Northern Ireland Water Limited Pension Scheme ("the Scheme")

Engagement Policy Implementation Statement – Year Ended 31 March 2023

1. Introduction

This Engagement Policy Implementation Statement (the "Statement"), prepared by the Trustee of the Scheme, sets out how, and the extent to which, the engagement policies in the Statement of Investment Principles ("SIP") has been followed during the year to 31 March 2023 ("the Scheme Year").

The Scheme implemented a new investment strategy on 30 June 2022, with an increase of 7.5% in index linked gilts to 15%, and target holdings in other asset classes, with the exception of Infrastructure and Sustainable Opportunities, marginally reduced. The Scheme's SIP was updated in June 2022 to reflect the newly agreed investment strategy. For the purpose of this Statement, we focus on the June 2022 SIP, a copy of which can be found on page X of the Trustee Report and Accounts, although the engagement policies under review are unchanged from the prior version.

This Statement should be read in conjunction with the Scheme's SIP[1]. This Statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. In addition it takes account of guidance issued by the Department for Work and Pensions (DWP) in June 2022[2].

The overall investment policy falls into two parts; the strategic management of the assets, which is fundamentally the responsibility of the Trustee, and the day to day management of the assets, which is delegated to professional investment managers.

The strategic management of the assets is the responsibility of the Trustee acting on expert advice and is driven by its investment objectives. However, the oversight of this strategy and the investment managers is delegated by the Trustee to a sub group of the Trustee – the Investment Sub Committee ("ISC"). The ISC operates under an agreed Terms of Reference and makes recommendations to the Trustee as required.

Since the Trustee invests in multi-client pooled investment vehicles (effectively owning units in the funds) the Trustee has delegated to the investment managers the engagement with companies and the exercising of voting rights attached to the investments. Similarly, it has given the investment managers full discretion in evaluating Environmental, Social and Governance ("ESG") factors, including climate change considerations. "Governance" aligns with voting and engagement but also engagement topics are increasingly covering ESG issues at investee companies.

Sections 2.1 and 2.2 of this Statement set out the investment objectives of the Scheme and changes that have been made to the SIP during the Scheme Year, respectively. Section 2.3 outlines the Trustee's view on how their engagement policies have been followed over the Scheme Year.

Section 3 outlines how the ISC and Trustee have implemented their engagement policies. Sections 4 and 5 include a summary of the engagement and voting activity carried out on behalf of the Trustee over the Scheme Year by the investment managers.

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[1] A copy of the latest SIP is available on the Company website: https://www.niwater.com/publications/
[2] Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance - GOV.UK (www.gov.uk)

2. Statement of Investment Principles

2.1. Investment Objectives of the Scheme

The Trustee's objective is to invest the Scheme's assets in the best interest of the members and beneficiaries, and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries. Within this framework the Trustee has agreed a number of objectives to help guide it in its strategic management of the assets and control the various risks to which the Scheme is exposed. The Trustee's primary objectives are as follows:

- *To ensure the Scheme can meet its obligations to beneficiaries.*
- *To strike an appropriate balance between risk and return when setting investment strategy.*
- *To consider carefully the risks involved in investing in different asset classes.*

2.2. Review of the SIP

During the Scheme Year, the Scheme's SIP has been updated to reflect the newly agreed investment strategy (which was implemented in June 2022) with an increase of 7.5% in index linked gilts to 15%. Target holdings in other asset classes, with the exception of Infrastructure and Sustainable Opportunities, were marginally reduced.

2.3. Assessment of how the policies in the SIP have been followed for the year to 31 March 2023

The information provided in the following section highlights the work undertaken by the ISC and the Trustee during the Scheme Year and sets out how this work followed the Trustee's engagement policies in the SIP.

In summary, it is the Trustee's view that the engagement policies in the SIP have been followed during the Scheme year to 31 March 2023.

3. Implementation of Engagement Policies

Policy Requirement	How the policy has been met over the year to 31 March 2023
Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustee would monitor and engage with relevant persons about relevant matters) **(section 6.5 of the SIP)**	As the Scheme invests solely in pooled investment vehicles, the ISC delegates to their investment managers engagement with the investee companies on their behalf. Currently, the investment managers present to the ISC approximately once every Scheme Year at ISC meetings. The ISC will ask the investment managers to highlight any key engagement activity since they last presented. This Scheme Year the ISC met with investment managers on the following dates: 24 May 2022 (M&G (specifically their property fund)), 7 June 2022 (M&G (specifically their secured finance fund), CTI (formerly BMO) & Abrdn), 6 September 2022 (Ruffer), 23 November 2022 (M&G & SSgA) and 1 March 2023 (LGIM & Insight). Some of the topics covered at these meetings included: • Potential use of ESG derivatives built around ESG indices within CTI's UK Equity Linked and Overseas Equity Linked UK Inflation funds. • Insight's use of ESG derivatives within the Insight Broad Opportunities Fund (IBOF), and the link between fixed income lending and responsible investment. Within secured finance, and particularly residential mortgage backed securities, how Insight are using postcodes and other data to estimate electricity and gas usage, and to enable consideration of carbon emissions. • Information from Ruffer on their engagement topics with clients covering areas within ESG. Ruffer confirmed their holdings will take account of ESG issues, and where applicable they expect climate change risk management to already be in place, or in place in due course. Once an investee company is on a transition pathway, Ruffer focus on making sure progress occurs and milestones are reached. • Further information from LGIM on their Climate Impact Pledge, which forms the core philosophy behind the Future World Index Fund range. LGIM highlighted engagement activity, with particular note given to diversity of boards and the management of climate risk. The latter included discussing the availability of scope 3 emissions data and how data analysis helps them to assess whether improvements are being made by companies. • In M&G's secured property income fund, work to improve Energy Performance Certificate ratings and Green Building Certification. They also outlined how they are starting to measure embodied carbon and planning a net zero transition pathway specifically for the fund. A further selection of engagement activity for a number of the investment managers is outlined below in Section 4. In addition, in advance of the ISC meetings, Mercer, on behalf of the ISC, will ask the investment manager, where applicable, to provide the following documents. Each of these documents will be discussed at the ISC meetings, and any concerns the ISC may have will be addressed either at the meeting with the investment manager or followed up via email. • Stewardship Code Statement • Responsible Investment Policy • Voting and Engagement Policy At the Scheme Year end, all managers, with the exception of Mercer Alternatives, have confirmed that they are signatories of the UK Stewardship Code 2020. Mercer Alternatives operates as a fund of funds provider and as such does not have ownership rights or a direct relationship with the individual holdings within the Fund; therefore, the Code is not directly relevant to them. The ISC received from their advisers, Mercer, a quarterly investment performance report that includes ESG ratings. These are Mercer's assessment of how well an investment manager

	integrates the risks and opportunities of ESG, including climate change, and voting and engagement into their investment process (the ratings do not signify that a fund is "sustainable" focussed). In addition, the ISC receives an annual review of their investment managers' ESG ratings compared to the ratings within Mercer's universes for each asset class. The latest annual review of ESG ratings was presented at the November 2022 ISC meeting. This report highlighted that the majority of the Scheme's investment managers have an ESG rating that is either equal to, or more positive than, the average rating within the respective universe. Two managers had their ratings upgraded over the prior year, and none were downgraded. Work undertaken during the Scheme Year in relation to the Trustee's policy on ESG is outlined below under 'Responsible Investment Activity by the Trustee During the Scheme Year'.

Voting Disclosures

Policy Legal Requirement	How the policy has been met over the year to 31 March 2023
The exercise of the rights (including voting rights) attaching to the investments **(Section 6.5 of the SIP)**	Given the Trustee invests in pooled investment vehicles, it has delegated its voting rights to the investment managers. Where applicable, the investment managers are expected to provide voting summary reporting on a regular basis, at least annually. Currently, when investment managers who have voting rights attached to the Scheme's investments present to the ISC, the investment managers highlight key voting activity. Over the prior 12 months, the ISC have not felt the need to challenge their investment managers on voting activity. Section 5 below highlights key points on how the Scheme's investment managers have exercised voting rights during the Year

Responsible Investment Activity by the ISC and Trustee during the Scheme Year

Implementing Environmental, Social and Governance ("ESG") factors within the investment strategy

As outlined above, the ISC have reviewed the engagement activities of each of the Scheme's investment managers, particularly the signatory status of the Scheme's investment managers against the UK Stewardship Code 2020. By the Scheme Year end all investment managers with the exception of Mercer Alternative were signatories.

In terms of broader ESG, the ISC has considered the following during the Scheme Year which assists them in discussing with the investment managers the engagement activity they are taking with their investee companies:

- In July 2022 the Trustee Directors attended a Sustainable Investment Beliefs Workshop to discuss the Scheme's current approach to sustainable investment. Some of the key findings were as follows:
    - The Trustee believes sustainable investment risks are financially material for the Scheme.
    - The Trustee agrees that the policy on sustainable investment should take into account and demonstrate awareness of the Sponsor's sustainability policies.
    - In the Trustee's view, climate change is already materially impacting asset prices and could see them change quickly. Therefore consideration of climate change risk should be a current priority.

    - The Trustee agreed they only want their managers to be invested in fossil fuel companies that have committed to transition their businesses to support a low carbon economy.

  On the back of the Sustainable Investment Beliefs Workshop the Trustee agreed to develop a standalone Responsible Investment Policy, to discuss controversial sectors further and to conduct an investment manager fact find in relation to a number of climate related metrics. Further details of each of these are outlined below.

- In November 2022, the Trustee began to develop a standalone Responsible Investment Policy. The Policy was agreed in March 2023. The Policy sets out how the Trustee manages sustainability risk and opportunities, including ESG issues, and how they will engage with their investment managers on ESG topics. It outlines the key principles that have been established and the Trustee's approach to considering these risks and opportunities alongside other risks they face in operating the Scheme.
- At the November 2022 ISC meeting, as agreed at the Sustainable Investment Beliefs workshop, Mercer requested information from the Scheme's investment managers on climate related metrics and broader ESG metrics and policies. The analysis provided comfort that, where applicable, the investment managers at the firm level had made commitments to a, or support a, transition to net zero consistent with the Paris Agreement. Data was typically available for physical equity and listed corporate bond exposures. The ISC will use the information provided to form a base from which to discuss with the managers their engagement and actions they are taking with their investee companies and progress they are making towards net zero.
- At the November 2022 ISC meeting, Mercer presented the Responsible Investment Total Evaluation ("RITE") survey. The Survey outlined Mercer's assessment of how well the Trustee had integrated ESG considerations into their investment arrangements. The outcome of this analysis indicated that the Scheme was A rated (an improvement since the 2021 analysis where the Scheme received a B+ rating), and ranked in the 12th percentile relative to Mercer's clients. The improvement in the Scheme's score was driven by the Sustainable Investment beliefs session and the allocations to a number of "ESG aware" strategies/funds. A number of interventions that the Trustee could consider to improve their score were discussed.

4. Engagement Activity

This section provides examples of the engagement activity undertaken by the Scheme's investment managers.

Legal & General Global Equity & Emerging Market Equity

The World Global Equity Index Fund (GBP Unhedged) and the Future World Emerging Market Equity Index Fund, managed by Legal & General Investment Management ('LGIM'), together form one of the Scheme's largest investment holdings that has voting rights attached to the underlying assets.

Engagement in Practice
Eyes on Energy: Glencore
As one of the world's largest diversified mining companies, with strong exposure to metals needed to decarbonise the global economy, LGIM believe Glencore has a key role to play in the energy transition. Glencore's exposure to thermal coal is material and, given the need to rapidly phase out coal to meet Glencore's own commitments, LGIM have expressed their concerns about the lack of time-bound commitments to reduce or exit this business line entirely during their six engagements with the company since 2020. Although LGIM welcomed Glencore's commitment to prioritise investments in metals that support the energy transition, LGIM's concerns regarding Glencore's thermal coal exposure and future plans led them to vote against the company's climate transition place at its 2022 Annual General Meeting ("AGM"). Additionally, in line with LGIM's 'engagement with consequences' approach, LGIM identified the company as a 'leading laggard' as part of their Climate Impact Pledge programme and applied voting sanctions against the chair at the same AGM. To highlight LGIM's concerns surrounding Glencore, LGIM co-filed a shareholder resolution at the company's 2023 AGM, to request that the company discloses how its thermal coal production is aligned with the Paris Agreement objective, of limiting the increase in global temperature to 1.5°C. LGIM confirmed it will stay engaged with Glencore in the future.
Expanding in Emerging Markets
LGIM has long promoted diversity across its investee companies, but the focus has so far been placed largely on developed markets such as the UK, US, Europe and Japan. In 2022, LGIM expanded their direct corporate engagements to strategic and representative emerging markets: Brazil, India, China and South Africa. LGIM's aim for 2022 was to identify how these markets think about corporate diversity, and if any improvements in diversity had been driven by external forces – such as regulation, investor pressure, societal norms – or internal forces – such as employee engagement, corporate culture, and leadership of the board or executive team. Throughout the engagements, LGIM reaffirmed that expectations regarding diversity cannot be applied in the same way across all markets, and that the specifics and maturity of conversations and practices vary significantly among emerging market countries. LGIM aim to be cognisant of cultural and historical dynamics in each of these markets as they begin to expand their policies and consider their minimum expectations. LGIM's engagements have been taking place at the organisational level; they plan to engage with regulators and other influential industry groups in each market to identify approaches that they, as investors, can apply to impact the progression of this topic. LGIM believe both external forces as well as internal forces are needed to raise market standards on diversity.

Defenders of the cyber universe: Companies' approach to online security
Cybersecurity is one of the most critical and fastest-growing risks facing institutions today, especially after the COVID-19 pandemic, as digitalisation and remote working have created many new opportunities or cyber-attacks. A failure to implement an effective cyber strategy can have significant implications, both financial and reputational. Therefore, it is crucial for LGIM to understand how companies across their investment universe are managing their cyber risk. LGIM created a survey addressing their key concerns, such as board competence, governance approach, effectiveness of cyber strategy and cyber insurance. With this survey, LGIM approached the top 50% of companies across their major indices (by weight) alongside priority companies. Of the 400 companies contacted, LGIM received completed surveys from 22% and a further 7% referring them to public disclosures or refusing to complete due to confidentiality reasons. LGIM have collated the answers in a database, which has allowed them to identify companies to engage further with on the topic.

For further information, please visit https://www.lgim.com/uk/en/capabilities/investment-stewardship/active-ownership/

Ruffer Absolute Return Fund

Engagement in Practice
Reduced Carbon Emissions
ArcelorMittal is one of the world's leading steel and mining companies and is Europe's largest steel producer. Ruffer co-leads the Climate Action 100+ ("CA100+") working group engaging with ArcelorMittal. In the months leading up to the 2019 AGM, Ruffer had intensively engaged with ArcelorMittal through CA100+. At the AGM, Ruffer asked the company to set ambitious targets to reduce its greenhouse emissions and to review its lobbying activities, Ruffer followed up throughout 2019. ArcelorMittal committed its European operations to reduce emissions by 30% by 2030 and to be Net Zero by 2050. In September and October 2020, it expanded this commitment to be Net Zero across its global operations by 2050. In November 2020 Ruffer, on behalf of the CA100+, encouraged the company to set an ambitious 2030 carbon reduction target across its global operations and to publish a robust transition strategy. Following the June 2021 AGM, Ruffer continued to engage with ArcelorMittal on its progress with the CA100+ Net Zero Benchmark, focusing on climate-related lobbying, governance (in particular, remuneration) and medium-term greenhouse gas emissions reduction targets as core priorities. Ruffer also encouraged the company to publish a roadmap for transparency reasons, along with setting investor expectations. ArcelorMittal has also been working with the Science Based Targets Initiative since July 2021 which has convened an expert advisory group on the steel industry. This group will create a new methodology for setting science-based emissions reduction targets for the industry which ArcelorMittal expects to be finalised by the end of 2023. In Q3 2022, Ruffer co-signed a letter asking ArcelorMittal for further transparency on the pathway towards setting and achieving its climate targets. They also met the company individually to discuss progress made, including its health and safety issues and how the risk culture was being addressed through controls, systems and executive remuneration. Ruffer also discussed how ArcelorMittal could harness green steel as a competitive advantage and how it planned to align its reporting with a new European framework. In Q4 2022, a CA100+ group meeting focused on the latest Net Zero benchmark results and progress made with the Science Based Targets initiative on developing a methodology for the steel sector. Ruffer also discussed the Just Transition and climate policy advocacy. The company acknowledged that it needs to expand its reporting. Ruffer will continue to engage with ArcelorMittal.

Board Effectiveness
Hennes & Mauritz (H&M) is a retailer of clothing, accessories, footwear, cosmetics and home textiles. Ruffer met with H&M to escalate their concerns about the independence of the Audit Committee by sending a letter to the Board of Directors and requesting a meeting. Ruffer did not feel their concerns were adequately addressed, and as a result, Ruffer escalated their engagement by writing to the Board of Directors. Ruffer reiterated their view that the Chair of the Audit Committee, Christian Sievert, is compromised by his position as CEO of the investment firm of which the founding family of H&M is a majority shareholder. Sievert has also been a director for 12 years – a long tenure, which Ruffer believe can lead to a director becoming entrenched and therefore less independent. Another member of the Audit Committee has a similar tenure, so Ruffer believe a refresh is overdue. Following the meeting with the Board, Ruffer explained that if their concerns surrounding the independence of the company's Audit Committee were not resolved, then Ruffer would consider disinvestment. Ruffer divested from their position in Q3 2022.

For further information, please visit https://www.ruffer.co.uk/

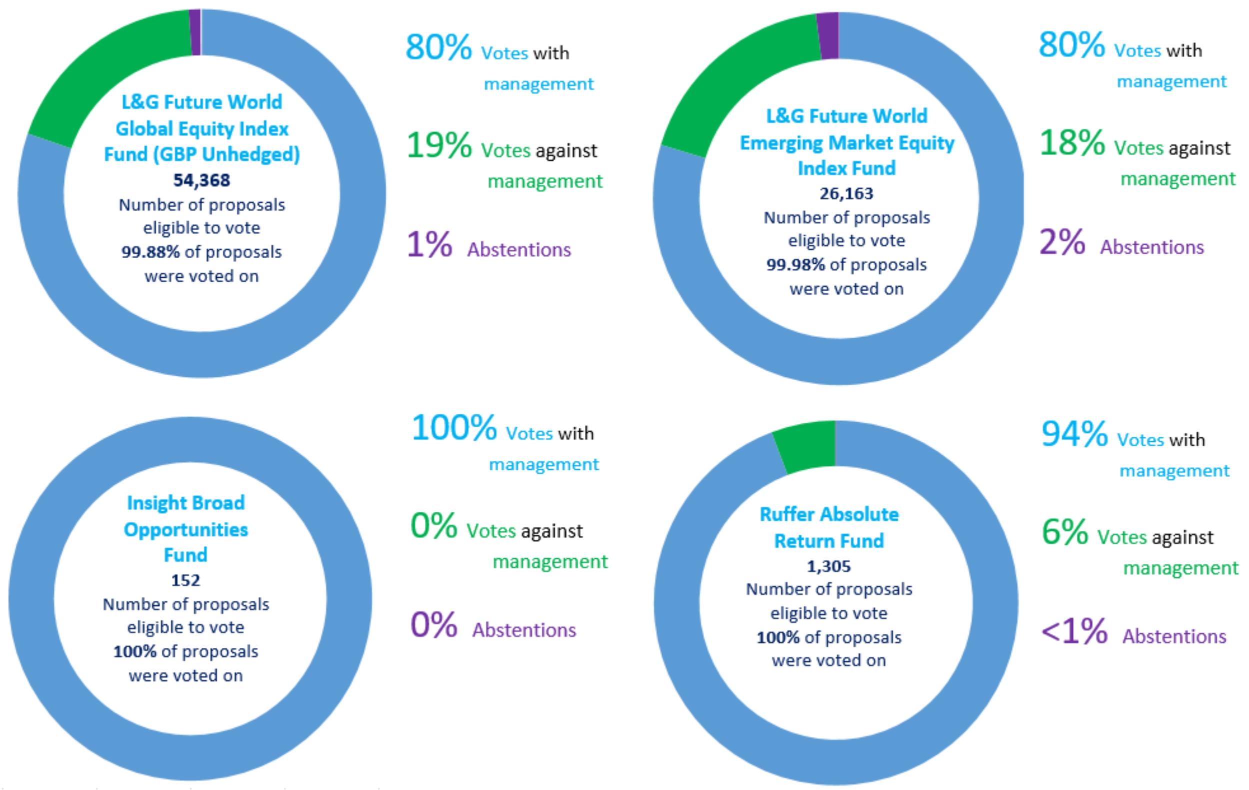
Selected Other Scheme Managers – Engagement in Practice

Engagement in Practice
Insight Broad Opportunities Fund
Greencoat UK Wind plc
Greencoat is an investment manager specialising in renewable infrastructure investments. In 2021 a majority stake was taken by another investment manager. In 2022, Greencoat's Board sought feedback on proposed changes to the agreement governing the management of the assets. This had been in place initially for a period of 5 years since the initial public offering (IPO) in 2013. The change in ownership and portfolio changes additionally highlighted the need to renew the Investment Management Agreement (IMA) terms and ensure continuity of management of the assets by individuals felt to have strong capabilities. Insight engaged with the Chairperson of Greencoat's Board and expressed their preference for a longer tenure in the IMA. This was to afford continuity that has been instrumental in the company's successful track record. Insight discussed other terms and the new fee structure which could lower overall cost to investors. In Q1 23, Insight met with Greencoat to review succession planning at its board. The board changes followed on from retirement of the Chairperson since the company's IPO. The company maintains gender diversity with 60% female representation on the board and c30% at investment manager level. The company remains an important component of the Fund's infrastructure exposures providing higher scale, liquidity and exposure to UK renewable assets. At this stage, Insight have retained the holding in the portfolio.

Insight Secured Finance Fund
European Data Warehouse (EDW)
The European Data Warehouse is the central depository for EU and UK secured regulation reporting. Insight believe improving data availability and comparability across the market is an important step in enhancing ESG analysis and reporting. Insight continue to engage with regulators and data providers to improve data analytics. Specifically with EDW, Insight discussed the current EDW/ European Securities and Markets Authority (ESMA) mandate in terms of reporting and explained how Insight consume this data currently. Insight met with the key account manager at EDW and suggested the introduction of a data aggregation tool to assist in analysis and reporting. EDW were receptive to engagement and although the ideal outcome will likely take time it is an important discussion with a key, central data provider in the absence of credible external data providers at present.
M&G Secured Property Income Fund
ESG and Net Zero Commitments
M&G have met with David Lloyd Leisure (health, sport and leisure provider) on a number of occasions to discuss both M&G's and David Lloyd's ESG aspirations. Discussions have related to a number of initiatives, for example, boreholes and ground source heat pumps. At these meetings, M&G would regularly meet with David Lloyd's ESG Director to discuss David Lloyd's net zero carbon target of 2030. M&G have engaged successfully with David Lloyd over the year. As a result, David Lloyd's energy data has been supplied to enhance the fund's reporting. Borehole installation has been completed on several sites and they have reduced mains water usage for landscaped areas around clubs.

5. Voting Activity during the Scheme Year

A summary of the voting activity for the Scheme's dedicated equity fund holdings with LGIM, and Ruffer's and Insight's equity holdings in their diversified growth funds, is set out below. The statistics below cover the 1 April 2022 to 31 March 2023 period. LGIM and Ruffer use Institutional Shareholder Services (ISS) as proxy voting advisor, whilst Insight use Minerva Analytics.



Votes "with / against management" assess how active managers are in voting against management and seeks to obtain the rationale behind voting activities, particularly in cases where split votes may occur.

Some proposals were unvoted – reasons include conflicts of interest, power of attorney markets (voting can only be carried out by an individual actually attending the meeting) and share blocking markets (regulatory barriers to voting).

Stewardship Priorities and Significant votes

Following the guidance issued by the DWP, the areas of interest were "stewardship priorities" and the "significant vote" definition. As outlined in Section 1 of the Statement, the Scheme invests in multi-client pooled funds and is therefore currently unable to dictate the actions of the managers, including their stewardship priorities[3]. However, the Trustee has discussed voting and engagement in the context of ESG and considers climate change to be their priority. Investment managers are asked when they present to the ISC to provide their engagement and voting policies and also Stewardship Code reports, where applicable. From these documents, it

[3] Further details of the key manager policies can be found at: LGIM, Ruffer, Insight. Note these are business wide policies and elements may not apply to the Scheme's specific fund holdings.

is clear that managers are also focussing materially more on engaging and voting considerations related to climate change – see Section 3 for more detail. Managers are also being asked to comment on their net zero commitments at a fund and business level. The Trustee has noted that broader ESG considerations are also of importance.

The Trustee defines "most significant" votes as:

- Relating to companies that represent at least 1% of the fund in question as at the date of the vote (a greater proportionate holding is likely to have a greater impact on the fund's performance over time); and
- Being linked to the stewardship priority of climate change (termed "Environmental" in the table below), or where the investment manager has indicated the vote was of particular significance to them.

The Trustee will keep its definition of signficant votes under consideration. The Trustee did not inform its investment managers of what they considered to be a 'significant vote' in advance of voting.

Investment Manager	Issuer	Date	Vote Category	Proposal	Size of Holding (of specific fund)
LGIM (Future World Global Equity Index Fund)	Amazon.com, Inc	25 May 2022	Governance	Elect Director Daniel P. Huttenlocher	1.7%
	Manager Rationale and Outcome				
	LGIM voted against[4] the proposed resolution, as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings. The resolution passed with 93.3% votes in favour.				
LGIM (Future World Global Equity Index Fund)	NVIDIA Corporation	2 June 2022	Governance	Elect Director Harvey C. Jones	1.2%
	Manager Rationale and Outcome				
	LGIM voted against[4] the proposed resolution, as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. LGIM are targeting the largest companies as they believe that these should demonstrate leadership on this critical issue. In addition, LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. The resolution passed with 83.8% votes in favour.				

[4] LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with our investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

Ruffer	BP	12 May 2022	Environmental (Stewardship Priority)	Approve Shareholder Resolution on Climate Change Targets	3.1%

Manager Rationale and Outcome

Ruffer voted against this shareholder resolution and voted in line with ISS and management. They engaged with the company ahead of the vote. Ruffer have done extensive analysis on BP's work on the energy transition and climate change and think they are industry leading. Ruffer support management in their effort to provide clean, reliable and affordable energy and therefore voted against the shareholder resolution. Ruffer have stated that they will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which they deem unnecessary. The resolution failed with 85.1% against.

Ruffer	Cigna Corporation	27 April 2022	Social	Report on Gender Pay Gap	1.5%

Manager Rationale and Outcome

Ruffer voted against the resolution. They did not communicate this in advance to management. Cigna uses an "equal pay for equal work" statistic and reports that there are no material differences in pay data related to gender or race. Although the equal pay for equal work statistic is subjective in that it allows the company to define what it considers an "equal job," the company does report its gender representation statistics and it additionally set a parity goal for leadership positions. As such, shareholders have enough information to assess how effectively company practices are working to eliminate discrimination in pay and opportunity in its workforce. The resolution failed with 66.8% of votes against.

Ruffer	Bristol-Myers Squibb Company	3 May 2022	Governance	Require Independent Board Chair	1.2%

Manager Rationale and Outcome

Ruffer’s policy is to encourage the separation of the CEO & Chairman roles. The shareholder motion called for the roles to be separated at the end of the current CEO/Chairman's term and these motions have been on the table for years, so the company should have time to manage the transition with limited disruption. Therefore Ruffer supported the proposal and voted against management (who they did not inform of their decision). The resolution failed with 54.9% votes against.

Ruffer	Shell	19 May 2022	Environmental (Stewardship Priority)	Approve the Shell Energy Transition Progress Update	1.2%

Manager Rationale and Outcome

Ruffer voted in line with management and ISS for this resolution. The Company put its progress on energy transition to a shareholder vote, as it will do on an annual basis. In terms of progress, new operational targets were introduced for 2030; plans cover Scope 1, 2 and 3 emissions and encompass short, medium and long-term timeframes and the update is in line with the Energy Transition Strategy, as submitted for approval in 2021. There was progress against the Company's aims during the year and it achieved the intensity reduction aims it signalled for FY2021. Ruffer will continue to monitor Shell closely, but in this case their progress was sufficient to warrant Ruffer’s approval. This resolution passed, with 77.4% support.

Ruffer	Shell	19 May 2022	Environmental (Stewardship Priority)	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	1.2%
	Manager Rationale and Outcome Ruffer voted in line with management and ISS, against this shareholder resolution. Ruffer have engaged extensively with Shell and are very clear on their ambitious climate strategy. Ruffer disagree with the proposed shareholder approach. Ruffer believe that Shell's Energy Transition Plan, and the report on progress against it, already provides the information sought by the requisitionists – and Ruffer trust management to execute on their strategy that ultimately leads to the same place: Net Zero. This vote failed, with 19.9% support.				

In terms of next steps following the outcomes of the above votes both LGIM and Ruffer will continue to engage with the investee companies as they deem necessary.