during 2023 as part of our living wage campaign, directed at 15 large global supermarkets.	Since 2021, LGIM have seen notable improvements from Exxon Mobil regarding their key engagement requests, including disclosure of Scope 3 emissions, a 'net zero by 2050' commitment (for Scopes 1 and 2 emissions), the setting of interim operational emissions reduction targets, improved disclosure of lobbying activities and more recently, the commitment made by the company to join the leading global partnership on methane, OGMP 2.0. However, there are still key areas where LGIM require further improvements, including inclusion of Scope 3 emissions targets, further quantifiable disclosure of business resiliency and asset retirement obligations across relevant scenarios, capital allocation , and improving the level of ambition regarding interim targets. LGIM are also seeking further transparency on their lobbying activities. The company remains on our divestment list (for relevant funds), but our engagement with them continues. In terms of our next steps, LGIM will continue their direct engagements with the company under their Climate Impact Pledge and separately, to better understand challenge Exxon on their approach to the energy transition, where financial material issues such as disclosure the potential costs to retire their long-lived assets and decarbonisation levers being some of the key discussion points.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

LGIM - Firm-level (continued)	Case Study 1	Case Study 2	Case Study 3
Outcomes and next steps (continued)		In addition to setting objectives regarding the living wage for these companies' own operations, LGIM also expect them to take certain actions regarding their Tier 1 and ideally Tier 2 supply chains. LGIM have been engaging with the Chairman, the Chief Executive and investor relations in relation to our expectations. The milestones set under this campaign relate to expectations that, should they be achieved, they would not only improve wages for significant numbers of low-paid workers around the world but also, given these companies' influence in their respective countries and supply chains, LGIM would expect there to be a knock-on impact as competitors and smaller peers would then be compelled to follow suit. LGIM would hope that this would improve the livelihood of thousands of workers and their families and also boost GDP. LGIM may consider co-filing some shareholder resolutions in 2024 at some of the companies targeted under this campaign.	LGIM will also be engaging with proxy advisors and fellow investors to better understand their voting rationale. LGIM were pleased to see progress from the company in terms of joining the Oil and Gas Methane Partnership (‘OGMP’) 2.0 – the flagship oil and gas reporting and mitigation programme on methane, of which many global oil and gas companies, including BP and Shell, are already members. LGIM have been working closely and collaboratively with EDF to raise awareness of the issue (letters, meetings, public statements) and applying pressure on oil and gas companies to join the OGMP initiative since 2021 – Exxon being one of them, through our direct engagements with the company under our Climate Impact Pledge. Exxon had demonstrated reluctance, previously, to sign up to the OGMP and LGIM voted in favour of a shareholder resolution tabled at its 2023 AGM, requesting that the company produce a report on methane emission disclosure reliability, which received 36.4% support from shareholders. Public and shareholder pressure, growing membership of the OGMP and Exxon’s recent acquisition of OGMP member Pioneer Natural Resources appear to have swayed the company towards greater transparency. Greater transparency is crucial in terms of enabling markets and investors to accurately price climate-related risks and opportunities which, in turn, is an incentive for companies to make the changes LGIM are seeking.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

Partners Group – firm level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	VSB Renewables Platform	Techem Metering GmbH	Civica
Topic	Environment - Climate change	Environment - Climate change	Social - Sustainability
Rationale	Size of holding in fund	Size of holding in fund	Size of holding in fund
What the investment manager has done	VSB initiated the "VSB Goes Green Initiative", which includes several ESG projects aimed at deepening the alignment of business units and employees with the climate friendly nature of the company. One of the initiatives include assessing Scope 1 and Scope 2 emissions with the support of an external advisor. VSB aims to reduce its carbon footprint. The company has also initiated a comprehensive health and safety review to promote the well-being of its employees.	Techem completed a climate change engagement with an external advisor where a detailed greenhouse gas inventory was established including Scope 1, Scope 2 as well as material Scope 3 emissions. Initial carbon reduction opportunities were identified, and this analysis forms the basis for the development of Techem's carbon neutrality target. In addition, the organization added health and safety terms in all contracts with suppliers in Germany, Poland and France to improve its oversight across its supply chain.	Civica formalized its sustainability working group, which focuses on three areas: employees, customers and suppliers. The company aims to build on its previous achievements on employee net promoter score (eNPS) and diversity and inclusion. The group's eNPS is over 50 and the company was placed 73rd in Europe in the 2021 Financial Times Diversity Leaders list. Following the rise in COVID-19 cases in India, Civica increased its assistance in the region, including support for BAPS Shri Swaminarayan Mandir, which has established a dedicated, 500-bed hospital to provide medical assistance to the people of Vadodara. Civica also raised funds to support the setup of an intensive care unit to ensure patient access to ventilators, oxygen, food and medicine, while directly funding the purchase of patient monitors.

Engagement Policy Implementation Statement (continued)

Appendix (continued)

Partners Group – firm level (continued)	Case Study 1	Case Study 2	Case Study 3
Outcomes and next steps	VSB completed a detailed assessment of its IT and cyber security setup across offices with an external consultant. VSB will make the necessary improvements based on the outcome of this engagement.	After successfully completing a detailed materiality assessment, Techem published its first Corporate Sustainability Report in June 2021, which highlights key ESG achievements and lays out a detailed sustainability roadmap for the company. In the roadmap, the company commits to the development of a carbon neutrality target by 2022 and to increase the number of women in management from 17% in 2020 to 35% in 2025.	The focus on employees also includes managing the environmental impact of their offices. In September 2021, Civica formalized its first carbon plan.