Vivendi 2008 Deferred Member’s Scheme

Annual Engagement Policy Implementation Statement to 30 November 2023

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the 12-month period to 30 November 2023 (the “**Scheme Year**”). This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 (as amended) and the guidance published by the Pensions Regulator.

The statement is based on, and should be read in conjunction with, the relevant SIP that was in place for the Scheme Year, which was the SIP dated January 2021 (covering the period between January 2021 and November 2023). An online version of the SIP can be found here.

2. Statement of Investment Principles

2.1. Trustee Investment Objective

The Trustee’s primary investment objectives for the Scheme are the following:

- To pay the Scheme member’s benefits as and when they fall due and avoid any reduction in benefits if possible;
- To improve the funding level of the Scheme with the aim of achieving and maintaining 100% funding on the Technical Provisions basis, with the view to the Scheme ultimately becoming solvent in the event of a winding-up;
- To achieve the above objectives, the 30 November 2020 actuarial valuation calculated an investment return of at least 1.1% p.a. above appropriate longer dated UK Government bonds should be sought. On a best estimate returns basis, at the point of the 2020 actuarial valuation being agreed, the Trustee and Sponsoring Employer were comfortable with the investment strategy targeting an expected return in excess of the required return;
- To avoid new direct self-investment where practicable;
- To maintain sufficient flexibility in the Scheme’s investment structure to allow changes to be efficiently made as required in the future;
- To set and monitor appropriate benchmarks and performance targets for the investment managers; and
- To pay due regard to the interests of the Sponsoring Employer in relation to the funding of the Scheme.

The Trustee also ensures that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective (on a Technical Provisions basis).

2.2. Investment Strategy

Given the nature of the liabilities, the investment time horizon of the fund is potentially long term (i.e. several decades), although opportunities for risk transfer (e.g. by purchase of bulk annuities) could reduce the time horizon materially.

The Trustee expects to achieve a return in excess of the level assumed by the Scheme Actuary for Technical Provisions, except to the extent that investment gains to date may allow the Trustee to pursue a lower risk, lower return strategy while still expecting to meet the Scheme's funding targets.

Further details in relation to the investment strategy are set out in the latest SIP.

The Trustee and the Sponsoring Employer are comfortable that the expected return on assets is sufficient to comfortably support the discount rate.

2.3. Review of the Statement of Investment Principles

During the Scheme Year, there were no modifications made to the SIP.

2.4. Policy on ESG, Stewardship and Climate Change

The Trustee understands that they must consider all factors that have the potential to impact upon the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Scheme's SIP includes the Trustee's policies on ESG factors, stewardship and Climate Change. The ESG policies were last reviewed in July 2019 and the Trustee keeps their policies under regular review.

The Trustee have concluded that the decision on how to exercise voting rights should be left with their investment managers, who will exercise these rights in accordance with their respective published corporate governance policies. This includes, but is not limited to, decisions surrounding the selection, retention and realisation of investments within their mandates.

3. Scheme's Investment Structure

The Scheme's assets are invested in pooled funds. The current investment managers (as at 30 November 2023) are:

Investment Manager	Asset Class	Mandate Objective
Insight Investment Management (Global) Limited	Liability Driven Investment	To hedge 100% of the Scheme's total Technical Provisions liabilities against changes in interest rates and inflation expectations
Ruffer LLP	Diversified Growth Fund	Does not target a specific level of returns but aim to preserve and generate capital growth over the medium to long term

Investment Manager	Asset Class	Mandate Objective
Man AHL	Diversified Growth Fund	Does not target a specific level of returns but aim to preserve and generate capital growth over the medium to long term
Newton Investment Management Limited	Diversified Growth Fund	Exceed a cash-based benchmark by a specified amount (SONIA + 3.3% p.a.)
Nordea Limited	Diversified Growth Fund	Exceed a cash-based benchmark by a specified amount (SONIA + 3.3% p.a.)

These investments are expected to outperform the Liability Benchmark over the longer term.

4. Engagement Activity

The Trustee engages with existing managers on ESG issues through (amongst other things) regular meetings and periodic correspondence and will monitor investment manager engagement activity (such as voting) at least annually. The Trustee will consider ESG factors as part of the selection of any new investment manager based on information and advice provided by their investment advisors.

The Trustee received details of relevant engagement activity for the Scheme Year from each of the Scheme's investment managers, covering a wide range of different issues, including ESG factors.

- **Insight** engages regularly with the UK Debt Management Office (DMO) given Insight's large client base of UK pension schemes, which invest heavily in UK government bonds (gilts).

    Examples of engagements conducted by Insight are listed below:

    - Insight engaged with the DMO and His Majesty's Treasury (HMT) in May and June 2023 to follow up previous engagements where Insight raised several issues related to green gilt issuance and other sustainability topics, including the following:
        - Insight encouraged DMO to increase the frequency of impact reporting on green gilts from every two years to once a year. DMO response made clear this is unlikely in the near term.
        - Insight explained its concerns regarding the UK's ability to meet its net-zero targets given the current policy environment, which is a key assessment consideration of the quality of green gilts by Insight. Specific concerns included approval for a new coal mine in Cumbria and the lack of a green industrial policy to support transitioning companies.
        - Insight explained that uncertainty over institutional investors' fiduciary duty presented challenges for allocations to green gilts. The DMO said it was aware of this before the issuance of green gilts but given the success of the issuance they did not view this uncertainty as a problem. Insight reiterated that it remained a problem, with strong views being expressed in the market. It also explained that it would be helpful if the government could clarify how trustees' fiduciary duties apply to increase comfort in allocating to green and other impact bonds.

- The manager discussed the government's plans for green issuance, with the government reaffirming its commitment to the Green Financing Programme with plans to issue £10 billion of green gilts in the 2023-2024 financial year. Insight asked if there were any further developments regarding the DMO's intentions to issue sustainability-linked bonds. The DMO set out obstacles, and given the focus on liquidity, Insight expects green gilts to remain the focus for the time being.

Insight was not satisfied with the outcome of the engagement in relation to the frequency of impact reporting, which was an element in the downgrade of the UK government's green gilt from dark green to light green under Insight's impact bond assessment framework in 2022. Insight will continue its ongoing engagement with the DMO on a wide range of issues, including ESG topics.

- **Man Group** does not engage with companies at a strategy level for the Man AHL TargetRisk strategy, given the fund does not trade single name stocks.

- **Nordea** engaged with several companies regarding a number of topics. Engagement focused primarily on environmental issues such as climate change, emissions' reductions and decarbonisation, social issues such as supply chain regulation and access provision to essential healthcare services and medicines and governance concerns as diversity.

Examples of engagements conducted by Nordea listed below:

- Nordea engaged with **Compagnie de Saint-Gobain S.A.**, one of the largest and most diversified building material producers globally. It engages in flat and automotive glass production, material production for the industrial sector, construction products as well as interior products.

Saint-Gobain provides crucial solutions for high-performance insulation in buildings, increasing energy efficiency and supporting climate change mitigation. With a strong presence in European building renovation and alignment with global sustainability trends, the company is well-positioned to benefit from the transition to efficient building stock. However, Nordea has previously engaged with Saint-Gobain to address deficiencies in ESG risk management and operations, seeking improved management in the future.

Nordea regularly engages with Saint-Gobain's management and its IR team. In Q2 2023, Nordea focused on the company's exposure to PFAS chemicals and its involvement in industry associations. PFAS chemicals ("forever chemicals") are persistent and toxic, contaminating numerous sites in Europe, with estimated annual healthcare costs associated with PFAS burden ranging from EUR 52 to 84 billion. Regulators are increasingly holding not only producers but also the entire value chain responsible for limiting PFAS exposure and addressing associated hazards.

Nordea has identified Saint-Gobain as a user of certain chemical compounds and has started discussing this topic in their engagements. The investment manager sought to understand the company's exposure and a past pollution case in the US. Saint-Gobain provided information on their use cases and settlements related to pollution and also shared insights on the current proposal and mentioned some R&D projects related to substitution of these compounds. Nordea also addressed Saint-Gobain's memberships in trade and industry associations, expressing concerns about obstructive public messaging and views on climate change mitigation. Saint-Gobain stated that they are not aware of any misalignment and aim to align their advocacy commitments with their Science Based Targets.

Nordea challenged the company's view on its industry associations and encouraged it to take out a detailed assessment of its memberships and the association's relevant positions on sustainability topics. With regards to PFAS/PFOA, Nordea recommended to keep up communication on potential substitutes and discussion on use cases in Saint-Gobain's business. The manager maintains the ESG score of B+ given that it considers the company to have further improvement potential in its operations and risk management on environmental topics.

- **Ruffer** engaged with several companies regarding a number of topics. Engagement focused on a broad range of environmental, social and governance issues.

  Examples of engagements conducted by Ruffer listed below:

  - Ruffer engaged with **Noble**, a company that provides offshore drilling services for oil and gas exploration and production companies. Ruffer met with Noble's sustainability team during Q2 to learn how the company is considering ESG issues within the business.
    Following the completion of its merger with Maersk Drilling in October 2022, Noble is prioritising the establishment of a robust baseline before setting decarbonisation targets. Ruffer expressed its preference for all the companies it invests in to set targets to reduce their operational emissions, at the very least. That being said, Noble finds itself in an interesting position – the industry standard is for the customer (not the operator) to take responsibility for the supply of and payment for fuel used during drilling campaigns. Ruffer wanted to understand this relationship, focusing on how Noble works with its customers to promote more sustainable operations – by either improving energy efficiency or using more sustainable fuels to operate the drilling rigs.

    The company is making clear to its customers that there is a business – as well as a moral – case for reducing energy consumption on its rigs. Noble is already committed to installing energy efficiency equipment across its fleet and is conducting feasibility studies to operate some of its rigs using alternative fuels. This work is being completed in cooperation with its customers and is a part of Noble's wider research and development effort.

    Installing energy efficiency equipment and analytics tools will serve to collect and measure emissions data. The conversation turned to Noble's intentions for disclosure and ESG reporting, and Ruffer learned that the company has a reporting workstream set up, with a comprehensive ESG report planned for release in 2024. Ruffer expressed its views in favour of more disclosure through platforms and frameworks like CDP, the Task Force on Climate-related Financial Disclosures and the Global Reporting Initiative and explained how the manager, as investors, use these resources to conduct ESG analysis of its holdings. Ruffer also encouraged the company to engage with ESG ratings providers such as MSCI, especially as Noble scores poorly on safety. Though operating in an indisputably 'dirty' sector, Noble emphasised its commitment to the energy transition by pointing to its Decarbonisation Taskforce and Steering Committee equipped with resources to drive operational changes. We are still learning about this company after its emergence from bankruptcy and the recent merger, and we hope to see it evolve towards more sustainable practices over time.

- Ruffer also engaged with **ArcelorMittal**, a global leader in steel production, with Ruffer engaging with the company for many years, both collaboratively (as co-lead investor of the Climate Action 100+ initiative working group) and independently. Ruffer met the company twice in the second quarter of 2023, to discuss ESG progress, health and safety, and the energy transition.
  The first meeting, with the investor relations team, provided an insight into the ESG progress the company has been making over the past few months. Given the nature of operations in the steel-making industry, Ruffer addressed health and safety considerations and how these risks are being managed in certain jurisdictions more prone to accidents, especially in light of a large number of fatalities last year. The company assured Ruffer that it is working with consultants and implementing controls and systems, and its 2023 investment programme will focus on upgrading equipment and acquiring new tools, as well as offering training to employees and contractors. The ties between health and safety performance and executive remuneration have been strengthened, featuring in both short-term and long-term incentive plans.

  Historically, the main focus of Ruffer's engagement with ArcelorMittal has been the company's transition to Net Zero. The company has committed to reducing its European CO2 emissions by 35% by 2030 and to be carbon neutral globally by 2050. The manager also discussed how ArcelorMittal could harness green steel as a competitive advantage and how it is preparing to align its reporting with a new European framework. Ruffer's second meeting was with the head of ArcelorMittal's XCarb innovation fund, which seeks to invest in the development of breakthrough decarbonisation technologies. Ruffer discussed the strategy of the fund and how its investments are driving ArcelorMittal's decarbonisation strategy. The company has invested almost $160 million in disruptive sectors such as hydrogen production, clean energy, long-duration energy storage and novel steelmaking processes. The manager encouraged the company to better articulate to investors how its venture capital activity is shaping ArcelorMittal's understanding of transition pathways and the implementation of its Net Zero plan. Ruffer looks forward to seeing further details of ArcelorMittal's progress and targets in its next Climate Action Report and will analyse where it can urge the company to make further improvements.

- **Newton** engaged with several companies regarding a number of topics. Engagement focused primarily on climate change related issues, remuneration, minority shareholder treatment, opportunities in access to socially sustainable products or services, emissions' reduction and social concerns such as safety, working conditions, employee engagement, diversity and inclusion.

  - Newton engaged with **Shell Plc** on climate transition risk and net zero strategy, specifically to set absolute Scope 3 emission reduction targets. Climate transition risk and net zero strategy (Scope 3) is the largest source of emissions for the company. The absence of an absolute Scope 3 reduction target raises questions on the credibility of its transition plan. Newton met Shell's Chair, and discussed in detail the thinking the board is doing at the moment around the new climate transition plan that they will be announcing in March 2024. The manager went away with a few important points:

    - Shell's Chair reiterated the message from their last meeting that their initial transition thinking was maybe too ambitious. Unlike some of their US competitors for Shell it is not a question of whether the transition is occurring; it fundamentally believes in its scenarios where transition to a low carbon economy will occur, albeit slowly and with more bumps along the way. In this context, the company will do everything in its control to reduce its emissions, while being capital disciplined, and not committing to anything that is unachievable.

    - Shell will announce in March 2024 some sort of absolute Scope 3 targets on the transportation sector or the hardest to abate sector. This will not satisfy all shareholders, but will have the merit of being an improvement versus the previous transition plan. To achieve this target, the company is leaning into biofuels, which will be one of the scope 3 reduction levers. Shell is not planning to increase its green capex. The main element of its new strategy will be liquified natural gas, where it is very positive on the outlook.

Newton reiterated that the company needs to communicate better and in a more shareholder friendly way its climate narrative. The manager also pointed that Shell should act and announce a Scope 3 target that it can control and created awareness the Emerging Markets side of the transition story and the needs there that are different from the EU or the US.

The meeting was seen as positive and, taken altogether with Newton's meeting with the CEO, Newton is starting to hear a coherent climate transition narrative. Shell is undoubtedly less ambitious than the initial climate transition thinking it laid out a few years ago, but this plan seems more credible and more in touch with today's state of the world and the economy. With the publication of an absolute Scope 3 target for some sectors, Newton may consider this objective achieved in 2024.

- Newton also engaged with **Amazon.com Inc**. on human capital concerns such as safety, working conditions, employee engagement, diversity and inclusion to conduct an independent assessment/audit on human rights/health and safety issues and report upon key findings and how it will action them. This was intended as a response to the numerous issues and controversies that have already occurred, and more significantly, for Amazon to acknowledge forward looking risks and discuss how it seeks to action them. However, getting the company to acknowledge these issues could be a good starting point along with how it seeks to action future risks.

  Amazon reasonably highlighted that this could be extremely expensive. However, Newton would disagree that this is a poor use of resource - it remains unable to point to current risks to the business through human capital. Newton emphasizes it needs to see the bridge as to what is being done and what will happen in the future. Newton asked for a turnover number to be disclosed and the company rebutted with the fact that they are a seasonal employer so these numbers would be skewed. The manager explained there's ways around this where Newton could still get a picture of what this looks like. Amazon gave the impression that it did not want to 'concede' reporting data for investors or there would be continual asks. Finally, the company could not provide solid illustrations and helpful response to another question from Newton's PM around how Newton can defend the conviction that it can avoid harm as a sustainable investment manager by investing in Amazon. It is likely that the company will continue to take a defensive stance towards forward looking asks around governance and disclosures and will continue to do only what is regulatory requirement.

  In terms of next steps, Newton is still considering how it can push further for what would provide to Newton comfort in terms of their human capital management practises and parallelly it will continue to escalate its concerns through annual check-ins and voting in the AGMs.

Stewardship

- The Trustee is supportive of the UK Stewardship Code (the "Code"). The Trustee expects its managers who are authorised in the UK to comply with the UK Stewardship Code, including public disclosure of support via an external website. As at 30 November 2023 all investment managers were a signatory of the 2020 UK Stewardship Code.

- Over the Scheme Year, the Trustee did not set any investment restrictions on the appointed investment managers in relation to particular products or activities.

5. Voting Activity

Where relevant, the Scheme's investment managers exercise voting rights and undertake engagement (collaborative or other) in accordance with their own corporate governance policy, together with climate change considerations, including escalation procedures to protect investment value. Each relevant manager provides the Trustee with their policies reporting on voting and engagement activities at least annually. The Trustee did not use the direct services of a proxy voter over the year.

The Trustee considers the significant votes of the underlying holdings of the Scheme annually. The Trustees have decided to consider the following areas of focus for the Scheme, which are aligned with United Nations Sustainable Development Goals (“SGDs”):

- **Climate change:** low-carbon transition and physical damages resilience
- **Human rights:** modern slavery, pay & safety in workforce and supply chains and abuses in conflict zones
- **Diversity, Equity and Inclusion (DEI):** inclusive & diverse decision making

To be deemed a “most significant” vote, the Trustee has set a threshold for the approximate size of the fund’s holding as at the date of the vote at 1% of the fund in question. The Trustee will keep this definition under consideration based on emerging themes within internal discussions and from the wider industry. The Trustee did not inform the investment managers of what they considered to be the most significant votes in advance of voting.

The section below sets out a summary of the key voting activity of the pooled funds for which voting is possible (i.e. funds which include equity holdings) in which the Scheme’s assets were ultimately invested over the financial year. The Scheme’s investments with Insight are fixed income portfolios and these do not carry voting rights. Man Group AHL’s Target Risk portfolio, in which the Scheme is invested in, does not hold direct exposure through stocks or bonds, rather exposure is gained through indices and other derivatives, so in that respect the fund does not have any ability to directly influence votes.

Over the Scheme Year, the voting activity on behalf of the Trustee was as follows:

Nordea - GBP Diversified Return Fund

In general, every vote Nordea casts is considered individually on the background of its bespoke voting policy, which the manager has developed in-house based on its own principles.

Voting is supported by two external vendors **(Institutional Shareholder Services and Nordic Investor Services – henceforth, “ISS” and “NIS”)** to facilitate proxy voting, execution and to provide analytic input. In 2021 these two vendors merged.

A summary of the voting undertaken over the year to 31 December 2023* is provided below:

- Nordea has voted in 196** meetings of 200 eligible meetings and 2,486 votable proposals.

- Nordea has voted on 98% of resolutions where they were eligible to vote. In around 83% of these votes for proposals, Nordea has indicated their support to the companies' management, while voting against management in around 12% of the proposals and abstaining or withholding less than 3% of the time. The remaining votes to add up to 100% were management say-on-pay (MSOP) votes.

Nordea defines significant votes those that are severely against Nordea's principles, and where the manager feels that need to enact change in the company. The process stems from first identifying the most important holdings, based on size of ownership, size of holding, ESG reasons, or any other special reason. From there, Nordea benchmarks the proposals versus its policy.

At the time of writing Nordea was still looking to confirm if the votes below were the only votes that fall under the Trustee's significant vote definition.

Holding details	Resolution details	How the manager voted	Reason for manager's vote and next steps	Outcome of the vote	Why vote is Significant
Company name: Microsoft Corporation **Approximate size of holding as at date of the vote:** 3.61%	**Summary of resolution:** Assess and Report on the Company's Retirement Funds' Management of Systemic **Date of vote:** 13/12/2022	For	Nordea believes that while the company may not be responsible for its employees' investment decisions, the information requested in the report would not only complement and enhance Microsoft's existing commitments regarding climate change, but also allow shareholders to better evaluate the company's strategies and management of related risks. Nordea will continue to support shareholder proposals on this issue as long as it is needed.	Failed	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: Alphabet **Approximate size of holding as at date of the vote:** 4.75%	**Summary of resolution:** Report on Lobbying Payments and Policy, Report on Framework to Assess Company Lobbying Alignment with Climate Goals etc. **Date of vote:** 02/06/2023	For	At the Alphabet AGM, Nordea supported a number of shareholder proposals, besides Report on managing risks related to data collection, privacy and security, such as Report on physical risks of climate change, Report on climate lobbying and Report on steps to improve racial and gender Board diversity. Management voting recommendations was against on all these proposals. The dominant position of Google, its impact on society and integrity of individuals is very important for Nordea as investors. Nordea will continue to support shareholder proposals on these issues as long as the company is not showing substantial improvements.	Failed	The Trustees have deemed votes related to **DE&I and Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.

			Nordea did not communicate its intent to the company ahead of the vote.		
Company name: Comcast Corporation **Approximate size of holding as at date of the vote:** 1.44%	**Summary of resolution:** Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal **Date of vote:** 07/06/2023	For	Nordea believes that additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and climate change-related risks. Nordea will continue to support shareholder proposals on this issue as long as it is needed.	Failed	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.

*Nordea was still to confirm if 196 meetings is the final value.
** Voting information shown is for the one-year period to 31 December 2023 given Nordea could not provide data for the year to 30 November 2023.

Ruffer - Total Return Fund

Ruffer's proxy voting advisor is ISS. Ruffer has developed its own internal voting guidelines, however the firm takes into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers' voting recommendations, they do not delegate or outsource stewardship activities when deciding how to vote on its clients' shares.

A summary of the voting undertaken over the year to 30 November 2023 is provided below:

- Ruffer has voted in 76 meetings of 76 eligible meetings. In these meetings, there were a total of 1,222 votable proposals.

- Ruffer has participated in all of the votable proposals. In around 95% of these votes for proposals, Ruffer has indicated their support to the companies' management, while voting against in around 3% of the proposals and abstaining or withholding less than 2% of the time.

Ruffer defines significant votes as those that the firm thinks will be of particular interest to clients. In most cases, these are when they form part of continuing engagement with the company and/or Ruffer have held a discussion between members of the research, portfolio management and responsible investment teams to make a voting decision following differences between the recommendations of the company, ISS and their internal voting guidelines.

Due to the low allocation to equities over the twelve months to 30 November 2023, there was only one vote that is in line with the Trustee's definition of a significant vote.

Holding details	Resolution details	How the manager voted	Reason for manager's vote and next steps	Outcome of the vote	Why Vote is Significant
Company name: BP Plc **Approximate size of holding as at date of the vote:** 1.00%	**Summary of resolution:** Approve Shareholder Resolution on Climate Change Targets **Date of vote:** 27/04/2023	Against	BP has, in Ruffer's opinion, outlined a credible transition strategy with appropriate decarbonisation targets, that reflects demand for oil & gas energy whilst allocating capital to the 'transition growth engines'. Whilst BP has tightened & reduced its 2025 and 2030 aims, it has retained its 2050 net zero target. Further, it has committed additional capital to the transition which BP argues is uncertain and therefore, locking into one, fixed strategy (through investing or divesting the wrong asset) is not in the best interests of generating shareholder value. The 'Follow This' resolution asks for "BP to align its 2030 Scope 3 aims with Paris". Firstly, this would require a wholesale shift in strategy, which Ruffer believes is unnecessary given the Board has opined on net zero and published a strategy. Secondly, BP in isolation has no control over what global scope 3 emissions should be under the Paris Agreement, given the world continues to emit carbon and one would expect the scope 3 reduction will have to be steeper the nearer society gets to 2030. This burden is unfair, particularly in the context of BP making long-cycle investment decisions. Ruffer supports management in their effort to provide clean, reliable and affordable energy. Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which deem as unnecessary. Ruffer voted against the resolution along with management.	The resolution failed with 83.3% votes against.	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.

Newton - BNY Mellon Real Return Fund

Newton utilises ISS for the purpose of administering proxy voting (notification and lodgement of votes), as well as its research reports on individual company meetings. The investment manager only follows the recommendation of ISS when it recognises a potential material conflict of interest

The Responsible Investment team reviews all resolutions for matters of concern. Any such contentious issues identified may be referred to the appropriate global fundamental equity analyst or portfolio manager for comment. Where an issue remains contentious, Newton may also decide to confer or engage with the company or other relevant stakeholders.

A summary of the voting undertaken over the year to 30 November 2023 is provided below:

- Newton has voted in 71 meetings of 71 eligible meetings. In these meetings, there were a total of 1,148 votable proposals.
- Newton has voted on 99% of resolutions where they were eligible to vote. In around 92% of these votes for proposals, Newton has indicated their support to the companies' management, while voting against in around 8% of the proposals and did not abstain or withhold in any votable proposal.

Newton's significant holdings universe is determined based on the proportion of a shares of investee companies held, as well as the size of the investment based on its value above certain thresholds. The significant votes will be drawn from this universe and are defined as votes that are likely to generate significant scrutiny from end clients or other stakeholders. They may relate to resolutions that receive a particularly high proportion of dissent from investors or involve a corporate transaction or resolutions raised by shareholders. The table below shows the significant votes undertaken by the manager that fall under the Trustee's significant vote definition. At the time of writing Newton has not provided the outcome of the votes.

Holding details	Resolution details	How the manager voted	Reason for manager's vote and next steps	Outcome of the vote	Why Vote is Significant
Company name: Microsoft Corporation **Approximate size of holding as at date of the vote:** 1.25%	**Summary of resolution:** Assess and Report on the Company's Retirement Funds' Management of Systemic Climate Risk **Date of vote:** 13/12/2022	Against	Newton did not support the shareholder proposal asking to assess and report on the company's retirement funds' management of systemic climate risk on the basis that it was overly prescriptive. The company offers its employees the option to invest more responsibly and therefore, at this stage, Newton believes it is taking effective measures to counter the systemic risk of climate change. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.
Company name:	**Summary of resolution:**	Against	Newton voted against the shareholder proposal asking for a report on hiring of persons with arrest or incarceration records	Failed	The Trustees have deemed

Microsoft Corporation **Approximate size of holding as at date of the vote:** 1.25%	Report on Hiring of Persons with Arrest or Incarceration Records **Date of vote:** 13/12/2022		as in Newton's view, the company has taken meaningful action to ensure the implementation of the Fair Chance Business Pledge and facilitate DE&I (diversity, equity & inclusion) efforts. As a result, Newton does not believe the proposal will add any value for shareholders at this stage. Newton voted against the resolution along with management.		votes related to **DE&I** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: Microsoft Corporation **Approximate size of holding as at date of the vote:** 1.25%	**Summary of resolution:** Report on Cost/Benefit Analysis of Diversity and Inclusion **Date of vote:** 13/12/2022	Against	Newton voted against the shareholder proposal asking for a report on the cost/benefit analysis of diversity and inclusion as in Newton's view, the company already provides sufficient information around its DE&I (diversity, equity & inclusion) efforts. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **DE&I** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: Bank of America Corporation **Approximate size of holding as at date of the vote:** 1.56%	**Summary of resolution:** Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development **Date of vote:** 25/04/2023	Against	Newton voted against the shareholder proposal for a time-bound policy to phase out new fossil fuel financing as the manager believes it does not add value for shareholders at this stage. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: Bank of America Corporation **Approximate size of holding as at date of the vote:** 1.56%	**Summary of resolution:** Commission Third Party Racial Equity Audit **Date of vote:** 25/04/2023	Against	Newton voted against a shareholder proposal for a third-party racial equity audit as Newton believes the company has sufficient policies and disclosures in place currently. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **DE&I** and the approximate size of the holding at more than 1% to be a significant vote.

Company name: Bank of America Corporation **Approximate size of holding as at date of the vote:** 1.56%	**Summary of resolution:** Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting **Date of vote:** 25/04/2023	Against	Newton voted against the shareholder proposal for 2030 Absolute GHG reduction targets, while Newton appreciates the sentiment behind the proposal, Newton believes it does not add value for shareholders at this stage. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: Bank of America Corporation **Approximate size of holding as at date of the vote:** 1.56%	**Summary of resolution:** Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets **Date of vote:** 25/04/2023	For	Newton supported a shareholder proposal for a report on climate transition plan as it would help shareholders better evaluate the company's strategy for implementing its commitments to advance a low-carbon economy and the company's management of related risks and opportunities.	Failed	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: The Goldman Sachs Group, Inc. **Approximate size of holding as at date of the vote:** 1.59%	**Summary of resolution:** Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting **Date of vote:** 26/04/2023	Against	Newton voted against a shareholder proposal to disclose 2030 absolute GHG reduction targets associated with lending and underwriting, as Newton believes it is not in line with market practice and the company provides sufficient disclosure at this stage for their intensity based targets. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: The Goldman Sachs Group, Inc.	**Summary of resolution:** Report on Climate Transition Plan	For	Newton supported a shareholder proposal for a report on climate transition plan as it would help shareholders better evaluate the company's strategy for implementing its	Failed	The Trustees have deemed votes related to **Climate**

Approximate size of holding as at date of the vote: 1.59%	Describing Efforts to Align Financing Activities with GHG Targets **Date of vote:** 26/04/2023		commitments to advance a low-carbon economy and the company's management of related risks and opportunities.		**Change** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: The Goldman Sachs Group, Inc. **Approximate size of holding as at date of the vote:** 1.59%	**Summary of resolution:** Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development **Date of vote:** 26/04/2023	Against	Newton voted against the shareholder proposal to adopt time-bound policy to phase out fossil fuel financing as the manager did not consider it to add value for shareholders at this stage. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **Climate Change** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: The Goldman Sachs Group, Inc. **Approximate size of holding as at date of the vote:** 1.59%	**Summary of resolution:** Oversee and Report a Racial Equity Audit **Date of vote:** 26/04/2023	Against	Newton voted against a shareholder proposal asking for a report on racial equity audit, as Newton believes the company is taking meaningful steps to address racial equity related issues. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **DE&I** and the approximate size of the holding at more than 1% to be a significant vote.
Company name: The Goldman Sachs Group, Inc. **Approximate size of holding as at date of the vote:** 1.59%	**Summary of resolution:** Report on Median Gender/Racial Pay Gap **Date of vote:** 26/04/2023	Against	Newton voted against the shareholder proposal on median gender/racial pay gap, as Newton believes the company will provide disclosures subsequently that would better help shareholder's measure the company's progress on diversity and inclusion. Newton voted against the resolution along with management.	Failed	The Trustees have deemed votes related to **DE&I** and the approximate size of the holding at more than 1% to be a significant vote.