The Department for Work and Pensions ('DWP') is increasing regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance (ESG) factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty.

The regulatory changes require that schemes detail their policies in their Statement of Investment Principles (SIP) and demonstrate adherence to these policies in an implementation report.

Statement of Investment Principles (SIP)

The Scheme has updated its SIP in response to the DWP regulation to cover:

- policies for managing financially material considerations including ESG factors and climate change
- policies on the stewardship of the investments

The SIP can be found online at the web address:

https://www.gla.ac.uk/myglasgow/payandpensions/pensions/pensionscheme/.

The SIP in the above link was updated in August 2020. Changes to the SIP are detailed on the following pages.

Implementation Report

This Implementation Report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP. This report details:

- actions the Trustees have taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustees have followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies they invest
- voting behaviour covering the reporting year up to 31 March 2021 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme's reporting year

- Following completion of the 2019 Actuarial Valuation, the Trustees re-considered the Scheme's liability hedging position. Liability hedging aims to reduce the impact on the Scheme's funding level caused by changes in interest and inflation expectations. It was agreed to move from a 65% back-end loaded hedge to a 70% pro-rata hedge (both measured on flat gilts basis). The implementation of this was carried out over April 2020.
- In April 2020, the Trustees agreed to increase the allocation to Apollo semi-liquid credit from 5% to 12.5% of Scheme assets, to take advantage of Apollo's wider opportunity set and ability to generate greater return for the Scheme. This was funded from the existing Diversified Credit allocation with JP Morgan.

- In October 2020, the Trustees agreed to implement a bespoke LDI and collateral efficiency framework via a direct implementation approach with Insight. The new LDI arrangement was implemented in February 2021.
- At the end of the period, the Trustees agreed to make further changes to the investment strategy. These consisted of reducing the diversified growth strategic benchmark to 12.5%, and introducing a new asset backed securities and infrastructure equity mandate in place of a reduced allocation to diversified growth. These changes will be reflected in an update to the SIP over the 2021/22 Scheme year.

Implementation Statement

This report demonstrates that the University of Glasgow Pension Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed

Position

Date

Managing risks and policy actions

Risk/ Policy	Definition	Policy	Actions over reporting period
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 70% (on a flat gilts basis) of the total liabilities movements caused by changes to interest and inflation rates.	The Scheme increased its level of hedging to better protect the Scheme against interest rate and inflation risk. The changes to the hedging level was reflected in the SIP which was updated in August 2020.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	The Trustees regularly monitor the collateral and liquidity position to reduce the impact of this risk via a specific quarterly report provided by the investment consultant.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	The Scheme undertook strategy changes over the 12 months to 31 March 2021, which are outlined on the previous page. These changes to the asset allocation were reflected in the SIP updates in August 2020.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	

Risk/ Policy	Definition	Policy	Actions over reporting period
Environmental, Social and Governance (ESG)	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	Please see Appendix 3 of the Scheme's SIP for the policy relating to managing Environmental, Social and Governance considerations.	ESG actions undertaken: - The Scheme's ESG policy was reviewed by the Trustees as part of the SIP update in September 2019. The managers' ESG policies and approach were reviewed in November 2020. The Trustees are scheduled to receive training and to review their ESG policies over the next 12 months (April 2021 – March 2022).
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Hedge all currency risk on all assets that deliver a return through contractual income.	
Non-financial	The views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life of the members and beneficiaries of the Scheme in the selection, retention and realisation of investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments unless specifically requested as part of the evaluation criteria when selecting managers. However, the Trustees may take specific non-financial matters into consideration if they represent the view of a majority of Scheme members.	

Changes to the SIP

Policies added to the SIP over reporting period	
Date updated: August 2020	
How the investment managers are incentivised to align their investment strategy and decisions with the Trustee's policies.	• As the Scheme is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustees policies. However, the Trustees invest in a portfolio of pooled funds that are aligned to the strategic objective. • Both of the Scheme's mandates with Partners Group are subject to a performance fee on performance above a specified hurdle rate of return.
How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.	• The Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements. • The Trustees monitor the investment managers' engagement and voting activity on an annual basis as part of their ESG monitoring process. • The Trustees do not incentivise the investment managers to make decisions based on non-financial performance.
How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustee's policies.	• The Trustees review the performance of all the Scheme's investments on a quarterly basis and net of all costs to ensure a true measurement of performance versus investment objectives. • The Trustees evaluate performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years. • Investment manager fees are reviewed annually to make sure the correct amounts have been charged and that they remain competitive.
The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	• The Trustees do not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.
The duration of the Scheme's arrangements with the investment managers	• The duration of the arrangements is considered in the context of the type of fund the Scheme invests in. • For closed ended funds or funds with a lock-in period the Trustees ensure the timeframe of the investment or lock-in is in line with the Trustees objectives and Scheme's liquidity requirements. • For open ended funds, the duration is flexible and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.

Implementing the current Environmental, Social and Corporate Governance (ESG) policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regarding to ESG as a financially material risk. This page details how the Scheme's ESG policy is implemented, while the following page outlines our investment consultant's (Isio) assessment criteria as well as the ESG beliefs used in evaluating the Scheme's managers' ESG policies and procedures. The rest of this statement details our view of the managers, our actions for engagement and an evaluation of the stewardship activity.

The below table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustee intend to review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

Implementing the Current ESG Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity	• The Trustees will obtain regular training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments; • As part of ongoing monitoring, the Trustees will use any ESG ratings information provided by their investment consultant to assess how the Scheme's investment managers take accounts of ESG issues; • Through their investment consultant, the Trustees will request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes on an annual basis. • Through the manager selection process, ESG considerations will form part of the evaluation criteria.	• The manager has not acted in accordance with their policies and frameworks. • The manager has received a 'red' ESG rating from the Investment Consultant, signifying that its ESG approach is below satisfactory.

ESG summary and engagement with the investment managers

Manager and Fund	ESG Summary	Actions identified	Engagement details
AEW Real Return Fund	AEW has a clear and succinct ESG policy focused on social impact and awareness of key climate issues. AEW has demonstrated the implementation of these policies within the Fund. Over time we would expect clearly defined ESG objectives for the Fund, a formal ESG scorecard and regular reporting on how the Fund is performing versus its ESG objectives.	AEW should demonstrate a standardised approach for reviewing ESG issues within their due diligence. For example, an ESG scorecard or risk register. AEW could do more to demonstrate alignment of ESG objectives in their engagements with tenants, for example including 'ESG clauses' in lease agreements. AEW should improve their regular ESG reporting e.g. fund emission data and social metrics.	Isio engaged with AEW on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on the AEW engagements.
Apollo Total Return Fund	Apollo uses a team approach across the firm to address ESG issues, and ESG considerations are included in bottom up credit analysis for each potential investment for the Total Return Fund.	Apollo is looking to incorporate a formal scoring system for each individual investment. Apollo also currently provides firm-level reporting on ESG activities, and it was proposed that this should be extended to quarterly fund-specific client reporting.	Isio engaged with Apollo on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Apollo engagements. Apollo has now adopted an ESG scoring system from 1-5 and stated that investments would be escalated to the Investment Committee if necessary. Apollo are also now a UNPRI signatory. Apollo previously felt that the governance burden of signing up to the UNPRI was not worth the benefit.
BlackRock Sterling Liquidity Fund	Whilst BlackRock has a clear business level ESG policy, there are currently no formal ESG objectives or engagements targets for the Cash Fund itself.	It was proposed by Isio that BlackRock should consider demonstrating how ESG risks are monitored.	Isio engaged with BlackRock on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on BlackRock engagements.
BlackRock Dynamic Diversified Growth Fund	BlackRock has clear firm-wide sustainability goals and have a dedicated team to deal with developing and implementing ESG initiatives. They are actively driving change in ESG through their collaboration with various ESG groups. However, the	BlackRock should quantify key performance Indicators and show how portfolio companies are working towards their ESG objectives. Such metrics should be included in regular reporting. BlackRock should also develop measurable ESG objectives for DDG	Isio engaged with BlackRock on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on BlackRock engagements.

	lack of specific ESG aims and regular reporting for the Fund should be addressed. BlackRock are good at communicating their views on ESG, but tangible evidence at Fund level is required.	specifically. BlackRock could detail engagements which are specific to the underlying investments of the Fund.	
BlackRock UK Long Lease Property Fund	BlackRock has a strong ESG background and have implemented ESG policies successfully at firm-wide level. At a Fund level, while they do not have a dedicated ESG team/officer, they can demonstrate that ESG is a key aspect of the due diligence process and ongoing engagement is apparent through an investment's lifecycle. BlackRock have developed a clear framework for recognising ESG factors within the investment process and are looking to improve the depth of its reporting on these issues.	BlackRock to consider assigning a dedicated team/person that oversees ESG risks in Real Assets and particularly the LLP Fund. BlackRock should also provide reporting to a similar level as gender pay gap reporting on other inclusion and diversity factors such as ethnicity, nationality and social standing. Whilst BlackRock do provide regular commentary and inclusion of ESG data in quarterly reporting it would be good to see more granular analysis included, such as carbon emissions and energy and water consumption. BlackRock should also consider adapting the ESG questionnaire to quantify ESG risks and drive their engagement priorities.	Isio engaged with BlackRock on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on BlackRock engagements.
JP Morgan – Unconstrained Bond Fund	The Fund satisfies ESG requirements. ESG is integrated within the Fund's risk management process and investment approach. However, the lack of any ESG reporting needs to be addressed. Despite showing promise in the Fund's adoption of ESG into its processes and risk management, JPM as a company must consider their own impact on carbon emissions as well and their wider business practices.	JPM should finish developing their ESG reporting and ensure this is included in regular reporting. JPM could also consider creating a report that details their engagements with the issuers the Fund invests in. JPM should develop measurable ESG objectives for the Fund, beyond the current ESG policy, when analysing an issuer.	Isio engaged with JPM on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on JPM engagements.
Partners Group - Direct Lending (PMCS 2016 & 2018)	Partners Group has a specialist ESG and Sustainability team, who support the business in achieving their ESG objectives. At a fund level	Partners Group should provide examples of how they have worked with portfolio companies to bring about a desired change and how they have	Isio engaged with Partners Group on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to

	they can demonstrate that ESG is a key aspect of the due diligence process and ongoing engagement is apparent through an investment's lifecycle. Partners Group could improve the level of ESG reporting compared to its peers and we would like to see a clearer focus on diversity metrics in their ESG risk assessment at a fund level.	worked with other managers to bring about a positive ESG change. Partners Group could aim to provide more granular information/data on the diversity metrics in place at portfolio level, including ethnicity, LGBTQ+ and social mobility stats.	the ISC with updates on the Partners Group engagements. Partners Group has made suitable progress with actions identified such that their overall ESG rating has been upgraded.
Pyrford - Global Total Return Fund	Pyrford adopt a firm-wide approach to ESG, with an ESG Forum meeting quarterly. This approach combines both internal and external research in the investment decision making process. Active membership in a number of initiatives highlights a drive towards improved ESG practices. However, this broad, firm-wide approach results in a lack of fund level objectives, and Pyrford would benefit from greater focus on KPIs and specific ESG metrics.	It has been proposed that Pyrford should quantify key performance indicators and how portfolio companies are working towards goals to achieve ESG objectives. They should also include details of voting activities and specific metric reporting in quarterly reports. In additional to group level reporting, Pyrford should aim to provide diversity targets and reporting within the investment team.	Isio engaged with Pyrford on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Pyrford engagements.
Insight – Buy & Maintain Bond Funds	At a firm level, Insight understand the importance of ESG integration in investment decision making. They actively participate in industry-wide discussions on ESG related topics. However, the Funds do not have any specific ESG objectives and there are developments for Insight to work on relating to engagement reporting.	Insight should look to implement a scoring system relating to engagement data and introduce an attribution report on how engagements have affected performance of the Funds. Insight should recruit external specialists or provide internal training so that a subset of the existing analysts have an ESG tilt to better apply pressure to issuers.	Isio engaged with Insight on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Insight engagements.
Insight Liability Driven Investment ("LDI")	Insight has shown they have sufficient resource and capability to assess the extent of ESG risks on counterparty exposure for LDI mandates. Insight recognise that their ESG framework can be developed even further and we believe this is a positive sign that they are	Insight should consider developing internal diversity targets, focussed not just on gender but also race. They could also put greater emphasis on diversity and inclusion issues when assessing companies and counterparties. Insight should look to add	Isio engaged with Insight on the Trustee's behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Insight engagements.

	continually improving their approach for considering ESG.	counterparty ESG scores to their client reporting.	

Engagement

As the Scheme invests via fund managers the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 31 March 2021.

Fund name	Engagement summary	Commentary
AEW Real Return Fund	Total Engagements: 44 Environmental: 42 Other: 2	AEW can only engage with the tenants of the assets which are held in the Fund, and their overall influence as a landlord is limited. They maintain dialogue with all occupiers, and as part of this ESG-related behaviours are encouraged. AEW engaged with tenants on ESG issues over the reporting period, examples of significant engagements include: Engie Regeneration – AEW engaged with the tenant regarding a requirement to add car charging points for employee car parking on the premises. The implementation of these charging ports is currently ongoing and AEW has also began a discussion on solar panels with the tenant. Volkswagen Group UK Limited – AEW engaged with the tenant to request utility data on energy and water consumption as part of the GRESB 2020 Performance submission. Consumption data allows AEW to work with tenants in order to make cost savings and to reduce the impact on the environment.
Apollo Total Return Fund	Total Engagements: 31 Environmental: 8 Social: 5 Governance: 5 Human Capital: 3 ESG: 3 All: 7	Apollo has a clear due diligence and engagement framework. The team continually engage with portfolio companies through discussion with management, and these engagements have been a key driver for the production for formal company ESG reports and Key Performance Indicators. As bond investors, Apollo's voting rights are limited, making it more difficult to engage with portfolio companies in comparison to equity investors. Examples of significant engagements include: Clearway Energy - Apollo met with the firm's CEO and CFO to discuss the efficiency of the company's existing renewable wind farms, as well as the acquisition of new renewable wind and solar powered projects. Following this engagement, the company intend to invest at least $300m in renewable energy projects during 2020. Gannett Co. Inc. - At the Board meeting Apollo discussed the overall health of the

		organization as well as diversity and inclusion. The Company has established a Diversity Advisory Council and Employee Resources Groups to increase representation particularly among the leadership team. Following this engagement with Apollo, the company has now set a goal of >50% of the workforce consisting of underrepresented groups by 2025 and increasing diversity at the director level and above.
BlackRock Sterling Liquidity Fund	Whilst BlackRock has a clear business level ESG policy, there are currently no formal ESG objectives or engagements targets for the Sterling Liquidity Fund itself.	BlackRock currently does not collect engagement data for the Fund.
BlackRock Dynamic Diversified Growth Fund	Total Engagements: 938 Environmental: 584 Social: 411 Governance: 822	BlackRock engage with their companies through their Investment Stewardship team in order to provide feedback and inform their voting decisions. These engagements largely relate to the Fund's equity positions only, which comprised c.30% of the overall portfolio as at 31 March 2020. Examples of significant engagements include: Chevron Corporation - BlackRock has a long and constructive history of engagement with Chevron. BlackRock has discussed a range of topics, including corporate governance, climate reporting, greenhouse gas (GHG) and methane emissions reductions, human capital management, and risk oversight processes, among other topics. While Chevron has not made the commitments of some of its European peers towards emissions reductions or business model shifts towards lower carbon alternatives, the company has been consistently open to evolving its reporting processes in response to feedback from investors. Chevron now provides reporting aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). Woodside Petroleum Ltd. – BlackRock regularly monitors Woodside's governance practices and risk profile as part of its responsibility to shareholders. In recent engagements with the company's board, BlackRock had extensive discussions on a range of material issues including the company's approach to the Task Force on Climate-related Financial Disclosures (TCFD), board composition and diversity, broad refreshment and supply chain-related issues.

BlackRock UK Long Lease Property Fund	BlackRock currently do not provide details of their engagement activities due to the nature of the Fund. Isio will work with BlackRock on the development of the firm's engagement reporting.	BlackRock's ESG related engagement is led by the BlackRock Investment Stewardship (BIS) team. BlackRock lease on full repairing and insuring ("FRI") terms, which means that whilst a tenant is in a property BlackRock has little control over that property, therefore engagement opportunities are scarce.
JP Morgan Unconstrained Bond Fund	Total Engagements: 8 Environmental: 4 Governance: 6	JPM engages with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies. Examples of significant ESG activities within portfolio projects include: Bank of America – JPM engaged with Bank of America on board dynamics, diversity and inclusion, and sustainable financing efforts. JPM noted the positive stance the company is taking with regard to disclosure of D&I-related data. The company agreed there is a lot of work to do regarding 2050 targets laid out in the European Green deal. The company itself has achieved carbon neutrality and is rolling out a series of sustainable financing products. Telefonica – JPM met with the company to obtain an update on their ESG program, including various issues such as their human capital management, Covid-19, governance and Board issues, sustainability strategy and executive remuneration. JPM felt the company presented their ESG efforts well, however this did not seem to translate into their overall strategy. JPM wanted to understand why the share price continued to fall despite the longevity of Telefonica's ESG strategy. JPM see this as an area that they will need to continue to engage with the management and Board on. The company have taken steps forward in areas such as gender diversity, where they now have 30% female representation at Board level.
Partners Group Private Market Credit Strategies 2016 Fund	Total engagements: 6 Corporate: 6 *Note that Partners Group provide data semi-annually, and as such the engagement data shown reflects their activity over the 2020 calendar year.	Partners Group maintains ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks. Partners Group has engaged on mostly governance related issues over the period, rather than environmental or social considerations. Examples of significant

		corporate governance activities within portfolio projects include: Cote Bistro – In July 2020 Partners Group engaged with the owners on restructuring negotiations. Following this engagement, in August 2020 the company agreed to transfer ownership in Côte Brasseries to Partners Group in return for new liquidity. JLA, Ltd. – Partners Group held calls with the company's CFO when the COVID-19 pandemic first hit the UK in early March 2020 to assess JLA's preparation. Partners Group followed up with the company in June to assess the impact on the business, the use of government schemes, and the expected impact as lockdown eases. Following this engagement the company revised the budget and reforecast cashflows.
Partners Group Private Market Credit Strategies 2018 Fund	Total engagements: 6 Corporate: 5 Monitoring: 1 *Note that Partners Group provide data semi-annually, and as such the engagement data shown reflects their activity over the 2020 calendar year.	Partners Group maintain ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks. Partners Group has engaged on mostly governance related issues over the period, rather than environmental or social considerations. Examples of significant corporate governance activities within portfolio projects include: Gong Cha – Partners Group engaged with the company on their financial performance and the impact of COVID-19 over the period. Partners Group held monthly update calls with the company's CFO and management to discuss the FY20 performance overview, operations during the pandemic, FY21 expectations, reporting and covenant requirements. Partners Group established a line of communication for early intervention in case Covid-19 disrupts the business again. They also had more frequent verbal updates on performance and set out the timetable for delivery of the new budget and performance. TEG – Partners Group held quarterly lender calls and engaged with the company regarding specific updates on the impact of Covid-19. Following this engagement Partners Group had comfort that the company has sufficient liquidity to ride out COVID-19 and the associated cancellations /

		delays of events, including an understanding of cost cutting measures taken and monthly levered cash burn.
Pyrford - Global Total Return Fund	Total engagements: 4 Environmental: 1 Social: 2 Governance: 1	Pyrford engages with their underlying portfolio projects on a range of ESG issues, mainly related to social issues within portfolio companies. Note that the number of engagements listed to the left reflects the number of what Pyrford classify as ‘purposeful’. The manager does not count many ongoing engagement activities and hence why the number of engagements displayed may appear low. Examples of engagements include: Reckitt Benckiser – In 2020 Pyrford engaged with the company on product quality and safety as they had experienced production interruptions at some of their sites, including their Dutch infant formula production facility. Initially, Pyrford engaged with the company about this issue in 2019. An update was then sought in October 2020. The discussion focussed on whether there had been any further issues with the manufacturing record of the company, and what initiatives and actions the company had implemented. The company reported there had been no disruptions related to a shortfall in product standards in the intervening period since the last discussion. The company continues to invest to achieve continuous manufacturing improvement and prevent future problems. Imperial Oil – Pyrford engages with Imperial on Greenhouse gas (GHG) emissions on an ongoing basis with the most recent being in November 2020 where the company provided further information regarding their environmental strategy. The company evidenced that they had reduced their GHGI emissions by more than 20% between 2013 and 2018 and their current plan is to reduce their GHG further. The company are also developing technologies that they believe could reduce their emissions. Whilst Pyrford find the development of these technologies to be promising, they feel it would be useful if the company were to provide a longer-term roadmap as to how these technologies will contribute to lowering their GHG over the coming years. This is an issue that they will continue to engage with the company over at upcoming meetings.

Insight Buy and Maintain Bond Fund 2026-2030	Total engagements: 65 Corporate: 65	Insight engages with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies and share issuance. Examples of engagements include: Volkswagen – Over 2020 Insight engaged with the company and downgraded their ESG score due to corporate governance concerns and controversy related to diesel emissions. Insight feel the ESG score is backward looking and has room to improve in the future. They have also had regular and constructive engagement with the company on ESG topics. Following this engagement Insight feel the cash expenses related to the diesel scandal are under control and have been manageable for the company. Numerous steps have also been taken to improve product quality, governance and the corporate structure but large size of the board is here to stay due to structural constraints in Germany (e.g. mandatory presence of employees' representatives). Insight remain confident that the company is an improving ESG story. Enel – Insight engaged with the company to discuss their ESG strategy, carbon emissions reduction plans and their inaugural GBP SDG linked bond issue. As part of the CA100+ initiative Insight continue to encourage Enel to establish measures to mitigate climate risk and adapt the business for a low carbon economy. Collectively, with the other investors, a letter was sent to the Chair addressing four key areas; disclosure and investor communications, climate competence of the Board, management incentives, and improvement in scenario analysis. Enel was responsive to this engagement and a follow up call with the Chair has been scheduled so Enel's team can present solutions and future plans to improve on the areas addressed.
Insight Buy and Maintain Bond Fund 2031- 2035	Total engagements: 39 Corporate: 39	Insight engage with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies and share issuance. Examples of engagements include: General Electric – Over 2020 Insight engaged with the company on bribery allegations and accounting irregularities. Following this engagement the company resolved the SEC

		investigation for the alleged accounting irregularities and Insight believe the ESG score should start to trend in the right direction in 2021. Insight found the financial cost of the accounting scandal was easily manageable and since the company is taking proper steps by strengthening their processes, they believe the risk of another large scale scandal is low. Total – In November 2020 the company was considering issuing transition bonds on the back of a new ESG strategy. Insight had a call with the responsible investment team to discuss the ESG strategy in further detail, as well as provide feedback on the potential transition bond idea. The company provided further details for their ESG strategy, targets and details on potential ways to achieve them. Insight has provided feedback on potential interest in the new instrument and commented on the potential structure for the instrument. Following the discussion, Insight have reconfirmed their view of the company as one of the leaders in energy transition.
Insight LDI	Total engagements: 16 Social: 3 Governance: 14	Insight has engaged with a number of industry participants on long term strategic issues in relation to LDI, including: - RPI reform and leading the UK's national conversation on RPI, working with the DWP, UK Government and various other institutions - The LIBOR transition - Working with derivative counterparty banks on the integration of ESG factors into the assessment of credit risk The team regularly engages with regulators, governments and other industry participants to address long term structural issues, aiming to stay ahead of regulatory changes and adopt best practice.

Voting (for equity/multi asset funds only)

As the Scheme invests via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 31 March 2021. The managers also provided examples of any significant votes.

Fund name	Engagement summary	Examples of significant votes	Commentary
BlackRock Dynamic Diversified Growth Fund	Voteable Proposals: 12,398 Proposals Voted: 11,980 Votes With Management: 11,175 Votes Against Management: 703 Abstain Votes: 105	Daimler AG - BlackRock voted against three resolutions in July 2020, including the ratification of Supervisory Board members' actions in the 2019 financial year, the election of a member to the Supervisory Board and on an amendment of Article 16 of the Articles of Incorporation. Despite the Boards' recommendation that shareholders vote for all resolutions, BlackRock voted against given their concerns about progress on climate-related risk reporting, the external mandates held by the proposed Supervisory Board member, and the reduction in shareholder rights from the proposed article amendment. Facebook Class A Inc - BlackRock voted against the proposal to elect a Director to the Board as he also serves on the Audit Committee and is therefore not considered independent. Blackrock also voted for a shareholder proposal to approve a recapitalization plan for all stock to have one vote per share. BlackRock voted for this proposal as they generally support one share one vote capital structures. The Procter & Gamble Company - BlackRock voted for a proposal which requests a report assessing if and how P&G could increase the scale, pace, and rigour of its efforts to eliminate deforestation and the degradation of intact forests in its supply chains. BlackRock also voted against the shareholder proposal	BlackRock use Institutional Shareholder Services (ISS) electronic platform to execute vote instructions. BlackRock categorise their voting actions into two groups: holdings directors accountable and supporting shareholder proposals. Where BlackRock have concerns around the lack of effective governance on an issue, they usually vote against the re-election of the directors responsible to express this concern.

		requesting the publication of a report assessing the company's diversity and inclusion efforts. Due to P&G's longstanding initiatives and robust disclosures, BlackRock place P&G at the forefront of DEI efforts in the market. As a result, they determined that the requested report would be redundant and therefore did not support it.	
Pyrford Global Total Return Fund	Voteable Proposals: 913 Proposals Voted: 786 Votes With Management: 747 Votes Against Management: 39 Abstain Votes: 0	Sanofi – Pyrford voted against a proposal to approve compensation for the company's CEO. Pyrford voted against the remuneration for a number of reasons, including the deemed ten-year service under the defined-benefit pension scheme granted to new CEO upon his arrival at the company was a practice below market standards in France with insufficient information provided for shareholders to assess the reasonableness of the award. The resolution was not approved by shareholders. Assa Abloy AB – Pyrford voted against a restricted stock plan to approve performance share matching as the proposed annual performance period fell below the guidelines and the performance targets of the plan had not been disclosed. The resolution was approved. Woodside Petroleum Ltd. - Pyrford voted for a proposal requiring the company to report on climate change and approve the Paris Climate Change goals and targets. Pyrford voted for this resolution as the company's current level of disclosure regarding its capital expenditure strategy and GHG emissions do not appear to align with the Paris goals under reasonable assumptions. The resolution was withdrawn.	Pyrford have appointed Institutional Shareholder Services (ISS) Proxy Voting Services to monitor meetings data and to produce a voting schedule based upon individual client proxy voting guidelines, or Pyrford's guidelines where a client does not provide their own. While we consider ISS to be providing us a 'proxy adviser' service, Pyrford portfolio managers have the final authority to decide on how votes are cast in line with the relevant guidelines.