

Asahi Glass Fluoropolymers Pension Scheme ('the Scheme') – DC Section

Annual Implementation Statement for the Year Ended 30 November 2022

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ("SIP") produced by the Trustees has been followed during the year to 30 November 2022 (the "**Scheme Year**"). 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 statement is based on, and should be read in conjunction with, the relevant versions of the SIP that were in place for the Scheme Year, which were the SIPs dated August 2020 and February 2022.

Sections 2.1 and 2.2 of this statement sets out the investment objectives of the Scheme and changes which have been made to the SIP during the Scheme Year.

Section 2.3 of this statement sets out how, and the extent to which, the Defined Contribution ("DC") Section of the SIP has been followed. **The Trustees can confirm that all policies in the SIP have been followed in the Scheme Year.**

A copy of the SIP is available at: <https://www.agcce.com/pensionpdfs/AGFPS%20Defined%20Contribution%20Section%20-%20Statement%20of%20Investment%20Principles%2023%20February%202022.pdf>

Sections 3 and 4 include information on the engagement and key voting activities of the underlying investment managers within the DC Section of the Scheme.

2. Statement of Investment Principles

2.1. Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the objectives they have set. The objectives of the Scheme included in the SIP are as follows:

- The Trustees aim to provide suitable investment options that align to the needs of their members. They aim for these options to enable members to achieve good outcomes at retirement.
- The Trustees aim to provide investments that offer good value for members.
- Make available a default investment strategy for members who have not selected a fund choice. The strategy should seek to move members from higher risk to lower risk investments as members' approach retirement age, in order to mitigate risks.
- Offer a self-select fund range across a variety of asset classes.

2.2. Review of the SIP

During the Scheme Year, the SIP was revised in order to reflect changes to the switching period of the default strategy for the DB Transferee members, the Trustees' view on Environmental, Social and Governance factors along with the inclusion of two new funds within the self-select range (an ESG focussed fund and a property fund).

2.3. Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this section highlights the work undertaken by the Trustees during the scheme year, and longer term where relevant, and sets out how this work followed the Trustees' policies in the relevant SIPs, relating to the DC Section of the Scheme.

In summary, it is the Trustees' view that the policies in the SIPs have been followed during the Scheme Year.



Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy

In considering the appropriate investments for the Scheme, the Trustees have obtained and considered the written advice of an Investment Consultant, whom the Trustees believe to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

How has this policy been met over the Scheme Year?

During the Scheme Year, changes to the self-select range, previously agreed during the previous year-end, were implemented by Aviva:

- Switching the property fund for an alternative property fund following a review of the M&G Feeder of Property Fund which raised concerns on the performance of the fund and its future return prospects.
 - o Removal of the M&G Feeder of Property Fund for further contributions.
 - o Introduction of the LGIM Hybrid Property Fund to the self-select range for new contributions.
 - o Members already invested in the M&G fund prior to the LGIM Hybrid Property Fund being available will remain invested.
- Adding the LGIM Future World Equity Index Fund to the self-select range following the recommendation of extending the equity range to provide a suitable "A" rated ESG focussed fund to improve member choice and to futureproof the Scheme.

The default investment strategy was subject to its triennial review in July 2021. However the Scheme also undertakes an annual Health Check with the latest one presented in June 2022 where the Trustees were presented with Mercer's strategic review of the default arrangements in place with Aviva. The conclusions of the review were that the Trustees had some reservations with performance of certain funds, such as the Cash Lump Sum Fund and the Annuity Fund, albeit performance was consistent with the objectives of these strategies and with other similar funds in the marketplace. Aviva offers a range of funds which are suitable for the current DC Section and its members, however, the Trustees noted that the My Future Focus strategy has underperformed some of its peers over 1 and 3 years period. However, this should be considered in the context of diversification, long-term investing and capital preservation and the Trustees will continue to monitor the strategy with a holistic view.

Realisation of Investments

Policy

The Scheme's administrator, Aviva, will realise assets following the receipt of member requests at retirement or earlier where required.

The Trustees consider the liquidity of the investment in the context of the likely needs of members.

How has this policy been met over the Scheme Year?

The Trustees receive an administration report on a semi-annual basis to confirm that core financial transactions are processed within agreed SLAs and regulatory timelines. As confirmed in the Chair's Statement, the Trustees are satisfied that, on balance, the requirements were met during the year, with 99.6% of SLAs met, an increase from previous year, where 80% of SLAs were met. The Trustees consider that the requirements for processing core financial transactions specified in the Administration Regulations (The Occupational Pension Schemes (Scheme Administration) Regulations 1996) have been met. All funds in which the Scheme invests are pooled and unitised.



Environmental, Social and Governance (“ESG”)

Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

Policy

The Trustees believe that Environmental, Social, and Governance (ESG) factors can create both a risk and an opportunity, each of which should be reviewed. In the Trustees view, ESG and Stewardship can materially impact the best financial interests of the Scheme beneficiaries, as such, it is essential to take into consideration ESG factors in long-term investment decisions.

The Trustees believe that investing with a manager who approaches investments in a responsible way and takes account of ESG-related risks will lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. The Trustees are aware of the investment managers’ approaches to social, environmental and ethical factors with respect to the selection of investments and are satisfied that a responsible approach is being taken which is consistent with the long-term financial interests of the Scheme and its members.

When interacting with the investment managers and advisors, the Trustees set clear expectations on how ESG considerations are to be incorporated into the investment activities/advice. These apply to all asset classes and areas of advice. Lastly, the Trustees will in future only appoint managers who are signatories of the UNPRI (Principles for Responsible Investment, supported by, but not part of, the United Nations).

How has this policy been met over the Scheme Year?

Investment monitoring reports are reviewed by the Trustees on a six-monthly basis (at the end of Q1 and Q3) – this includes manager ratings, ESG ratings, performance over 3, 6 and 12 months, 3 and 5 years, as well as more detailed analysis of default fund performance from the Trustees’ investment adviser, Mercer.

The Scheme’s SIP includes the Trustees’ policy on ESG, Stewardship and Climate Change. This policy sets out the Trustees’ beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship.

Where managers may not be highly rated from an ESG perspective, the Trustees monitor the suitability of these funds on an ongoing basis. When implementing a new manager they consider the ESG rating of the manager. The ESG policies of each fund manager is reviewed on an ongoing basis by the Investment Consultant’s Global Manager Research Team.

The investment performance report includes how each investment manager is delivering against their specific mandates.

The Trustees work with the investment adviser in choosing managers that take into account ESG factors, and ensure that the Scheme’s managers are signatories of the UK Stewardship Code. During the year, the Trustees added the LGIM Future World Equity Index Fund to the Self-Select funds available to members. This fund is ESG focussed, and provides members with additional choice when selecting funds. LGIM is a signatory of the UK Stewardship Code and UNPRI.

The Trustees undertook an ESG Beliefs Survey and the results were presented and discussed at the 25 November 2022 meeting.

Based on Mercer’s Responsible Investment Total Evaluation (RITE) process, the results for 2022 showed an improvement in the way responsible investment issues are integrated into investment decisions compared to the previous year.

Following the self-select review undertaken in September 2021 the Trustees agreed to extend the equity fund range to offer an ESG focussed fund to improve member choice, namely the LGIM Future World Equity Index Fund. This fund was made available to members in 23 June 2022.



Monitoring the Investment Managers

Incentivising asset managers to align their investment strategies and decisions with the Trustees' policies

Policy

The underlying 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 being selected.

Mercer, on behalf of the Trustees, monitors the underlying investment managers to ensure their continuing appropriateness for the mandates given. If any manager is downgraded by Mercer's Manager Research Team, the Trustees will review the suitability and appointment of the manager and replace them if necessary.

None of the underlying managers which the members' assets are invested have performance based fees which could encourage the manager to make short-term investment decisions to hit their profit targets. The Trustees therefore consider that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with the issuers of debt or equity in order to improve their performance in the medium to long-term.

How has this policy been met over the Scheme Year?

The Trustees' focus is on longer-term performance but shorter-term performance is also monitored to ensure any concerns can be identified in a timely manner. The Trustees review both absolute and relative performance of the investment managers' products (or funds) on a semi-annual basis.

During Scheme year, the M&G Feeder of Property Fund, which raised concerns on the performance of the fund and its future return prospects, was removed for further contributions. The decision to remove it was taken during the previous Scheme year but the actual removal taken during the Scheme year.

Evaluation of asset managers' performance and remuneration for asset management services

Policy

The Trustees are long-term investors and do not look to change the investment arrangements on a frequent basis. All funds are open-ended with no set duration for the arrangement.

The Trustees therefore consider that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with the issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustees accept that they cannot influence the charging structure of the pooled funds in which the Scheme invests, but are satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics. The Trustees are therefore satisfied that this is the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustees' policies as set out in this SIP.

As part of the "Small Scheme" Value for Members Assessment, carried out and presented in May 2023, regulations require the Trustees to compare costs & charges, and net performance, of the Scheme against three alternative DC arrangements, that may be able to accept the members and assets of the Scheme should the Scheme be wound up. As part of this assessment, the Trustees have assessed investment performance and manager remuneration and concluded that the performance and charges for the Scheme's funds represent reasonable value for money.

How has this policy been met over the Scheme Year?

The Trustees receive investment manager performance report on a semi-annual basis. The Trustees review investment performance semi-annually in meetings and also during the default review and self-select meetings. Whilst the Trustees focus has been on long-term performance, they also take shorter-term performance into account.

During Scheme year, the M&G Feeder of Property Fund, which raised concerns on the performance of the fund and its future return prospects, was removed for further contributions. However, the decision to remove it was taken during the previous Scheme year but the actual removal taken during the Scheme year.

Monitoring portfolio turnover costs

Policy

The Trustees consider portfolio turnover costs as part of the annual Value for Members assessment. Portfolio turnover costs mean the costs incurred as a result of the buying, selling, lending or borrowing of investments.

How has this policy been met over the Scheme Year?

The Trustees consider the DC Section's portfolio turnover costs as part of the annual Value for Members assessment.

While the transaction costs provided appear to be reflective of costs expected of the various assets classes and markets that the Scheme invests in, there is not as yet any "industry standard" or universe to compare these to. It is worth noting that transaction costs can be negative, thus contributing positively to performance.

The Trustees are also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

Given that the members invest in a range of pooled funds, few of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme. The Trustees are working with Mercer to determine the most appropriate way to obtain and monitor the information required in relation to the pooled funds in which the Scheme's members invest.

The duration of the arrangements with asset managers

Policy

The Trustees are long-term investors and do not look to change the investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement. The self-select fund range and default investment strategy are reviewed on at least a triennial basis. A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment strategy or general fund range.

How has this policy been met over the Scheme Year?

All the funds are open-ended and have no set end date for the arrangement, however, duration is considered as part of the regular reviews. The DC Section's self-select fund range and default investment arrangements are reviewed on at least a triennial basis with the latest review undertaken in July 2021. An underlying manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or self-select fund range.

Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

Policy

The Trustees are permitted to invest across a wide range of asset classes. All of the funds in which the Scheme invests are pooled and unitised.

The Trustees will monitor the suitability of the funds utilised in the Lifestyle investment programmes and in the self-select range available to members on the Aviva MyMoney Platform, and make changes as they consider appropriate.

The Trustees have assumed responsibility for setting an investment strategy that provides a broad level of protection against the key risks identified in Section 6 of the SIP.

How has this policy been met over the Scheme Year?

The Trustees, on a regular basis, review investment performance – this includes the risk and return characteristics of the default and additional investment fund choices.

The investment performance report includes how investment managers are delivering against their specific mandates.

No changes in the default investment strategy have been made during the year. The Scheme's default arrangements are in line with the Trustees' long-term strategy, and we have no major concerns with the lifestyle funds and strategies. Following the default strategy annual Health Check review presented in June 2022, the conclusions taken were that, following the formal strategy review carried out in July 2021, which concluded with the Trustees being happy with the arrangements currently in place, there were some reservations with performance of funds such as the Cash Lump Sum Fund and the Annuity Fund, albeit, this was consistent with the objectives of these strategies and consistent with other similar funds in the marketplace. Aviva offers a range of funds which are suitable for the current DC Section and its members, however, the Trustees noted that the My Future Focus strategy underperformed some of its peers over the 1 and 3 years period. However, this should be considered in the context of diversification, long-term investing and capital preservation and the Trustees will continue to monitor the strategy with a holistic view.

The changes below were implemented on 23 June 2022:

- Removal of the M&G Feeder of Property Portfolio for further contributions and introduction of the LGM Hybrid Property Fund for new contributions.
- Members are able to choose the LGIM Hybrid Property Fund as part of the self-select fund range for future contributions.
- Members invested in the M&G fund will remain invested in the fund and no further contributions will be made into the fund.
- The LGIM Future World Equity Index Fund was added to the self-select fund range. This is an ESG focussed fund that provides members with additional choice when selecting funds.

Risks, including the ways in which risks are to be measured and managed

Policy

The Trustees are aware, and seek to take account of a number of risks in relation to the Scheme's investments.

The Trustees recognise that in a defined contribution arrangement, members assume the investment risks themselves. The Trustees further recognise that members are exposed to different types of risk at different stages of their working lifetimes.

How has this policy been met over the Scheme Year?

As detailed in the risk table in the SIP, the Trustees consider both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.

The Trustees also maintain a risk register detailing the key risks, including market risks, ESG, pension conversion, manager and liquidity risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. The Integrated Risk Management Policy and Journey Planning was reviewed post the actuarial valuation.



Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustees would monitor and engage with relevant persons about relevant matters).

Policy

Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.

How has this policy been met over the Scheme Year?

The Trustees have delegated their voting rights to their investment managers. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually.

Following the DWP's 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 they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as most significant, what the vote was, and why the manager voted in the way it did. See page 12 for more information.

Once appointed, the Trustees give investment managers, full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

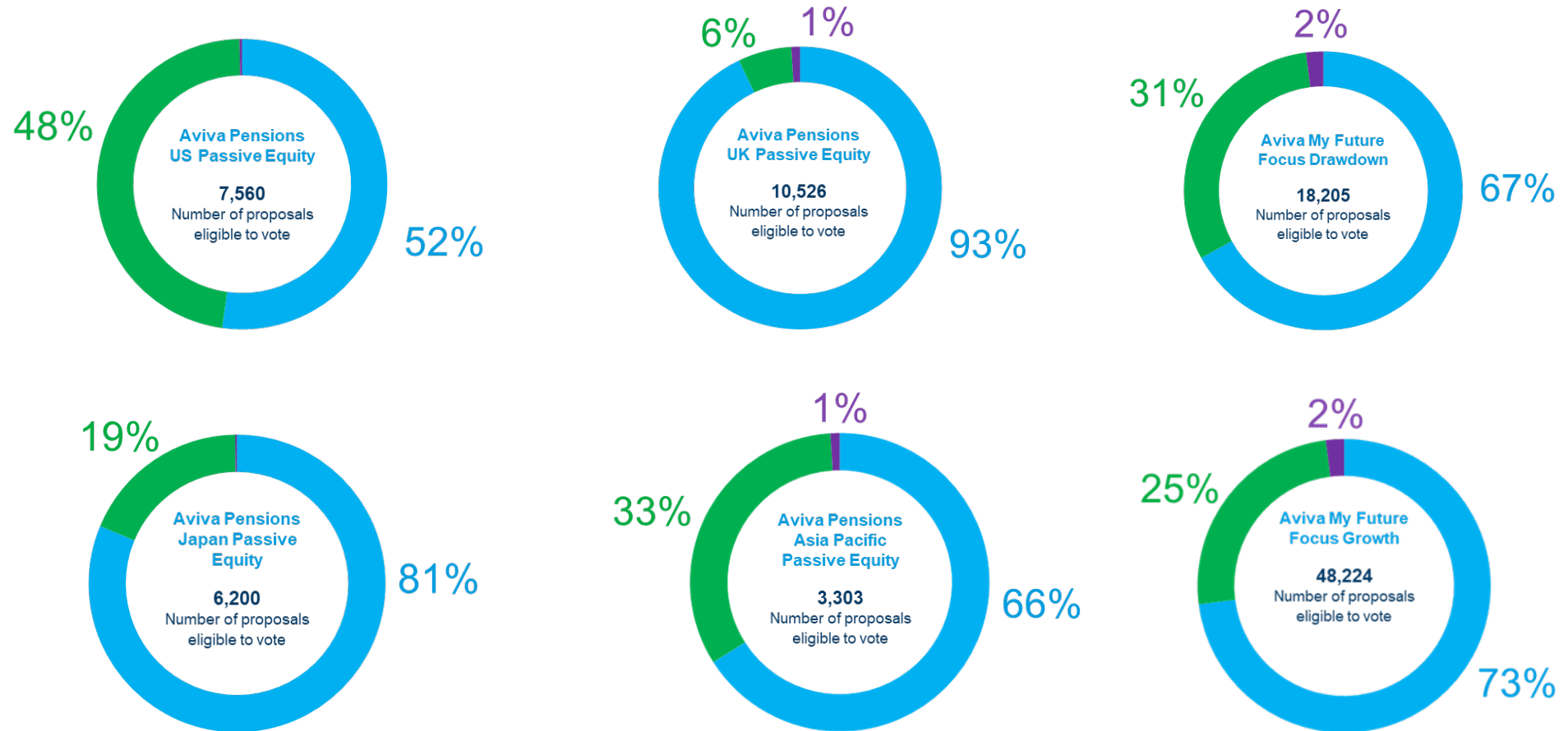
Self-Select Range	Default Investment Funds
<ul style="list-style-type: none"> - The following funds contain an allocation to equities: - Av MyM BlackRock (30:70) Currency Hedged Global Equity Tracker - Av MyM BlackRock Emerging Markets Equity (Aquila C) - Av MyM BlackRock European Equity Index Tracker - Av MyM BlackRock Japanese Equity Index Tracker - Av MyM BlackRock Pacific Rim Equity Index Tracker - Av MyM BlackRock UK Equity Index Tracker - Av MyM BlackRock World ex UK Equity Index Tracker - Av MyM BlackRock US Equity Index Tracker - Av MyM BNY Mellon Real Return - Av MyM HSBC Islamic Global Equity Index - Av MyM JPM Emerging Markets Equity - Av MyM Legal & General (PMC) Ethical UK Equity Index - Av MyM Schroder Life Intermediated Diversified Growth - Av MyM Legal & General Future World Global Equity Index 	<ul style="list-style-type: none"> - The following funds contain an allocation to equities: - Av MyM My Future Focus Growth - Av MyM My Future Focus Drawdown - Av MyM My Future Focus Consolidation <p>The underlying equity components for the My Future Focus Funds are as follows:</p> <ul style="list-style-type: none"> - Aviva Pensions US Passive Equity Index - Aviva Pensions UK Passive Equity Index - Aviva Pensions Euro Passive Equity Index - Aviva Pensions Japan Index Equities - Aviva Pensions Asia Pacific Passive Equity Index - AI SICAV Equity Global Emerging Markets Index Fund

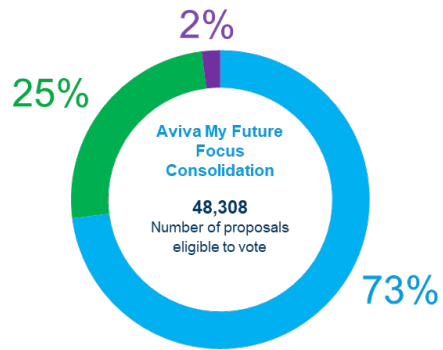
Voting Activity during the Scheme Year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Scheme.

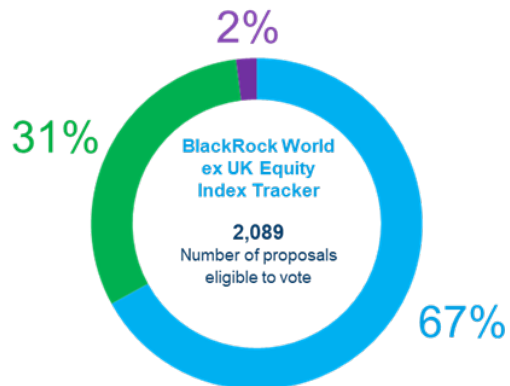
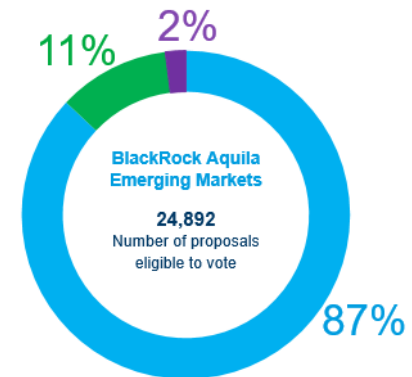
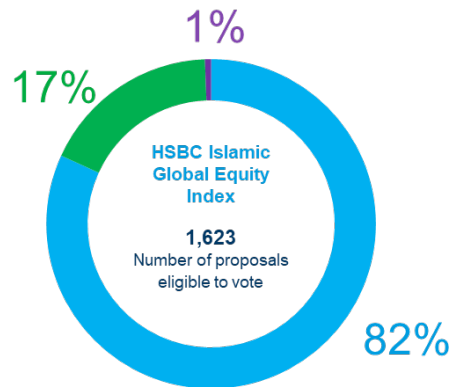
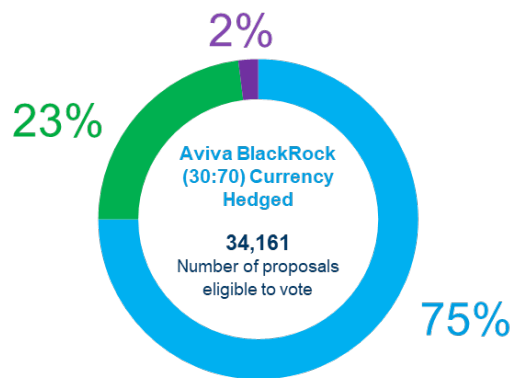
Votes “for / against management” assess how active managers are in voting for and against management. Purple represents abstention.

My Future Focus Funds and underlying Funds





Self-Select Funds



Source: Aviva. Data is for the 12 months to 31 December 2022.



Sample of the most significant votes

A sample of the most significant votes for underlying funds of the My Future Focus Growth, Drawdown and Consolidation is described below. Votes were selected by choosing a maximum of three votes per fund that relate to at least one of the Trustees' Engagement Priority Themes.

Following the updated guidance, the Trustees have discussed and agreed that votes classified as most significant are the ones relating to the following priority areas:

- Environmental - Climate change: low-carbon transition and physical damages resilience;
- Environmental - Pollution & natural resource degradation: air, water, land (forests, soils and biodiversity);
- Social - Human rights: modern slavery, pay & safety in workforce and supply chains and abuses in conflict zones
- Governance - Board Structure and Remuneration

The final outcome column below represents the result of the Resolution after all voting: Passed (✓) or Not-Passed (✗).

Approximate size of fund's holding as at the date of the vote (as % of portfolio of the Fund noted in the first column) is included on column **Size** on the table below.

Fund	Company	Size	Date	How the manager voted	Trustees' Engagement Priority Theme	Summary of the Resolution	Rationale for the Manager vote	Final outcome
Aviva Pensions US Passive Equity Index	McDonalds Corporation	0.52%	26/05/2022	For	Environmental (Climate Change)	Report on Efforts to Reduce Plastic Use	Support for this proposal was warranted, as shareholders would benefit from additional information on how the company intends to reduce plastic in its business.	✗
Aviva Pensions US Passive Equity Index	Salesforce Inc	0.50%	09/06/2022	For	Social (Human Rights)	Oversee and Report a Racial Equity Audit	On balance, support for this resolution was considered warranted, as an independent racial equity audit would help the company and shareholders better assess the effectiveness of Salesforce's efforts to address the issue of racial inequality for its stakeholders and its management of related risks.	✗
Aviva Pensions UK Passive Equity Index	Standard Chartered Plc	0.60%	04/05/2022	For	Environmental (Climate Change)	Approve Net Zero Pathway	Support for this shareholder proposal was warranted, as it should serve to enhance the company's current commitments to net zero activities and help ensure stronger alignment between the company's net zero goals and its policies and actions.	✗

Fund	Company	Size	Date	How the manager voted	Trustees' Engagement Priority Theme	Summary of the Resolution	Rationale for the Manager vote	Final outcome
Aviva Pensions UK Passive Equity Index	Relx Plc	1.81%	21/04/2022	Against	Governance (Remuneration)	Approve Remuneration Report	<p>Aviva continues to have concerns over the level of vesting for the achievement of threshold performance conditions under the LTIP i.e 25% of the award opportunity, representing share awards at 112.5% of salary for the CEO based on current grant levels. They consider this to be excessive and have raised the LTIP structural issues with the company on numerous occasions. Further, they note that the CEO:employee pay ratio is already significant so the 2.5% increase is likely to increase that.</p> <p>Whilst in minority who had concerns over executive pay at RELX, the company wrote to the manager (and other shareholders) in Dec 2022 to say that it is proposing to reduce the level of vesting for threshold performance in the LTIP from 25% of the maximum opportunity to 20% - this partly addresses the concern - now the CEO's LTIP award at threshold vesting will equate to 90% rather than 112.5% of salary. Manager responded to say that they welcomed the change (which is likely to come into effect Q2 2023).</p>	<input checked="" type="checkbox"/>
Aviva Pensions Japan Passive Equity	Kansai Electric Power Co Inc	0.20%	20/06/2022	For	Environmental (Climate Change)	Amend Articles to Disclose Transition Plan through 2050 Aligned with Goals of Paris Agreement	<p>Aviva supported this shareholder resolution which asked the company to amend articles to disclose transition plan through 2050 aligned with goals of Paris agreement. Aviva felt that the request was appropriate for the company given its complexity, scale and therefore overall impact on climate.</p>	<input checked="" type="checkbox"/>
Aviva Pensions Asia Pacific Passive Equity	Woodside Petroleum Ltd	0.68%	19/05/2022	Against	Environmental (Climate Change)	Approve Climate Report	<p>Aviva did not support the company's advisory say-on-climate vote. The company's new oil and gas developments may not lead the company to be on track to being aligned to the Paris Agreement. There is an absence of disclosure of tangible Scope 3 targets in the company's disclosed plans, and there is no future date disclosed when the company intends to submit its climate plans to shareholders in addressing short-comings and progress on targets and strategies.</p> <p>The manager will engage with the company to ensure that they are on track to improving their climate transition plan.</p>	<input checked="" type="checkbox"/>
Aviva Pensions Asia Pacific Passive Equity	BHP Group Ltd	5.10%	10/11/2022	Against	Environmental (Climate Change)	Approve Climate Accounting and Audit	<p>Support for this resolution was not warranted on this occasion. While additional information on 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, Aviva acknowledge that BHP has already submitted an extensive piece of scenario analysis in its 2020 Climate Change report which includes an assessment of how different scenarios impact its commodities.</p> <p>The manager continue to engage with the company on climate. In Dec 2022, they met with the Group Treasurer, Corporate Finance and Investor Relations team at BHP, to discuss their emissions reduction targets and net zero ambition.</p>	<input checked="" type="checkbox"/>


Fund	Company	Size	Date	How the manager voted	Trustees' Engagement Priority Theme	Summary of the Resolution	Rationale for the Manager vote	Final outcome
Aviva My Future Focus Drawdown	Credit Suisse Group AG	2.00%	29/04/2022	For	Environmental (Climate Change)	Approve Climate Change Strategy and Disclosures	The proponents requested that Credit Suisse Group AG adopt an additional article within its articles of association to improve the company's reporting on climate risks, such as disclosure of additional information on the strategy set to align the financing activities with the Paris agreement as well as the reduction of exposure to coal, oil, and gas assets. Support for this proposal is warranted as shareholders would benefit from additional disclosure with respect to the company's strategy set to align the financing activities with the Paris agreement as well as the reduction of exposure to coal, oil, and gas assets. This additional disclosure will allow shareholders to better assess the company's management of climate-related risk and should serve to further align the company's disclosures with its states policies and commitments.	<input checked="" type="checkbox"/>
Aviva My Future Focus Growth	J Sainsbury Plc	6.00%	07/07/2022	For	Social (Human Rights)	Shareholder Resolution on Living Wage Accreditation	Support for this proposal was warranted as it highlights the benefits of a fair Living Wage policy for all stakeholders. Living Wage accreditation is a public commitment that all staff who work for a company, directly and indirectly, will earn a wage sufficient to live on. Workers in the sector are one of the largest groups of low-paid workers in the UK. There is a strong business case for adopting higher base rates of pay including increased service quality, productivity, and a reduction of costs in the long term. If the business is able to demonstrate to stakeholders that it is treating everybody equally (i.e. that no contractor is being paid below the living wage) then it will effectively meet the spirit of the resolution. Rather than simply encouraging its suppliers to pay the living wage we think this should be a contract prerequisite or alternatively, we would like the company to assess what it would cost, to make up the difference itself.	<input type="checkbox"/>
Aviva My Future Focus Consolidation	Carrefour SA	0.80%	03/06/2022	Against	Environmental (Climate Change)	Approve Company's Climate Transition Plan	Aviva did not support this management-led climate transition plan. The plan lacked pertinent details which would outline how emissions will be reduced. The manager will engage with the company to discuss its approach to its climate transition plan, and seek further detail in their course of action.	<input checked="" type="checkbox"/>

Source: Aviva, Managers as at 31 December 2022.

A sample of the most significant votes for the self-select funds is described below. At the time of writing this report, voting activity was not received for all self-select funds included within the fund range.

Fund	Company	Size	Date	How the manager voted	Trustees' Engagement Priority Theme	Summary of the Resolution	Rationale for the Manager vote	Final outcome
BlackRock (30:70) Currency Hedged Global Equity Tracker	Airbus SE	0.07%	12/04/2022	Against	Governance (Remuneration)	Approve Implementation of Remuneration Policy	BlackRock was unable to support the remuneration implementation report as disclosure of long-term incentive targets was limited. Engagement ahead of the AGM gave BlackRock a platform to voice their opinions on target disclosure, and also let the company know that competitors are doing better in this area. While they couldn't support the pay resolution, they expect that disclosure style will change ahead of the next AGM, which BlackRock will keep under review and engage with the company on further.	<input checked="" type="checkbox"/>
BlackRock Emerging Markets Equity (Aquila C)	Hyundai Development Co.	N/A	29/03/2022	Against	Governance	Amend Articles of Incorporation (Establishment of Clauses Related to ESG)	Proposal is not in shareholders' best interests. BlackRock did not provide information around communicating their intent to the company ahead of the vote.	<input type="checkbox"/>
BlackRock World ex UK Equity Index Tracker	Home Depot Inc	0.59%	19/05/2022	For	Environmental (Climate Change)	Report on Efforts to Eliminate Deforestation in Supply Chain	Aviva supported this resolution as it asked management to assess, report on and reduce key impacts and dependencies on nature for high impact sectors.	<input checked="" type="checkbox"/>
HSBC Islamic Global Equity Index	Apple Inc.	7.11%	04/03/2022	For	Social	Report on Forced Labour	The proposal would lead to increased transparency on Apple's supply chain policies and processes, which could help alleviate growing risks related to manufacturing in certain regions.	<input type="checkbox"/>
HSBC Islamic Global Equity Index	Johnson & Johnson	2.55%	28/04/2022	Against	Governance (Diversity)	Elect Director Anne M. Mulcahy	The board's gender diversity falls below HSBC expectation for a US mega cap company (40%). The manager plan to raise the concern at the company and will likely vote against such a proposal should there be no improvements.	<input checked="" type="checkbox"/>
LGIM Future World Global Equity Index	Royal Dutch Shell Plc	0.19%	24/05/2022	Against	Environmental (Climate Change)	Approve the Shell Energy Transition Progress Update	A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	<input checked="" type="checkbox"/>
LGIM Future World Global Equity Index	UBS Group AG	0.12%	06/04/2022	Against	Environmental (Climate Change)	Approve Climate Action Plan	A vote against this proposal is applied following internal discussion. While LGIM positively note the company's progress over the last year, as well as its recent commitment to net zero by 2050 across its portfolio, LGIM have concerns with the strength and coverage of the Climate Action Plan's Scope	<input checked="" type="checkbox"/>

3 targets and would ask the company to seek external validation of its targets against credible 1.5°C scenarios.
 LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

LGIM Ethical UK Equity Index	Alphabet Inc.	2.01%	01/06/2022	For	Environmental (Climate Change)	Report on Physical Risks of Climate Change	A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change. LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	
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Source: Aviva, Managers as at 31 December 2022.