

# THE NOKIA RETIREMENT PLAN FOR FORMER NSN AND ALU EMPLOYEES YEAR ENDED 30<sup>th</sup> JUNE 2023

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## **Annual Implementation Statement**

### **The Nokia Retirement Plan for Former NSN & ALU Employees (the “Plan”): Defined Contribution (“DC”) Section**

#### **Introduction**

This statement sets out how, and the extent to which, in the opinion of Ross Trustees Services Limited (the “Trustee”), the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year to 30 June 2023 (the “Plan Year”). It covers the Plan’s DC section. A separate statement covers the Plan’s Defined Benefit section. This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

The table on page 4 onwards sets out how, and the extent to which, the policies in the SIP have been followed. The statement also sets out the voting behaviour carried out by the Plan’s investment managers on the Trustee’s behalf during the Plan Year.

This statement flows directly from and should be read in conjunction with the Plan’s SIP (in place at the Plan Year end dated July 2021 and signed on 25 June 2021) which is available via the link below along with this implementation statement:

<https://v3.merceroneview.co.uk/NSN-ALU/education-centre/3209>

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#### **Investment Objectives of the Plan**

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Plan included in the SIP are set out below:

- The Trustee recognises that members have different investment requirements and these requirements will vary according to members' personal circumstances and their attitude to risk. As such the Trustee's key objective is to make available a range of investment options so as to enable members to tailor an investment strategy to their own personal needs, suitable for meeting members' long-term and short-term investment objectives, while avoiding over complexity. It has taken into account members' circumstances and in particular members' attitudes to risk and term to retirement.
- The Trustee makes available a range of funds with different risk and return characteristics so that members can construct an overall portfolio mix suitable for their pensions at retirement. Members are responsible for choosing from the range of funds on offer.
- The Trustee has established a default investment option for the Plan, as described in SIP section 4.5, which is appropriate for a typical member not wishing to make his/her own investment decisions.
- The Trustee is satisfied that the funds offered to members and the appointed investment managers are consistent with the objectives of the DC section, particularly in relation to diversification, risk, expected return and liquidity.

The policies set out in the SIP are intended to help meet the overall investment objectives of the Plan. Detail on the Trustee's objectives with respect to the default investment option and the self-select fund range are outlined in the SIP.

#### **Investment Strategy Review and latest review of the SIP**

A full review of the Plan's default investment options and self-select fund range took place in Q4 2020 and concluded in Q1 2021. Changes were agreed by the Trustee and made to the investment strategy with effect from 25 May 2021.

The Trustee will regularly review the Plan's investment options to ensure they continue to remain appropriate, based on analysis of the likely requirements of the Plan's members. A review of the DC Section will be completed at least every three years in line with legislation to ensure the default investment options remain appropriate. The next investment strategy review is not due until January 2024.

#### **Assessment of how the policies in the SIP have been followed for the year to 30 June 2023**

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The information provided in the table below summarises the work undertaken by the Trustee during the year (or over a longer term where relevant) and sets out how this work has followed the Trustee's policies in the SIP (insofar as the SIP relates to the DC section of the Plan). The Trustee considers that it has generally adhered to all of its policies as set out in the SIP over the course of the year.

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	<b>Matter</b>	<b>Summary of Trustee's policy / key extracts from policy</b>	<b>Summary description and evaluation of work undertaken in the year to 30 June 2023</b>
1	Securing compliance with the legal requirement to obtain and consider proper advice on the question of whether an investment is satisfactory	<p><i>SIP section 1:</i></p> <p><i>The Trustee of the Nokia Retirement Plan for former NSN and ALu Employees (the "Plan") has drawn up this Statement of Investment Principles (the "Statement") to comply with the requirements of the Pensions Act 1995 (the "Act") and subsequent legislation.</i></p> <p><i>SIP section 2:</i></p> <p><i>An investment consultant has been appointed by the Trustee to provide relevant advice to the Trustee.</i></p>	<p>No investment strategy changes have been made during the Plan year to 30 June 2023. The latest investment strategy review was completed in March 2021, where implementation of those changes took place on 25 May 2021, and a new investment strategy review is due to take place later in 2023.</p> <p>The Trustee of the Plan reviewed quarterly monitoring of the investments produced by the Plan's investment adviser to ensure the investment strategy remained suitable for purpose.</p>
2	Kinds of investments to be held	<p><i>SIP section 4.1:</i></p> <p><i>The Trustee makes available a range of funds with different risk and return characteristics so that members can construct an overall portfolio mix suitable for their pensions at retirement. Members are responsible for choosing</i></p>	<p>No changes were made to the investment strategy during the Plan year to 30 June 2023.</p> <p>The Trustee considers that at the present time the investment strategy is consistent with its current policy as expressed in the SIP.</p> <p>The Trustee reviewed the investment approach, through the use of quarterly investment performance reports. No changes were made but the Trustee will make changes as and when it is considered appropriate. The</p>



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		<i>between the range of funds on offer.</i>	self-select fund range and the default investment option are reviewed on at least a triennial basis.
3	The balance between different kinds of investments	<p><i>SIP section 4.1:</i></p> <p><i>The Trustee makes available a range of funds with different risk and return characteristics so that members can construct an overall portfolio mix suitable for their pensions at retirement. Members are responsible for choosing from the range of funds on offer.</i></p> <p><i>SIP section 4.5:</i></p> <p><i>In designing the default investment option, the Trustee has explicitly considered the trade-off between risk and expected returns.</i></p>	<p>During the year, the Trustee monitored the risk and return of all fund options within the Plan as part of its review of the quarterly investment performance reports.</p> <p>Over the year to 30 June 2023, the majority of the actively-managed funds utilised in the default investment option and the self-select range have seen improvements in their performance. However, the year was challenging particularly for fixed income assets which struggled as central banks generally continued to increase interest rates. The Trustee does not currently have concerns. The Trustee, with support from its investment adviser, will continue to monitor performance and make changes if they are deemed to be necessary.</p> <p>The asset allocation of the default investment option is reviewed on a triennial basis and was last reviewed in March 2021. A new investment strategy review is due to take place later in 2023..</p>
4	Risks, including the ways in which risks are to be measured and managed	<p><i>SIP section 4.2:</i></p> <p><i>The Trustee recognises risk (both investment and operational) from a number of perspectives in relation to the self-select funds and the default investment option.</i></p>	<p>The Trustee considers both quantitative and qualitative measures for assessing risks when deciding on the investment policies, strategic asset allocation and the choice of fund managers / funds / asset classes.</p> <p>The Plan maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions.</p>

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5	Expected return on investments	<p><i>SIP sections 4.5:</i></p> <p><i>In designing the default investment option, the Trustee has explicitly considered the trade-off between risk and expected returns.</i></p> <p><i>SIP sections 4.2:</i></p> <p><i>The Trustee makes available a default investment option for members, which has explicit allocations to assets that are expected to outperform inflation over the long term. Members are also able to self-select funds which are expected to outperform inflation.</i></p>	<p>During the year, as part of its review of the quarterly investment performance reports, the Trustee evaluated the performance of the default investment option in light of its aims and objectives.</p> <p>Despite challenging market conditions that have been seen as a result of rising inflation, tightening monetary policy and the conflict in Ukraine, performance over the year for the majority of funds, with the exception of the bond funds, has been positive. In addition, all passive funds have tracked their benchmarks within reasonable tolerance.</p> <p>All funds are currently rated highly by the Trustee’s investment adviser as having above average prospects of outperformance (for active funds) or tracking their respective index (for passive funds).</p> <p>The components of the default investment option are specifically monitored against their respective aims and objectives as well as being compared to peer group risk and return metrics.</p> <p>The Trustee did not identify any long term material performance-related concerns as part of the quarterly investment performance reports.</p>
6	Realisation of investments	<p><i>SIP sections 4.5:</i></p> <p><i>Assets are invested, through an insurance contract, in daily traded pooled funds which hold highly liquid assets. The pooled funds are commingled investment vehicles which are managed by various investment managers. The selection, retention and</i></p>	<p>All the funds used by the DC Section of the Plan continue to be daily dealt pooled investment vehicles. No illiquidity concerns arose over the year. The Trustee is therefore satisfied that these assets can be realised at short notice as required and do not have any concerns surrounding the liquidity of the Plan’s investments.</p> <p>During the year, the Trustee received administration reports on a quarterly basis to ensure that core financial transactions were processed in</p>

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		<p><i>realisation of assets within the pooled funds are delegated to the respective investment managers.</i></p> <p><i>The Trustee's administrators will realise assets following member requests on retirement or earlier where required.</i></p>	<p>accordance with service level agreements and regulatory timelines. The Trustee is satisfied that all requirements were met throughout the year.</p>
7	<p>Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments</p>	<p><i>SIP section 6:</i></p> <p><i>The Trustee believes that environmental, social, and corporate governance (ESG) factors may have a financially material impact on investment risk and return outcomes</i></p> <p><i>The Trustee has given the appointed investment managers full discretion in evaluating ESG factors, including climate change considerations and exercising voting rights and stewardship obligations. The Trustee will review the investment managers' policies and engagement activities (where applicable) on an annual basis.</i></p>	<p>The quarterly performance reports reviewed by the Trustee include ratings (both general and specific ESG ratings) from the investment adviser. All of the managers remained generally highly rated during the year. Where managers were not highly rated from an ESG perspective, the Trustee continues to monitor them.</p> <p>When implementing a new manager, the Trustee considers the ESG rating of the manager to the extent that it is considered to have an effect or potential effect on financial performance and/or risk. As part of the last formal investment review undertaken in March 2021, the Trustee considered the investment adviser's ESG ratings when selecting specific investment managers. d stewardship. The Trustee keeps its policy under regular review.</p>

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8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<p><i>SIP section 6:</i></p> <p><i>The Trustee has not considered any non-financially material factors in the development and implementation of their investment strategy.</i></p> <p><i>The Trustee has not imposed any restrictions or exclusions to the investment arrangements based on non-financially material considerations.</i></p>	Non-financial considerations were not taken into account in the selection, retention and realisation of investments, in line with the SIP.
9	The exercise of the rights (including voting rights) attaching to the investments	<p><i>SIP section 6:</i></p> <p><i>The Plan's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.</i></p> <p><i>The Trustee believes that good corporate governance is important and it expects the investment managers to have developed suitable policies which</i></p>	<p>The Trustee has equity exposure through the following funds:</p> <ul style="list-style-type: none"> <li>• Active UK Equity Fund</li> <li>• Active UK Smaller Companies Fund</li> <li>• Active Global Equity Fund</li> <li>• Active Emerging Markets Equity Fund</li> <li>• Active Combined Equity Fund</li> <li>• Equity and Diversified Growth Fund</li> <li>• Diversified Growth Fund</li> <li>• Passive Global Equity Fund</li> <li>• Passive Global Sustainable Equity Fund</li> <li>• Pre-Retirement Multi Asset Fund</li> </ul> <p>The Trustee has delegated the exercise of voting rights to the investment managers under the contracts in place with Scottish Widows, on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value.</p>



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		<p><i>promote the concept of good corporate governance and, in particular, a policy of exercising voting rights.</i></p>	<p>Following the Department of Work and Pensions' consultation response and outcome regarding Implementation Statements on 17 June 2022, updated guidance was produced which is effective for all scheme year ends on or after 1 October 2022. The updated guidance requires trustees to include a description of what constitutes a significant vote, which is largely based on the following key stewardship themes/priorities agreed over the course of the Plan Year:</p> <ul style="list-style-type: none"> <li>- Climate Change &amp; Environmental Impact;</li> <li>- Diversity, Equity &amp; Inclusion;</li> <li>- Executive Remuneration.</li> </ul> <p>The Trustee determined these priorities based on the Trustee Directors' ESG beliefs, taking into account the Principle Employer's strategic priorities on ESG and sustainability matters. The investment managers are aware of the Trustee's policies on stewardship and engagement.</p> <p>oting activity carried out over the Plan Year on behalf of the Trustee is shown in the Appendix of this statement. Over the period covered by this statement, the Trustee has not directly challenged managers on voting activity.</p>
10	<p>Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and</p>	<p><i>SIP section 6:</i></p> <p><i>The Trustee has given the appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship</i></p>	<p>As the Plan invests solely in pooled funds, the Trustee delegates their investment managers to engage with the investee companies on their behalf.</p> <p>Over the prior 12 months, the Trustee has not actively challenged managers on engagement activity.</p>

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	engage with relevant persons about relevant matters)	<p><i>obligations attached to the investments, including undertaking engagement activities, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship.</i></p> <p><i>The Trustee will review the investment managers' policies and engagement activities (where applicable) on an annual basis.</i></p>	
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with Trustee policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters	<p><i>SIP section 7.1:</i></p> <p><i>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class they are selected to manage.</i></p> <p><i>The Plan currently invests entirely in pooled investment vehicles, and therefore the Trustee accepts that it has no direct ability to</i></p>	The Trustee believes that the appointments with their investment managers are consistent with their long-term objectives. The Trustee is comfortable that the contractual arrangements in place with investment managers incentivise the managers as no performance fees are awarded.

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	described in rows 2-8 of this Statement]	<i>specify the risk profile and return targets of the managers, but appropriate mandates can be selected to align with the overall investment strategy.</i>	
12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	<p><i>SIP section 7.2:</i></p> <p><i>The Trustee's focus is on long term performance but may review a manager's appointment if there are sustained periods of underperformance.</i></p> <p><i>The Trustee undertakes an annual review of the DC investment options, including the providers, and the default strategies to assess their performance and ensure they continue to meet the Trustee's objectives.</i></p>	<p>The Trustee receives a quarterly performance report from its investment adviser to assess whether the Plan's investments are performing in line with expectations. These reports present performance information over 3 months, 1 year, 3 years and 5 years. The reports show the absolute performance, performance against the manager's stated performance target (over the relevant time period) on a net of fees basis.</p> <p>As the Plan invests solely in pooled funds, the Trustee has limited scope for incentivising its selected investment managers to align their investment strategies. However, the Trustee keeps the selection of managers under regular review.</p>
13	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies	<p><i>SIP section 7.4:</i></p> <p><i>The Trustee is a long term investor and is not looking to change the investment arrangements on a frequent basis.</i></p> <p><i>SIP section 7.2:</i></p>	<p>The Trustee has considered the long term investment performance of the investment managers on a quarterly basis, as well as their investment adviser's views of the investment manager, and is comfortable that the longer term performance and forward-looking capabilities remained suitable.</p> <p>The Trustee is satisfied that the investment managers' short term performance will not impact long-term goals. In particular, the investment managers are remunerated by way of a fee calculated as a percentage of</p>

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	mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]	<i>The Trustee receives investment manager performance reports on a quarterly basis, which present performance over a variety of periods.</i>	assets under management and do not have short term performance targets.
14	How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<i>SIP section 7.3: The Trustee considers portfolio turnover costs as part of the annual value for money assessment.</i>	Over the year covered by this statement, the Trustee considered the levels of transaction costs as part of its annual Chair's Statement and Value for Members assessment.  The Trustee found that the transaction costs reported were reasonable, but note the challenges in assessing these costs due to the lack of industry-wide benchmarks for such costs.
15	The duration of the arrangement with the asset manager	<i>SIP section 7.4: Within the DC section, all of the funds are open-ended with no set end date for the arrangement.</i>	The investment performance of all funds was reviewed by the Trustee on a quarterly basis via investment performance reports provided by its investment advisers; these reports included how each investment fund manager is delivering against their specific targets.



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#### Appendix – Manager Voting Responsibility

The Plan invests solely in pooled investment vehicles and therefore the Trustee cannot directly exercise voting rights. The Trustee has therefore delegated the exercising of voting rights to its investment managers.

As stated in the SIP: *“The Trustee expects the Plan’s investment managers to use their influence as major institutional investors to pursue the Trustee’s rights and duties as an investor in the pooled fund including voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good governance, accountability, and positive change. Where the Trustee is specifically invited to vote on a matter relating to corporate policy, the Trustee (having sought advice) will exercise its right in accordance with what it believes to be in the best interests of the majority of the Plan’s membership”.*

The following funds (either as self-select funds or within the default investment option, highlighted in bold) over the Plan Year hold equities:

<b>Fund</b>	<b>Underlying Fund</b>
<b>Equity and Diversified Growth</b>	LGIM and BlackRock
Passive Global Equity	LGIM
Diversified Growth	BlackRock
<b>Pre-Retirement Multi-Asset Fund</b>	LGIM
Passive Global Sustainable Equity	Mercer (LGIM)
Active UK Equity	Majedie
Active UK Smaller Companies	Janus Henderson
Active Global Equity	MFS
Active Emerging Markets Equity	Schroders and Lazard
Active Combined Equity	Majedie, Janus Henderson, MFS, Schroders and Lazard

The voting and engagement policies of the two investment managers used in the default investment option (LGIM and BlackRock) are detailed below. Policies of the other investment managers are available on request.

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

##### 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.*

##### LGIM's process 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.*

##### Use of proxy voting 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.*

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#### Processes for determining the most significant votes

*In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:*

- *High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;*
- *Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;*
- *Sanction vote as a result of a direct or collaborative engagement;*
- *Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.*

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

#### BlackRock's policy on consulting with clients before voting

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

#### BlackRock's process for deciding how to vote

*The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Our voting guidelines are market-specific to ensure we take into account a company's unique circumstances by market, where relevant. We inform our vote decisions through research and engage as necessary. Our engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. We may also update our regional engagement priorities based on issues that we believe could impact the long-term sustainable financial performance of companies in those markets. We welcome discussions with our clients on engagement and voting topics and priorities to get their perspective and better understand which*



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*issues are important to them. As outlined in our Global Principles, BlackRock determines which companies to engage directly based on our assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes.*

#### Use of proxy voting services

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

#### Processes for determining the most significant votes

*BlackRock Investment Stewardship prioritizes its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance. Our year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes. The themes we have identified in turn shape our Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which we look at the sustainable long-term financial performance of investee companies.*



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#### Summary of Manager Voting Activity over the Plan Year to 30 June 2023

Fund	Underlying Fund	Total Meetings	Total Resolutions	% Voted on	% votes with management	% votes against management	% abstained votes
<b>Diversified Growth</b>	BlackRock DC Diversified Growth	636	8,012	92.2%	94.9%	5.1%	1.6%
<b>Passive Global Equity</b>	LGIM World ex UK Developed Equity Index (GBP Hedged and Unhedged)	2,839	34,039	99.9%	77.9%	21.9%	0.2%
	LGIM UK Equity Index	691	10,510	99.9%	94.4%	5.6%	0.0%
	LGIM World Emerging Markets Equity Index	3,984	32,588	99.9%	80.7%	18.1%	1.2%
<b>Equity And Diversified Growth</b>	Combination of the <b>Diversified Growth</b> and <b>Passive Global Equity</b> funds (shown above)						
<b>Active UK Equity</b>	Liontrust UK Equity	170	2,757	99.0%	97.3%	2.8%	0.5%
<b>Active UK Smaller Companies</b>	Janus Henderson UK Smaller Companies	62	991	100%	99.4%	0.6%	0.1%
<b>Active Global Equity</b>	MFS Meridian - Global Equity Fund	87	1,456	100%	94.2%	5.8%	0.1%
<b>Active Emerging Markets Equity</b>	Schroders Life Global Emerging Markets	102	1,349	92.4%	90.4%	10.6%	3.8%
	Lazard Emerging Markets	92	812	100.0%	82.1%	13.7%	4.2%

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Fund	Underlying Fund	Total Meetings	Total Resolutions	% Voted on	% votes with management	% votes against management	% abstained votes
<b>Active Combined Equity</b>	Combination of <b>Active UK Equity, Active UK Smaller Companies, Active Global Equity, Active Emerging Markets Equity</b> (all shown above)						
<b>Pre-Retirement Multi-Asset Fund</b>	LGIM Retirement Income Multi-Asset Fund	10,122	103,258	99.8%	77.7%	21.9%	0.4%
<b>Passive Global Sustainable Equity*</b>	Mercer Passive Global Sustainable Equity Fund	1,182	16,150	99.9%	77.2%	22.3%	0.5%

Source: Scottish Widows and investment managers. Data covers the 1 year period to 30 June 2023

\*Note data covers period 1 April 2022 to 31 March 2023 which is the latest data available.

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## YEAR ENDED 30<sup>th</sup> JUNE 2023

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#### Most significant votes over the Plan Year to 30 June 2023

A "Significant Vote" is defined as one that is related to the Plan's beliefs and stewardship priorities, which refers to voting in relation to climate change or broader environmental impact, diversity, equity & inclusion (DEI) and executive remuneration. The Trustee only considers a vote to be significant if it relates to a holding that represents at least or approximately 1.5% of the relevant fund (where data is available). The table below shows available voting information of companies in relation to the Trustee's key priority areas.




Fund	Underlying Fund	Company	Approx. Size of Holding at date of vote	Date of vote	Summary of resolution	How the Manager voted	Trustee Priority Area	Rationale of Manager vote	Final outcome following the vote
<b>Diversified Growth</b>	BlackRock DC Diversified Growth	J Sainsbury Plc	Not provided	07/07/2023	Shareholder Resolution on Living Wage Accreditation	Against	Rem. Policies	Proposal is not in shareholders' best interests. In BR view, worker pay policies and rates should be determined by company management, with reference to relevant regulations and board oversight.	⊗
<b>Passive Global Equity</b>	LGIM World ex UK Developed Equity Index (GBP Hedged and Unhedged)	Amazon.com, Inc.	1.71%	24/07/2023	Report on Median and Adjusted Gender/Racial Pay Gaps	For	DEI	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	⊗
		NVIDIA Corporation	1.63%	22/06/2023	Elect Director Stephen C. Neal.	Against	DEI	A vote against is applied as LGIM expects a company to have at least one-third women on the board.	N/A

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Fund	Underlying Fund	Company	Approx. Size of Holding at date of vote	Date of vote	Summary of resolution	How the Manager voted	Trustee Priority Area	Rationale of Manager vote	Final outcome following the vote
	LGIM UK Equity Index	Shell Plc	6.96%	23/05/2023	Approve the Shell Energy Transition Progress	Against	Climate Impact	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	
	LGIM World Emerging Markets Equity Index	Tencent Holdings Limited	4.24%	17/05/2023	Elect Jacobus Petrus (Koos) Bekker as Director	Against	Climate Impact	A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management	
<b>Equity And Diversified Growth</b>	Combination of the <b>Diversified Growth</b> and <b>Passive Global Equity</b> funds (shown above)								
<b>Active UK Equity</b>	Liontrust UK Equity	RS Group	Not provided	14/07/2022	Approve Remuneration Policy	For	Rem. Policies	Liontrust believes the CEO and FD have done an outstanding job in reversing the fortunes of the company and positioning the business for long term success. It is important for the remuneration to be competitive	







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Fund	Underlying Fund	Company	Approx. Size of Holding at date of vote	Date of vote	Summary of resolution	How the Manager voted	Trustee Priority Area	Rationale of Manager vote	Final outcome following the vote
<b>Active UK Smaller Companies</b>	Janus Henderson UK Smaller Companies	Safestyle UK Plc	Not provided *	18/05/2023	Approve Remuneration Report	Against	Rem. Policies	Given performance of shares and failure to meet profitability targets one-off payments to directors unjustifiable, there is no justification for one off payment	
<b>Active Global Equity</b>	MFS Meridian - Global Equity Fund	Oracle Corp.	1.75%	16/11/2022	Advisory vote to ratify named executives officers compensation	Against	Rem. Policies	MFS voted against the executive compensation proposal due to ongoing year over year concerns around the structure and magnitude of the executive pay program, as well as the lack of performance-based vesting conditions attached to the company's long term incentive plan.	
<b>Active Emerging Markets Equity</b>	Schroders Life Global Emerging Markets	CCR SA	Not provided *	19/04/2023	Approve Remuneration of Company's Management	Against	Rem. Policies	Ongoing concerns regarding transparency of payments and problematic practices. As such, support for this resolution is not warranted	
	Lazard Emerging Markets	PT Bank Rakyat Indonesia (Persero) Tbk	2.30%	13/03/2023	Approve Changes in the Boards of the Company	Against	DEI	Lack of info provided	

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Fund	Underlying Fund	Company	Approx. Size of Holding at date of vote	Date of vote	Summary of resolution	How the Manager voted	Trustee Priority Area	Rationale of Manager vote	Final outcome following the vote
<b>Active Combined Equity</b>	Combination of <b>Active UK Equity, Active UK Smaller Companies, Active Global Equity, Active Emerging Markets Equity</b> (all shown above)								
<b>Pre-Retirement Multi-Asset Fund</b>	LGIM Retirement Income Multi-Asset Fund	Toyota Motor Corp.	0.18%*	14/06/2023	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	For	Climate Impact	LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment	

Source: Scottish Widows and investment managers. Data covers the 1 year period to 30 June 2023

\*Vote shown due to lack of significant votes for holdings above 1.5%.

Mercer Passive Global Sustainable Equity Fund had no votes which met the Trustee criteria for significant votes.