

# Motorola Pension Scheme Defined Benefit Assets Implementation Statement: (the “Statement”)

## 1 Overview of this Statement

- 1.1 In this section of the Statement the Trustee has set out information describing the management of the Scheme’s Defined Benefit (“DB”) assets and in particular how the management of the assets has reflected the Trustee’s policies as set out in the Statement of Investment Policies (the “SIP”) over the period from 1 January 2023 to 31 December 2023 (the “Scheme Year”).
- 1.2 In the Trustee’s opinion, all aspects of the SIP in relation to the DB section of the Scheme have been followed.
- 1.3 A copy of this statement will be published on a publicly available website.
- 1.4 The Trustee has split this DB section of the Statement into several sections covering the main aspects of the management of the Scheme over the Scheme Year:
  - Section 2: Summary of changes to the SIP
  - Section 3: Implementing policies within the SIP
  - Section 4: Voting information

## 2 Summary of changes to the SIP:

2.1 Over the Scheme Year, the SIP was updated to reflect the following:

- The “investment policy” section of the SIP was updated to include wording relating to the implementation of funding level-based de-risking triggers, which have the purpose of indicating when there is potential to reduce the Scheme’s risk, should the funding level improve.
- The “Environmental, Social, Governance, Stewardship and Alignment Considerations” section was also amended to reflect the Trustee’s ultimate responsibility for the oversight of climate-related risks and opportunities.

2.2 The most recent SIP, dated July 2023, is publicly available [here](#).

### 3 Implementing policies within the SIP

- 3.1 Overall the Trustee is of the opinion that the policies outlined in the SIP were implemented over the Scheme Year.
- 3.2 The table below sets out the key sections of the SIP and actions taken over the period to implement key policies within each section of the SIP.
- 3.3 The Trustee retains responsibility for high level investment decisions with many other decisions delegated to GSAM, as the Scheme's Fiduciary Manager.

SIP Section	SIP Policy Overview	Compliance with Policy over the Scheme Year
Investment Policy	Consider a full range of asset classes given risk and rewards	The strategic asset allocation was broadly unchanged for 2023, and performance was assessed by the Trustee on a monthly, quarterly and annual basis.
	Delegate all day-to-day decisions to GSAM within provided parameters	GSAM managed the portfolio within the provided investment guidelines over the period including regular rebalancing across the period at month / quarter ends or when deemed opportunistically appropriate to do so. GSAM also aligned this rebalancing action to raise cash when needed to pay benefits.  The Trustee reviews GSAM annually, based on Strategic Objectives agreed by the Trustee, covering a range of investment objectives and service levels.
Realisation of Investments	If an asset class is determined to no longer be suitable it will be withdrawn from future investment	Not applicable for 2023.
Risk management and measurement	Risks are considered in a qualitative manner during strategy reviews and annual updates. Quarterly reporting assists in monitoring these risks	Multiple review points over the Scheme Year considered risk exposures:  <b>Regular reporting:</b> GSAM provided the Trustee with regular reporting on a monthly and quarterly basis. Reporting was added to over the year to include

		<p>increase monitoring on liquidity of the portfolio and leverage in the LDI portfolio following the gilt crisis.</p> <p><b>Net-Zero Framework Training:</b> Over the Scheme Year, the Trustee received training on a net-zero framework to better understand how the Scheme will achieve its carbon emission reduction objective, as set out in the Trustee's TCFD report.</p> <p><b>Trustee Training:</b> Specifically, the Trustees received training and analytics on risks due to ESG factors and risks within the LDI portfolio.</p>
Environmental, Social, governance, Stewardship and Alignment Considerations	<p>Financially material considerations must be taken into account.</p> <p>The Trustee relies on GSAM and the Scheme Actuary for input and advice on climate-related risks and opportunities which are relevant for the Scheme.</p> <p>Selection, retention and realisation of investments has been delegated to GSAM and GSAM should consider financially material considerations when selecting investments and managers.</p>	<p>In selecting investments and managers on the Trustee's behalf, GSAM took into account appropriate financially material considerations.</p> <p>Over the Scheme Year, GSAM provided the Trustees with training on the Scheme's Net-Zero Framework and assisted the Trustee in the publication of its first TCFD report.</p> <p>Reporting provided by GSAM to the Trustee included how it takes into account financially material factors over the Scheme Year, for example how the appointed managers are assessed for ESG factors, financially material considerations and consideration as to the extent to which stewardship has been integrated into GSAM portfolio decisions and actions.</p>
	<p>The Trustee does not explicitly take into account non-financial matters, such as the view of Scheme members.</p>	<p>Confirmed.</p>
	<p>The Trustee expects GSAM to ensure that investment managers align to the SIP and focuses on medium to long-term performance.</p>	<p>GSAM ensured compliance with the SIP regarding appointed managers over the Scheme Year.</p>

	Investment manager fees are reviewed by GSAM periodically.	Reporting provided by GSAM covers performance reporting over monthly and quarterly time periods, and also since inception of each mandate in order to monitor managers over longer time horizons.
	GSAM reports to the Trustee on costs and charges, including turnover and transaction costs in the portfolio.	MiFID II Costs and Charges reports provided over the Scheme Year. Fee reports were also provided on a quarterly basis covering management fees and transaction costs.
	When selecting and reviewing the performance of investment managers, the Trustee expects GSAM to take into account the managers' stewardship and ESG policies relative to both the Trustee's and GSAM's policies.	GSAM reviewed and monitored the voting and engagement activity carried out by external managers over the Scheme Year as part of its regular manager oversight processes.

At the November 2023 Investment Committee meeting, the Trustee reviewed GSAM's performance over 2023 against the objectives set for their services. A more in-depth review of GSAM's performance and services is also planned for Q4 2024.

## 4 Voting information

### Collection of voting data

- 4.1 The Trustee recognises the importance of its role as a steward of capital and has therefore adopted a policy of delegating voting decisions to GSAM and to external investment managers which, where appropriate has been followed.
- 4.2 The Trustee does not engage with debt or equity issuers directly but has adopted a policy of delegating voting decisions to GSAM and investment managers
- 4.3 The Scheme holds a set of diversified exposures across multiple asset classes and through various structures. For the purposes of this section the Scheme's holdings have been split into the following categories:
- **Significant voting responsibilities:** Asset classes such as equities where significant voting responsibilities have been delegated to the investment manager.
  - **Limited voting exposure:** Asset classes where the investment manager has ownership of the vote but by its nature the asset class has limited or no voting expected, for example fixed income assets or hedge funds.
  - **No voting exposure:** Asset classes that by their nature have no voting exposure.
- 4.4 The table below sets out at a high level the asset classes and weights with voting applicability as the end of the Scheme Year:

Asset Class	Weight as at Scheme Year End	Voting Information Availability
Equities	20.0%	Voting information available
Real Assets	1.1%	Voting information available
Fixed Income*	73.8%	Limited voting exposure
Alternatives	4.7%	Limited voting exposure
Passive exposures with no votes	0.5%	No voting exposure
<b>Total:</b>	<b>100.0%</b>	

\*The weight associated with Fixed Income in the table above includes Liability Matching Assets

- 4.5 In order to collate voting data, GSAM contacted the managers in the portfolio to request appropriate voting information. The information provided represents the best-efforts approach to obtain voting information. The Trustee expects that as the industry aligns on standardised disclosures, quality of voting information will be improved.
- 4.6 For asset classes other than equities and real assets, information is generally less available with many managers noting that voting doesn't apply to their asset class / strategy or noting that they have been awaiting additional clarity on industry standards for collating voting information before building capabilities to provide voting information. For the purposes of this Statement, the Trustee has not reported on the limited voting activity in these asset classes but expect GSAM to take into account engagement policies for these asset classes when selecting managers and assessing performance.
- 4.6.1 In addition, GSAM receive policies, reports and qualitative information through their External Manager Selection Group's ESG Due Diligence Questionnaire as well as through an annual dedicated ESG questionnaire. Additionally, GSAM engages with the managers regularly on their ESG integration and engagement efforts during regular meetings with managers.
- 4.7 GSAM will continue to work with managers to seek to ensure appropriate information is being collated and provided and that as industry standards evolve, managers also evolve the information provided. The ability of a manager to provide more granular data may become part of GSAM's selection criteria.
- 4.8 The Trustee believes that, for asset classes where voting is a key aspect of ownership, the policy of the Trustee, which substantially delegates voting to individual managers, has been followed as set out below.
- 4.9 Voting information is provided for all of the Scheme's equity and real asset mandates:
- 7 equity mandates
  - 1 listed real estate mandates
  - 1 listed infrastructure mandates
- 4.10 The Trustee has set out a summary of all voting data as well as the "significant votes" made over the Scheme Year.

### Summary of all voting data

4.11 The table below shows a summary of the voting activity of the managers over the Scheme Year.

4.12 Where the table sets out “For” / “Against” this indicates that the manager voted for / against the company board’s recommendations for each item. Additionally, where managers have provided information noting votes for which they have used proxy voting services, this has also been indicated.

4.13 Votes of abstain can be counted both as a vote of abstain but also as a vote against management

Mandate	Asset Class	Weight at end of Scheme Year	Number of votes in support of the board’s recommendation (“For”)	Number of votes not in support of the board’s recommendation (“Against”)	Number of eligible votes not voted on	Number of votes for which a Proxy Advisor was used	Number of votes that were instructed differently to the proxy advisor recommendation
Baillie Gifford Global Alpha Strategy	Equities	1.32%	1,087	37	54	0	0
DWS Global Infrastructure	Real Assets	0.46%	263	17	0	280	5
GMS Emerging Markets Equity Fund of Funds (underlying funds shown below)	Equities	2.52%	4,481	3,883	554	44	4,558
Mondrian Global Equity	Equities	1.44%	665	68	31	764	8
Principal International Small Cap Equity	Equities	0.64%	2,799	212	24	3,020	1
Prudential Global Real Estate	Real Assets	0.60%	1,100	38	47	1,185	38
SSgA All World Developed Equity Index Life Fund	Equities	11.26%	25,402	3,352	82	28,802	2,628
SSgA Smart Beta Equity	Equities	1.90%	13,547	1,292	47	14,851	1,051
Van Berkom US Small Cap	Equities	0.90%	407	1	0	0	0



The Goldman Sachs Multi-Manager Emerging Markets Equity Portfolio consists of three Emerging Markets Equity managers:

<b>GMS Emerging Markets Underlying Funds</b>	<b>Asset Class</b>	<b>Number of votes in support of the board's recommendation ("For")</b>	<b>Number of votes not in support of the board's recommendation ("Against")</b>	<b>Number of eligible votes not voted on</b>	<b>Number of votes for which a Proxy Advisor was used</b>	<b>Number of votes that were instructed differently to the proxy advisor recommendation</b>
Axiom Investors	Equities	782	117	8	941	6
J O Hambro Capital Management Limited	Equities	405	55	10	470	3
Wellington Management Company, LLP	Equities	3,104	2,696	382	26	3,147

### Details of significant votes

- 4.14 Details of significant votes have been requested from each manager by GSAM, on behalf of the Trustee. Provided data is set out below, however some managers were unable to provide all of the data requested. Details specific to each manager are provided below.
- 4.15 Unless otherwise stated, the tables below set out all votes that managers deemed to be significant.
- 4.16 For the funds managed by SSgA and Baillie Gifford, the Trustee has filtered 5 significant votes from the list of all significant votes provided by the manager based on the weight of the stock in the portfolio, i.e., picking the 5 stocks with the highest weights in the portfolio.

### Mondrian Global Equity

- 4.17 Where Mondrian voted against the management, this was communicated to the company ahead of the vote
- 4.18 Mondrian considered the votes below to be significant, because they were against management's recommendation and also against the proxy adviser's recommendation.

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary/Rationale	Approx size of the holding as at the date of the vote (as a % of the Scheme's mandate)	Outcome of the vote	Next steps, including whether the manager intends to escalate stewardship efforts
Enel	10 May 2023	Slate 3 Submitted by Covalis Capital LLP and Covalis (Gibraltar) Ltd.	For	Given the complexity of the directorial voting system at Enel, Mondrian believed voting for the list led by Mr XYZ (Covalis list) was the most effective way of maximising the likelihood of an independent board chair, providing a more diverse and independent list of candidates, where the proposed Chair would conduct a transparent and merit-based search for a new CEO.	2.1%	Fail; Mr. XYZ and Mr. XYZ were elected as CEO and Chairman, respectively.	While the favoured slate did not pass, the manager believes that their active engagement since February 2023 when the Italian government removed Enel's former CEO contributed to the new management team's decision to maintain the existing strategy and dividend policy, and a more restrained approach by the Italian government, thus improving the skew of outcomes for Enel over the long term.
Philips	09 May 2023	Approve Discharge of Management Board	Abstain	Mondrian believes that the dismissal of the former CEO is justified (the business has clearly struggled operationally), but do not believe it is in shareholders' interests to vote against the discharge of the Board of Management, including current management, who are focused on the turnaround. Mondrian's Proxy Voting Committee noted that this issue arose because the vote to discharge the former CEO and the vote to discharge the management board were bundled together. Given the discharge of the current management board members warrants approval, the Committee therefore supported the portfolio manager's recommendation to	1.7%	Fail; the majority of shareholders voted against this proposal	Mondrian continue to monitor and discuss this with the company.

				abstain and to engage on the matter of bundled contentious votes to avoid this reoccurring.			
DuPont de Nemours, Inc.	24 May 2023	Require Independent Board Chair	For	<p>Requiring a separate CEO/Chair role appears to be in shareholders' interests. The presence of an independent chair fosters the creation of a thoughtful and dynamic board that is not dominated by the views of senior management. Although governance at DuPont is solid, this would likely improve it. The lead director role does not seem to be a significant reason to vote against the proposal. The proposal allows for the separation of roles being phased in for the next CEO transition or contract renewal, and does not seem overly prescriptive. Mondrian followed up with the company to notify them of our vote intention and rationale.</p>	1.4%		
Colgate	12 May 2023	Require Independent Board Chair	For	<p>Requiring a separate CEO/Chair role appears to be in shareholders' interests. Although governance at Colgate is solid, this would likely improve it. The CEO/Chair roles have been combined since Noel Wallace, CEO since 2019, was appointed Chair in 2020. The existing Lead Director role does not seem to be a significant reason to vote against the proposal. The proposal allows for the separation of roles being phased in for next CEO transition or contract renewal. Mondrian wrote to the company to make it aware of our vote for this shareholder proposal, explaining our rationale.</p>	2.0%		
Toyota Industries	09 June 2023	Elect Director Kumakura, Kazunari	Against	<p>At the 2023 AGM, Mondrian voted against the proposals to elect several directors and wrote to the company to explain the rationale for our proxy voting decisions. The manager was not able to support the election of Mr XYZ, Mr XYZ, Mr XYZ, Mr XYZ or Mr XYZ given ongoing concerns in five key areas where they were still disappointed with progress to date. This was further exacerbated by the recent quality control issues in both the US and Japan.</p> <ol style="list-style-type: none"> <li>1. Lack of board independence or diversity, including by nationality.</li> <li>2. Lack of alignment between management remuneration and long-term shareholder interests (e.g., Mondrian cannot see any component of remuneration linked to total shareholder return or ROE (return on equity)/ROIC (return on invested capital); while targets based on absolute</li> </ol>	2.1%	Passed	Mondrian continues to monitor and engage Toyota Industries for changes in its governance practices. The stock performed well in Q2 (+29%) as investors began to anticipate future governance improvements, but changes to date have been limited.

operating profit can incentivise M&A even if value destructive).

3. Excessive group cross-shareholdings (worth more than total market cap) and inefficient balance sheet structure.
4. Potential conflicts of interests with Toyota Motor (relevant for Mr XYZ especially).
5. Lack of proactivity in shareholder returns, including relative to other major Toyota Group companies which have been active in share buybacks. Mondrian have discussed our views on the unnecessary dividend cut in FY20 in previous correspondence and would like to see a commitment to sustainable dividend growth.

The manager was encouraged by the meeting with Mr XYZ and hope to see developments in the above areas in the coming years.

With respect to Mr XYZ, he is Purchasing Director for Toyota Motor, which is a key customer contributing c.13% TICO revenue, creating a conflict of interest. Toyota Motor also owns c.25% of TICO shares. Toyota Motor can exert undue influence and there is a risk that TICO is run in the interests of Toyota Motor and the Toyota group rather than minority shareholders in TICO. This risk is reflected in TICO trading at a market cap lower than the value of its own cross-shareholdings.

### Van Berkom Small Cap Core

4.19 Where Van Berkom voted against the management, this was not communicated to the company ahead of the vote

4.20 The outcome for all significant votes outlined below was the approval of the Board's recommendation.

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary/Rationale	Why is this vote considered significant?	Approx size of the holding as at the date of the vote (as a % of the Scheme's mandate)	Next steps, including whether the manager intends to escalate stewardship efforts
Houlihan Lokey Inc	20 September 2023	Elect XYZ	Abstain	Van Berkom believes the company should seriously reconsider its dual class structure to be more aligned with best governance practices.	Van Berkom strongly believes that the company should move away from its current dual class structure and toward a more shareholder-friendly, single class of shares, consistent with best governance practices	2.7%	<p>Van Berkom will continue to maintain a constructive dialogue with management on this issue in 2024 and clearly express our views.</p> <p>The manager will continue to maintain a constructive dialogue with management on this issue in 2024 and clearly express our views.</p>
Tempur Sealy International Inc	5 November 2023	Advisory Vote on Executive Compensation	Against	The manager decided to vote against the executive compensation plan for the following three reasons: i) the company's CEO is overpaid in terms of total compensation versus peers and other high-quality companies of its size (based on market cap and revenues); ii) the company's board decided to adjust its EBITDA target for 2022 and add back an amount to reflect the very difficult macroeconomic environment (outside of management control) that unfolded in 2022, for the purpose of determining the percentage of the target bonus earned by management. Van Berkom disagrees with such adjustment, as this is a cyclical business that is bound to experience some periods of softness; iii) the adj. EBITDA metric is used for both annual cash bonuses and the long-term stock compensation plan with a very significant weight attributed to it for both the annual bonus and the long-term stock compensation plan. The company should work with a more diverse set of financial metrics and use other financial metrics that also typically drive superior outcomes for shareholders.	Reasonable management compensation aligned with long-term shareholders interests is a core component of sound governance practices. Van Berkom believes that the CEO's compensation scheme is excessive.	2.1%	
Universal Health Services, Inc.	17 May 2023	Frequency of Advisory Vote on Executive Compensation	1 year	Van Berkom believes that shareholders should weigh in and be provided with the opportunity to approve or disapprove Executive compensation every year, consistent with best governance and industry practices.	The manager looks for best governance and industry practices.	1.2%	

**SSGA Passive Global Equity:**

4.21 SSGA do not publicly communicate their votes in advance.

4.22 SSGA were unable to provide details on the outcome of the vote or any next steps, though the manager notes that where appropriate, they will contact the company to explain their voting rationale and conduct further engagements. GSAM, on behalf of the Trustee, requested this information.

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary / Rationale	Why is this vote considered significant?	Approx size of the scheme's holding as at the date of the vote
<b>Microsoft Corporation</b>	7 December 2023	Report on Climate Risk in Retirement Plan Options	Abstain	SSGA is abstaining on the proposal as the company's disclosures related to climate change are mostly aligned with SSGA's guidance, but could be enhanced.	<p>In compliance with the UK SRD II, SSGA developed a framework that identifies their most significant votes for UK clients as follows:</p> <ol style="list-style-type: none"> <li>1. All votes on environmental-related shareholder proposals.</li> <li>2. All votes on compensation proposals where SSGA voted against the management's recommendation.</li> <li>3. All against votes on the re-election of board members due to poor ESG performance of their companies (as measured by their R-Factor ESG score*).</li> <li>4. All against votes on the re-election of board members due to poor compliance with the local corporate governance score of their companies (as measured by their R-Factor CorpGov score**).</li> <li>5. All against votes on the re-election of board members due to a lack of gender diversity on the board.</li> </ol>	4.8%
<b>Amazon.com, Inc.</b>	24 May 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	In the absence of significant concerns, this proposal merits support.		2.3%
<b>Alphabet Inc.</b>	2 June 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	In the absence of significant concerns, this proposal merits support.		1.4%
<b>Meta Platforms, Inc.</b>	31 May 2023	Report on Executive Pay Calibration to Externalized Costs	Abstain	SSGA is abstaining from this item as drivers of the executive compensation plans are relevant to the business but could be enhanced.		1.3%
<b>Tesla, Inc.</b>	16 May 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	In the absence of significant concerns, this proposal merits support.		1.2%

**SSGA Smart Beta:**

4.23 SSGA do not publicly communicate their votes in advance.

4.24 SSGA were unable to provide details on the outcome of the vote or any next steps, though the manager notes that where appropriate, they will contact the company to explain their voting rationale and conduct further engagements. GSAM, on behalf of the Trustee, requested this information.

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary / Rationale	Why is this vote considered significant?	Approx size of the scheme's holding as at the date of the vote
Microsoft Corporation	07 December 2023	Report on Climate Risk in Retirement Plan Options	Against	SSGA is abstaining on the proposal as the company's disclosures related to climate change are mostly aligned with SSGA's guidance, but could be enhanced.	<p>In compliance with the UK SRD II, SSGA developed a framework that identifies their most significant votes for UK clients as follows:</p> <ol style="list-style-type: none"> <li>1. All votes on environmental-related shareholder proposals.</li> <li>2. All votes on compensation proposals where SSGA voted against the management's recommendation.</li> <li>3. All against votes on the re-election of board members due to poor ESG performance of their companies (as measured by their R-Factor ESG score*).</li> <li>4. All against votes on the re-election of board members due to poor compliance with the local corporate governance score of their companies (as measured by their R-Factor CorpGov score**).</li> <li>5. All against votes on the re-election of board members due to a lack of gender diversity on the board.</li> </ol>	3.9%
Marathon Petroleum Corporation	26 April 2023	Report on Asset Retirement Obligation	Against	SSGA is abstaining on the proposal as the company's disclosures on this item are broadly in line with market standard, but could be enhanced.		1.4%
Walmart Inc.	31 May 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	In the absence of significant concerns, this proposal merits support.		1.2%
Broadcom Inc.	3 April 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	In the absence of significant concerns, this proposal merits support.		0.9%
Oracle Corporation	15 November 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	In the absence of significant concerns, this proposal merits support.		0.7%

**DWS Global Infrastructure**

4.25 DWS were unable to provide details on the size of Scheme’s holdings of each company, if vote was communicated in advance, outcome, the rationale for the vote or any next steps. GSAM, on behalf of the Trustee, requested this information.

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Why is this vote considered significant?	Next steps, including whether the trustee / asset manager / service provider intends to escalate stewardship efforts
PG&E Corporation	18 May 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	Amount of share voted	Currently DWS Americas does not have a formal engagement policy and is in the process of establishing escalation strategies, reporting structure, operational and monitoring requirements. DWS anticipate engaging in a two-way dialogue with investee companies on strategy, risk, capital structure and relevant corporate governance, environmental and social topics which impact financial performance.
CenterPoint Energy, Inc.	21 April 2023	GHG Emissions	For		
NiSource Inc.	23 May 2023	Require Independent Board Chairman	For		
The Williams Companies, Inc.	25 April 2023	Ratify Auditors	For		
Exelon Corporation	25 April 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	For		



## PGIM Global Real Estate

4.26 PGIM were unable to provide details on the size of Scheme's holdings of each company. GSAM, on behalf of the Trustee, requested this information.

4.27 PGIM consider their votes as significant in the event where votes are against management

4.28 Where PGIM voted against the management, this was not communicated to the company ahead of the vote

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary / Rationale	Approx size of the scheme's holding as at the date of the vote	Outcome of the vote	Next steps, including whether the trustee / asset manager / service provider intends to escalate stewardship efforts
<b>CK Asset Holdings Limited</b>	5 April 2023	Elect XYZ	Against	The manager notes that the board is not sufficiently independent. Glass Lewis recommends voting Against or Abstain. PGIM votes manually if a director serves on a total of 6 public company boards.	0.8%	Pass	PGIM Real Estate seeks to actively monitor developments in the proxy voting arena and will update and redistribute this Proxy Voting Policy as needed to address.
<b>Wharf Real Estate Investment Co Ltd</b>	28 April 2023	Authority to Issue Shares w/o Preemptive Rights	Against	VAP Rationale: Share at deep discount to NAV, issuance will be dilutive. Do not see accretive opportunity for share issuance	1.4%	Pass	
<b>Sun Hung Kai Properties Ltd.</b>	19 October 2023	Elect XYZ	Against	The manager notes that the board is not sufficiently independent. Glass Lewis recommends voting Against or Abstain. PGIM votes manually if a director serves on a total of 6 public company boards.	1.6%	Pass	
<b>Sagax AB</b>	27 April 2023	Elect XYZ	Against	The manager notes that the board is not sufficiently independent. Glass Lewis recommends voting Against or Abstain. PGIM votes manually if a director serves on a total of 6 public company boards.	0.6%	No result	
<b>Sun Communities, Inc.</b>	5 September 2023	Elect XYZ	Against	The company has historically failed to align pay with performance.	2.4%	Pass	

### Wellington Systematic Equity

- 4.29 Wellington were unable to provide details on the outcome of the vote or any next steps, though the manager notes that they will potentially enhance company engagement as a next step. GSAM, on behalf of the Trustee, requested this information.
- 4.30 Wellington consider votes significant where they are: votes against management, specific holdings, or specific resolution types.

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary / Rationale	Approx size of the scheme's holding as at the date of the vote
Tencent Holdings Ltd.	17 May 2023	Authority to Issue Shares w/o Preemptive Rights	Against	Issue price discount not disclosed	3.5%
Kia Corporation	17 March 2023	Adoption of Executive Officer Retirement Allowance Policy	Against	Not in shareholders' interests	2.0%
Banco Do Brasil S.A.	27 April 2023	Elect Candidate to be Nominated by Controlling Shareholder	Abstain	Insufficient information provided	1.6%
PDD Holdings Inc	8 February 2023	Elect XYZ	Against	Diversity concerns - gender	1.4%
ICICI Bank Ltd.	30 August 2023	Elect XYZ	Against	Overboarded director	1.4%

## JO Hambro Equity

4.31 JO Hambro note that they will continue to vote against issues that are not in line with best practice

4.32 Where JO Hambro voted against the management, this was not communicated to the company ahead of the vote

Issuer Name	Vote Date	Vote Instruction	Proposal Text	Vote Commentary / Rationale	Why is this vote considered significant?	Outcome of the vote	Approx size of the scheme's holding as at the date of the vote
<b>CEMEX SAB de CV</b>	23 March 2023	Against	Elect XYZ as Director	A vote AGAINST Items 6.G and 8.C is warranted because director and committee nominee, XYZ, serves on more than five public company boards and is, therefore, considered overboarded under ISS policy guidelines. A vote FOR the remaining items is warranted because: * The company has disclosed the names of the director nominees; and * The proposed board is at least one-third independent and contains at least two independent members, meeting the growing expectations of institutional shareholders.	Overboarding affects the effectiveness of board duty.	Passed	2.3%
<b>CEMEX SAB de CV</b>	23 March 2023	Against	Elect XYZ as Member of Corporate Practices and Finance Committee	A vote AGAINST Items 6.G and 8.C is warranted because director and committee nominee, XYZ, serves on more than five public company boards and is, therefore, considered overboarded under ISS policy guidelines. A vote FOR the remaining items is warranted because: * The company has disclosed the names of the director nominees; and * The proposed board is at least one-third independent and contains at least two independent members, meeting the growing expectations of institutional shareholders.	Overboarding affects the effectiveness of board duty.	Passed	2.3%
<b>Tencent Holdings Limited</b>	17 May 2023	Against	Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	A vote AGAINST this resolution is warranted given that the company has not specified the discount limit for issuances of shares for cash consideration and issuances for non-cash consideration.	The level of discounts for issuance is important to approve equity issuance, and issuance without Preemptive rights could dilute voting rights.	Passed	7.1%
<b>Megacable Holdings SAB de CV</b>	27 April 2023	Against	Elect or Ratify Directors, Secretary and their Respective Alternates	A vote AGAINST the election of the board (Item 8) is warranted because: * The proposed board is 17-percent independent under ISS policy, failing to meet the growing expectations of international institutional shareholders; and * The company has bundled the election of directors into a single voting item. A vote AGAINST the classification of independent directors (Item 9) is also warranted because two of the company's independent director nominees have served on the board for 12 or more years and have therefore, been deemed non-independent under ISS policy.	The level of independent director is too low which may affect effective decision making and governance.	Passed	0.5%

<b>Xinyi Energy Holdings Limited</b>	2 June 2023	Against	Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	A vote AGAINST these resolutions is warranted for the following: * The aggregate share issuance limit is greater than 10 percent of the relevant class of shares for issuance for cash and non-cash consideration. * The company has not specified the discount limit for issuance for cash and non-cash consideration.	This has the potential to dilute voting rights. The level of discounts for issuance is important to approve equity issuance, and issuance without Preemptive rights could dilute voting rights.	Passed	0.7%
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## Axiom Investors

- 4.33 Axiom were unable to provide details on the size of Scheme's holdings of each company. GSAM, on behalf of the Trustee, requested this information.
- 4.34 Where Axiom voted against the management, this was not communicated to the company ahead of the vote
- 4.35 Axiom were unable to provide details on the outcome of each vote as they do not subscribe to this data. GSAM, on behalf of the Trustee, requested this information.

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary / Rationale	Why is this vote considered significant?	Next steps, including whether the trustee / asset manager / service provider intends to escalate stewardship efforts
<b>Yum China Holdings, Inc.</b>	25 May 2023	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	A vote AGAINST this proposal is warranted. There are significant concerns regarding adjustments made to mid-flight annual and long-term incentives that resulted in annual incentives paid out above target and otherwise forfeited closing-cycle PSUs, which vested near target. Additional concerns are raised by the company's equity award practices, as the proportion of performance-based equity in annual-cycle awards was reduced below half and the CEO received her third special equity award in as many years.	Axiom voted against the proposed executive compensation at the company due to significant concerns surrounding the adjustments made to annual and long-term incentives, resulting in the payment of annual incentives above target levels. This decision was driven by the manager's dedication to aligning executive compensation with shareholder interests and maintaining accountability for performance.	Axiom's next steps were to exit the position in Yum China as a strategic move prompted by a comprehensive assessment of the company's overall performance. The observed deceleration in same-store sales growth, intensified competition, and pricing pressures raised concerns about the company's ability to sustain its competitive position and deliver long-term shareholder value.
<b>Grupo Mexico S.A.B. de C.V.</b>	28 April 2023	Elect and/or Ratify Directors; Verify Independence of Board Members; Elect or Ratify Chairmen and Members of Board Committees	Against	A vote AGAINST this item is warranted because: <ul style="list-style-type: none"> <li>The names of the director candidates are not disclosed;</li> <li>The company has bundled the election of directors into a single voting item; and</li> <li>Undisclosed bundled director election proposals disenfranchise shareholders voting by proxy; and</li> <li>The company is not aligned with investor expectations on Net Zero by 2050 targets and commitments.</li> </ul>	Axiom voted against the election of Directors at Grupo given not only the lack of disclosures regarding the bundling of Director nominations in a single voting item, but also because the company had not been aligned with investor expectations on Net Zero by 2050 targets and commitments.	Axiom have since engaged with the management team's ESG efforts via the Climate Action 100+ Group to which the company has responded by enhancing a path to Net Zero. Since then, Grupo Mexico scores according to Climate Action 100+ have improved from 'No' to a 'Partial' on Indicator 1: Net Zero GHG Emissions by 2050 (or sooner) Ambition; Indicator 2: Long-term (2036-2050) GHG Reduction Target(s); and Indicator 5: Decarbonization Strategy.
<b>Anglo American Plc</b>	26 April 2023	Re-elect XYZ as Director	Against	A vote AGAINST the incumbent chair of the committee responsible for climate risk oversight, XYZ, is warranted because the company is not aligned with investor expectations on Net Zero by 2050 targets and commitments. A vote FOR the remaining director nominees is warranted.	Axiom voted against the reelection of XYZ as Director at Anglo American. Mr. XYZ, the incumbent chair of the committee responsible for climate risk oversight, faced our dissent due to a perceived lack of alignment with the imperative of achieving Net Zero by 2050.	Axiom's engagement efforts with the company, initiated in late Q2 2023, have yielded positive outcomes. During discussions with the CEO, the manager received an update on the company's commitment to becoming Carbon Neutral by 2040. This commitment is underpinned by science-based targets, including substantial investments in renewable energy sourcing and an accelerated

						adoption of battery-run trucks within its mining operations. These strategic initiatives demonstrate a proactive approach to addressing climate-related risks and aligning corporate strategies with the imperative of achieving Net Zero by 2050. While Axiom voted against Mr. XYZ's reelection based on their concerns at the time, they acknowledge and appreciate the company's responsiveness to investor expectations and its commitment to sustainable practices. Axiom remains actively engaged and look forward to continued progress in meeting and exceeding environmental targets.
<b>Larsen &amp; Toubro Limited</b>	09 August 2023	Reelect XYZ as Director	Against	<p>A vote AGAINST the following nominees is warranted because:</p> <ul style="list-style-type: none"> <li>The board independence norms are not met (after our reclassification) and XYZ, XYZ and XYZ are non-independent director nominees.</li> <li>XYZ has failed to attend at least 75 percent of board and committee meetings in the most recent fiscal year, without a satisfactory explanation.</li> </ul>	Axiom voted against the reelection of then Chairman xyz as Director at Larsen & Toubro. The manager's decision was driven by concerns surrounding the lack of independence and the chairman's failure to attend at least 75% of Board and committee meetings in the most recent fiscal year.	Following that vote, Axiom observed positive developments within the company. The appointment of XYZ as Chairman & CEO is a notable step towards addressing their concerns. The manager is optimistic that the new leadership will foster increased engagement with fellow Directors and shareholders. While Axiom acknowledge that the combination of the Chairman and CEO roles does not fully alleviate their independence concerns, it is encouraging to learn that the company is actively considering the separation of these roles upon nominating an additional member to the Board. This forthcoming move reflects a commitment to enhancing governance practices and aligning with shareholder expectations. Axiom remain engaged and look forward to continued progress in fortifying the company's governance structure.
<b>Reliance industries Ltd.</b>	28 August 2023	Reelect XYZ as Director	Against	A vote AGAINST the incumbent members of the committee responsible for climate risk oversight, XYZ and XYZ, is warranted because the company is not aligned with investor expectations on Net Zero by 2050 targets and commitments. A vote FOR XYZ is warranted at this time.	Axiom voted against the re-election of Board members XYZ and XYZ as part of the most recent annual shareholder meeting. The manager's decision was rooted in their focus on aligning corporate strategies while mitigating climate-related risks. As incumbent members of the committee responsible for climate risk oversight, they found that their positions were not adequately aligned with the pressing need for Net Zero by 2050 targets and commitments.	Axiom's view is that the recent improvements in the Board structure, bringing governance practices more in line with global peers, signify a tangible step toward ensuring long-term sustainability. Furthermore, recent disclosures suggest that the company's increased consideration of risks tied to greenhouse gas emissions, toxic effluents, and potential occupational accidents in operations has resulted in a more moderate risk profile from a sustainability standpoint.
		Reelect XYZ as Director				

## Baillie Gifford Global Equities

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary / Rationale	If the vote was against management, was the intention communicated to the company ahead of the vote?	Outcome of the vote	Approx size of the scheme's holding as at the date of the vote	Why is this vote considered significant?	Next steps, including whether the trustee / asset manager / service provider intends to escalate stewardship efforts
<b>Rio Tinto Plc</b>	6 April 2023	Share Repurchase	For	Baillie Gifford supported the request to repurchase shares as the terms are in line with UK market requirements and they continue to be comfortable with the authority.	N/A	Pass	1.65%	This resolution is significant because it received greater than 20% opposition.	Baillie Gifford remain comfortable with this request and do not view this as a concern.
<b>Woodside Energy Group Ltd</b>	28 April 2023	Elect Director(s)	Against	Baillie Gifford opposed the election of three directors as the company lags behind their expectations regarding setting emissions reductions targets and has insufficient climate-related financial disclosure, and these three directors sit on the sustainability committee. The manager believes that climate risk poses a material financial risk for the long-term business development of the company and long term shareholder value creation. Improved disclosure and stronger reduction targets are in the best long-term interest of their clients.	Yes	Pass	0.28%	This resolution is significant because Baillie Gifford identified a material E, S or G issue which resulted in them opposing management.	The manager will communicate their rationale for voting against three directors at the company and continue our climate-focussed engagement in an effort to improve disclosure and bring about stronger reduction targets.
<b>Martin Marietta Materials, Inc.</b>	11 May 2023	Shareholder Resolution - Climate	Against	Baillie Gifford opposed a shareholder resolution on carbon reduction targets. While they are supportive of the proposal in principle, the manager engaged with the board and received a clear commitment to make the climate efforts requested, albeit on a longer timescale.	Yes	Fail	3.17%	This resolution is significant because it was submitted by shareholders and received greater than 20% support.	Upon engagement, the Company committed to Baillie Gifford to set SBTi targets, but requested a longer period than 12 months. However, the manager felt that that supporting the proposed timeline would be beneficial to their clients and their expectations aligned with the Paris Agreement. Although the proposal failed, Baillie Gifford communicated their decision to the Company and will be monitoring the Company's progress on this front.

<b>The Charles Schwab Corporation</b>	18 May 2023	Shareholder Resolution - Social	For	Baillie Gifford supported a shareholder resolution requesting the company report on median pay gaps across race and gender. The manager believes the additional disclosure would allow shareholders to better assess the internal equity of pay and would also allow comparability over time and across organisations.	N/A	Fail	0.83%	This resolution is significant because it was submitted by shareholders and received greater than 20% support.	Baillie Gifford will communicate their decision to support the shareholder resolution with the company, and will explain their rationale for doing so. Although the resolution failed to secure enough support to pass, it did receive support from more than 24% of shareholders.
<b>Amazon.com, Inc.</b>	24 May 2023	Shareholder Resolution - Social	Against	Baillie Gifford opposed a shareholder resolution requesting a third-party audit on warehouse working conditions. They opposed this resolution last year and believe the company have continued to improve and enhance their disclosures, for example now disclosing injury rates. The manager believes the enhanced disclosure will allow them to monitor progress on this issue and don't think additional disclosure is necessary at this time.	No	Fail	2.96%	This resolution is significant because it was submitted by shareholders and received greater than 20% support.	This was the second year this resolution was filed and Baillie Gifford continued to oppose it. While they acknowledge that this is a material issue for the company, they believe the company continues to consider workplace safety seriously. The manager believes the recent enhancements to their disclosure will serve to inform shareholders of the success of the actions they are taking without the need for an independent report. They do however continue to monitor Amazon's approach closely.



### Principal International Small Cap

4.36 All significant votes outlined below were passed

4.37 Where Principal International voted against the management, this was not communicated to the company ahead of the vote

Issuer Name	Vote Date	Proposal Text	Vote Instruction	Vote Commentary / Rationale	Approx size of the scheme's holding as at the date of the vote	Why is this vote considered significant?	Next steps, including whether the trustee / asset manager / service provider intends to escalate stewardship efforts
<b>MERLIN Properties SOCIMI SA</b>	26 April 2023	5.4 - Reelect XYZ as Director	For	A vote FOR is XYZ is warranted. Principal's standard policy guidelines recommended voting AGAINST XYZ's reelection as it objected to the current board not meeting the domestic gender diversity recommendation level of 50%. Merlin has 48% female representation, not 50%, but the independent up for reelection has the most experience. He has overseen the audit for 4 years, has long investment experience, and is on remuneration and other oversight committees. His expertise is not easily replaced. While the manager embraces the need for more diversity of thought on boards, there needs to be qualified candidates to take positions on them. In talking to the company there are 250 board positions in Spain that need females to fill them, but only about 20 suitably qualified females to fill those posts, so Merlin prefer to wait to find someone with a suitable CV.	0.1%	Principal International consider this vote to be significant as they recognise the need for a standard policy that works towards improving the diversity of thought on boards but they recognise that in the ultimate best interest of shareholders there are situations where they need to diverge from their standard policy.	Management continues to look for qualified candidates.
<b>Capstone Copper Corp.</b>	3 May 2023	6 - Re-approve Incentive Stock Option and Bonus Share Plan	Against	Based on evaluation of the estimated cost, plan features, grant practices, and overriding negative factors using the Equity Plan Score Card (EPSC), vote AGAINST this stock option plan, primarily because the plan's estimated cost is excessive.	0.3%	While Principal International encourage stock based compensation plans to promote better alignment of incentives for management with shareholders, these compensation packages must be reasonable and not overly burden the shareholders.	Principal International have since exited the company for fundamental reasons.
<b>Verallia SA</b>	25 April 2023	16 - Approve Compensation of XYZ, Chairman and CEO from January 1, 2022 until May 11, 2022	Against	A vote AGAINST the remuneration report of XYZ as Chairman/CEO (Item 16) is warranted because: The 2021-2023 LTIP granted during his time in office as executive officer does not appear to have been prorated; The performance and vesting periods of the LTIP vesting during FY23 are not deemed long-term oriented.	0.5%	While the manager encourages stock based compensation plans to promote better alignment of incentives for management with shareholders, these compensation packages must be reasonable and appropriately pro-rated while aligning with long term incentives.	Principal International have since exited the company for fundamental reasons.

<p><b>Klepierre SA</b></p>	<p>11 May 2023</p>	<p>30 - Approve Company's Climate Transition Plan (Advisory)</p>	<p>For</p>	<p>A vote FOR the company's climate transition plan is warranted although it raises some concerns:</p> <ul style="list-style-type: none"> <li>• The company does not provide reduction emission targets in absolute terms but only in carbon intensity.</li> <li>• The trajectory of Scope 3 emissions is understandable only after reviewing the company's disclosure related to scope 3 emissions presented in the previous URDs and non-financial data reports.</li> <li>• The company provides limited disclosure on CapEx relative to the climate risk management. The main reasons for support are: <ul style="list-style-type: none"> <li>• The company has committed to a neutral carbon portfolio by 2030.</li> </ul> </li> <li>• The carbon trajectory to reduce Scopes 1 and 2 emissions, and Scope 3 for downstream leased assets was validated by the SBTi as aligned with a 1.5°C scenario.</li> <li>• The management board intends to bring this consultation back to shareholders at mid-term in its plan, i.e., at the 2027 plan.</li> </ul>	<p>0.4%</p>	<p>Principal International applaud companies providing additional transparency when it comes to their climate transition plan. Klepierre is putting its ambition and objectives in the fight against climate change to a shareholder vote which ultimately gives shareholders the power to weigh in on the plan.</p>	<p>Principal International have since exited the company for fundamental reasons.</p>
<p><b>Vallourec SA</b></p>	<p>25 May 2023</p>	<p>11 – Approve Company's Climate Transition Plan</p>	<p>For</p>	<p>VOTE RECOMMENDATION A vote FOR is warranted but not without concerns as:</p> <ul style="list-style-type: none"> <li>• The company does not commit to be net zero by 2050;</li> <li>• The company has already met its short term targets;</li> <li>• The company relies significantly on offsets linked to CO2 sequestration that at best neutralize their GHG emissions and/or have yet to prove business efficient; and</li> <li>• The company has not committed to submit another Say on Climate in future AGMs. Support is warranted because: <ul style="list-style-type: none"> <li>• It is acknowledged that the company explores opportunities with regards to its climate transition plan;</li> <li>• Short term targets have been SBTi-validated;</li> <li>• The company has developed in 2022 scope 3 targets for 2030 and 2035;</li> <li>• There is a good level of disclosure.</li> </ul> </li> </ul>	<p>0.5%</p>	<p>Principal International applaud oil and gas companies that provide additional transparency when it comes to their climate transition plans. Vallourec is putting its climate transition related ambitions to a shareholder advisory vote which ultimately gives shareholders the power to weigh in on the plan.</p>	<p>Principal International continue to hold the company and engage with them on their goals for the company.</p>