APPENDIX 2 - Implementation Statement ("IS")

TI Group Pension Scheme (the "Scheme")

Scheme Year Ended – 5 April 2024

The purpose of the Implementation Statement ("IS") is for us, the Trustee of the TI Group Pension Scheme (the "Scheme"), to explain what we have done during the Scheme year 6 April 2023 to 5 April 2024 (the "reporting period") to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). It includes:

1. A summary of any review and changes made to the SIP during the reporting period;
2. How our policies in the SIP have been followed during the reporting period; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the reporting period, we believe that the policies set out in the SIP have been implemented effectively.

In June 2022, the Scheme transferred the majority of its remaining Defined Benefit ("DB") assets to the insurer, Rothesay Life plc ("Rothesay"). The Scheme also has annuity policies with Aviva Life and Pensions UK Limited ("Aviva"), Legal and General Assurance Society Limited ("LGAS") and Pension Insurance Corporation ("PIC") – (the "Insurers"). Hence, most of the Scheme's assets are invested in annuity policies. The remaining DB holdings are invested with Legal and General Investment Management ("LGIM") in the form of government bonds ("gilts") and cash-like assets.

This IS does not disclose stewardship information on investments in gilts or cash due to the limited materiality of stewardship of these asset classes.
The voting and engagement activity detailed in this IS is in relation to the Insurers (where possible) and the Defined Contribution ("DC") Section of the Scheme.

Changes to the SIP during the reporting period

We reviewed the SIP during the reporting period and updated it in September 2023.

The changes made reflect updates for the DWP Stewardship Guidance to ensure the Trustee is clearly meeting expectations set out by the DWP as part of the latest guidance on stewardship reporting, adjusted wording on cost monitoring and other minor amendments to wording.

The Scheme's latest SIP can be found here: pensions.smiths.com/ti-group-pension-scheme/statement-of-investment-principles

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental, Social and Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ

How the policies in the SIP have been followed

In the table below we set out what we have done during the reporting period to meet the policies in the SIP.

Requirement	Relevant SIP section	Actions taken in the reporting period
1) Securing compliance with the legal requirements about choosing investments	Section 2: "*In considering appropriate investments for the Scheme, the Trustee has obtained and considered the written advice of its investment consultant, whom the Trustee believe to be suitably qualified to provide such advice, as well as seeking input from the Scheme Actuary. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act*	Not applicable as there were no changes to the investment strategy over the reporting year.

Requirement	Relevant SIP section	Actions taken in the reporting period
	1995 (as amended from time to time).”	
2) Kinds of investments to be held and the balance between different kinds of investments	Section 5 sets out the Scheme’s investment strategy, split between the proportion held in annuities and the remaining residual assets in gilts and cash.	Following the completion of the final buy-in in June 2022, >95% of the DB assets comprised of annuities. The residual assets are invested into appropriate gilt, cash and cash-like assets.
3) Risks, including the ways in which risks are to be measured and managed	Section 4 details the Scheme’s risk management and measurement principles. It notes that the key risks are: - Insurers (i.e. the annuity providers for the Scheme) defaulting - Residual asset risk	The Trustee considered the credit strength of its Insurers as part of the due diligence processes before signing buy-in documentation. Having considered this, in addition to several other factors including the regulatory environment provided by the Financial Conduct Authority and The Prudential Regulation Authority and following advice from its Risk Settlement Consultants, the Trustee considered the buy-ins to be appropriate investments for the Scheme. The Trustee invests the Scheme’s residual assets in a way to better meet any future costs to the Scheme, as advised by Aon.
4) Expected return on investments	Section 5 sets out the investment strategy, where >95% of the assets are invested in annuities. The residual assets are designed to broadly hedge any movements of the residual liabilities.	The investment performance report is reviewed by the Trustee on a quarterly basis. The investment performance report includes how the investment manager of the residual assets is delivering against their specific mandates. The investment consultant also informs the Trustee if it ever changes the manager research rating of each fund. The residual assets are a small proportion of the overall assets and are invested in a low-risk way.

Requirement	Relevant SIP section	Actions taken in the reporting period
5) Realisation of investments	Section 5 sets out the investment strategy, where >95% of the assets are invested in annuities.	Following the completion of the final buy-in in June 2022, the remaining population of uninsured members were insured. Therefore, the Trustee met benefits via its Insurers. For any other cashflow needs, the Trustee disinvested from its residual assets.
6) Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	Section 3: *"The Trustee's ultimate objective is to secure all members' (and other beneficiaries') benefits. They intend to achieve this through the purchase of bulk annuities ("buy-ins") which match as far as possible the Scheme's future benefit commitments, as a precursor to a buyout of all Scheme liabilities."* Section 8: *"The Trustee believes that ESG factors may have a financially material impact on investment risk and return outcomes, and that good stewardship (including voting and engagement) and promotion of corporate responsibility can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.* *In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to purchase buy-ins and has delegated the management of the collateral backing these policies to the Insurers."*	The Trustee purchased its final buy-in in June 2022 and has invested its residual assets in a way to better meet the residual liabilities until buyout. See Voting and Engagement activity sections below for more details.
7) The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	Section 9: "*Non-financial matters are not taken into account in the selection, retention and realisation of investments."*	Not applicable.

Requirement	Relevant SIP section	Actions taken in the reporting period
8) 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, trustees would monitor and engage with relevant persons about relevant matters)	Section 8: "*The Trustee reviewed the ESG integration and stewardship policies of the Insurers at the point of purchasing the buy-ins, to the extent it was practical, to ensure that the policies were in line with the Trustee's beliefs given that the Trustee retains ultimate responsibility for the Scheme's assets and their management.*"	The Scheme's residual assets, following completion of the final buy-in in June 2022, were invested in gilts, cash and cash-like assets. This IS does not disclose stewardship information on investments in gilts or cash due to the limited materiality of stewardship of these asset classes.
9) How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the trustees' policies *and* How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term *and* How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the trustees' policies *and* The duration of the arrangement with the asset manager	Section 10: *"Where the Trustee appoints investment managers via pooled funds or segregated accounts, outside of the buy-ins with the Insurers, the Trustee seeks expert advice in relation to these appointments. These appointments are made with the view to them being long term (to the extent this is consistent with the Trustee's overall investment time horizon) and there is typically no set duration for the manager appointments. However, appointments can typically be terminated at short notice (such as one month)."*	All appointed managers in place over the reporting period are appointed with agreements consistent with the principle set out in Section 10 of the SIP, i.e. long-term appointments which can however be terminated at short notice. We have limited ability to incentivise the Insurers to align their investment strategies and decisions with our policies in relation to stewardship, corporate governance, and responsible investment. However, given the nature of the buy-in policies, we believe that the Insurers are appropriately incentivised to make decisions relating to the medium and long-term financial and non-financial factors which may influence performance.

Requirement	Relevant SIP section	Actions taken in the reporting period
10) How the trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range	Section 11: "*The Trustee previously sought to explicitly report ongoing costs for all appointed managers for each calendar year. Given that the Scheme's remaining assets, outside of the buy-ins, are held in cash, cash equivalents, or buy and hold government bonds, the Trustee does not believe it is appropriate or necessary to explicitly monitor ongoing transaction costs.*"	Following the completion of the final buy-in in June 2022 and given the nature of the residual assets (which are <5% of overall DB assets), the Trustee decided not to continue carrying out cost analysis. The Trustee understood that the fees for these residual assets are generally lower compared to many other asset classes. For the DC Section, cost and charges information was collated and considered as part of the work to prepare the DC Chair's Statement for the year ending 5 April 2023.

Our DC managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. Understanding and monitoring the stewardship that investment managers practise in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN Principles for Responsible Investment

Voting statistics

The table below shows the voting statistics for the Scheme's material DC funds. The voting information provided is for the year to 31 March 2024 which broadly matches the reporting period.

	Number of resolutions eligible to vote on	**% of resolutions voted**	**% of votes against management**	**% of votes abstained from**
LGIM Multi-Asset Fund	94,065	99.8	23.2	0.3
LGIM All World Equity Index Fund	64,058	99.9	20.2	0.5
Prudential With Profits Fund	65,638	98.4	7.0	1.0

Source: Fund Managers.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

The table below describes how the Scheme's managers use proxy voting advisers.

	Description of use of proxy voting advisers
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 we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to

	uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.”
Prudential	**“The fund management has been delegated to a number of fund managers, including M&G Investment Management, BlackRock and Lazard. The voting is carried out by those fund managers.”** <u>M&G</u> “We use research provided by ISS and the Investment Association; and we use the ProxyExchange platform from ISS for managing our proxy voting activity.” <u>BlackRock</u> “While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company’s own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.” <u>Lazard</u> “Lazard currently subscribes to advisory and other proxy voting services provided by Institutional Shareholder Services Inc. (“ISS”) and Glass, Lewis & Co. (“Glass Lewis”). These proxy advisory services provide independent analysis and recommendations regarding various companies’ proxy proposals. ISS provides additional proxy-related administrative services such as vote execution, recordkeeping and reporting support services. The Proxy Administration Team reviews proxy information on a daily basis and regularly communicates with representatives of ISS to ensure that all agendas are considered and proxies are voted on a timely basis. Members of the Proxy Committee, along with members of the Legal & Compliance Team, conducts periodic due diligence of ISS and Glass Lewis.”

Source: Fund Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme’s investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme’s funds. A sample of these significant votes can be found in the annex.

Our Insurers’ and DC managers’ engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme’s material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm level i.e. is not necessarily specific to the fund invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
LGIM Multi-Asset Fund	1,949	2,050	**Environment** - Climate Impact Pledge - Deforestation - Plastic waste - Circular economy - Climate change - Methane measurement - Climate adaptation - Energy **Social** - Lobbying and political donations - Ethnic diversity - Gender diversity - Public health - Income inequality - Labour standards **Governance** - Board effectiveness - Diversity, Leadership - Chair/CEO, Remuneration, Shareholder rights - LGIM ESG score - Board composition - Overboarding - Risk management - Nominations and succession - Activism **Other** - Corporate Strategy - Company disclosure and transparency - COVID-19
LGIM All World Equity Index Fund	898	2,050	**Environment** – Climate change – Climate impact pledge – Pollution – Deforestation – Methane measurement **Social** – Human capital management (e.g., inclusion & diversity, employee terms, safety) – Income inequality – Public health – Ethnic diversity – Human rights – Gender diversity – Inequality – Nutrition – Employee-board relations – Labour standards – Antimicrobial resistance – Lobbying and political donations **Governance** – LGIM ESG Score – Remuneration – Capital management -Combined chair and CEO – Nominations and succession – Board composition – Governance of technology – Privacy and data security – Board evaluation and effectiveness reviews – Shareholder rights **Other –** Strategy, Financial and Reporting – Capital allocation, Reporting (e.g., audit, accounting, sustainability reporting) – Corporate strategy – Company disclosure and transparency
Prudential With Profits Fund*	*Not provided*	*250*	**Environment –** Climate change **Social –** Human capital management (e.g. inclusion & diversity, employee terms, safety) **Governance –** Board effectiveness – Diversity; Independence or Oversight **Governance** – Remuneration

*Source: Fund Managers *Prudential provided firm-level engagement themes, rather than fund-specific themes.*

Insurer	Engagement Commentary
Rothesay	"As we do not use external asset managers, all our engagement is coordinated by analysts in the ESG team and conducted in collaboration with members of our Credit Risk and Asset Management teams. Our bilateral engagement approach is predominantly focused on specific, direct engagement with the most material corporate issuers within our portfolio. We have a target to engage with at least 20 of our most emissions intensive companies each year within our corporate bond sub-portfolio, along with our most material suppliers. This is a requirement of all Net Zero Asset Owner Alliance signatories. Our requests for engagement across all sustainability-related topics, including climate, received a response rate of 82%, most of which addressed our concerns or at the very least allowed us to revise or validate the opinions reflected in our internal climate scoring."
Aviva	"Quarterly reporting is requested of our in-house asset manager on all voting and engagement activity that has been conducted on our behalf and from our other asset managers on a regular basis. We seek

	justifications for the voting positions taken by managers and challenge those we believe are inconsistent with our expectations. We also hold regular discussions with our managers around portfolio ESG metrics and the ESG engagement that has taken place with the companies held in customer portfolios. This includes bi-annual meetings with the sustainability teams to discuss actions within our portfolios and sustainability trends within the industry. Where engagement with companies, whether on strategic, performance, general ESG or specific voting issues, is undertaken, the effectiveness of such engagements will be measured and evaluated on a regular basis. There will be times when, despite engagement with companies, our concerns have not been adequately addressed. Under these circumstances, the matter may be escalated into a more focused project of intervention, aimed at securing changes to the board, management, practices or strategy. Where engagement ultimately fails, the company is added to Aviva's Investment Stop List, which is maintained and issued centrally. We may choose to make no further investments and/or divest our existing holdings."
LGAS	"We use our in-house investment manager LGIM to manage our annuity portfolio. As the annuity book does not contain equity holdings, it has limited capabilities to exhibit stewardship. There is close co-operation across the Legal & General Group. So, indirectly through equity holdings in the listed companies that are in the annuity book, LGIM conducts its stewardship activities for the benefit of the annuity book. In terms of specific engagements, we have overall conducted 335 engagements across 177 companies within our UK annuity book holdings, with 332 of these 335 including ESG topics. Of these engagements, 177 included environmental topics, with 117 including the specific environmental topic of climate change. We've engaged with 6% (by market value) of our annuity book on a climate topic in 2022. If we were to consider our corporate holdings only, we've engaged with 17% (by market value) on climate topics."
PIC	"PIC engages with its external manages (who manage part of our public credit portfolio) in various ways over the course of our partnership with them: ▪ An initial sustainability due diligence exercise is performed when considering a manager to partner with. This includes an assessment of managers at the firm level, to understand if sustainability is a central part of their culture and capabilities. We only choose to partner with managers who demonstrate strong credentials in terms of sustainability and stewardship and can demonstrate a track record of doing so. It is important that our managers are responsible stewards of their clients' capital, as our reputation can be directly linked with their actions. ▪ Once holdings are in the portfolio, we monitor their ESG risk profile over time and ask managers to comment on any controversies and include forward-looking thoughts on ESG matters. ▪ Our managers each provide us with bespoke ESG reports covering topics such as ESG ratings, controversies, and engagement activities. PIC believes that it is important to escalate stewardship activities where influence is not proving effective. In our Stewardship Policy we address this topic. The policy specifies that if improvements by issuers are not made despite multiple engagement efforts within a period of 18 months, PIC and its asset managers will then consider forms of escalation. Divestment is only considered by PIC if escalation has not been successful, given we believe divestment only offloads the problem rather than rectifying it."

Source: Insurers

Data limitations

This report does not include commentary on the Scheme's gilts, cash-like assets or cash because of the limited materiality of stewardship to these asset classes.

Annex – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's DC managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

LGIM Multi-Asset Fund	**Company name**	Shell Plc
	Date of vote	23 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.56%
	Summary of the resolution	Approve the Shell Energy Transition Progress
	How you voted	Against (Against management recommendation)
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	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.
	Rationale for the voting decision	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 company'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.
	Outcome of the vote	Pass
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM continues to undertake extensive engagement with Shell on its climate transition plans.
	On which criteria have you assessed this vote 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.

LGIM All Word Equity Index Fund	**Company name**	Amazon.com, Inc.
	Date of vote	24 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.5%
	Summary of the resolution	Report on Median and Adjusted Gender/Racial Pay Gaps
	How you voted	For (Against Management Recommendation)
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.
	Rationale for the voting decision	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	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
	On which criteria have you assessed this vote to be "most significant"?	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.

Prudential With Profits Fund Vote example from underlying manager Lazard	**Company name**	China Construction Bank Corporation
	Date of vote	19 December 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.1%

Summary of the resolution	Management - Amend Plan on Authorization of Shareholders' General Meeting to the Board of Directors
How you voted	Against Management
Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	Lazard has approved specific proxy voting guidelines regarding various common proxy proposals, which determine whether a specific agenda item should be voted 'For,' 'Against,' or is to be considered on a case-by-case basis. It is not routine policy for Lazard to communicate its decision to vote against management ahead of the vote, but as we meet regularly with companies owned in our fundamental portfolios it is typically the case that we would have expressed any material concerns to management during these meetings.
Rationale for the voting decision	A vote AGAINST this resolution is warranted given the company has not specified the details and the provisions covered under the proposed amendments.
Outcome of the vote	Pass
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	As active managers, outcomes stemming from voting decisions and engagement are incorporated into our investment process, further enhancing long-term value for clients and beneficiaries. We believe the most effective shareholder engagement is undertaken by analysts who can contextualise the information that arises from the dialogues which is reflected in our voting decisions and then incorporated into our investment process. We engage with companies on a regular basis and in the case where we have voted against management we would typically follow up.
On which criteria have you assessed this vote to be "most significant"?	In this instance, we have considered most significant votes in the following order: firstly, any "Say on Climate" management proposal or ESG focused shareholder proposals, secondly, any votes considered controversial by our investment professionals, and lastly, any management proposals where we voted against management. The resultant proposal buckets are then ranked by the company's average holding within the fund/or portfolio over the period under review to identify the top 10 votes for disclosure in the template. Our voting approach is based on our global governance principles which lays out our expectations of company management. They are founded on the belief that long-term shareholder value is enhanced through a more comprehensive assessment of stakeholder management. This includes governance issues such as remuneration policies, independence of appointed board members, human capital issues including employees, suppliers, their customers, and the community, as well as natural capital issues, including its dependency and use of natural resources and its approach to manage climate change risk. We believe that we must

	vote in a manner that (i) will maximize sustainable shareholder value as a long-term investor; (ii) is in the best interest of its clients; and (iii) the votes that it casts are intended in good faith to accomplish those objectives.

Source: Fund Managers