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

Annual Implementation Statement for the Year Ended 30 November 2023

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ("SIP") produced by the Trustees has been followed during the year to 30 November 2023 (the "**Scheme Year**"). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

The statement is based on, and should be read in conjunction with, the relevant versions of the SIP that were in place for the Scheme Year, which were the SIPs dated 23 February 2022 and 14 November 2023.

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

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

The statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Scheme Year, which was the SIP dated November 2023.

A copy of the latest SIP is available at: https://www.agcce.com/pensionpdfs/AGFPS%20Defined%20Contribution%20Section%20-%20Statement%20of%20Investment%20Principles%2014%20November%202023.pdf

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

2. Statement of Investment Principles

2.1. Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the objectives they have set. The objectives of the Scheme included in the SIP are as follows:
- The Trustees aim to provide suitable investment options that align to the needs of their members. They aim for these options to enable members to achieve good outcomes at retirement as well as ensuring that members receive value for money.
- Make available an appropriate default investment strategy for members who have not selected a fund choice. The strategy should seek to move members from higher risk to lower risk investments as members' approach retirement age, in order to mitigate risks.
- Make self-select lifestyle strategies available for members.
- Offer an appropriate range of self-select funds across various asset classes.

2.2. Review of the SIP

During the Scheme Year, the SIP was revised and signed in November 2023 and reflected the reduction of the ongoing administration fee from 0.40% to 0.38%; changes to the Responsible Investment and Corporate Governance (Voting & Engagement) Policy including the priority areas for which Trustees agreed to classify as most significant votes and some updates to the Additional Voluntary Contributions section.

In addition, following the Scheme Year end, the Trustees reviewed the SIP and made some amendments in order to be consistent with Regulations that will be implemented during 2024. These modifications included updates in the SIP with the Trustees' policy in relation to illiquid assets. This latest version of the SIP was approved in December 2023, following formal advice from the Trustees' Investment Consultant.

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

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

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

Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy

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

How has this policy been met over the Scheme Year?

During the Scheme Year, no changes were made to the default investment strategies or self-select range. The default investment strategies were last reviewed at the triennial review in July 2021. However, the Scheme also undertakes an annual "health check" with the latest one presented on 11 July 2023. This included Mercer's strategic review of the default arrangements in place with Aviva. The conclusions of the review were:

- Trustees remain comfortable with the current arrangements however, some reservations regarding the performance of funds such as the Cash Lump Sum Fund and the Annuity Fund, were raised, albeit, performance was consistent with the objectives of these strategies, and felt to be consistent with other similar funds in the marketplace.
- Within the funds that they manage, Aviva continues to evolve by making use of active management and dynamic positioning can be seen within the strategies.
- During the year, following the UK Gilt market crisis, the Trustees had some concerns regarding the materially negative performance of the Cash Lump Sum Fund. Following discussions with Aviva, it was recognised that Cash Lump Sum Fund was designed for members expecting to take their benefits as a cash lump sum, rather than the underlying investments being in cash or cash like assets. Aviva view a strategy that invests predominantly in short dated bonds as being most suitable for members who will ultimately receive their benefits as a cash lump sum.
- The Aviva My Future Focus Target Drawdown strategy has generally demonstrated lower volatility than its peers and outperformed them over the 12 month period up to 31 March 2023, period covered for this review.

Realisation of Investments

Policy

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

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

How has this policy been met over the Scheme Year?

The Trustees receive an administration report on a semi-annual basis to confirm that core financial transactions are processed within agreed SLAs and regulatory timelines. As confirmed in the Chair's Statement, the Trustees are satisfied that, on balance, the requirements were met during the year, with 99.6% of SLAs met, in line with previous year and, and 99.95% of all core transactions were completed within the agreed service levels. The Trustees consider that the requirements for processing core financial transactions specified in the Administration Regulations (The Occupational Pension Schemes (Scheme Administration) Regulations 1996) have been met. All funds in which the Scheme invests are pooled and unitised.

Environmental, Social and Governance (“ESG”)

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

Policy

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

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

When interacting with the Scheme’s investment managers and advisors, the Trustees will work with the Investment Advisor in choosing managers that take into account ESG factors, and ensure that the Scheme’s managers are signatories of United Nations Principles for Responsible Investment (UNPRI).

How has this policy been met over the Scheme Year?

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

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

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

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

The Trustees work with the investment adviser in choosing managers that take into account ESG factors and ensure that the Scheme’s managers are signatories of the UK Stewardship Code.

During the year, no additional ESG funds were introduced as the Trustee has previously introduced an ESG focused option, the Legal & General Future World Global Equity Fund. This fund has been available to members since 23 June 2022.

Monitoring the Investment Managers

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

Policy

The underlying investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

Mercer, on behalf of the Trustees, monitors the underlying investment managers to ensure their continuing appropriateness for the mandates given. If any manager is downgraded by Mercer's Manager Research Team, the Trustees will review the suitability and appointment of the manager and replace them if necessary. None of the underlying managers with whom the members' assets are invested have performance based fees which could encourage the manager to make short-term investment decisions to hit their profit targets. The Trustees therefore consider that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with the issuers of debt or equity in order to improve their performance in the medium to long-term.

How has this policy been met over the Scheme Year?

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

During the Scheme year, no changes were implemented to the fund range available.

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

Policy

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

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

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

How has this policy been met over the Scheme Year?

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

As part of the "Small Scheme" Value for Members Assessment carried out after the Scheme year end, Regulations require the Trustees to compare costs & charges, and net performance, of the Scheme against three alternative DC arrangements. These alternative DC arrangements may be able to accept the members and assets of the Scheme should the Scheme be wound up. As part of this assessment, the Trustees have assessed the fees disclosed. The Trustees concluded that they were satisfied that the stated explicit charges for the Scheme's funds represent reasonable value from a costs and charges perspective.

During the Scheme year, no changes were implemented to the fund range available.

Monitoring portfolio turnover costs

Policy

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

How has this policy been met over the Scheme Year?

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

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

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

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

The duration of the arrangements with asset managers

Policy

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

How has this policy been met over the Scheme Year?

All the funds are open-ended and have no set end date for the arrangement, however, duration is considered as part of the regular reviews. The DC Section's self-select fund range and default investment strategies are reviewed on at least a triennial basis with the latest review undertaken in July 2021, therefore the next review will be done over the year of 2024. An underlying manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment strategies or self-select fund range.

Strategic Asset Allocation

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

Policy

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

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

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

How has this policy been met over the Scheme Year?

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

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

No changes in the default investment strategies or in the self-select range have been made during the year. The Scheme's default arrangements are in line with the Trustees' long-term strategy, and the Trustees have no major concerns with the lifestyle component funds and strategies. Following the default investment strategies annual health check review presented at 11 July 2023, the conclusions taken were:

- Trustees remain comfortable with the current arrangements however, they have some reservations regarding the performance of funds such as the Cash Lump Sum Fund and the Annuity Fund, were raised, albeit, performance was consistent with the objectives of these strategies, and felt to be consistent with other similar funds in the marketplace.
- Aviva continues to evolve by making use of active management and dynamic positioning can be seen within the strategies.
- During the year, following the UK Gilt market crisis, the Trustees had some concerns regarding the materially negative performance of the Cash Lump Sum Fund. Following discussions with Aviva, it was recognised that Cash Lump Sum Fund, was designed for members expecting to take their benefits as a cash lump sum, rather than the underlying investments being in cash or cash like assets. Aviva view a strategy that invests predominantly in short dated bonds as being most suitable for members who will ultimately receive their benefits as a cash lump sum.
- Aviva My Future Focus Target Drawdown strategy has generally demonstrated lower volatility than its peers and outperformed them over the 12-month period up to 31 March 2023, period covered for this review.

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

Policy

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

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

How has this policy been met over the Scheme Year?

As detailed in the risk table in the SIP, the Trustees consider both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes. Furthermore, a quantitative risk analysis is done on an annual basis as part of the Trustee Report and Accounts.

The Trustees also maintain a risk register detailing the key risks, including market risks, ESG, pension conversion, manager and liquidity risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. The Risk Register was last reviewed ahead of the 11 July 2023 meeting and updated to an accessible SharePoint for all Trustees.

3. Voting and Engagement Disclosures

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

Policy

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

How has this policy been met over the Scheme Year?

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

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022 updated guidance was produced which is effective for all scheme year ends on or after 1 October 2022. The updated Guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as most significant, what the vote was, and why the manager voted in the way it did.

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

• Environmental - Climate change: low-carbon transition and physical damages resilience; pollution & natural resource degradation: air, water, land (forests, soils and biodiversity);

• Social - Human rights: modern slavery, pay & safety in workforce and supply chains and abuses in conflict zones;

• Governance - Board Structure and Remuneration

The priority areas were selected by the Trustees based on their knowledge of the membership and a belief that a focus on these areas could lead to improved member outcomes.

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

Self-Select Range - The following funds contain an allocation to equities:	**Default Investment Funds** - The following funds contain an allocation to equities:
- Av MyM BlackRock (30:70) Currency Hedged Global Equity Tracker - Av MyM BlackRock Emerging Markets Equity (Aquila C) - Av MyM BlackRock European Equity Index Tracker - Av MyM BlackRock Japanese Equity Index Tracker - Av MyM BlackRock Pacific Rim Equity Index Tracker - Av MyM BlackRock UK Equity Index Tracker - Av MyM BlackRock World ex UK Equity Index Tracker - Av MyM BlackRock US Equity Index Tracker - Av MyM BNY Mellon Real Return - Av MyM HSBC Islamic Global Equity Index	- Av MyM My Future Focus Growth - Av MyM My Future Focus Drawdown - Av MyM My Future Focus Consolidation The underlying equity components for the My Future Focus Funds are as follows: - Aviva Pensions US Passive Equity Index - Aviva Pensions UK Passive Equity Index - Aviva Pensions Euro Passive Equity Index - Aviva Pensions Japan Index Equities - Aviva Pensions Asia Pacific Passive Equity Index

- Av MyM JPM Emerging Markets Equity - Av MyM Legal & General (PMC) Ethical UK Equity Index - Av MyM Schroder Life Intermediated Diversified Growth - Av MyM Legal & General Future World Global Equity Index	- AI SICAV Equity Global Emerging Markets Index Fund

Overview of Managers Approach to Voting and Engagement

LGIM

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and LGIM do not outsource any part of the strategic decisions. To ensure LGIM proxy provider votes in accordance with LGIM position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

All decisions are made by LGIM's Investment Stewardship team and in accordance with LGIM relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

BlackRock

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

Aviva

Aviva subscribed to Glass Lewis research and receive both their benchmark reports (which we use for data analysis only and do not automatically follow their voting recommendations) and custom research based on our own policy, which Aviva can override in consideration of other factors, including internal views, additional context provided in external research, and company explanations. Aviva considers this the most efficient approach to voting thousands of meetings a year.

HSBC

HSBC uses the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of our voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. HSBC reviews voting policy recommendations according to the scale of our overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.

Examples of Engagement Activity by the Scheme's Equity and Diversified Growth Investment Managers

Aviva engages on Tesco's promising climate strategy

Aviva Investors has a long history of engaging with Tesco that extends back decades. Aviva met recently with the board chair and other senior stakeholders to discuss the long-term strategic direction of the company, governance and culture, remuneration and its approach to deforestation. On climate change, Aviva encouraged for its transition strategy to be articulated more clearly and for more ambitious emissions reduction targets. In particular, the development and formal validation of science-based emission reduction targets (SBT) in line with the Science-Based Targets Initiative (SBTi) on all 3 scopes - with an emphasis on its agricultural value chain. This is crucial as more than 90% of Tesco's emissions footprint originates in its value chain. Tesco has made laudable progress, enhancing its climate strategy.

As part of a recent series of climate-focused commitments, it has now become one of the first companies globally in the consumer sector to set validated SBTs on all categories of GHG emissions, including Scope 3 emissions which originate from forests, land and agriculture (FLAG). It has also rolled out sustainable agriculture innovations such as low carbon fertilizers among key vegetable suppliers, and a requirement for suppliers to commit to a net zero ambition by the end of 2023.

Aviva will closely monitor the company's progress and press for improvement in other areas, including the robustness of its zero deforestation ambition, as well as the effective implementation of its regenerative agriculture and overall biodiversity ambitions.

BlackRock engages on Intel Executive compensation amid executive transitions

BlackRock repeatedly engaged with Intel's board and management over several years to convey concerns about Intel's compensation program amid executive leadership transitions and operational delays in a challenging talent and macro/business environment. Prior to the 2022 annual meeting, BlackRock engaged with Intel's board and management to discuss the new CEO's total compensation package – which included a one-time new hire equity award valued at approximately [illegible]

which was not necessarily aligned with long-term financial value creation given the structure. BlackRock were concerned about the structure of the compensation program as it was overly short-term focused in terms of performance periods and had annual award setting within the long-term plan.

As a result of BlackRock's concerns, they did not support the advisory vote on compensation.

LGIM engages with Volkswagen in human rights

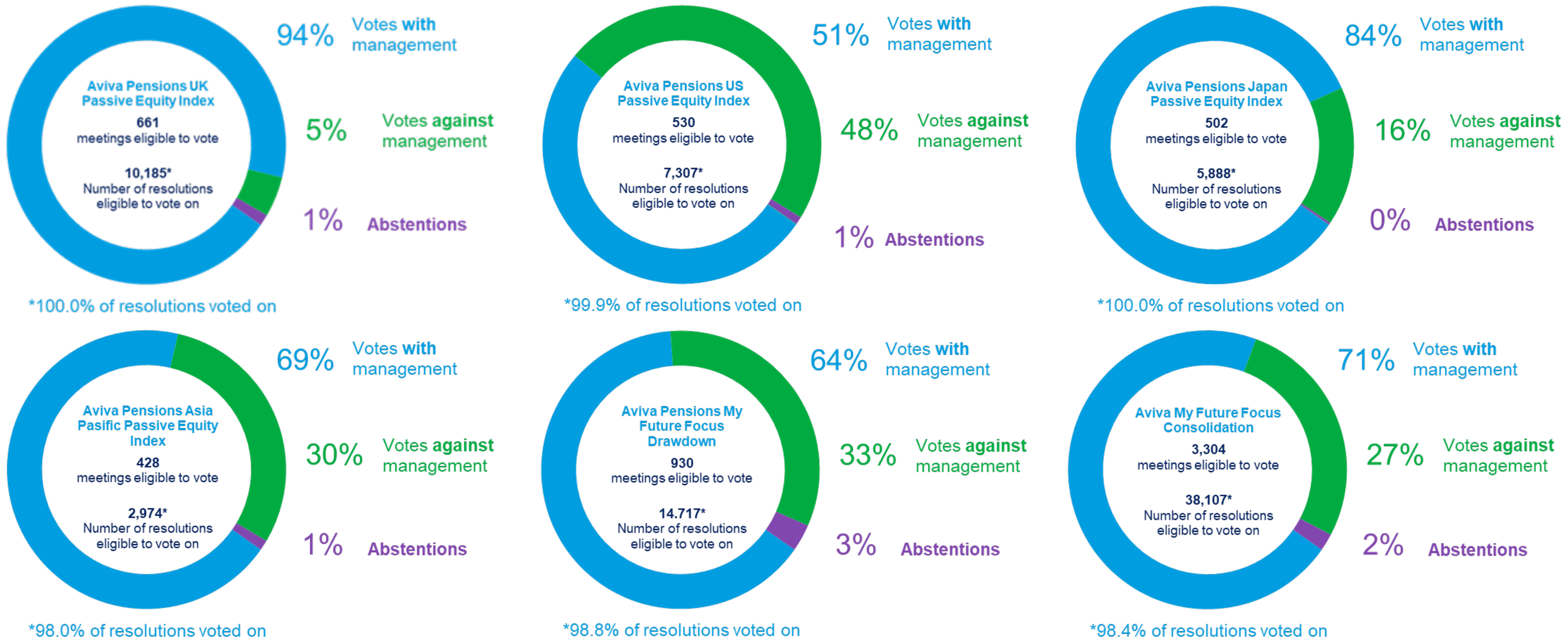
LGIM have maintained a regular and continuous dialogue with the company for many years regarding strategic direction and other governance questions, e.g. following the 'Diesel-gate' scandal in 2015. Since MSCI assigned a red flag controversy in late 2022, LGIM increased the dialogue with the company further, and have engaged on the question of human rights and the company's presence in Urumqi with senior management including the CFO and head of treasury, as well as investor relations. Communication has taken place via multiple communication channels, including in person, conference calls and written correspondence.

LGIM engagement with Volkswagen has been well received and LGIM is happy that the company has taken the issue very seriously and acted to attempt to resolve the situation in a proactive and pragmatic manner. Following multiple discussions with investors, Volkswagen resolved to obtain an independent audit of its JV plant in Xinjiang, which was conducted in December 2023. This audit has been conducted by a high profile and well-respected body and appears to address the main concerns around operations at the plant. The completion of the audit resulted in MSCI subsequently removing its red controversy flag. As a result of the removal of the red flag, it is now possible for a greater proportion of LGIM funds to participate in new bond issuances. LGIM will continue to engage with Volkswagen on the subject of human rights and other governance topics, including the long-term future of the plant in Xinjiang and retain an open dialogue with the company and its management. The Stewardship team will continue also to exercise voting rights at the company, in line with the published policies and expectations, to escalate where appropriate.

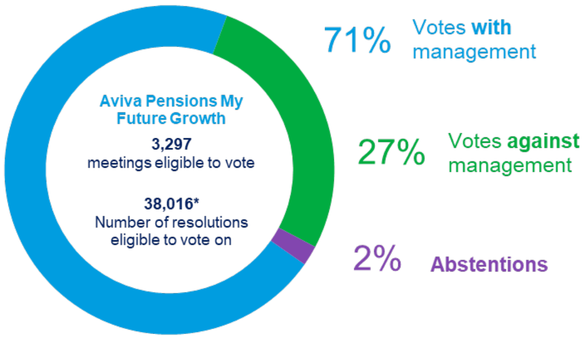
Voting Activity during the Scheme Year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Scheme.
Votes "for / against management" assess how active managers are in voting for and against management. **Purple** represents abstention.

<u>My Future Focus Funds and underlying Funds</u>

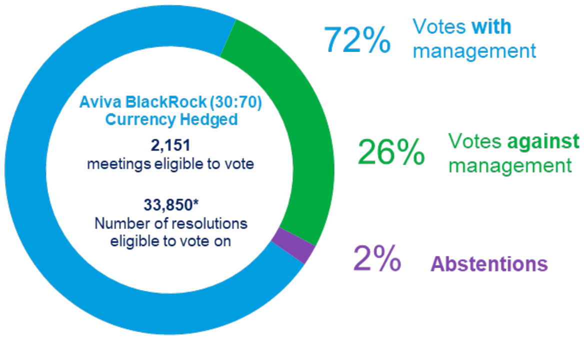


Source: Aviva. Data is for the 12 months to 31 December 2023.

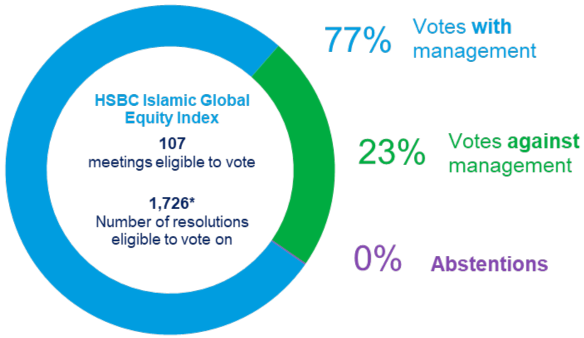


*98.7% of resolutions voted on

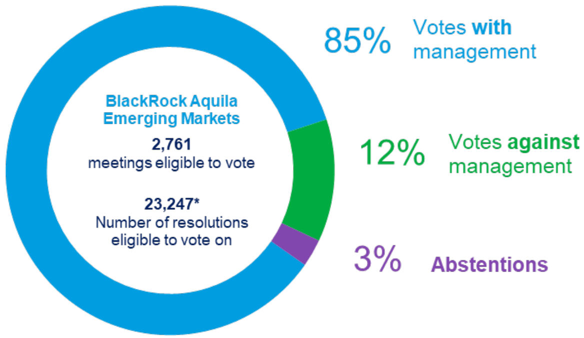
Self-Select Funds



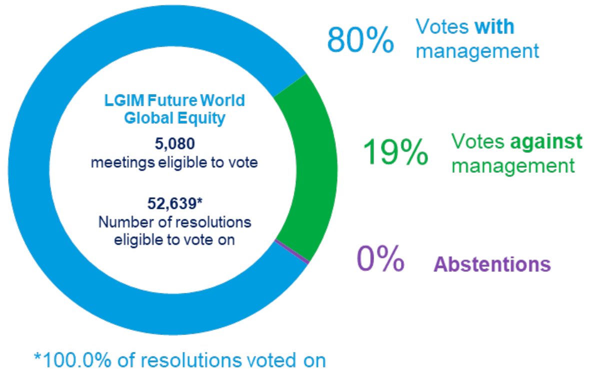
*96.2% of resolutions voted on

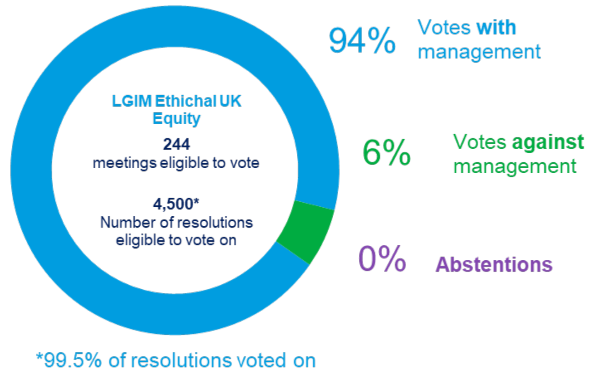


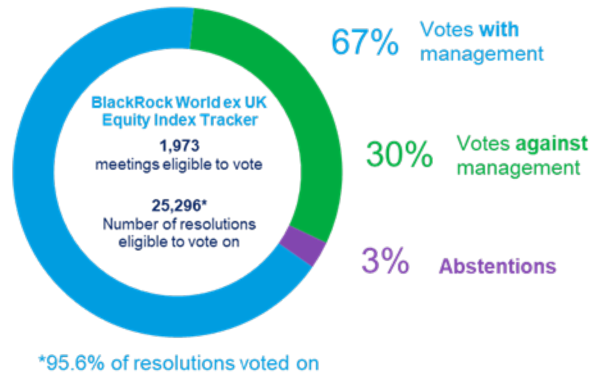
*95.9% of resolutions voted on

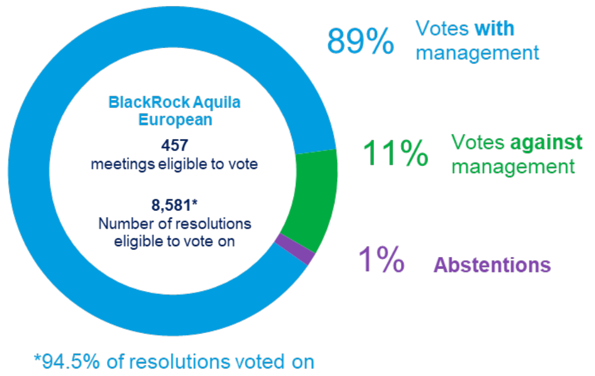


*98.7% of resolutions voted on









Source: Aviva. Data is for the 12 months to 31 December 2023.

Sample of the most signficant votes

A sample of the most significant votes for underlying funds of the My Future Focus Growth, Drawdown and Consolidation is described below.

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

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

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

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

Votes were selected by choosing one vote per fund that relates to one of the Trustees' Engagement Priority Themes and by selecting the ones with the largest size of fund holding.

Fund	Company	Size of fund holding (%)	Date	How the manager voted	Engagement Priority	Summary of the Resolution	Rationale for the Manager vote	Final outcome
Aviva Pensions US Passive Equity Index	Exxon Mobil Corp	1.15%	31/05/2023	For	Environmental (Climate Change)	Report on Methane Emission Disclosure Reliability	The company is being asked to issue a report that assesses the reliability of its methane emission disclosure. Aviva noted Exxon's goal to achieve near-zero methane emissions from its operated oil and gas assets by 2030. However, support is warranted on this occasion as Exxon's current methane reporting provides insufficient information for shareholders to assess the board's management of related risks because it does not include direct methane measurements and global targets and has not adopted the OGMP framework for measuring its methane emissions, which Aviva considers to be best practice. Against the backdrop of increased regulatory pressure from the EPA, and recent potential controversies stemming from the company's methane emissions, shareholders would benefit from an assessment of the reliability of the company's methane emissions disclosures.	☒
Aviva Pensions UK Passive Equity Index	Unilever Plc	4.59%	03/05/2023	Against	Governance (Remuneration)	Approve Remuneration Report	Vote against reflects Aviva's concerns that the incoming CEO's salary has been set at EUR 1.85million which is higher than his predecessor's salary of EUR 1.56 million. It is also significantly higher than his current salary at Royal FrieslandCampina, and UK market peers. When considering his total package as he has a bonus opportunity of 200% of salary and LTIP opportunity of 400% of salary this is high especially considering his previous pay and that he is not well known to the market. Aviva met with the board chair ahead of the AGM and discussed a range of topics including the recruitment and pay arrangements for the incoming CEO. Following this meeting Aviva made the company aware of our concerns ahead of the vote. Since the AGM, Aviva have met with the remuneration committee chair to discuss concerns and their thinking going forward.	☒
Aviva Pensions Japan Passive Equity	Mitsubishi Corporation	1.39%	23/06/2023	For	Environmental (Climate Change)	Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement	The company's net zero 2050 commitment covers its scope 1, 2, and 3 category 15 emissions that account for up to 6 percent of its total emissions. The request under Item 5 is to set and disclose a business plan with short term and mid-term greenhouse gas emission targets aligned with the goals of the Paris agreement. While the new disclosure of the scope 3 (cat 11) GHG emissions is positively noted, the absence of any detailed information about the plan with regards to the strategy addressing the company's scope 3 category 11 (use of sold products) that represent approx. 94 percent of the company's total emissions raises concerns about the credibility of the company's net zero commitment (hence Aviva's support for this resolution). Although the resolution was defeated, the level of support is considered material to prompt the company more urgently address it responsibilities regarding climate change. The high level of support demonstrate that the tide has turned for companies failing to align their business practices with the growing risks due to the climate crisis. Mitsubishi has a net-zero by 2050 commitment, but its pathway to reach this commitment is unclear and the pathway to reach their target within the given timeframe will have a major impact on their corporate value.	☒

Fund	Company	Size	Date	How the manager voted	Trustees' Engagement Priority Theme	Summary of the Resolution	Rationale for the Manager vote	Final outcome
Aviva Pensions Asia Pacific Passive Equity	Santos Ltd	0.55%	06/04/ 2023	For	Environmental (Climate Change)	Approve Capital Protection	Aviva's support for this proposal was considered warranted as shareholders would benefit from greater transparency about the impact that climate change might have on the company and its operations, and the actions that the company is taking to mitigate associated risks. Information that demonstrates how the Company's capital allocation to oil and gas assets will align with a scenario in which global energy emissions reach net zero by 2050, facilitating the efficient managing down of these assets would be very useful. Further, concerns are raised over the absence of clear shorter-term scope 1 and 2 and tangible Scope 3 targets which we regard as a material deficiency, especially given that the company is proposing new oil and gas development. The company has only set GHG Scope 1 and 2 targets to be net zero by 2040.	☒
Aviva My Future Focus Growth	Tencent Holdings Ltd	0.15%	17/05/ 2023	Against	Governance (Board Structure)	Accept Financial Statements and Statutory Reports	This vote reflects Aviva's concerns over the lack of women in senior leadership positions.	☑
Aviva My Future Focus Drawdown	Novartis	0.10%	07/03/ 2023	Against	Governance (Remuneration)	Approve Remuneration Report	Aviva's views was that the remuneration report could not be supported for two reasons: 1) There is insufficient disclosure of long-term incentive awards. 2) The company made a retrospective change to bonus targets which inflated bonus outcomes. The justification for this was not considered sufficient.	☑
Aviva My Future Focus Consolidation	Costco Wholesale Corporation	0.50%	19/01/ 2023	Against	Governance (Board Structure) / Environmental (Climate Change)	Elect Director Hamilton E. James	Aviva could not support the non-independent chair owing to his non-independence. He is also held accountable for the company's human-rights issues, as the company's poor assessment by the CHRB. In addition, the company features in the Forest 500, indicating negative externalities on biodiversity. The vote against and the engagement prior to the AGM was meant to let the company know that human rights, governance and deforestation concerns are highly prioritised by Aviva's voting guidelines. Aviva let the company know that they expect increased disclosure and assurances.	☑

Source: Aviva, Managers as at 31 December 2023.

A sample of the most significant votes for the **self-select** funds is described below. At the time or writing this report, voting activity was not received for all self-select funds included within the fund range for which the Trustees will continue to work with the investment managers to try and obtain this information for future years.

Fund	Company	Size	Date	How the manager voted	Trustees' Engagement Priority Theme	Summary of the Resolution	Rationale for the Manager vote	Final outcome
BlackRock (30:70) Currency Hedged Global Equity Tracker	Alphabet Inc	0.89%	02/06/ 2023	For	Social (Human Rights)	Commission Independent Assessment of Effectiveness of Audit and Compliance Committee	BlackRock co-filed this shareholder resolution and are supporting it. They request an independent assessment of the Audit and Compliance Committee's oversight beyond legal compliance of the material risks to public well-being from company operations. There are a variety of concerns around data privacy, antitrust, mis- and disinformation, and AI development. An assessment of the Audit and Compliance Committee's effectiveness in board oversight could help provide shareholders with valuable information on how well the company is managing civil and human rights-related controversies.	☒
HSBC Islamic Global Equity Index	Nike Inc	1.00%	12/09/ 2023	For	Social (Human Rights)	Report on Median Gender/Racial Pay Gap	HSBC believe that the proposal would contribute to improving gender inequality.	☒
BlackRock Aquila Emerging Markets	Zhejiang Expressway Co., Ltd.	Not provided	04/05/ 2023	Against	Governance (Board Structure)	Amend Articles of Association	On balance, BlackRock find that shareholders' rights are likely to be diminished in material ways under the new Charter/Articles/Bylaws. Where BlackRock have concerns that are not addressed by these conversations, they may vote against management for their action or inaction.	☑
BlackRock Aquila European	Koninklijke Ahold Delhaize	Not provided	12/04/ 2023	For	Governance (Remuneration)	Approve Remuneration Report	BlackRock supported the advisory vote to approve the 2022 remuneration report, following engagements with company management and members of the board of directors. This recognizes the year-over-year progress that Ahold Delhaize has made in addressing prior shareholder concerns regarding their remuneration policies and related disclosures.	☑
BlackRock World ex UK Equity Index Tracker	Nintendo Co Ltd	0.08%	23/06/ 2023	Against	Governance (Board Structure)	Elect Director Furukawa, Shuntaro	Women are not sufficiently represented on the board.	☑
LGIM Future World Global Equity Index	NVIDIA Corporation	2.06%	22/06/ 2023	Against	Governance (Board Structure)	Elect Director Stephen C. Neal	Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	N/A
LGIM Ethical UK Equity Index	Shell Plc	9.45%	23/05/ 2023	Against	Environmental (Climate Change)	Approve the Shell Energy Transition Progress	A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the leadership in pursuing low carbon products. However, LGIM remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.	☑

Source: Aviva, Managers as at 31 December 2023.