Tyco Holdings (UK) Limited CARE Pension Scheme Implementation Statement for the year ended 30 September 2022

Purpose

This statement provides information on how, and the extent to which, the Trustee of the Tyco Holdings (UK) Limited CARE Pension Scheme ("the Scheme") has followed its policy in relation to the exercising of rights (including voting rights) attached to the Scheme's investments, and engagement activities during the year ended 30 September 2022 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

In Q2 2019, the Trustee received training on Environmental, Social and Governance ("ESG") issues from its Investment Adviser, XPS Investment ("XPS") and discussed its beliefs around those issues. This enabled the Trustee to consider how to update its policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers' own equivalent policies.

In Q2 2020 the Trustee received further training on new requirements for the Scheme's SIP, including the need to address stewardship in more detail, and the need to explain the incentives the Trustee uses to encourage its investment managers to align their investment strategy with the Trustee's policies and to ensure that decisions are based on long-term performance. The Trustee's new policies were documented in the updated Statement of Investment Principles ("SIP") dated September 2020.

In Q4 2021 the Trustee received further training in relation to developing its approach to responsible investing. Following this training, in May 2022 the Trustee implemented a Responsible Investment Policy ("RI Policy") to formalise its commitment to being a responsible investor and provide a framework within which the assets can be managed. The RI Policy details more explicit actions of the Trustee, considerations for the Scheme's assets overall and expectations of managers to ensure ESG and climate change risks are effectively managed for the long-term benefit of members.

The Trustee's policies on ESG matters

The September 2019 SIP introduced the following policies:

The Trustee believes that there can be financially material risks relating to ESG issues. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustee requires the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustee will seek advice from the Investment Adviser on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustee, with the assistance of the Investment Adviser, will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements.

The Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

The September 2020 SIP introduced the following policies:

The Trustee encourages Investment Managers to make decisions in the long-term interests of the Scheme. The Trustee expects engagement with management of the underlying issuers of debt or equity and the exercising of voting rights in line with the investment mandate guidelines provided. This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns.

The Trustee also requires the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustee believes these factors could have a material financial impact in the long-term. The Trustee therefore makes decisions about the retention of Investment Managers, accordingly.

The Trustee encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustee requires the Investment Managers to report on significant votes made on behalf of the Trustee.

If the Trustee becomes aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that it deems inadequate or that the results of such engagement are mis-aligned with the Trustee's expectation and the investment mandate guidelines provided, then the Trustee may consider terminating the relationship with that Investment Manager.

The May 2022 SIP introduced the following policies:

Where the Scheme invests in pooled funds, the Trustee's acknowledge that they cannot directly set requirements for the investment managers and their funds. However, the Trustee is clear that ESG factors and climate change specifically represent material financial risks to the Scheme, and therefore the Trustee has established a separate Responsible Investment Policy. The Policy details more explicit actions of the Trustee, considerations for the Scheme's assets overall and expectations of managers to ensure ESG and climate change risks are effectively managed for the long-term benefit of members.

Manager selection exercises

One of the main ways in which the Scheme's ESG policy is expressed is via manager selection exercises: the Trustee seeks advice from XPS on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

Over the period the Trustee received manager selection advice in relation to the BlackRock Institutional Sterling Liquidity Fund. The Trustee also implemented an investment in the Insight LDI Active 55 Hedge Sub-Portfolio, for which advice was provided in prior reporting years.

One of the key areas of review when allocating capital - in acknowledgement of the Trustee's policies on ESG - is that the investment manager had been found to have a credible ESG capability, with decisions linked to that capability applied to the fund to an acceptable degree.

Ongoing governance

The Trustee, with the assistance of XPS, monitors the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this statement. Further, the Trustee has set XPS the objective of ensuring that any selected managers reflect the Trustee's views on ESG (including climate change) and stewardship.

To support this, during the reporting year, the Trustees completed a survey provided by XPS in relation to their beliefs on ESG and climate change. This confirmed that the Trustees feel ESG and climate change are important to take into account in the Scheme's investments.

As noted above, during the reporting year the Trustee implemented a Responsible Investment Policy to formalise its commitment to being a responsible investor. Where the Scheme invests in pooled funds, the Trustee acknowledges that it cannot directly set requirements for the investment managers. Rather, the Trustee has set clear expectations and will seek to ensure that the investment parameters governing the pooled funds in which the Scheme is invested are aligned with their own expectations in order to ensure the Scheme's assets are managed in line with the RI Policy.

One of the areas considered by the Trustees on an ongoing basis is stewardship, which relates to influencing a company in which the Scheme is ultimately invested via the funds held within the Scheme's portfolio. Companies can be influenced through meaningful engagement and using voting rights to drive long-term positive change in their policies and practices. The investment adviser report rated each investment manager organisation in this area and on ESG matters overall.

The RI Policy sets targets for overall ESG ratings of the Scheme's assets to ensure that a high degree of ESG and climate change incorporation, as well as stewardship activity, is reflected by the appointed managers. The targets set an expectation of improvement in the ratings over time and the Trustee has communicated this to the investment managers. During the reporting year, the Trustee commissioned a report from XPS on the extent to which ESG considerations are incorporated into the investment processes of the investment manager organisations appointed to the Scheme. The Trustee recognises that the level of ESG integration within the investment processes is dependent on the asset class in question. The Trustees also received reporting on broader sustainability issues, including the carbon emissions associated with its investments. As a result of reviewing the findings the Trustees, through their investment consultant, engaged with one particular manager to understand the key sources of high emissions within the fund.

ESG issues will be kept under review as part of the quarterly monitoring process, the annual ESG ratings exercise and through other means, and the Trustee will communicate its concerns with the relevant investment managers.

In particular, over the reporting year the Trustees attended quarterly meetings with Insight (the Scheme's largest manager by assets under management). One of the recurring agenda items at these meetings is the extent to which ESG is integrated into the fund management. In this way the Trustees maintain ongoing oversight of ESG consideration within the investments and are able to hold the manager to account in the way they manage the Scheme's investments.

Beyond the governance work currently undertaken, the Trustee believes that its approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually. Stewardship and ESG matters are therefore regularly discussed at IFC meetings.

Adherence to the Statement of Investment Principles

During the reporting year the Trustee is satisfied that it followed its policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities, and the Scheme has specific allocations to public equity. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is as follows.

(Note that, in this section, the responses have been provided by the managers and therefore "we" or "us" or "our" will often be written from the perspective of the investment manager, not the Scheme or Trustee.)

CBRE Pan European Core Fund

This fund is a direct real estate fund and therefore does not carry voting rights.

Insight Hedge Sub-Portfolio (Liability Driven Investment)

The portfolio primarily invests in gilts and other gilt derivatives. Therefore, there is no voting activity associated with these funds.

Insight Maturing Buy and Maintain Credit

These funds invest in corporate bonds which do not carry voting rights. Therefore, there is no voting activity associated with these funds.

Insight Cash-Plus Sub Portfolio

The portfolio primarily invests in asset-backed securities. Therefore, there is no voting activity associated with these funds.

BlackRock Aquila Life MSCI World Fund and BlackRock Aquila Life MSCI World Fund – GBP Hedged Fund

Voting Information
BlackRock Aquila Life MSCI World Fund and BlackRock Aquila Life MSCI World Fund – GBP Hedged Fund
The manager voted on 87% of resolutions of which they were eligible out of 14,334 eligible votes.
Investment Manager Client Consultation Policy on 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. Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given us authority, through voting proxies in the best long-term economic interests of our clients. We also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with our clients' interests as long-term shareholders. BlackRock looks to companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG issues. This allows shareholders to appropriately understand and assess how relevant risks and opportunities are being effectively identified and managed. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with our view of what supports sustainable long-term value creation, we will engage with a company and/or use our vote to encourage a change in practice BlackRock views engagement as an important activity; engagement provides us with the opportunity to improve our understanding of the business and ESG risks and opportunities that are material to the companies in which our clients invest. As long-term investors on behalf of clients, we seek to have regular and continuing dialogue with executives and board directors to advance sound governance and sustainable business practices, as well as to understand the effectiveness of the company's management and oversight of material issues. Engagement is an important mechanism for providing feedback on company practices and disclosures, particularly where we believe they could be enhanced. We primarily engage through direct dialogue but may use other tools such as written correspondence to share our perspectives. Engagement also informs our voting decisions. BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. These high-level Principles are the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe our philosophy on stewardship (including how we monitor and engage with companies), our policy on voting, our integrated approach to stewardship matters and how we deal with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews our Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year. Our Global Principles available on our website at https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf
Investment Manager Process to determine how to Vote

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

How does this manager determine what constitutes a 'Significant' Vote?

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.

We periodically publish "vote bulletins" setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that we consider, based on our Global Principles and Engagement Priorities, material to a company's sustainable long-term financial performance. These bulletins are intended to explain our vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to our clients and other stakeholders, and potentially represent a material risk to the investment we undertake on behalf of clients. We make this information public shortly after the shareholder meeting, so clients and others can be aware of our vote determination when it is most relevant to them. We consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

Does the manager utilise a Proxy Voting System? If so, please detail

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.

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed
- We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial
- We do not follow any single proxy research firm's voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company's own disclosures, in our voting and engagement analysis

• We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision • The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.			
Top Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Bank of Montreal	**Adopt an Annual Advisory Vote Policy on the Bank's Environmental and Climate Change Action Plan and Objectives**	**Against**	**Fail**
The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies.			
Glencore Plc	**Approve Climate Progress Report**	**For**	**Pass**
BlackRock did not provide rationale for this vote			
Ocado Group Plc	**Re-elect Andrew Harrison as Director**	**Against**	**Pass**
Remuneration arrangements are poorly structured.			
Rio Tinto Plc	**Approve Climate Action Plan**	**For**	**Pass**
BlackRock did not provide rationale for this vote			
Royal Dutch Shell Plc	**Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions**	**Against**	**Fail**
Proposal is not in shareholders' best interests. The proposal asks that Shell set absolute short- and medium-term scope 3 emissions reduction targets. We view scope 3 emissions differently from scope 1 and 2, given methodological complexity, regulatory uncertainty, concerns about double-counting, and lack of direct control by companies.			

Engagement information

Engagement is an effective method of driving long-term positive change in company policies and practices and is applicable across all asset classes. Within the Trustee's RI Policy, the following policy is noted:

"The Trustee will monitor the stewardship activity of the managers at firm level as well as their activity related to the Scheme's specific holdings on a regular basis. It expects the investment managers to evidence via case studies and stewardship related statistics the actions they are taking to drive positive behaviours and change within underlying holdings. The Trustee will look to seek this evidence via both reporting from the investment manager and from meeting directly with them on a frequent basis."

A high-level summary of the number of engagement activities, as well as examples of engagement, by each of the relevant investment manager organisations is as follows.

Note that in this section the responses have been provided by the investment managers and therefore "we" or "us" or "our" will often be written from the perspective of the investment manager, not the Scheme or Trustees.

Allianz – Global Multi-Sector Credit Fund

Engagement Information	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	290 (firm wide)

How many engagements took place over the last 12 months which were relevant to this strategy?	360 (firm wide)

The section below provides an example of where the investment manager has engaged with the underlying companies, of which the Fund invests in, over the course of the 12-month period.

Name of entity you engaged	A French oil and gas company
Year engagement was initiated	Q1 2022
Topic of Engagement	Support of the net zero transition
Your objective(s) from the engagement	Climate change is among the most pressing challenges facing humanity and has significant implications for all three ESG elements, not just the E. Many of our discussions focus on climate risk assessments and exploring how companies are reflecting climate risk and the low-carbon transition in their strategy, operations, and product pipelines. A French oil and gas company's "Net zero by 2050 together with society" commitment was questioned on its honesty. That is why it is important for us to understand to how the company is going to achieve this goal. It is connected to several UN Sustainable Development Goals, in particular to goals 7 and 13.
Please describe your engagement method.	We engaged with the oil major's executives on their say on climate to inform our votes at the AGM and make sure that their climate ambitions were ambitious enough. We have also informed the company that AllianzGI believes ongoing tracking and monitoring is a key element to successful engagement outcomes. In the future, we will continue tracking the company's climate action and net zero alignment with a focus where the company can make a difference. As an example, which was also mentioned in the engagement meeting, we will encourage the firm to work with SBTi on the establishment of and contribution to an industry-wide decarbonization framework aligned to the Paris Agreement of limiting global warming to 1.5°C.
Please comment on the outcomes from this engagement so far?	The company's climate approach is supported by a net zero ambition by 2050 including all emissions (scopes 1, 2 and 3) as well as short- and medium-term targets. The latter is important given the current decade is critical to decarbonize the firm's primary energy mix. Through this engagement AllianzGI got a good sense of the level of accountability, transparency on lobbying as well as the executive incentive structure and respective alignment with the firm's decarbonization journey. As a consequence of the dialogue and evidence of such items, AllianzGI supported the firm's resolution around its climate strategy. Supporting the companies, we invest in to develop their transition pathways is just one of the ways AllianzGI, as an active investor, can help share a sustainable world of tomorrow.

BlackRock Aquila Life MSCI World Fund and BlackRock Aquila Life MSCI World Fund – GBP Hedged Fund

Engagement Information	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	924
How many engagements took place over the last 12 months which were relevant to this strategy?	1,663

The section below provides an example of where the investment manager has engaged with the underlying companies, of which the Fund invests in, over the course of the 12 month period.

Name of entity you engaged	Shell PLC
Year engagement was initiated	Q2 2022
Topic of Engagement	Energy
Your objective(s) from the engagement	To understand if it is suitable for Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions. Acting in In line with the BlackRock Investment Stewardship (BIS) principles.
Please describe your engagement method.	The proposal asks that Shell set absolute short- and medium-term scope 3 emissions reduction targets that are aligned with the Paris Climate Agreement. The issue of scope 3 emissions is complex, particularly for the oil and gas industry. In our commentary, Climate risk and the global energy transition, we describe our view that scope 3 emissions are a major global societal issue and, for companies where they are material, the prospect of future policy changes could affect the economic viability of their business models. As discussed in our commentary, we welcome disclosures on how companies are considering scope 3 GHG emissions, the impacts of the energy transition on their stakeholders and operations, and how they will contribute to a reliable and affordable energy system over time. Many companies are already providing robust disclosures on scope 3 GHG emissions, which we recognize are provided on a good-faith basis as reporting methods develop. Over time, the development of a widely accepted approach to consistently measure and disclose scope 3 GHG emissions would both reduce the reporting burden on companies and improve the quality of information available to investors. At this stage, however, we view scope 3 emissions differently from scope 1 and 2, given methodological complexity, regulatory uncertainty, concerns about double-counting, and lack of direct control by companies.
Please comment on the outcomes from this engagement so far?	We believe that the company is actively addressing the risks and opportunities stemming from the global energy transition through their Energy Transition Strategy, and we welcome the progress made to date against this plan. As a result, we do not believe it is in the best economic interests of our clients, the asset owners, to support this shareholder proposal.

<u>Brandywine – Global Multi Sector Credit Fund</u>

Engagement Information	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	21
How many engagements took place over the last 12 months which were relevant to this strategy?	24

The section below provides an example of where the investment manager has engaged with the underlying companies, of which the Fund invests in, over the course of the 12 month period.

Name of entity you engaged	Owl Rock Capital
Year engagement was initiated	2021

Topic of Engagement	Environment - Climate change Strategy, Financial and Reporting - Strategy/purpose
Your objective(s) from the engagement	We own multiple parts of Blue Owl's capital structure, including the bonds issues by OwlRock, which is ranked in our second lowest decile and is therefore a mandatory engagement candidate. These entities did not have a third-party ESG rating at the time of purchase and based on our own ESG analysis using materials from bond roadshows, we determined that the parent and subsidiaries were addressing a number of ESG initiatives. However, Blue Owl received low ESG scores in its initial assessment from MSCI. Since our data inputs are derived from MSCI data, all related entities and their ESG scores fell into our bottom quintile. We believed MSCI's score did not reflect all of the ESG initiatives undertaken and planned by Blue Owl, and therefore initiated a follow up engagement with Blue Owl to learn of any updates. We also relayed this information to MSCI and its ESG analysts. We sought to evaluate Owl Rock on a number of topics including broader corporate social responsibility. Climate implications of their new real estate business and ESG integration across each of its investment businesses. We seek an improvement of our proprietary E&S score over a period of two years.
Please describe your engagement method.	We engaged with the issuer primarily with investor relations via emails and calls as well as materials from bond roadshows. The engagements were led by the analyst assigned to the issuer.
Please comment on the outcomes from this engagement so far?	We are positive on their recent PRI signatory signing in 2021. They also hired a Head of ESG in March 2022. Their 2022 CSR report will be released in 2023 and include an update of ESG and DEI policies. We will continue to follow up on how Blue Owl is incorporating climate risk into its real estate portfolios, particularly as we advance our own efforts for mortgage-backed securities. We are in the process of identifying those transactions in their book that need specialized ESG attention. We will review CSR report when its released in 2023. Of note, we have already seen an improvement of Blue Owl's ESG score, moving to a higher decile.

CBRE – Pan European Core Fund

Engagement Information	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	Not provided
How many engagements took place over the last 12 months which were relevant to this strategy?	Not provided

The section below provides an example of where the investment manager has engaged with the underlying companies, of which the Fund invests in, over the course of the 12 month period.

Name of entity you engaged	Tenants and Community in Islington
Year engagement was initiated	2021
Topic of Engagement	Social and Environmental
Your objective(s) from the engagement	In 2021, we completed an extensive refurbishment of PEC's Central London retail asset, Angel Central. The asset demonstrates well our engagement with local communities and is therefore

	connected most with SDG (Sustainable Development Goals) 11, Sustainable Cities and Communities. The refurbishment works themselves included a reconfiguration of retail and leisure space, redevelopment of a pedestrian link bridge, enhanced public realm, and various energy efficient technologies such as smart metering, controlled LED lighting, etc. A BREEAM Excellent certification was awarded for the refurbishment and Angel Central also became one of only three shopping centres globally to achieve a 2-star Fitwel wellbeing rating.
Please describe your engagement method.	As part of our community engagement at Angel Central, we organized a Summer Fête for tenants and the surrounding community. The initial event, which ran across four days, was designed to celebrate the completion of centre's refurbishment, with a focus on activities for the local Islington community.
Please comment on the outcomes from this engagement so far?	Across the August bank holiday weekend, Angel Central added to its alfresco dining space and introduced space for new sustainable initiatives. Angel Central's Green Market featured a selection of sustainable London-based crafters, and a local urban beekeeper was on site to educate children on how to protect the UK's bee population. The Summer Fête also included free family entertainment, exclusive evening shows at the Angel Comedy Club, early morning yoga, outdoor fitness classes and free children's workshops at the Little Angels Club.

Insight – Liability Driven Investment funds

The sub-funds in the Dynamic LDI range invest primarily in gilts and other gilt derivatives. Therefore, there is no engagement activity associated with these funds.

Insight Maturing Buy and Maintain Credit Funds ('MBAM')

The Scheme invests in two maturity buckets of the Insight Maturing Buy and Maintain Credit fund range. Insight have provided engagement information for each of these buckets as detailed below.

Engagement Information			
	MBAM 2021-25	**MBAM 2026-30**	**MBAM 2031-35**
Engagement at strategy level			
How many entities did you engage with over the last 12 months which were relevant to this strategy?	57	67	44
How many engagements took place over the last 12 months which were relevant to this strategy?	125	158	94

The section below provides an example of where the investment manager has engaged with the underlying companies, of which the Funds invest in, over the course of the 12 month period.

Name of entity you engaged	EDF
Year engagement was initiated	Q2 2022
Topic of Engagement	Environmental - Decarbonisation
Your objective(s) from the engagement	EDF is an electric utilities company. The company uses nuclear power, coal, gas and renewables. This engagement was identified through our targeted climate engagement programme due to the size of EDF's Scope 1 and 2 emissions. The purpose of this engagement was to understand EDF's approach to decarbonisation, to supplement our assessment of whether they are on a Net Zero pathway.

	This engagement was aligned to SDG 13 - Climate Action
Please describe your engagement method.	The engagement was hosted by our Senior Stewardship Analyst with the IR team at EDF. We have been discussing ESG matters with EDF for a number of years, dating back to 2020.
Please comment on the outcomes from this engagement so far?	EDF is in a strong position to progress towards Net Zero due to its carbon intensity, which is 90% lower than the peer average. This is driven by the high proportion of nuclear energy used, which, although it has a number of safety concerns, it is very low carbon. It is also increasing renewables, onshore wind, offshore wind, solar and hydroelectric, with EDF focusing on increasing solar the most. No specific improvement areas identified, however EDF's ageing reactions pose potential risks of nuclear plant outages / early shutdowns due to issues such as cracks in the graphite core. It also has heightened safety risk due to the large proportion of nuclear energy used, and EDF continues to look to open new nuclear energy locations. Whilst it appears that these risks are well managed, we will closely monitor EDF's performance in these areas, in addition to its progress towards its net zero goal. SBTi has certified EDF's near term target to being 'well below' 2 degrees, and it has committed to getting its Net Zero targets certified.

Insight Cash-Plus Sub-Portfolio

The Scheme invests in two funds which invest in asset-backed securities, via the Insight Cash-Plus Sub-Portfolio. Insight have provided engagement information for each of these buckets as detailed below.

Engagement Information		
	Global ABS	**Liquid ABS**
Engagement at strategy level		
How many entities did you engage with over the last 12 months which were relevant to this strategy?	c.30	c.30
How many engagements took place over the last 12 months which were relevant to this strategy?	c.40	c.40

The section below provides an example of where the investment manager has engaged with the underlying companies, of which the Funds invest in, over the course of the 12 month period.

Name of entity you engaged	CVC - Cordatus
Year engagement was initiated	Not provided
Topic of Engagement	Governance concerns and ESG constraints
Your objective(s) from the engagement	'Engagement was undertaken in addition to the standard credit underwriting process that was conducted as an integral part of our due diligence process. Material concerns were identified through the credit research process including: 1. Governance and permitted investment activity within the CLO enabled the CLO manager undue freedom to run inappropriate levels of concentration risk within the structure. Greater exposures to 2nd lien loans were also permitted compared to previous deals. 2. ESG restrictions within the CLO were too wide. Initial documentation permitted exposure to any obligor as long as under 50% of their revenues came from problematic sectors

	such as from the production or marketing of pornography or prostitution, opioid manufacturing and distribution, fossil fuel extraction by unconventional sources, fracking or coal mining.
Please describe your engagement method.	Engagement started in March and included discussions with both the CLO manager (CVC) and the lead broker on the deal (Jeffries). Engagement was largely written in nature and was led by a member of the secured finance team.
Please comment on the outcomes from this engagement so far?	As a result of our direct engagement, the obligor agreed to amend the terms of the new issue and resolved all of our underlying concerns. This included the following: 1. Investment restrictions were tightened, leading to a stronger governance control over the permitted investment flexibility of the CLO manager. 2nd lien loan limits were materially reduced to bring the deal in line with previous deals. 2. The CLO manager reduced the revenue limit for problematic from 50% to 5% in line with our requirements. The engagement was concluded satisfactorily, although we continue to engage with the issuer more broadly as part of our wider engagement.

Insight - Government Liquidity Fund

Engagement Information	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	7
How many engagements took place over the last 12 months which were relevant to this strategy?	17

The section below provides an example of where the investment manager has engaged with the underlying companies, of which the Fund invests in, over the course of the 12 month period.

Name of entity you engaged	Rabobank
Year engagement was initiated	Q2 2022
Topic of Engagement	ESG – various topics
Your objective(s) from the engagement	We were keen to understand Rabobank’s progress in its net zero strategy as well as an update on controversies. This engagement is aligned to a number of the SDGs, notably: SDG 13 and 16
Please describe your engagement method.	We have been engaging on Climate Change for some time now both directly with issuers and collaboratively as a part of various initiatives This was a 1-2-1 call with Rabobank and was hosted by our bank’s analyst with the RABO IR team. We have since followed up in Q3 2022 to further develop our understanding of Rabobank’s progress in the below topics.
Please comment on the outcomes from this engagement so far?	During the meeting we gained insight into the progress on the following topics: MIFID and mis-selling, Net zero approach, Cyber security. The engagement itself was to gain insight and knowledge rather than to influence on this occasion. We will continue to engage and will review Rabobank's.