

# Annual Implementation Statement for the 18-month period ended 31 March 2024

## 1. Introduction

This document is the Annual Implementation Statement (“the Statement”) prepared by the Trustee of ITV Defined Contribution Plan (“the Plan”) covering the period from 1 October 2022 to 31 March 2024. This Statement covers the “DC Section” and the “AE Plan” within the Plan. The DC Section refers to the sections of the Plan called DC Section, United Section and CFM Section. The AE Plan refers to the ITV Auto-Enrolment Plan, which was established by the Principal Employer on 1 April 2020. The DC Section and the AE Plan each have their own Statement of Investment Principles (“SIP”).

The purpose of this Statement is to:

- Detail any reviews of the SIPs that the Trustee has undertaken, and any changes made to the SIPs during the period as a result of the reviews
- Set out the extent to which, in the opinion of the Trustee, the SIPs have been followed during the period
- Describe the voting behaviour on behalf of the Trustee over the period.

The DC Section and AE Plan make use of a wide range of investments; therefore, the principles and policies in the SIPs are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact.

A copy of this implementation Statement has been made available on the following websites:

[www.itvdcplan.com](http://www.itvdcplan.com)

[www.itvaeplan.com](http://www.itvaeplan.com)

## 2. Review of and changes to the SIPs

The SIPs for the DC Section and the AE Plan were reviewed and updated once during the period covered by this Statement, as at 30 September 2023.

The most substantial changes made to the SIPs were to clarify the Trustee’s policies on Environmental, Social and Governance (ESG) factors, including the integration of ESG factors within the investment strategy, and to note the Trustee’s priorities for investment stewardship. The SIPs were also updated to take account of changes to the naming conventions of funds and strategies used in member communications, and to note certain legacy Additional Voluntary Contribution (AVC) arrangements which had been transferred to the DC Section of the Plan.

The SIPs have subsequently undergone a further review to include information about the Trustee’s policy on investing in illiquid investments. This exercise also saw the SIPs combined into a single document for the DC Section and the AE Plan. The updated SIP was finalised by 30 September 2024.

### **3. Adherence to the SIPs**

The Trustee believes the policies outlined in the SIPs have been followed during the period covered by this Statement and the justification for this is set out in the remainder of this section. Please note that this Statement only covers sections of the SIPs 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 structured to achieve its objectives to: ensure the individual fund options are suitably invested and managed to maximise the return commensurate with an acceptable level of risk, and provide members with a diversified range of investment options designed to allow them to meet their own risk, return, liquidity and retirement planning preferences.

The Trustee implements its investment policy through the Guided strategies and Customised fund options that it makes available to members which were designed based on analysis of the relevant membership. Overall, following the completion of a strategic review, and with the support of its investment consultant, the Trustee believes this range of options offers members a balanced range of investment options to allow them to match their investment choice against their own risk tolerance and the different ways in which they may take their benefits.

During the period the Trustee concluded its work reviewing the investment strategy for the DC Section and the AE Plan. As a result of this review the Trustee has introduced fund solutions within the Guided strategies which have specific focus on ESG and (for the DC Section) climate change, and has also made available ESG and (for the DC Section) climate options within the Customised range.

#### Investment Risk

The Trustee monitors investment risks associated with the Plan in a number of ways:

- As part of the (at least quarterly) monitoring of the investment funds, which includes monitoring of short and long term performance, and monitoring of fund managers. The reports include monitoring of capital risk of the diversified investments funds and (for the DC Section) the active equity funds used in the Plan.
- As part of the reviews of the Guided and Customised investment strategies carried out over time. When undertaking these strategy reviews, the Trustee considers the demographics of the Plan membership, and considers both short and long term risks associated with the investment strategies.

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

The guides available on the ITV DC Plan and AE Plan websites explain to members the balance between risk and reward and the types of risk they should consider when selecting their investment options.

### Monitoring investment performance and investment manager monitoring

The Trustee receives a quarterly monitoring report from its investment adviser, which is discussed at Trustee meetings, so as to fully understand the background to and reasons for performance of each fund and its component parts.

In addition, the investment adviser updates the Trustee in between these meetings if a particular issue arises with Legal & General or one of the funds made available within the Plan.

The overall suitability of the investment managers is formally reviewed as part of the Trustee's formal strategy reviews. The formal review takes account of (amongst other things) the performance of the funds against their objectives, the ratings given to the managers and funds by the investment adviser and the charges for each fund. Suitability of managers is also discussed and considered on a quarterly basis as part of the Trustee's regular monitoring, with the investment adviser providing its ratings and views on managers as required.

During the period covered by this Statement, as a result of the manager reviews and based on the advice of the investment adviser, the Trustee agreed to, and implemented, changes to some of the managers used within the actively managed Global and UK shares funds (available in the Customised range in the DC Section). The Trustee continues to regularly monitor all managers.

### Social responsibility and corporate governance

The Trustee believes 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 period covered by this Statement, the Trustee undertook a sustainable investment assessment of the investment managers. This exercise involved the investment adviser producing detailed reports on the sustainable investment characteristics of the managers included in the funds and information on ESG initiatives and stewardship. 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 on the majority of areas assessed.

The Trustee intends to continue to liaise with Legal & General to explore the manager's approach to sustainable investment and stewardship in its management of the funds. Where applicable the Trustee will also engage with other investment managers used within the funds. As an example, towards the end of 2023 the Trustee met with Fulcrum who presented an outline of the approach and process to managing their fund, including how sustainable investment factors are considered as part of the management of the fund which is used within certain Guided strategies (for the DC Section) the Diversified investment (uncorrelated) fund.

### Arrangements with investment managers

The assets of the Plan 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. 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 regularly, as part of its governance and in reporting of the costs and charges in the 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. We have received all the turnover data for the implementation statement and can confirm that these are within expected ranges for each type of fund.

### Realisation of investments

In line with its policy, the Trustee has offered members fund options that can be readily realised to allow members to access funds quickly and easily. That said, some members in the DC Section hold investments in the legacy Property and Infrastructure fund that remained with Scottish Widows. The underlying manager (M&G) is in the process of winding up this fund.

## **4. Voting and Engagement**

The Plan's equity holdings are held within pooled investment vehicles, such that the equity holdings are legally owned by the underlying investment managers. This means, in effect, the Trustee delegates voting rights and the execution of those rights to the underlying managers for the securities they hold. The following funds include equity holdings (all these funds are held in the DC Section; those marked \* are also held in the AE Plan):

- Global shares (index tracker) \*
- Global shares (responsible investment) (index tracker) \*
- Global shares (climate) (index tracker)
- Global shares
- Global shares (environment)
- UK shares (index tracker)
- UK shares
- Emerging market shares (index tracker)
- Shariah law (index tracker) \*
- Diversified investments \*
- Diversified investments (responsible investment) \*
- Diversified investments (uncorrelated)

The investment advisers engage managers on areas for development, not least around resourcing, and improving the breadth and depth of corporate engagements.

The Trustee has selected what it considers to be the most significant votes from the details provided by the investment managers, based on what the managers have deemed to be significant. These are examples of votes across the areas which the Trustee has agreed are priorities. Based on the information provided by the investment managers, the Trustee is satisfied with their determinations of what is "most significant".

Further information on the voting and engagement activities of the managers is provided in the summary table below with additional detail in the Appendix.

The Trustee considers that the voting and engagement activities undertaken by the investment advisers are in line with the policies outlined in the SIPs.

Fund	Underlying fund(s)	Votes cast	Use of proxy voter	Significant votes
Global shares (index tracker)	IM MSCI World Adaptive Capped	26,250 (99.90% of eligible votes) 22.18% of votes against management / 0.46% abstained	See "LGIM Index Funds" below	See "LGIM Index Funds" below
Global shares (responsible investment) (index tracker)	LGIM Future World Global Equity	65,386 (99.96% of eligible votes) 19.20% of votes against management / 1.01% abstained	See "LGIM Index Funds" below	See "LGIM Index Funds" below
Global shares (climate) (index tracker)	LGIM Low Carbon Transition Global Equity	58,831 (99.96% of eligible votes) 20.01% of votes against management / 1.06 % abstained	See "LGIM Index Funds" below	See "LGIM Index Funds" below
Global shares	Baillie Gifford Long Term Global Growth (held until 30 November 2023)	452(96.46% of eligible votes) 5.27% of votes against management / 1.15% abstained	Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies.	<b>Intuitive Surgical Inc</b> – For - Shareholder resolution requesting a report on gender/racial pay gaps (Income equality)  <b>Kering SA</b> – Against – Three management resolutions on executive remuneration reports due to concerns with the stretch of ESG performance targets and lack of downward discretion to a scandal (Remuneration).

	River & Mercantile Global High Alpha (held until 30 November 2023)	2,949(98.74% of eligible votes) 21.02% of votes against management / 0.34% abstained	We use a third party, Institutional Shareholder Services (ISS), to implement our voting policy, overriding their recommended action when it differs from our General Principles on standards for good corporate governance and management of environmental and social issues.	<b>Shell</b> – For – Management resolution - Approve the Shell Energy Transition progress (Climate change)  <b>The Walt Disney Company</b> – For – Management resolution - vote to ratify named executive offers' compensation (Governance)
	Veritas Global Focus	578 (97% of eligible votes) 8% of votes against management / 0% abstained	Veritas has appointed, Institutional Shareholder Services ("ISS"), for vote execution and policy application.	<b>Charter Communications</b> – Against – Management resolution - Elect Director Thomas M.Retledge  <b>Alphabet Inc</b> – For – Management resolution - Adopt Share Retention Policy for Senior Executives
	Metropolis Value (held from 1 December 2023)	392 (88% of eligible votes) 6.4% of votes against management / 0% abstained	ISS was engaged by Metropolis Capital for proxy voting services and advice during this period. In some cases clients have engaged their own proxy voting service providers.	<b>Visa Inc</b> – For- Management resolution - Advisory Vote to Ratify Named Executive Officers' Compensation (Governance)  <b>Kubota Corp</b> – Against - Management resolution - Re-election of a director due to concerns related to board gender diversity (Governance)
	Jennison Global Opportunities (held from 1 December 2023)	94 (100% of eligible votes) 6.38% of votes against management / 0% abstained	Glass Lewis - Jennison has adopted proxy voting guidelines with respect to certain recurring issues. The third party vendor cast votes in accordance with the Jennison proxy voting guidelines, unless instructed otherwise by the Jennison's investment professionals.	<b>Costco Wholesale Corp</b> – Against – Shareholder Proposal Regarding Audited Report on Carbon Emission Relevance (Climate Change)  <b>Applied Materials Inc</b> – Against – Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Income equality)

Global shares (environment)	Jupiter Ecology	909 (100% of eligible votes) 4% of votes against management / 0% abstained	Our proxy research provider is ISS. Proxy research informs our voting approach, however responsibility for voting decisions resides with the fund manager and is not outsourced to third parties.	<b>Eurofins Scientific SE</b> – Against – Management resolution Approve Remuneration Report. A vote against due to a lack of disclosure around weights and performance targets in the STIP (Remuneration)  <b>Schneider Electric</b> – For - Management resolution - Approve the Company's Climate Transition Plan (Climate change)
UK shares (index tracker)	LGIM UK Equity	13,105 (99.88% of eligible votes) 5.41% of votes against management / 0.03% abstained	See “LGIM Index Funds” below	See “LGIM Index Funds” below
UK shares	Lindsell Train UK Equity	407 (98.77% of eligible votes) 0% of votes against management / 0.50% abstained	Lindsell Train has appointed Glass Lewis to aid the administration of proxy voting and provide additional support in this area. It is important to stress however that the portfolio managers maintain final decision making responsibility, which is based on their detailed knowledge of the companies in which we invest, as this forms an important part of our investment process and proactive company engagement strategy. We have a bespoke policy, which the portfolio managers may choose to refer to.	<b>Sage</b> – For- Management resolution - Remuneration Report (Governance)  <b>Mondelez</b> – For - Management resolution - Executive compensation (Governance)

	River & Mercantile UK High Alpha (held until 30 November 2023)	5,546 (99.57% of eligible votes) 2.81% of votes against management / 0.09% abstained	We use a third party, Institutional Shareholder Services (ISS), to implement our voting policy, overriding their recommended action when it differs from our General Principles on standards for good corporate governance and management of environmental and social issues.	<b>Shell</b> – For - Shareholder resolution to request Shell to set and publish targets for Greenhouse Gas (GHG) emissions (climate change)  <b>Serica Energy</b> – For - Management resolution - Authorise issue of equity in connection with the proposed acquisition of tailwind energy investments Ltd (climate change)
	Jupiter UK Special Situations (held from 1 December 2023)	90 (100% of eligible votes) 2% of votes against management / 0% abstained	Our proxy research provider is ISS. Proxy research informs our voting approach, however responsibility for voting decisions resides with the fund manager and is not outsourced to third parties.	No significant votes in the period
Emerging Markets (index tracker)	LGIM World Emerging Markets Equity	43,182 (99.85% of eligible votes) 18.62% of votes against management / 1.82% abstained	See “LGIM Index Funds” below	See “LGIM Index Funds” below
Diversified investments	LGIM Diversified	114,546 (99.85% of eligible votes) 22.51% of votes against management / 0.79% abstained	See “LGIM Index Funds” below	See “LGIM Index Funds” below
Diversified investments (responsible investment)	LGIM Future World Multi-Asset	113,567 (99.88% of eligible votes) 22.42% of votes against management / 0.72% abstained	See “LGIM Index Funds” below	See “LGIM Index Funds” below

Diversified investments (uncorrelated)	Fulcrum Diversified Absolute Return	14,664 (100% of eligible votes) 11.5% of votes against management / 1.3% abstained	We use Glass Lewis as our proxy adviser. Our default is to use their standard voting policy, however, there may be times where we override their advice, particularly related to climate change proposals.	<p><b>Sun Life Financial, Inc</b> – Against – Management resolution - vote against the Company for neglecting the health risks associated with investment in fossil fuels (Environmental)</p> <p><b>Alphabet Inc</b> – Against – Management resolution - the company conduct an evaluation and report on alignment of its lobbying activities with its climate commitments and Paris Agreement (Environmental)</p>
	LGIM Global Real Estate Equity	5,108 (99.50% of eligible votes) 18.71% of votes against management / 0.07% abstained	See “LGIM Index Funds” below	See “LGIM Index Funds” below
	LGIM Infrastructure Equity MFG	1,391 (100% of eligible votes) 75.27% of votes against management / 18.79% abstained	See “LGIM Index Funds” below	See “LGIM Index Funds” below
Shariah Law (index tracker)	HSBC Islamic Global Equity Index	2,060 (94)% of eligible votes) 18% of votes against management / 0% abstained	We use the voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of our own bespoke voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines.	<p><b>Cisco Systems Inc</b> – Against - Management resolution – Vote against – Election of a Director - Board Diversity (Governance)</p> <p><b>Nike Inc</b> – For - Management resolution – vote for improving gender equality (Income equality)</p>

<p>LGIM Index Funds</p>			<p>LGIM’s Investment Stewardship team uses ISS’s ‘Proxy Exchange’ 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. 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.</p>	<p><b>Shell</b> – Against – Management resolution - Approve the Shell Energy Transition Progress (climate)</p> <p><b>Glencore</b> – For- Shareholder resolution - Resolution in Respect of the Next Climate Action Transition Plan (climate)</p>
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## Appendix

### Legal & General Investment Management (LGIM) – MSCI World Adaptive Capped 2x Fund, Future World Global Equity Index Fund, Low Carbon Transition Global Equity Index Fund, UK Equity Index Fund, World Emerging Market Equity Index Fund, Diversified Fund, Future World Multi-Asset Fund, Global Real Estate Equity Index Fund and Infrastructure Equity MFG Fund

#### Voting Activities:

##### MSCI World Adaptive Capped 2x Fund:

- There were 26,250 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 99.90% of its votes over the period
- 22.18% of votes were against management and 0.46% were abstained
- 17.11% of votes were contrary to the proxy advisor's recommendation

##### Future World Global Equity Index Fund:

- There were 65,386 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 99.96% of its votes over the period
- 19.20% of votes were against management and 1.01% were abstained
- 10.09% of votes were contrary to the proxy advisor's recommendation

##### Low Carbon Transition Global Equity Index Fund:

- There were 58,831 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 99.96% of its votes over the period
- 20.01% of votes were against management and 1.06% were abstained
- 10.87% of votes were contrary to the proxy advisor's recommendation

##### UK Equity Index:

- There were 13,105 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 99.88% of its votes over the period
- 5.41% of votes were against management and 0.03% were abstained
- 4.30% of votes were contrary to the proxy advisor's recommendation

##### World Emerging Market Equity Index:

- There were 43,182 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 99.85% of its votes over the period
- 18.62% of votes were against management and 1.82% were abstained
- 6.07% of votes were contrary to the proxy advisor's recommendation

##### Diversified Fund:

- There were 114,546 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 99.85% of its votes over the period

- 22.51% of votes were against management and 0.79% were abstained
- 13.34% of votes were contrary to the proxy advisor's recommendation

**Future World Multi-Asset Fund:**

- There were 113,567 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 99.88% of its votes over the period
- 22.51% of votes were against management and 0.72% were abstained
- 13.23 of votes were contrary to the proxy advisor's recommendation

**Global Real Estate Equity Index:**

- There were 5,108 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 99.50% of its votes over the period
- 18.71% of votes were against management and 0.07% were abstained
- 14.24% of votes were contrary to the proxy advisor's recommendation

**Infrastructure Equity MFG Fund:**

- There were 1,391 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 100% of its votes over the period
- 24.08% of votes were against management and 0.66% were abstained
- 18.79% of votes were contrary to the proxy advisor's recommendation

**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. 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. For more details, please refer to the Voting Policies section of this document.

**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?**

Please refer to the LGIM investment stewardship conflict of interest document at the following link:

<https://www.lgim.com/api/epi/documentlibrary/view?id=1116980ea5bf43fa9801c212be73f487&old=literature.html?cid=>

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

It is 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.

**Most significant vote – Vote 1: Shell**

**Resolution:** Management Resolution - Approve the Shell Energy Transition Progress

**Approximate size of the fund's holding as at the date of the vote:** 6.96% (in the UK Equity Fund, which has the largest exposure)

**Guidance – Proxy: Not provided, Management: For**

**Action:** A vote against is 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.

**Outcome:** Pass

LGIM continues to undertake extensive engagement with Shell on its climate transition plans.

**Most significant vote – Vote 2: 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:** 2.41% (in the UK Equity Fund, which has the largest exposure)

**Guidance – Proxy: Not provided, Management: Against**

**Action:** 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 our multi-year discussions with the company since 2016 on its approach to the energy transition.

**Outcome:** Fail

LGIM will continue to engage with the company and monitor progress.

## Baillie Gifford – Long Term Global Growth Fund (held until 30 November 2023)

### Voting Activities

- There were 452 eligible votes for the fund over the period from 1 October 2022 to 30 November 2023
- The manager exercised 96.46% of its votes over the period
- 5.27% of votes were against management and 1.15% were abstained

### What is Baillie Gifford's policy on consulting with clients before voting?

All voting decisions are made by our Governance & Sustainability team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

### Please describe whether Baillie Gifford has made use of any proxy voter services

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies.

### Please provide an overview of Baillie Gifford's process undertaken for deciding how to vote

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

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

1. Baillie Gifford provides services to a wide variety of clients including those that may be issuers of securities that Baillie Gifford may recommend for purchase or sale to clients. In addition to our clients, some of our service providers and/or suppliers are issuers of securities that Baillie Gifford may recommend for purchase or sale to clients. In both cases it is Baillie Gifford's general policy not to take into account that an issuer is our client, service provider or supplier when making investment decisions. Baillie Gifford believes it would not be in the interests of clients generally to exclude such issuers from a client portfolio unless the client instructs Baillie Gifford to the contrary.
2. James Anderson, Baillie Gifford partner, serves as the Non-Executive Chair of Kinnevik AB, as well as being a member of the Nomination Committee. James has recused himself from any investment discussions and decisions about Kinnevik and its underlying investments.

In addition, at Schibsted ASA, Kinnevik AB and Adevinta ASA, Spencer Adair, Lawrence Burns and Chris Davies respectively, Baillie Gifford partners and/or fund managers are members of the Nomination Committee. It is market practice in Scandinavia for representatives of a company's largest shareholders to make up the committee; the Nomination Committee is not a board committee.

Within Baillie Gifford, any decisions with material relevance are made in conjunction with multiple members of the portfolio construction group ensuring robust discussion and debate. As the Nomination Committee is not a board committee, members do not have a vote on substantive company policies or actions. We support the opportunity to be more closely involved in the governance and stewardship of one of our clients' holdings.

3. None disclosed to Compliance.

4. Clients sign up to individual strategies' philosophies which may result in different voting decisions. Therefore, voting according to each strategy's philosophy is in line with our clients' expectations, so this is not deemed a conflict of interest.

5. Our preference is for clients to give us full discretion to vote in line with Baillie Gifford's Governance and Sustainability Principles and Guidelines. Where clients request us to adhere to their own stewardship policies, these are reviewed and discussed with the client, noting deviations from our own Governance and Sustainability Principles and Guidelines and can be implemented, where appropriate.

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

No response provided

**Most significant vote – Vote 1: INTUITIVE SURGICAL, INC.**

**Resolution:** Shareholder Resolution – Social

**Approximate size of the fund's holding as at the date of the vote:** 3.27%

**Guidance – Proxy: Not provided, Management: Against**

**Action:** Voted for a shareholder resolution requesting a report on gender/racial pay gaps. The company does not currently disclose the unadjusted median gap, and Baillie Gifford believe this would help to assess structural bias regarding job opportunity and pay.

**Outcome:** Fail

Baillie Gifford will communicate our rationale for supporting the shareholder proposal to the company and monitor for further disclosure on this topic.

**Most significant vote – Vote 2: Kering SA**

**Resolution:** Management Resolution - Remuneration

**Approximate size of the fund's holding as at the date of the vote:** 2.89%

**Guidance – Proxy: Not provided, Management: For**

**Action:** Voted against three resolutions on executive remuneration reports due to concerns with the stretch of ESG performance targets, and lack of downward discretion to reflect the Balenciaga scandal.

**Outcome:** Fail

Baillie Gifford will continue to engage on this topic and encourage improvement.

**River and Mercantile (R&M) – River and Mercantile Global Equity High Alpha Fund (held until 30 November 2023)**

**Voting Activities**

- There were 2,949 eligible votes for the fund over the period from 1 October 2022 to 30 November 2023
- The manager exercised 98.74% of its votes over the period
- 21.02% of votes were against management and 0.34% were abstained
- 13.98% of votes were contrary to the proxy advisor’s recommendation

**What is R&M’s policy on consulting with clients before voting?**

Clients may request for R&M to vote in a specific manner in an upcoming meeting. Our Operations team has set up a process to monitor and process these requests.

**Please describe whether R&M has made use of any proxy voter services**

We use a third party, Institutional Shareholder Services (ISS), to implement our voting policy, overriding their recommended action when it differs from our General Principles on standards for good corporate governance and management of environmental and social issues.

**Please provide an overview of R&M’s process undertaken for deciding how to vote**

Our Voting & Engagement Policy sets out our beliefs on what we regard as best practice for companies globally. For UK companies it incorporates the standards set by the UK Corporate Governance Code and intends to deal with issues that are either not covered, require greater emphasis or are specifically left open for shareholders to resolve with company boards. This also applies to companies listed outside the UK, as we believe this code has taken a lead in encouraging companies to set higher standards of corporate governance in promoting transparency, integrity and to adopt a medium to long-term view in decision making for the benefit of all stakeholders. Implementation of our Policy is mainly by voting, with engagement as appropriate.

Fundamental principles are set out in our Policy and applied in the majority of cases. However, R&M discourages passive box ticking and aims to take an informed and pragmatic approach to voting. R&M will give due consideration to the specific circumstances and facts available to each investor before voting. For UK companies R&M supports a “comply or explain” approach to corporate governance and endorses the Code. We expect UK companies to explain and justify any reasons for non-compliance, and to outline their plans for compliance in future. In the case of non-compliance, we reserve the right to accept or reject the explanation. For non-UK companies, we are supportive of similar Codes.

The overriding objective of the company should be to optimise over time the returns to its shareholders. Where other considerations affect this objective, they should be clearly stated and disclosed. To achieve this objective, the company should endeavour to ensure the long-term viability of its business, and to manage effectively its relationships with stakeholders.

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

R&M is not impacted by any of conflicts of interests listed.

**Please include here any additional comments which are relevant to R&M's voting activities or processes**

No response provided.

**Most significant vote – Vote 1: Shell**

**Resolution:** Management Resolution - Approve the Shell Energy Transition Progress

**Approximate size of the fund's holding as at the date of the vote:** 0.7%

**Guidance – Proxy: Not provided, Management: For**

**Action:** Voted for the energy transition progress. Certain deficiencies are highlighted, but there have been areas of progress during the year, especially in operation emission reduction, and the company has adhered to the commitments set out in the 2021 transition plan.

**Outcome:** Pass

R&M will continue to monitor Shell's progress in their energy transition & escalate if required.

**Most significant vote – Vote 2: The Walt Disney Company**

**Resolution:** Management Resolution - Advisory vote to ratify named executive officers' compensation

**Approximate size of the fund's holding as at the date of the vote:** 1.0%

**Guidance – Proxy: Not provided, Management: For**

**Action:** Voted for – It was deemed that executive compensation is aligned to shareholder and wider stakeholder value for the long term and that the company has made progress to improve transparency on executive remuneration.

**Outcome:** Pass

R&M will continue to monitor that executive compensation is aligned to shareholder and wider stakeholder value and if any issue becomes material will escalate accordingly.

## Veritas Asset Management – Veritas Global Focus Fund

### Voting Activities

- There were 578 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 97% of its votes over the period
- 8% of votes were against management and 0% were abstained
- 13% of votes were contrary to the proxy advisor's recommendation

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

It is common practice for pooled investors to rely on their investment manager to vote, this is a responsibility that Veritas Asset Management LLP ("VAM LLP") takes seriously. Segregated clients may choose to instruct their own votes, and in these instances, we will vote in line with a client's wishes, even if the instruction is contrary to the house view. Pooled fund investors have the right to request how votes are instructed. However, as the investor hold units in a pooled fund rather than owning the underlying shares, we may choose to vote contrary to the investor's wishes. All votes are instructed in the best interests of shareholders.

### Please describe whether Veritas has made use of any proxy voter services

VAM LLP use Institutional Shareholder Services ("ISS"), for vote execution and policy application.

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

We have mandated Institutional Shareholder Services ("ISS") to construct a customised screen for ESG issues which incorporates the Association of Member Nominated Trustees ("AMNT") Red Lines, on a best endeavours basis. The AMNT Red Line Voting Policy contains 29 guidelines covering topics associated with ESG. Should any of the 29 red lines be breached, the instruction is to either comply or explain. As the Red Line Voting Policy was developed principally for pooled fund investors (who have been unable to direct votes) and for UK stocks only, we have instructed ISS to apply the guidelines globally where applicable and apply the policy across all Global Strategy Funds. In addition, ISS provide vote recommendations based on their benchmark policy. This ensures that guidance is provided for ballots related to topics that are not captured by the ESG voting policy.

The investment analyst will receive all proxies and determine if he or she believes that we should vote in favour or against management. The investment analyst will consider the vote recommendations and any research when making their decision. Following a discussion with the Portfolio Manager, the analyst will instruct the custodian or prime broker via the Operations Team on how to instruct the vote. In the case where VAM LLP decides to vote against management or the ESG policy vote recommendation, an explanation will be provided to clients. VAM LLP use Institutional Shareholder Services ("ISS") to execute voting on behalf of clients. The role of the Operations Team is to ensure that all votes are instructed a timely manner. The Role of the Chief Operating Officer ("COO") is to monitor the effectiveness of these policies.

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

Veritas is not impacted by any of conflicts of interests listed.

### Please include here any additional comments which are relevant to Veritas' voting activities or processes

No response provided.

**Most significant vote – Vote 1: Charter Communications**

**Resolution**

Elect Director Thomas M. Rutledge

**Approximate size of the fund's holding as at the date of the vote:** 4.92%

**Guidance – Proxy: Not provided, Management:** Against

**Action:** Against - Red Line E3, the company has failed to commit to introducing and disclosing science-based emission reduction targets with a coherent strategy and action plan in line with a 1.5-degree scenario. Red Line S4, the level of gender diversity on board is below 40% and has not improved compared to the previous year. Red Line S4, within senior leadership positions, none of the roles of Chair, CEO, Chief Financial Officer and senior independent director are held by women.

**Outcome:** Pass

**Most significant vote – Vote 2: Alphabet Inc**

**Resolution:** Adopt Share Retention Policy for Senior Executives

**Approximate size of the fund's holding as at the date of the vote:** 6.53%

**Guidance – Proxy: Not provided, Management:** For

**Action:** A vote for this proposal is warranted as the more rigorous guidelines recommended by the proponent may better address concerns about creating a strong link between the interests of top executives and long-term shareholder value.

**Outcome:** Fail

## Metropolis – Metropolis Value Fund (held from 1 December 2023)

### Voting Activities

- There were 392 eligible votes for the fund over the period from 1 December 2023 to 31 March 2024
- The manager exercised 88% of its votes over the period
- 6.4% of votes were against management and 0% were abstained
- 11% of votes were contrary to the proxy advisor's recommendation

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

Clients may instruct Metropolis Capital regarding any specific voting requirements should they wish to do so.

### Please describe whether Metropolis has made use of any proxy voter services

ISS was engaged by Metropolis Capital for proxy voting services and advice during this period. In some cases Clients have engaged their own proxy voting service providers.

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

All votes are considered "significant" where an engagement is associated with the vote. The list of significant votes is available on request. Votes profiled in this survey are a subset of that group.

### Is Metropolis 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 Metropolis's voting activities or processes

Metropolis is an approved signatory of the UK Stewardship Code and the disclosures relating to 2022 code submission are published on the Metropolis Capital website: <https://metropoliscapital.co.uk/>

**Most significant vote – Vote 1: Visa Inc**

**Resolution: Management Resolution - Advisory Vote to Ratify Named Executive Officers' Compensation**

**Approximate size of the fund's holding as at the date of the vote: 4.86%**

**Guidance – Proxy: Not provided, Management: For**

**Action: Voted for** – In general, we like a high variable pay ratio as it rewards pay for performance. With regards to the vesting period of long-term incentive compensation it is only stock options and RSUs (which represent 50% of long-term incentive awards) that vest on an annual basis over a three-year period. There is no lock in period to these however to receive the full allocation of stock options and RSUs executives must stay for the full three-year period. Furthermore 50% of long-term incentive awards are in the form of performance shares which 'cliff' vest after a three-year performance period (i.e. not on an annual basis).

**Outcome: Pass**

Metropolis Capital will continue to monitor.

**Most significant vote – Vote 2: Kubota Corp**

**Resolution: Management Resolution - Elect Director Kitao, Yuichi**

**Approximate size of the fund's holding as at the date of the vote: 6.40%**

**Guidance – Proxy: Not provided, Management: For**

**Action:** For the 2024 AGM, ISS supported all Board proposals. Hermes supported all proposals other than for the re-election of Director Yuichi Kitao, the President of the Company. The rationale provided was 'concerns related to the approach to board gender diversity'. We have decided to vote with the Board on this issue as voting against the President is heavy-handed and not the most effective way of furthering gender diversity.

**Outcome: Unknown**

Metropolis Capital will continue to monitor.

## Jennison – Jennison Global Opportunities Fund (held from 1 December 2023)

### Voting Activities

- There were 94 eligible votes for the fund over the period from 1 December 2023 to 31 March 2024
- The manager exercised 100% of its votes over the period
- 6.38% of votes were against management and 0% were abstained
- 0% of votes were contrary to the proxy advisor's recommendation

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

Jennison does not consult with clients prior to voting. Some clients with segregated accounts may retain the right to communicate how they would like to vote on a particular issue or meeting prior to voting.

### Please describe whether Jennison has made use of any proxy voter services

Jennison has retained the services of Glass Lewis, an independent third party vendor in connection with our proxy voting.

Glass Lewis provides research analytic services, operational implementation and recordkeeping and reporting services. Jennison has adopted proxy voting guidelines with respect to certain recurring issues. The third party vendor cast votes in accordance with the Jennison proxy voting guidelines, unless instructed otherwise by the Jennison's investment professionals.

Jennison subscribes to Institutional Shareholder Services' Socially Responsible Investing voting research. Jennison's Sustainability Team assesses the financial materiality of proposals pertaining to sustainability issues and provides supplementary recommendations to our investment professionals for their consideration.

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

Jennison has adopted proxy voting guidelines with respect to certain recurring issues. The Guidelines are meant to convey Jennison's general approach to voting decisions on certain issues. Nevertheless, Investment Professionals are responsible for reviewing all proposals related to fundamental strategies individually and making final decisions and casting their votes based on the merits of each voting opportunity.

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

There may be instances where Jennison's interests conflict materially, or appear to conflict materially, with the interests of clients in connection with a proxy vote (a "Material Conflict"). Examples of potential Material Conflicts include, but are not limited to:

- Jennison managing the pension plan of the issuer.
- Jennison or its affiliates have a material business relationship with the issuer.
- Jennison investment professionals who are related to a person who is senior management or a director at a public company.
- Jennison has a material investment in a security that the investment professional who is responsible for voting that security's proxy also holds the same security personally.

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

**Most significant vote – Vote 1: Costco Wholesale Corp**

**Resolution:** Shareholder Proposal Regarding Audited Report on Carbon Emission Relevance

**Approximate size of the fund's holding as at the date of the vote: 0.85%**

**Guidance – Proxy: Not provided, Management: Against**

**Action: Voted against.** Given the Company's existing disclosures, Jennison are unconvinced the proponent has made a compelling case as to why the Company should divert resources to the production of additional reporting on this matter. The board and the Company are fully cognizant that reducing emissions will not occur without costs, but continuing implementation of the Climate Action Plan will occur with monitoring and evaluation of those costs, with the objective of achieving a Just Transition.

**Outcome:** Fail

The proposal did not pass, which was in line with Jennison's decision to vote against.

**Most significant vote – Vote 2: Applied Materials Inc**

**Resolution:** Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report

**Approximate size of the fund's holding as at the date of the vote: 2.52%**

**Guidance – Proxy: Not provided, Management: Against**

**Action:** Voted against. AMAT provides disclosure around management oversight of its direct and indirect lobbying activities, board oversight of its direct lobbying and some information on its public policy priorities. It also discloses direct lobbying expenses and the total amount of dues spent on non-deductible lobbying. AMAT names the trade, business, and civic organizations that received \$25,000 or more in membership dues. The company's current lobbying policies, expenditures, and level of disclosure appear to be reasonable, and the proponent has not demonstrated that the company's management of this issue is deficient to the degree that warrants adoption of this proposal.

**Outcome:** Fail

The proposal did not pass, which was in line with Jennison's decision to vote against.

## Lindsell Train – Lindsell Train UK Equity Fund

### **Voting Activities**

- There were 407 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 98.77% of its votes over the period
- 0.00% of votes were against management and 0.50% were abstained

### **What is Lindsell Train's policy on consulting with clients before voting?**

We do not typically consult with clients ahead of voting. There are one or two clients, for whom we manage segregated mandates, who occasionally ask our voting intentions. We are happy to share this information on request.

### **Please describe whether Lindsell Train has made use of any proxy voter services**

We appointed Glass Lewis during Q1 2020 to aid the administration of proxy voting and provide additional support in this area. It is important to stress however that the portfolio managers maintain final decision making responsibility, which is based on their detailed knowledge of the companies in which we invest, as this forms an important part of our investment process and proactive company engagement strategy. For clarity, we do not default to GL's advice/suggested vote, but rather we vote in line with Lindsell Train's proxy voting policy and may consider GL's recommendation and/or research to improve the inputs to our decision making.

### **Please provide an overview of Lindsell Train's process undertaken for deciding how to vote**

The primary objective of the voting policy of Lindsell Train is to protect or enhance the economic value of the investments it has made on behalf of its clients. Lindsell Train will vote against any agenda item that threatens this economic value, in particular when we have concerns over inappropriate management remuneration or incentives, general corporate governance matters, environmental and social issues, changes in capital structure and mergers or acquisitions which are seen as detrimental to the creation of business value.

Where Lindsell Train has delegated voting authority from its clients, Lindsell Train recognises that the exercise of these voting rights is a fiduciary duty that must be exercised with skill, care, prudence, and diligence.

Lindsell Train believes that proxy voting forms an important part of our investment process and proactive company engagement strategy. Lindsell Train's Portfolio Managers maintain final decision making responsibility for all votes, based on their detailed knowledge of the companies in which we invest. Lindsell Train has appointed an independent proxy agent, Glass Lewis to assist with the administration of the proxy voting process. Lindsell Train's Investment Team use Glass Lewis' Viewpoint platform to process votes and provide enhanced reporting to our clients. Additionally, Glass Lewis provides supplementary research and analysis. Lindsell Train will give consideration to Glass Lewis' own voting recommendations but will not necessarily support their position if it is not viewed by Lindsell Train as in the best interests of our clients. Voting authority remains with Lindsell Train, with the exception of receiving specific client instructions.

Lindsell Train votes on behalf of its clients in accordance with its own Proxy Voting Guidelines (see Appendix A) which govern, under each voting category, whether to vote For, Against or Abstain. These guidelines are approved collectively by the Portfolio Managers and they are reviewed annually.

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

We would like to make you aware of the following:

Lindsell Train has investments in wealth management and retail investment platform businesses. There is a potential conflict in that Lindsell Train's holding may be perceived as affording it influence over the positioning/marketing of Lindsell Train funds or otherwise enable Lindsell Train to reach more favourable commercial terms in relation to the sale and distribution of Lindsell Train products.

Mitigating controls:

- The investment decision making process and platform/wealth management distribution relationship are clearly segregated, with separate reporting lines up to Board level.
- Lindsell Train's distribution agreements are negotiated on an arms-length basis and on normal commercial terms.
- Lindsell Train carefully assesses where any matters on which it is required to exercise its voting authority presents a conflict with the business relationship that it has in respect of product distribution. Where a conflict of interest exists which cannot be managed Lindsell Train will not vote.

Lindsell Train has been appointed as investment manager by two UK listed investment trusts. Each of the investment trusts holds shares in the other. The Board of Directors of each trust make these decisions for investment and strategic reasons. There could be potentially conflicting interests between Lindsell Train and the trusts.

Mitigating controls

- Lindsell Train as investment manager has relinquished its discretion over these investments. The Boards of Directors of each respective trust are responsible for the decision to buy/sell in the relevant overlapping holdings.
- Lindsell Train will not cast its vote in respect of the holdings. Instead, the Board of Directors of each client will be asked to cast their vote and instruct Lindsell Train.
- Michael Lindsell who sits on the Board of one of the investment trust clients (LTIT) is precluded from making any investment decisions due to the perceived conflict of interest.

The primary aim of Lindsell Train is to protect and grow the real value of our clients' capital over the long term. To achieve this aim, Lindsell Train invests in what we have determined to be "exceptional" companies with the expectation of holding them for the very long term. We will always endeavour to act in the best interests of our clients as stewards of their capital. Indeed, the firm's strategic mission is to consistently meet our clients' expectations. This relates not only to the achievement of strong investment results but also to fulfilling our clients' wider requirements, which are increasingly focussed on a desire to invest responsibly. To date we have not been made aware of any differences between the stewardship responsibilities of Lindsell Train and our clients.

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

No response provided.

**Most significant vote – Vote 1:** Mondelez

**Resolution:** Management Resolution - Advisory vote on Executive compensation

**Approximate size of the fund's holding as at the date of the vote:** 7.44%

**Guidance – Proxy: Not provided, Management: For**

**Action: Abstained** - In the case for Mondelez we do not believe that the company's compensation policy is aligned with the long term best interests of the shareholders and have been engaging with the company on this matter over a number of years. Mondelez management have made a significant effort to explain to our investment team the rationale for their policies during various engagements with them. Whilst their policy has not responded to feedback, the vote indicates Lindsell Train's intent to support Mondelez management in the event that they do amend their policy to align more closely with our views on compensation.

**Outcome:** Pass

**Most significant vote – Vote 2:** Sage

**Resolution:** Remuneration Report

**Approximate size of the fund's holding as at the date of the vote:** 6.53%

**Guidance – Proxy: Not provided, Management: For**

**Action: Voted for** - voted in favour of Sage's remuneration report. We like that remuneration is tied to clear business performance metrics. For example, 70% of the annual bonus scheme is linked to ARR growth targets, and 50% of the Performance Share Plan is linked to Sage Business Cloud penetration. In both cases there are three performance tiers. Additionally, non-executive directors are paid in cash, there's a ROCE underpin, and there are also clear ESG performance goals.

**Outcome:** Pass

**River and Mercantile (R&M) – River and Mercantile UK Equity High Alpha Fund (held until 30 November 2023)**

**Voting Activities**

- There were 5,546 eligible votes for the fund over the period from 1 October 2022 to 30 November 2023
- The manager exercised 99.57% of its votes over the period
- 2.81% of votes were against management and 0.09% were abstained
- 3.13% of votes were contrary to the proxy advisor’s recommendation

**What is R&M’s policy on consulting with clients before voting?**

Clients may request for R&M to vote in a specific manner in an upcoming meeting. Our Operations team has set up a process to monitor and process these requests.

**Please describe whether R&M has made use of any proxy voter services**

We use a third party, Institutional Shareholder Services (ISS), to implement our voting policy, overriding their recommended action when it differs from our General Principles on standards for good corporate governance and management of environmental and social issues.

**Please provide an overview of R&M’s process undertaken for deciding how to vote**

Our Voting & Engagement Policy sets out our beliefs on what we regard as best practice for companies globally. For UK companies it incorporates the standards set by the UK Corporate Governance Code and intends to deal with issues that are either not covered, require greater emphasis or are specifically left open for shareholders to resolve with company boards. This also applies to companies listed outside the UK, as we believe this code has taken a lead in encouraging companies to set higher standards of corporate governance in promoting transparency, integrity and to adopt a medium to long-term view in decision making for the benefit of all stakeholders. Implementation of our Policy is mainly by voting, with engagement as appropriate.

Fundamental principles are set out in our Policy and applied in the majority of cases. However, R&M discourages passive box ticking and aims to take an informed and pragmatic approach to voting. R&M will give due consideration to the specific circumstances and facts available to each investor before voting. For UK companies R&M supports a “comply or explain” approach to corporate governance and endorses the Code. We expect UK companies to explain and justify any reasons for non-compliance, and to outline their plans for compliance in future. In the case of non-compliance, we reserve the right to accept or reject the explanation. For non-UK companies, we are supportive of similar Codes.

The overriding objective of the company should be to optimise over time the returns to its shareholders. Where other considerations affect this objective, they should be clearly stated and disclosed. To achieve this objective, the company should endeavour to ensure the long-term viability of its business, and to manage effectively its relationships with stakeholders.

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

R&M is not impacted by any of conflicts of interests listed.

**Please include here any additional comments which are relevant to R&M’s voting activities or processes**

No response provided.

**Most significant vote – Vote 1: Shell**

**Resolution:** Management Resolution - Approve the Shell Energy Transition Progress

**Approximate size of the fund's holding as at the date of the vote:** 0.7%

**Guidance – Proxy: Not provided, Management: For**

**Action:** Voted for the energy transition progress. Certain deficiencies are highlighted, but there have been areas of progress during the year, especially in operation emission reduction, and the company has adhered to the commitments set out in the 2021 transition plan.

**Outcome:** Pass

R&M will continue to monitor Shell's progress in their energy transition & escalate if required.

**Most significant vote – Vote 2: Serica Energy**

**Resolution:** Management Resolution - Authorise issue of equity in connection with the proposed acquisition of tailwind energy investments Ltd

**Approximate size of the fund's holding as at the date of the vote:** 0.1%

**Guidance – Proxy: Not provided, Management: For**

**Action:** Voted for Supporting acquisition following engagement with the company.

**Outcome:** Pass

R&M are supportive of the acquisition.

## Jupiter – Jupiter UK Special Situations Fund (held from 1 December 2023)

### Voting Activities

- There were 90 eligible votes for the fund over the period from 1 December 2023 to 31 March 2024
- The manager exercised 100% of its votes over the period
- 2% of votes were against management and 0% were abstained
- 2% 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 our in-house Stewardship team, who work with our fund managers on proxy voting and company engagement and the development of our Voting Policy and Responsible Investment 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 our overall stewardship strategy, including voting.

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

Our proxy research provider is ISS. Proxy research informs our voting approach, however responsibility for voting decisions resides with the fund manager and is not outsourced to third parties.

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

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 where fund managers are given the freedom to invest as they see fit. We do not think it is appropriate or in keeping with our commitment to clients if these considerations become detached from our fund managers. Therefore, we do not outsource voting or engagement activity to third parties and nor do we automatically follow voting recommendations. The process is supported by the Stewardship team, which is involved in reviewing agenda items, disseminating information and engaging with companies. Resolutions are assessed against Jupiter's Voting Policy and any non-compliance with good market practice or major issues (including investment decisions) is discussed with fund managers prior to voting. For further details on our firm-wide approach to proxy voting, please see Jupiter's Voting Policy and Stewardship Report, which are both available on our website ([www.jupiteram.com](http://www.jupiteram.com)).

### 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 is not impacted by any of conflicts of interests listed.

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

None provided.

**Most significant vote: No significant votes provided for this fund**

## Fulcrum Asset Management – Diversified Absolute Return Fund

### Voting Activities

- There were 14,664 eligible votes for the fund over the 18 months to 31 March 2023
- The manager exercised 100% of its votes over the period
- 11.5% of votes were against management and 1.3% were abstained
- 4.2% of votes were contrary to the proxy advisor's recommendation

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

As it currently stands we do not consult with clients before voting and to date we have not had a request from a client to do this. We would be happy to engage with clients on this topic and for segregated mandates we are also open to considering client input.

### Please describe whether Fulcrum has made use of any proxy voter services

We use Glass Lewis as our proxy adviser. Our default is to use their standard voting policy, however, there may be times where we override their advice, particularly related to climate change proposals.

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

Our default choice is to vote as per the Climate Change Policy by our proxy adviser, Glass Lewis. We will, in these instances, do our own research and if we consider it right to do so, vote against their advice if this is in advantage of the topic of climate change mitigation. In particular, we look for votes related to encouraging science-based target setting with regard to decarbonisation goals as this is a core part of our engagement focus.

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

Fulcrum is not currently affected by any conflicts across its holdings.

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

No response provided.

### Most significant vote – Vote 1: Sun Life Financial, Inc

**Resolution:** Shareholder Proposal Regarding Report on Health Impacts from Investments in Fossil Fuels

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

**Guidance – Proxy: Not provided, Management: Against**

**Action:** Glass Lewis recommended that we vote against the proposal as the shareholders have provided insufficient and speculative evidence that the Company has neglected the health risks from investment in fossil fuels. However, we voted FOR the proposal as we agree with the severity of the risks presented and that investors should be presented with better disclosure regarding their business risks, including information about the potential client base in the emerging markets that the Company is currently targeting for growth and where climate and health impacts are more extreme.

**Outcome:** Fail

Fulcrum Asset Management would likely vote in a similar way if they were to vote again on this resolution.

**Most significant vote – Vote 2: Alphabet Inc**

**Resolution:** Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement

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

**Guidance – Proxy: Not provided, Management: Against**

**Action: Voted for** - The proposal requests that the board commission a report assessing the siting of Google Cloud Data Centers in countries of significant human rights concern. Glass Lewis believes that given the vast scope and distribution of the Company's operations, they understand that the Company cannot be reasonably expected to monitor the day-to-day activities of each of its customers. Glass Lewis find the Company's current disclosure to be adequate for shareholders to understand such risks and recommends that we vote AGAINST the proposal. However, we agree with the proponent's perspective. Shareholders are concerned by the Company's announced plans to expand data center operations in such locations as Jakarta, Indonesia, Doha, Qatar, and Delhi, India, which are reported by the U.S. State Department's Country Reports on Human Rights Practices to present significant human rights violations. Of particular concern is the plan to locate a Google Cloud Data Center in Saudi Arabia, as the U.S. State Department details the highly restrictive Saudi control of all internet activities and notes pervasive government surveillance, arrest, and prosecution of online activity. Adoption of this proposal would assess with an eye toward the priorities and potential impacts on people, any mitigating actions, any tracking of outcomes, and whether the Company identifies and engages rights-holders to ensure its human rights efforts are well informed, and it should also be guided by the rights enshrined in the Universal Declaration of Human Rights, the standards established in the United Nations Guiding Principles on Business and Human Rights, and in the Global Network Initiative Principles. Therefore, we voted FOR the resolution.

**Outcome:** Fail

Fulcrum Asset Management would likely vote in a similar way if they were to vote again on this resolution.

## Jupiter Asset Management – Jupiter Ecology Fund

### Voting Activities

- There were 909 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 100% of its votes over the period
- 4% of votes were against management and 0% were abstained
- 3% 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 our in-house Governance and Sustainability team, who work with our fund managers on proxy voting and company engagement and the development of our 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 our overall stewardship strategy, including voting.

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

Our proxy research provider is ISS. Proxy research informs our voting approach, however responsibility for voting decisions resides with the fund manager and is not outsourced to third parties.

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

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 where fund managers are given the freedom to invest as they see fit. We do not think it is appropriate or in keeping with our commitment to clients if these considerations become detached from our fund managers. Therefore, we do not outsource voting or engagement activity to third parties and nor do we automatically follow voting recommendations. The process is supported by the 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. For further details on our firm-wide approach to proxy voting, please see Jupiter's Stewardship Policy attached as Appendix A and UK Stewardship Code Approach document attached as Appendix B, which are also both available on our website ([www.jupiteram.com](http://www.jupiteram.com)).

### 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 is not impacted by any of conflicts of interests listed.

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

No response provided.

### Most significant vote – Vote 1: Schneider Electric

**Resolution:** Management Resolution - Approve the Company's Climate Transition Plan

**Approximate size of the fund's holding as at the date of the vote:** 3.5%

**Guidance – Proxy: not provided, Management: For**

**Action: Voted for** - Support for the Climate Transition Plan (CTP) 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. They have 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.

**Outcome:** Pass

Jupiter Asset Management will monitor how the Company progress towards achieving the targets and milestones they have within the CTP.

**Most significant vote – Vote 2: Eurofins Scientific SE**

**Resolution:** Management Resolution - Approve Remuneration Report

**Approximate size of the fund's holding as at the date of the vote:** 1.67%

**Guidance – Proxy: not provided, Management: For**

**Action: Voted against** - A vote against is warranted due to a lack of disclosure around weights and performance targets in the STIP, as actual remuneration earned under the STIP is not disclosed. In addition, there was a signing bonus awarded under the STIP in 2022, however, there was no disclosure over who the recipient of this award was, the quantum or the rationale for the bonus.

**Outcome:** Pass

The item passed with 87.25% of shareholder support. Jupiter Asset Management plan to engage on this issue.

## HSBC Global Asset Management – Islamic Global Equity Index Fund

### Voting Activities

- There were 2,060 eligible votes for the fund over the 18 months to 31 March 2024
- The manager exercised 94% of its votes over the year
- 18% of votes were against management and 0% were abstained
- 4.5% 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. They have 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

We use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of our voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. We review voting policy recommendations according to the scale of our overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.

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

We exercise our voting rights as an expression of stewardship for client assets. We have 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 our parent HSBC Holdings PLC. We have a special procedure for voting these shares to manage this conflict. We also have procedures for managing other conflicts that may arise. However, we do not believe that we have exposure to the conflicts listed.

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

No response provided.

### Most significant vote – Vote 1: Nike Inc

**Resolution: Shareholder Resolution** - Report on Median Gender/Racial Pay Gap

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

**Guidance – Proxy: Not provided, Management: Against**

**Action:** Voted for - We believe that the proposal would contribute to improving gender inequality.

**Outcome:** Fail

HSBC Global Asset Management (UK) Limited will likely vote against a similar proposal should we see insufficient improvements.

**Most significant vote – Vote 2: Cisco Systems Inc**

**Resolution: Management Resolution** - Elect Director Michael D. Capellas

**Approximate size of the fund's holding as at the date of the vote:** 0.86%

**Guidance – Proxy: Not provided, Management:** For

**Action:** Voted against - We are voting against this Nomination Committee Chair as we have concerns about insufficient gender diversity of the board.

**Outcome:** Pass

HSBC Global Asset Management (UK) Limited will likely vote against a similar proposal should we see insufficient improvements.

**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