The Economist Group UK Pension Plan

Engagement Policy Implementation Statement for the year ending 31 March 2024

Introduction

The Trustee of The Economist Group UK Pension Plan (the "Plan") has a fiduciary duty to consider its approach to the stewardship of the investments to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through its investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustee, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 March 2024. This statement also describes the voting behaviour by, or on behalf of, the Trustee.

The Trustee, in conjunction with its investment consultant, appoints its investment managers and chooses the specific pooled and segregated funds to use in order to meet specific policies. It expects that its investment managers make decisions based on assessments about the financial characteristics of underlying investments (including environmental, social and governance factors, or ESG), and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan's performance) over an appropriate time horizon.

The Trustee also expects its investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

During the year, the Trustee Board's Investment Sub-Committee was presented with an ESG questionnaire at the December meeting.

Stewardship - monitoring and engagement

The Trustee recognises that the investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustee detailing their voting activity.

The Trustee also delegates responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustee seeks to appoint managers that have strong stewardship policies and processes and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
LGIM	Yes	Yes
Schroders	Yes	Yes
Aviva	Yes	Yes
I Squared	Yes	No
JP Morgan	Yes	Yes
Insight	Yes	Yes

For both direct and pooled investments, the Trustee does not envisage being directly involved with peer-to-peer engagement in investee companies.

Investment manager engagement policies

The Plan's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustee with information on how the investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative are provided in the Appendix.

These policies are publicly available on each investment manager's website.

The latest available information provided by the investment managers (with mandates that contain listed physical equities and bonds) is as follows:

Engagement	LGIM UK Equity Index	LGIM World (ex UK) Equity Index GBP Hedged
Period	01/04/2023-31/03/2024	01/04/2023-31/03/2024
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	
Number of companies	191	379

engaged with over the year		
Number of engagements over the year	313	561

Engagement	Insight Maturing Buy & Maintain Credit Funds 2021-2025	Insight Maturing Buy & Maintain Credit Funds 2026-2030
Period	01/04/2023-31/03/2024	01/04/2023-31/03/2024
Engagement definition	No definition provided	
Number of companies engaged with over the year	29	51
Number of engagements over the year	67	102

Exercising rights and responsibilities

The Trustee recognises that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The Trustee has been provided with details of what each investment manager considers to be the most significant votes. The Trustee has not influenced the manager's definitions of significant votes but has reviewed these and is satisfied that they are all reasonable and appropriate.

Investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustee does not carry out a detailed review of the votes cast by or on behalf of its investment managers but rely on the requirement for its investment managers to provide a high-level analysis of their voting behaviour.

The Trustee considers the proportion of votes cast and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers are as follows:

Voting behaviour	LGIM UK Equity Index	LGIM World (ex UK) Equity Index GBP Hedged
Period	01/04/2023-31/03/2024	01/04/2023-31/03/2024
Number of meetings eligible to vote at	709	2,867

Number of resolutions eligible to vote on	10,462	34,635
Proportion of votes cast	99.8%	99.9%
Proportion of votes for management	94.4%	78.0%
Proportion of votes against management	5.6%	21.9%
Proportion of resolutions abstained from voting on	0.0%	0.1%

Trustee's engagement

The Trustee has considered the environmental, social and governance aspects of each fund/investment manager and may request the investment consultant's ESG ratings of managers, which include consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

Where an investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustees may consider whether to engage with the investment manager.

The Trustee has reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustee recognises that engagement and voting policies, practices and reporting will continue to evolve over time and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the engagement policies for each of the investment managers can be found here:

Investment manager	Engagement policy
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
Schroders	https://www.schroders.com/en/sustainability/active-ownership/engagement/
Aviva Investors	https://www.aviva.com/sustainability/reporting/
Pantheon Ventures	https://www.pantheon.com/wp-content/uploads/2024/05/Sustainability-Policy_vF.pdf
I-Squared	https://isquaredcapital.com/wp-content/uploads/2024/01/ISQ-RI-Policy-01.26.2024.pdf
JP Morgan	https://am.jpmorgan.com/us/en/asset-management/institutional/about-us/investment-stewardship/
Insight Investment Management	https://www.insightinvestment.com/investing-responsibly/

Information on the most significant votes LGIM participated in during the year ending 31 March 2024 is shown below:

LGIM UK Equity Index	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	BP Plc	Glencore Plc
Date of Vote	23/05/2023	27/04/2023	26/05/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.0	3.8	2.4
Summary of the resolution	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 4 - Re-elect Helge Lund as Director	Resolution 19: Shareholder resolution “Resolution in Respect of the Next Climate Action Transition Plan”

How the fund manager voted	Against (against management recommendation)	Against (against management recommendation)	For (Against Management Recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, there was regular communication with the company ahead of the meeting.
Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the companyâ€™s leadership in pursuing low carbon products. However, we 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.	Governance: A vote against is applied due to governance and board accountability concerns. Given the revision of the company’s oil production targets, shareholders expect to be given the opportunity to vote on the company’s amended climate transition strategy at the 2023 AGM. Additionally, we note concerns around the governance processes leading to the decision to implement such amendments.	In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company’s planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore’s 2023 AGM, calling for disclosure on how the company’s thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year

			discussions with the company since 2016 on its approach to the energy transition.
Outcome of the vote	80% (Pass)	N/A	29.2% (Fail)
Implications of the outcome	LGIM continues to undertake extensive engagement with Shell on its climate transition plans.	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is assessed to be “most significant”	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.	High Profile Meeting and Engagement: We consider this vote to be significant given our long-standing engagement with the company on the issue of climate.	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world’s largest companies on their strategic management of climate change.

LGIM World (ex UK) Equity Index GBP Hedged	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.
Date of Vote	07/12/2023	28/02/2024	24/05/2023
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	4.4	4.1	1.6
Summary of the resolution	Resolution 1.06 - Elect Director Satya Nadella	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps

How the fund manager voted	Against	Against	For (Against Management Recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion effortsÂ and nondiscrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.

Outcome of the vote	N/A	Fail	29% (Fail)
Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is assessed to be "most significant"	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.	Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Information on the most significant engagement case studies for LGIM as a company for the funds containing public equities as at 31 December 2023 (latest available) is shown below:

LGIM - Firm-level	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	Aegon Ltd	Sainsbury's	Exxon Mobil
Topic	Governance	Social: Income inequality - living wage (diversity, equity and inclusion)	Environment: Climate change (Climate Impact Pledge)
Rationale	Following the disposal of Aegon Netherlands to ASR, Aegon no longer had insurance activities in the Netherlands. This transaction had transformed Aegon into an international insurance and asset management company. Since now over 99.5%	With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury's is the second largest supermarket in the UK. Although Sainsbury's is currently paying higher wages than many other listed supermarkets, the	As one of the world's largest public oil and gas companies, we believe that Exxon Mobil's climate policies, actions, disclosures and net zero transition plans have the potential for significant influence across the industry as a

of Aegon's insurance businesses are not located in jurisdictions where Solvency II is the governing capital framework, Aegon made the decision to redomicile in Bermuda under the supervision of the Bermuda Supervision Authority (BMA). This required a vote by shareholders at an Extraordinary General Meeting on 30 September.

While the business rationale was sound, the main concerns with this proposal for LGIM were that the new regulatory framework would adversely impacted shareholders rights, and potentially its capital position. The key issues included: 1) No pre-emptive rights for existing shareholders on the issuance of common shares; (2) No shareholder approval would be required for share buybacks; and (3) No shareholder approval would be required for annual final dividend payments, amongst other issues.

Consequently, we decided to engage with Aegon management team ahead of the EGM in order to highlight our concerns on the weakening of shareholder rights

company has been selected because it is more likely than many of its peers to be able to meet the requirements to become living wage accredited.

Ensuring companies take account of the 'employee voice' and that they are treating employees fairly in terms of pay and diversity and inclusion is an important aspect of our stewardship activities. As the cost of living ratchets up in the wake of the pandemic and amid soaring inflation in many parts of the world, our work on income inequality and our expectations of companies regarding the living wage have acquired a new level of urgency.

As a responsible investor, LGIM advocates that all companies should ensure that they are paying their employees a living wage and that this requirement should also be extended to all firms with whom they do business across their Tier 1 and ideally Tier 2, supply chains.

We expect the company board to challenge decisions to pay employees less than the living wage.

whole, and particularly in the US.

At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in 20 climate-critical sectors. We select roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. Our in-depth engagement is focused on helping companies meet these minimum expectations, and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions).

	under the proposed redomicile and amendments to the Company's Articles of Incorporation. Given concerns amongst investors and third-party service providers, such as ISS, we sought to lend our voice to influence the proposals and push for enhanced shareholders rights ahead of the vote. Additionally, we wanted to better understand the impact of the new supervisory environment on the business to ensure that it would not adversely impact both creditors and shareholders.	We ask the remuneration committee, when considering remuneration for executive directors, to consider the remuneration policy adopted for all employees. In the midst of the pandemic, we went a step further by tightening our criteria of bonus payments to executives at companies where COVID-19 had resulted in mass employee lay-offs and the company had claimed financial assistance (such as participating in government-supported furlough schemes) in order to remain a going concern. UN SDG 1: No poverty and SDG 8: Decent work and economic growth	Our Climate Impact Pledge 'red lines' for the oil & gas sector are: - Has the company committed to net-zero operational emissions? - Does the company have time-bound methane reduction/zero flaring targets? - Does the company disclose its climate-related lobbying activities, including trade association memberships, and explain the action it will take if these are not aligned with a 1.5°C scenario? UN SDG 13: Climate action
What the investment manager has done	We were in touch with Aegon's Investor Relations team in early September ahead of a planned meeting with the CEO and management team at a roadshow in the US. We noted our initial concerns with some of the proposed changes to the Company's Articles of Incorporation following the redomicile to a lower shareholder	LGIM engaged initially with the company’s [then] CEO in 2016 about this issue and by 2021, Sainsbury’s was paying a real living wage to all employees, except those in outer London. We joined forces with ShareAction to try to encourage the company to change its policy for outer London workers.	We have been engaging with Exxon Mobil since 2016 and they have, over time, participated willingly in our discussions and meetings. Under our Climate Impact Pledge, we identified a number of initial areas for concern, namely: lack of Scope 3 emissions disclosures (embedded in sold products); lack if integration or a

rights jurisdiction. This concern was also picked up by the main proxy advisory firms, ISS and Glass Lewis, who recommended negatively in respect of the proposed move. Following engagement on 14 September, Aegon announced amended proposals on 15 September, that now provided for enhanced shareholder rights to more closely align with provisions previously in place, especially around capital management authorities.

We also met with Aegon's CEO on 18 September. Given the importance of the vote on the Company's business performance, but potential negative effects on shareholder and creditor rights, the meeting was attended by the investment stewardship team as well as credit analysts both in London and the US. There was another follow-up meeting with the CEO only two days later, where changes to the proposals were discussed.

As these engagements failed to deliver change, we then joined ShareAction in co-filing a shareholder resolution in Q1 2022, asking the company to becoming a living wage accredited employer. This escalation succeeded insofar as, in April 2022, Sainsbury's moved all its London-based employees to the real living wage. We welcomed this development as it demonstrates Sainsbury's values as a responsible employer. However, the shareholder resolution was not withdrawn and remained on the 2022 AGM agenda because, despite this expansion of the real living wage to more employees, contractors, i.e. cleaners and security guards, operating within Sainsbury's operations were excluded from the uplift.

In the previous four years we have held eight company meetings with Sainsburys, with the continued main focus on social inequality, whilst also covering broader topics such as capital management and biodiversity. We met with the CEO as well as the Chairman.

comprehensive net zero commitment; lack of ambition in operational reductions targets and; lack of disclosure of climate lobbying activities. Levels of individual typically engaged with include the Head of Sustainability, Lead Independent Director, the Company Secretary and Investors Relations.

Our regular engagements with Exxon Mobil have focused on our expectations under the Climate Impact Pledge, as well as several other material issues for the company, including capital allocation and business resiliency. The improvements made have not so far been sufficient in our opinion, which has resulted in escalations. The first escalation was to vote against the re-election of the Chair, from 2019, in line with our Climate Impact Pledge sanctions. Subsequently, in the absence of further improvements, we placed Exxon Mobil on our Climate Impact Pledge divestment list (for applicable LGIM funds) in 2021, as we considered the steps taken by the company so far to be insufficient for a firm of its scale

	In 2023, LGIM led its own campaign on income inequality where we targeted the largest global food retailers. Sainsbury's is one of the 15 companies we are targeting. The campaign has as a consequence, a vote against the Chairman if our minimum requirements are not met by the time of their AGM in 2025.	and stature. Nevertheless, our engagement with the company continues. In terms of further voting activity, in 2022 we supported two climate-related shareholder resolutions (i.e. voted against management recommendation) at Exxon's AGM, reflecting our continued wish for the company to take sufficient action on climate change in line with our minimum expectations. Further escalating our engagement, LGIMA and CBIS co-filed a shareholder resolution at Exxon's 2023 AGM, requesting the company to disclose the quantitative impact of the IEA NZ scenario on all asset retirement obligations (AROs). The proposal was centred around disclosure and seeking greater insight into the potential costs associated with the decommissioning of Exxon's assets in the event of an accelerated energy transition. We believe this is a fundamental level of information for the company's shareholders, in light of growing investor concerns about asset retirement obligations (AROs) in a carbon constrained future, and

			that it is financially material information. The proposal received over 16% support from shareholders which, although lower than we would have liked, demonstrates an increasing recognition of the importance of this issue for investors.
Outcomes and next steps	With pressure applied on the Company by both investors and proxy advisers, we were able to push for improved shareholder rights and amended terms ahead of the vote taking place at the EGM. Both ISS and Glass Lewis changed their vote recommendations on the proposal upon the announcement on 15 September by the Company of changed terms and commitments, and LGIM felt comfortable to support all resolutions at the EGM. The redomicile of Aegon was overwhelmingly approved by shareholders with 98.7% of shares voted in favour.	Since we co-filed the shareholder resolution in 2022, Sainsbury's has made three further pay increases to its directly employed workers, harmonising inner and outer London pay and is now paying the real living wage to its employees, as well as extending free food to workers well into 2023. We welcome these actions which demonstrate the value the board places on its workforce. We continue to engage with Sainsburys and have asked the board to collaborate with other key industry stakeholders to bring about a living wage for contracted staff. While the company may have been in the process of raising salaries, our campaigned engagement and shareholder resolution would have fast tracked the end result. It has	Since 2021, we have seen notable improvements from Exxon Mobil regarding our key engagement requests, including disclosure of Scope 3 emissions, a 'net zero by 2050' commitment (for Scopes 1 and 2 emissions), the setting of interim operational emissions reduction targets, improved disclosure of lobbying activities and more recently, the commitment made by the company to join the leading global partnership on methane, OGMP 2.0. However, there are still key areas where we require further improvements, including inclusion of Scope 3 emissions targets, further quantifiable disclosure of business resiliency and asset retirement obligations across relevant scenarios, capital allocation , and improving the level of

	also made the company aware of how important this topic is to their investors. We are continuing to engage with Sainsbury's, both individually and collaboratively with the ShareAction Good Work Coalition, and have met with them a number of times during 2023 as part of our living wage campaign, directed at 15 large global supermarkets. In addition to setting objectives regarding the living wage for these companies' own operations, we also expect them to take certain actions regarding their Tier 1 and ideally Tier 2 supply chains. We have been engaging with the Chairman, the Chief Executive and investor relations in relation to our expectations. The milestones set under this campaign relate to expectations that, should they be achieved, they would not only improve wages for significant numbers of low-paid workers around the world but also, given these companies' influence in their respective countries and supply	ambition regarding interim targets. We are also seeking further transparency on their lobbying activities. The company remains on our divestment list (for relevant funds), but our engagement with them continues. In terms of our next steps, we will continue our direct engagements with the company under our Climate Impact Pledge and separately, to better understand challenge Exxon on their approach to the energy transition, where financial material issues such as disclosure the potential costs to retire their long-lived assets and decarbonisation levers being some of the key discussion points. We will also be engaging with proxy advisors and fellow investors to better understand their voting rationale. We were pleased to see progress from the company in terms of joining the Oil and Gas Methane Partnership (‘OGMP’) 2.0 – the flagship oil and gas reporting and mitigation programme on methane, of which many global oil and gas companies, including BP and Shell, are already members. We

		chains, we would expect there to be a knock-on impact as competitors and smaller peers would then be compelled to follow suit. We would hope that this would improve the livelihood of thousands of workers and their families and also boost GDP. We may consider co-filing some shareholder resolutions in 2024 at some of the companies targeted under this campaign.	have been working closely and collaboratively with EDF to raise awareness of the issue (letters, meetings, public statements) and applying pressure on oil and gas companies to join the OGMP initiative since 2021 – Exxon being one of them, through our direct engagements with the company under our Climate Impact Pledge. Exxon had demonstrated reluctance, previously, to sign up to the OGMP and LGIM voted in favour of a shareholder resolution tabled at its 2023 AGM, requesting that the company produce a report on methane emission disclosure reliability, which received 36.4% support from shareholders. Public and shareholder pressure, growing membership of the OGMP and Exxon's recent acquisition of OGMP member Pioneer Natural Resources appear to have swayed the company towards greater transparency. Greater transparency is crucial in terms of enabling markets and investors to accurately price climate-related risks and opportunities which, in turn, is an

			incentive for companies to make the changes we are seeking.

Information on the most significant engagement case studies for Insight as a company for the funds containing public bonds as at 31 March 2024 is shown below:

Insight - Firm-level	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	NatWest Group plc	Heathrow Funding Ltd	Equinor Asa
Topic	Environment - Climate change Social - Human and labour rights	Environment - Climate change	Environment - Climate change
Rationale	The issuer is a major retail and commercial bank with operations in the UK. Their services include current accounts, credit cards, loans, overdrafts, mortgages, home and life insurance and investing for retail customers. They registered an increase in climate and sustainable funding and financing year-on-year from £24.5bn (2022) to £29.3bn (2023). This engagement is aligned to SDG10 reduced inequalities and SDG13 climate action.	The issuer is a UK airport, offering facility maintenance, baggage handling, air traffic control, on board catering and aircraft fuelling services. We previously engaged with the issuer to better understand its decarbonisation strategy. The company is targeting net zero by 2050. The 2 main challenges the issuer faces are: The degree of the issuer's influence on airlines to decarbonise their fleet Its net zero plan relies on technology which is costly and/or unproven (e.g. sustainable	The issuer is an energy company, one of the largest oil and gas operator in northern Europe, and one of the world's largest offshore operators. We engaged with the issuer after MSCI changed its definition of unconventional oil and gas exposure to exclude drilling in areas of the Arctic which were ice-free throughout the year, e.g. the Barents Sea. The issuer has a number of sites in this region. We do not agree with MSCI's change in definition due to increased probability of pollution and the

		aviation fuel (SAF), hydrogen etc.) This engagement is aligned to SDG13 climate action.	impact of spills in Arctic assets. Furthermore, the issuer's water disclosures were weak, and the company failed to disclose data for the water-related Principal Adverse Impacts (PAI) indicator. The issuer publishes basic water-related metrics such as regular discharges of oil to the sea and the withdrawal and consumption of freshwater in 2022. This engagement is aligned to SDG13 climate action.
What the investment manager has done	The issuer maintains a leading position in financing environmental impact but it has had a number of governance controversies, including the recent departure of its CEO and Chairman due to the de-banking scandal. The issuer's continued investment to maintain its leadership position in climate strategy is contingent on the new CEO's position on ESG, which remains unclear. Its focus on ESG was in part accelerated by its former CEO and saw strong targets being set, reporting of financed emissions for its material sectors and	In a previous engagement with the issuer in 2022 they were not aware of Carbon Disclosure Project (CDP). We were pleased that corporate has since started reporting to CDP however they opted to do a private submission where a score has not been assigned. This means that the data doesn't feed through to our models. The last time we met with the issuer we asked them to get their decarbonisation targets approved by Science-Based Targets initiative (SBTi) due to the materiality of the airlines industry to carbon emissions. In	On its transition strategy, the issuer reported good progress against its energy transition plan, with Scope 1 and Scope 2 emissions significantly below the industry average. The company has also increased its low carbon capex from 14% to 20%. The issuer's 2030 absolute emissions reduction target is focused on Scope 1 and Scope 2 emissions. The issuer has only set an intensity-based Scope 3 emissions reduction target as it believes that an absolute reduction target will have unintended

strong fossil fuel financing policies being introduced in its transition into a leaders in low carbon opportunities. It also provided an estimate of its facilitated emissions for the first time.

The issuer retains a dark green rating for its green bonds under our proprietary impact bond assessment framework due to strong ESG performance with well-defined use-of-proceeds categories that are likely to have a positive impact. There are plans to allocated 50% of the net proceeds to refinancing existing mortgages with the remaining 50% allocated to financing new mortgage products over the next 12 months.

Human rights is an increasing area of focus for the issuer as evidenced by its publishing of its salient human rights issues as part of its UN Guiding Principles Reporting responsibilities.

The issuer expects to improve on its score under the next Banktrack global human rights assessment in 2024 from their current 4.5/14 (“Follower”

2023, their target was approved by SBTi: The issuer commits to reduce absolute scope 1, 2 and scope 3 GHG emissions by 46.2% by 2030 from a 2019 base year.

Regarding its ESG reporting we fed back that their sustainability reporting is strong. The company has set targets against the key focus areas of the sustainability strategy and the report is balanced.

We highlighted a number of areas for improvement, including submitting a public disclosure to CDP. We also noted some of the issuer’s targets don’t appear to be very ambitious. For example, Heathrow’s target for SAF to be used in airlines operating at the airport by 2030 is only 1% more than the UK government’s ambition. Regarding climate lobbying and trade associations, we highlighted that it would be beneficial to see what the issuer is doing to influence the UK government into supporting SAF as a more material part of fuel supply.

consequences by encouraging assets to be sold, which has no impact on global emissions.

The issuer stated it is not considering changes to its renewables capex despite peers recently changing their strategy due to weaker than expected returns from renewables.

On unconventional oil and gas exposure, we asked the issuer if it has had any oil spills in the Arctic or Barents Sea. The issuer responded that there were 10 minor spills last year, but none were in the Barents Sea. The issuer also confirmed the remote location of its unconventional oil and natural gas sites in the Barents Sea presents a challenge for spills, due to access issues associated with the clean up. However, the issuer did flag that it is collaborating with operators in the area to run drills to minimise any impact. There is also a large site coming online in the Barents Sea which will be a producing 150,000 bpd at peak. Due to the size of the site, the new site

	rating). Of 50 banks assessed, 28 are followers, 12 are front runners with scores between 7-9, with no leaders. The issuer has a special focus on modern slavery and has been accredited as a global living wage employer. During 2023, it developed a standalone Environmental, Social and Ethical (ESE) Human Rights Risk Acceptance Criteria (RAC) which applies requirements around human rights due diligence to additional sectors with heighted human rights risk not already covered by an ESE RAC. This includes a sustainability questionnaire, escalation process, considers supply chain, European regulation CSDDD and identification of best practice examples. The issuer remains committed to SBTi and will re-submit their target and strategy in 2025. They remain engaged with SBTi despite uncertainty with sector guidance that is causing challenges for explaining their plans for achieving decarbonisation targets by 2030. Work continues on carbon pathway models. They	We also flagged biodiversity as an emerging risk area, where Heathrow should respond to the TNFD recommendations by assessing nature impacts and dependencies and highlight how they are addressing these risks.	will be a centre for emergency response. On water disclosure, we highlighted the issuer's lack of response to the CDP water questionnaire and the lack of disclosure in the water-related PAI Indicator on water pollution could lead to its exclusion from Insight's Article 8/9 funds.

	are cognisant of Scope 3 finance emissions that are likely to increase for activities enabling the net zero transition. This is driving their purchase of carbon offsets and credits and training of frontline bankers and relationship managers via a partnership with Edinburgh University and sectoral deep dives. They also engage with politicians, civil service and other banks on the transition, offer green mortgages but recognise the limitations of current metrics (e.g., EPCs). They have also appointed their first Head of Nature but is not ready to report against TNFD. Their Dutch subsidiary is leading the research on the LEAP approach and ENCORE tool.		
Outcomes and next steps	We continue to monitor the issuer against the targets and plans we discussed. We reissued the counterparty engagement programme questionnaire in early 2024 which explores these themes in more detail.	The issuer evidenced good progress since our last engagement, and we were pleased to see that Heathrow has an SBTi-approved decarbonisation target. We understand that there are limitations to how much influence the issuer has with the fuel used by airlines but emphasise the unique position the issuer has to encourage and	We decided not to adopt MSCI's change in definition in unconventional oil and gas exposure due to the increased risk associated with oil spills. Although we kept the previous definition of unconventional oil and gas, we were pleased to see that the issuer recently dropped below the 5% revenue

	incentivise positive change in the industry. We will continue to monitor the progress of the airport's decarbonisation trajectory.	threshold, meaning it is no longer excluded.