The University of Warwick Pension Scheme – DB Section

Annual Implementation Statement – Scheme Year ending 31 March 2021

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Section 1: Introduction and summary

This document is the Defined Benefit ("DB") Annual Implementation Statement ("the Statement"), prepared by the Trustee of The University of Warwick Pension Scheme (the "Scheme"), corresponding to the Scheme's DB Statement of Investment Principles ("SIP"), and covering the year from 1 April 2020 to 31 March 2021 ("the Scheme Year").

The purpose of this Statement is to:

- Detail any reviews of the SIP the Trustee undertook over the Scheme Year, including the reasons for any changes made to the SIP over the year – see Section 2.

- Set out the extent to which, in the opinion of the Trustee, the Scheme's SIP was followed during the Scheme Year – see Section 3. **In summary, the Trustee considers that all the SIP policies and principles were adhered to during the year.**

- Describe the voting behaviour by, or on behalf of, the Trustee over the Scheme Year – see Section 4.

A copy of this Statement will be made available on the following website.

The Scheme makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact.

To ensure that investment policies set out in the SIP are taken by persons or organisations with the skills, information and resources necessary to take them effectively, the Trustee delegates some responsibilities to the Investment Sub Committee ("ISC") and the Delegated Chief Investment Officer ("DCIO"). These responsibilities are set out in more detail in the SIP, but are mainly:

- **ISC**: Assisting the Trustee in developing an appropriate overall investment strategy (return target and risk budget) and the ongoing monitoring of the investment strategy and the activity and performance of the DCIO.

- **DCIO:** The Trustee has appointed a DCIO, Towers Watson Limited, to manage the Scheme's assets. The Trustee has set the DCIO specific objectives and parameters within a bespoke Fiduciary Management Agreement, including the Scheme's investment objectives and asset allocation limits. The Trustee believes in diversification and the Scheme's portfolio is built using a diverse range of return-seeking assets and a dedicated allocation to liability driven investments which seek to match the sensitivity of the Scheme's liabilities to inflation and interest rates. The DCIO is responsible for implementing the Trustee's agreed investment strategy, determining the asset allocation, selecting and de-selecting investment managers and reflecting Sustainable Investment ("SI") considerations throughout the investment process. The DCIO considers the policies and principles set out in the Trustee's SIP in addition to the specific Fiduciary Management investment guidelines set by the Trustee.

Section 2: SIP reviews/changes over the year

The version of the SIP in place at the start of the Scheme Year was dated March 2020.

The SIP was updated once during the Scheme year, as at September 2020, in relation to new Department for Work and Pensions (DWP) regulations coming into force from 1 October 2020 which requires trustees to set out their policy in relation to their arrangements with asset managers including:

- how the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the trustees' policies;

- how that 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;

- 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;

- how the trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range; and

- the duration of the arrangement with the asset manager.

For the purpose of assessing how the Scheme's SIP has been followed, the remainder of this statement specifically focuses on the SIP agreed in September 2020.

Section 3: Adherence to the SIP

Below sets out the actions the Trustee has taken over the Scheme Year to adhere to the policies in the SIP and the ongoing monitoring of the policies in the SIP.

Section 1: Introduction

This section provides the relevant introductory and background comments rather than setting out any policies.

Section 2: Division of responsibilities

This section primarily sets out the investment governance structure and responsibilities of the key parties in relation to the investment strategy and ongoing management of the Scheme's investments. Over the Scheme Year the Trustee:

- Held 3 ISC meetings - the topics covered include:
  - Review of the investment strategy in conjunction with the 2019 actuarial valuation results
  - Monitoring of Scheme performance and exposure to COVID related risks
  - Assessment of the combined services provided by the DCIO and Scheme Actuary
  - In depth sustainable investment review

- Held 4 Trustee meetings and received updates from the DCIO and Scheme Actuary on the investment performance, progression of the Scheme's funding position and the outcomes from the ISC meetings.

- Received training on the following topics:
  - Sustainable investment
  - New SIP regulations
  - Integrated Risk Management (IRM) frameworks and implementation
  - The Pensions Regulator annual DB funding statement
  - Consultation on the revised DB funding code of practice
  - GMP equalisation

- Reviewed the objectives it had set the DCIO and concluded they remained appropriate.

- Evaluated the performance of the DCIO against the objectives set and its broader performance as DCIO and concluded that it had met all of the objectives and had performed to a satisfactory standard.

The DCIO monitored the Scheme's underlying investment managers and Global Custodian and Performance Measurer on an ongoing basis.

Section 3: Long-term objectives and investment strategy

Over the Scheme Year, the Trustee carried out a number of activities including those set out below.

Investment strategy review and actuarial valuation

Following the 2019 March triennial actuarial valuation, the Trustee reviewed the investment strategy in early 2020. The ISC had agreed in principle to a new Journey Plan including a reduced return target of gilts+1.5% pa, subject to the Trustee ratifying the decision. However, in March 2020 after quick and severe market falls from the economic shutdown due to COVID-19, the Scheme's funding position had worsened. As such, the Trustee agreed to adopt a new Journey Plan based on continuing to target a return level of gilts+1.8% pa for the time being. Subsequently the market rebounded, and in May 2020 the Scheme was able to de-risk to the gilts+1.5% pa target and adopt the originally intended Journey Plan.

The Trustee also adopted a revised Dynamic Risk Management Framework whereby the Scheme's funding position is monitored relative to agreed upside and downside triggers which are used to indicate if the Scheme is sufficiently ahead of or behind the Journey Plan to warrant reviewing or changing the Scheme's investment strategy.

The Trustee's investment strategy seeks to outperform a benchmark based on a projection of the Scheme's liability cashflows. The liability benchmark is updated following each actuarial valuation, and when there is any significant change to the structure of the Scheme's liabilities. The benchmark was updated in May 2020.

Ongoing monitoring of the Scheme's investment strategy and asset allocation

- On a quarterly basis, the Trustee reviewed the Scheme's portfolio and performance of the DCIO via quarterly investment reports and updates from the DCIO covering:
    - Commentary on performance and portfolio changes
    - Performance of the underlying assets
    - Funding position of the Scheme
    - Risk and return statistics of the portfolio
    - Asset allocation
    - The DCIO's adherence with the investment guidelines set by the Trustee (No breaches were reported during the year).

- The DCIO monitored and reported on the Scheme's investments and managers on a regular basis to ensure that the investment strategy remained consistent with the Scheme's objectives.

- The DCIO monitored and reported on manager performance relative to an appropriate market benchmark where one was available or an appropriate return objective where a market benchmark was not available. In addition, the DCIO assessed the performance of the Scheme's investment managers relative to peers and in the context of the prevailing market environment.

- On a daily basis, using its proprietary software, Asset Liability Suite, the DCIO tracked an estimate of the Scheme's funding level relative to the Journey Plan and upside and downside triggers. No triggers were hit during the Scheme Year.

- The Trustee believes in diversification and the Scheme's portfolio is built using a diverse range of return-seeking assets and a dedicated allocation to liability driven investments which seek to match the sensitivity of the Scheme's liabilities to inflation and interest rates. Throughout the year, implementation of this strategy was delegated to the DCIO who managed the balance of these investments.

- The DCIO acted within guidelines set by the Trustee including asset allocation, manager and geographical diversification, and foreign currency exposure. The guidelines were updated in June 2020 following the agreed de-risk.

Section 4: Other investment policies

As set out above, the Trustee has delegated responsibility to the DCIO (within agreed investment guidelines and in accordance with the Trustee's SIP) to implement the Trustee's agreed investment strategy, including making certain decisions about investments in compliance with Sections 34 and 36 of the Pensions Act 1995. As such the DCIO is also responsible for:

- Choosing investments – including the selection and deselection of investments, and the ongoing management of relationships with asset managers.

- Sustainable and responsible investment – i.e. how Environmental, Social and Governance ("ESG") factors are allowed for in the portfolio in terms of both capital allocation and stewardship.

- Managing portfolio liquidity relative to the Scheme's requirements.

Choosing investments

- The DCIO considered past performance as one of several inputs into the assessment of an investment manager, which relies predominantly on research views based on a range of qualitative and quantitative factors, including the consideration of SI/ESG factors as outlined below. Whilst there were some changes to the underlying investment managers, no managers were terminated based on short term performance alone. Consistent with the Scheme's long investment time horizon, the Trustee seeks to be a long-term investor and the DCIO has appointed managers (in the majority of cases) with the expectation of a long-term relationship. This in turn allows investment managers to take a longer-term approach to investing, including engagement with issuers of debt and equity, with a view to improving investment outcomes over the long term.

- As part of its manager selection and ongoing oversight processes, the DCIO considers the level of fees and the type of fee structures used by each manager (including a consideration of the alignment of interests created by certain fee structures). The DCIO considers a number of factors including the asset class / investment strategy, the way in which the strategy is implemented (e.g. active management or passive benchmark tracking), and fee benchmarking relative to peers. The majority of the Scheme's investment managers were paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The exceptions to this were in Secure Income Assets (SIAs) where some of the underlying managers' remuneration was partly based on performance over an appropriate time horizon. The use of performance fees for these types of investments (where manager skill is a key driver of expected returns) is quite common. The Trustee and DCIO recognise the incentives created by such fee structures and are comfortable with them given the highly active nature of these individual strategies, and in the context of the Scheme's wider investment portfolio where the aggregate use of these fee structures is limited.

- During the Scheme Year, the DCIO reviewed and reported to the Trustee on the total fees and costs incurred by the Scheme through its investments. As part of its review and reporting on the Scheme's costs, the DCIO also reported to the Trustee on the costs associated with portfolio turnover. The Trustee and DCIO were comfortable that portfolio costs, including those associated with turnover, were consistent with expectations relative to the underlying investments.

- The DCIO's process for selecting, monitoring and de-selecting managers explicitly and formally includes an assessment of a manager's approach to SI (recognising that the degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and exposures). Where ESG factors are considered to be particularly influential to outcomes, the DCIO engages with investment managers to improve their processes. Some examples of the impact these policies have had on the portfolio are disclosed in the next section.

Responsible investing, stewardship and sustainability

- In January 2021, the ISC carried out a detailed review of the DCIO's approach to Environmental, Social and Governance ("ESG") issues and how these are being incorporated by the DCIO into the portfolio. The review included
    - A review of the Trustee's current SI policy to ensure it remains appropriate
    - The importance of sustainable investing and integrating ESG factors
    - A review of the use of EOS at Federated Hermes ("EOS") to provide public policy engagement services
    - How the DCIO integrates sustainability and ESG into its ongoing process, including manager selection and research, portfolio construction and asset research
    - An assessment of the underlying investment managers and how sustainability and ESG factors are applied in the process for the managing of the assets. All of the Scheme's applicable mandates were rated either positive or neutral by the DCIO on ESG and engagement metrics
    - Specific portfolio examples that have a focus on ESG, including:
        - Equity assets that will over/underweight companies that are leaders/laggards respectively from an ESG perspective
        - Screening and discretionary ESG layers to the Scheme's Chinese equity mandate
        - A greenhouse co-investment that utilises waste heat from sewage treatment
        - Social infrastructure assets benefitting local societies
        - An explicit ESG factor in the Scheme's equity market neutral long-short equity strategy
    - A preview of the next evolution of SI reporting that the DCIO is preparing to go live later in the year, which will aid the Trustee in evaluating the portfolio's SI related risks, including climate-related risks in line with the recommendations of the Taskforce of Climate-related Financial Disclosures.

- The in-depth review helped the ISC identify areas within SI and the investment approach taken by the DCIO to explore in more detail at a subsequent meeting which took place after the Scheme Year end. The follow up meeting explored the implications of the DCIO's SI policies on the portfolio and how SI considerations are taken into account when investing in certain geographies. The ISC concluded that the DCIO's policies and approach were aligned with the Trustee's, and that this should be monitored on an ongoing basis to ensure continued alignment.

- Over the Scheme Year the Trustee did not make any investment decisions based on non-financial matters.

- The Trustee expects that the annual communication to members regarding ESG and stewardship will be addressed in the annual implementation statement, with this document representing the first of this kind. This document is a statutory report and will be produced and published on an annual basis alongside the Scheme's Annual Reports and Accounts.

Liquidity and realisation of investments

- As part of the investment guidelines, the Trustee has also set liquidity limits that the DCIO must adhere to. The Trustee has a policy to ensure that the Scheme's cashflow requirements can be readily met without disrupting its investments.

- Throughout the Scheme Year, the DCIO regularly monitored the level of cash in the Scheme, and cashflows into/out of the Scheme to ensure that there were sufficient assets in readily realisable investments to meet the Scheme's requirements without disrupting its investments.

- The Trustee monitored the liquidity of the Scheme's portfolio and cashflows into and out of the Scheme on a quarterly basis.

- The DCIO can make adjustments to the Scheme's allocation to cash when necessary within guidelines set by the Trustee.

Section 5: Risk management

Rather than setting out any policies, this section provides an overview of the broad range of risks recognised by the Trustee, risks which could ultimately lead to the Scheme accumulating insufficient assets to finance members benefits.

The Trustee has put in place an Integrated Risk Management Framework which seeks to identify, manage and monitor risks which could negatively impact the Scheme's ability to meet its funding objectives. This framework incorporates funding, covenant and investment factors and is ultimately used to help inform the Scheme's investment strategy. In relation to investment factors, the Trustee has identified a number of risks which it seeks to manage and monitor, in conjunction with the DCIO. Solvency and mismatch risk, investment manager risk, liquidity risk, and interest rate and inflation risks have been discussed above in the relevant sections on investment strategy and investment managers. The DCIO reported to the Trustee on each of these risks in quarterly meeting papers which were discussed at the Trustee's quarterly meetings.

The Trustee received an integrated investment and actuarial funding update on a quarterly basis at the Trustee meetings. It also received regular updates from the Sponsor to assess the level of ability and willingness of the Sponsor to support the continuation of contributions to the Scheme. The Sponsor covenant was also assessed as part of the actuarial valuation.

Currency risk was managed through the use of currency hedged share classes for relevant foreign currency denominated investments by the DCIO, managing the overall foreign currency exposure in line with the investment guidelines set by the Trustee. Throughout the year, the DCIO left a small proportion of the Scheme's foreign currency exposure unhedged for reasons of diversification and return generation. The DCIO monitored the Scheme's unhedged exposures on a regular basis and reported this to the Trustee as part of its quarterly meeting papers.

The Scheme's custodial risk from the custodian becoming insolvent was addressed by investing in a diversified range of reputable pooled funds which have been researched from an Operational Due Diligence perspective and where the Scheme's assets are held by separate custodians appointed by the managers. In addition, any uninvested cash was swept into a pooled cash fund at the custodian where the assets are held off the custodian's balance sheet. In addition, the DCIO's specialist research team reviews the custodian on a regular basis.

Political risk arising from political regimes and actions, particularly in less established/ more opaque markets, was managed throughout the year by maintaining a well-diversified portfolio by geography and managed within geographical constraints specified in the investment guidelines. The DCIO considers political risk when determining whether to allocate capital to an investment and also in determining the relative sizing of an investment, as was the case when determining the allocation route and sizing made to Chinese equities in the portfolio.

Section 4: Voting and engagement

The Trustee has delegated the day to day ESG integration and stewardship activities (including voting and engagement) to its investment managers. The Trustee has not set any specific guidelines around manager voting.

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example fixed income whereby these holdings do not have voting rights attached. Therefore, voting information was requested from the Scheme's equity and listed real assets managers (as here there is a right to vote as an ultimate owner of a stock) across the following five pooled funds:

- Adaptive capped ESG equity (LGIM)
- Multi-Factor equity (LGIM)
- Listed global prime property (LGIM)
- Listed infrastructure (LGIM)
- China A shares equity (FSSA)

Legal & General Investment Management ("LGIM")

The DCIO's view is that LGIM continues to demonstrate good / leading practice vs. peers, in particular in their willingness to take visible stances on topics they believe are important. This is supported by an effective approach to conflict management, high transparency, and effective communications. The DCIO continues to engage with LGIM on the level of stewardship team resourcing, in particular given breadth / depth of coverage and rapid growth in AUM, as well as pushing for better / more effective fixed income engagement.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and LGIM do not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The LGIM Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that they receive from ISS for UK companies when making specific voting decisions

To ensure LGIM's proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what the DCIO considers are minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice.

LGIM retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure votes are fully and effectively executed in accordance with LGIM's voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

FSSA Investment Managers ("FSSA")

Corporate engagement and asset stewardship are a key part of the investment process for FSSA and has been a key part of the investment process across all of its investment strategies. The investment team's long-term investment horizon, approach of investing in companies with strong governance structures and history and experience of investing in local markets, supports that they are well-equipped to engage with company management with a view to improving outcomes for minority shareholders. The DCIO views FSSA's approach to SI as good.

FSSA uses Glass Lewis as its proxy advisor. The Head of each asset class or their authorised signatory is responsible for ensuring that all company resolutions are reviewed such that an appropriate and consistent recommendation is made in line with the corporate governance guidelines and principles as outlined in the Proxy Voting policy. Once the proxy voting intentions have been confirmed, they must communicate the decision to the Company Engagement team in an agreed format by the pre-advised cut-off. FSSA will only vote in the best interests of its investors.

Manager voting data

The Trustee understands the importance of carrying out periodic reviews of the voting information and engagement policies of its investment managers to ensure they align with its own policies and principles. The table below provides a summary of the voting activity for the Scheme's holdings over the year.

	Votable meetings	Votable Resolutions	% of votable resolutions voted on	% of votes with management	% votes against management	% of votes abstained	% of resolutions voted contrary to proxy adviser
Adaptive capped ESG equity (LGIM)	3,523	40,566	100.0	81.5	17.9	0.6	11.1
Multi-Factor equity (LGIM)	2,577	30,447	100.0	81.9	17.7	0.4	11.3
Listed infrastructure (LGIM)	91	1,158	100.0	85.1	14.9	0.0	11.1
Listed global prime property (LGIM)	111	1,223	100.0	84.1	15.7	0.2	10.6
China A shares equity (FSSA)	108	956	100.0	99.0	1.0	0.0	13.0

Significant Votes

The tables below give a snapshot of significant votes for the year to 31 March 2021:

Company name	**International Consolidated Airlines Group**
Date of vote	07-Sep-20
Summary of the resolution	Resolution 8: Approve Remuneration Report was proposed at the company's annual shareholder meeting held on 7 September 2020.
How LGIM voted	LGIM voted against the resolution.

Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	The COVID-19 crisis and its consequences on international transport have negatively impacted this airline company's financial performance and business model. At the end of March 2020, LGIM addressed a private letter to the company to state their support during the pandemic and also encouraged the board to demonstrate restraint and discretion with its executive remuneration. As a result of the crisis, the company took up support under various government schemes. The company also announced a 30% cut to its workforce. On the capital allocation front, the company decided to withdraw its dividend for 2020 and sought shareholder approval for a rights issue of €2.75 billion at its 2020 AGM in order to strengthen its balance sheet. The remuneration report for the financial year to 31 December 2019 was also submitted to a shareholder vote. LGIM were concerned about the level of bonus payments, which are 80% to 90% of their salary for current executives and 100% of their salary for the departing CEO. LGIM noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020. However, whilst the bonuses were determined at the end of February 2020 and paid in respect of the financial year end to December 2019, LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company, and also to reflect the stakeholder experience (employees and shareholders). Over the past few years, LGIM have been closely engaging with the company, including on the topic of the succession of the CEO and the board chair, who were long-tenured. This engagement took place privately in meetings with the board chair and the senior independent director. This eventually led to a success, as the appointment of a new CEO to replace the long-standing CEO was announced in January 2020. A new board chair: an independent non-executive director, was also recently appointed by the board. He started his new role in January 2021.
Outcome of the vote	Passed. 28.4% of shareholders opposed the remuneration report.
Implications of the outcome e.g lessons learned and likely future steps in response to the outcome	LGIM will continue to engage closely with the renewed board.
The criteria by which LGIM have assessed this vote to be "most significant"	LGIM considers this vote significant as it illustrates the importance for investors of monitoring investee companies' responses to the COVID crisis.

Company name	**Barclays**
Date of vote	07-May-20
Summary of the resolution	Resolution 29 Approve Barclays' Commitment in Tackling Climate Change Resolution 30 Approve ShareAction Requisitioned Resolution
How LGIM voted	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. LGIM have said they are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.
Outcome of the vote	Resolution 29 – Passed. Supported by 99.9% of shareholders Resolution 30 – Did not pass. Supported by 23.9% of shareholders (source: Company website)
Implications of the outcome e.g lessons learned and likely future steps in response to the outcome	LGIM say their focus will now be to help Barclays on the detail of their plans and targets, more detail of which is to be published this year. LGIM plan to continue to work closely with the Barclays board and management team in the development of their plans and will continue to liaise with ShareAction, Investor Forum, and other large investors, to ensure a consistency of messaging and to continue to drive positive change.
The criteria by which LGIM have assessed this vote to be "most significant"	LGIM noted significant client interest in LGIM's voting intentions and engagement activities in relation to the 2020 Barclays AGM and thank their clients for their patience and understanding while they undertook sensitive discussions and negotiations in private. LGIM consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as their clients hence the request for executives' post-exit shareholding guidelines to be set.

Company name	**Great Wall Motor**
Date of vote	25-May-20
Summary of the resolution	Amendments to Articles of Association
How FSSA voted	FSSA voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	The shortened notice period as it was deemed shareholders would not be given enough time to consider items before general meetings under the proposed notice period.
Outcome of the vote	The vote was passed.
Implications of the outcome e.g lessons learned and likely future steps in response to the outcome	FSSA are stringent in their voting of governance matters especially. Small matters count, and FSSA feel there is always scope for their Chinese portfolio companies to become even better over time hence they will continue to push on this front. FSSA intend on communicating/engaging more with companies in future meetings on areas for improvement and on items they have voted against at AGMs.
The criteria by which FSSA have assessed this vote to be "most significant"	FSSA noted this a significant vote as it was against management's recommendation.

Industry wide / public policy engagement

In addition to the above, the DCIO has partnered with EOS to undertake public policy engagement on behalf of its clients (including the Trustee).

This public policy and market best practice engagement is done with legislators, regulators, industry bodies and other standard-setters to shape capital markets and the environment in which companies and their investors operate, a key element of which is risk related to climate change. The DCIO represents client policies/sentiment to EOS via the Client Advisory Council, of which WTW are currently the chair.

Engagement activities by EOS on public policy over the year included:

- 52 consultation responses or proactive equivalents (such as a letter), and 173 discussions held with relevant regulators and stakeholders during 2020;

- Working closely with the Principles for Responsible Investment ('PRI'), including leading the engagement with Vale (a Brazilian mining company) on the tailings dam failure, and actively involved in other groups, including cyber risk, water stress, cattle deforestation, palm oil, plastics, cobalt and tax;

- Close collaboration with significant investor initiatives including Investors for Opioid & Pharmaceutical Accountability, Investor Alliance for Human Rights, Plastics Solutions Investor Alliance, 30% Club, and Investor Initiative on Mining & Tailings Safety.

The DCIO is also engaged in a number of industry wide initiatives and collaborative engagements including:

- Being a Tier 1 signatory of the 2012 UK Stewardship Code and submitting its first annual report to the 2020 UK Stewardship Code;

- Being a signatory of the Principles for Responsible Investment (PRI) and active member of their Stewardship Advisory Committee;

- Being a member of and contributor to the Institutional Investors Group on Climate Change (IIGCC), Asian Investors Group on Climate Change (AIGCC), and Australasian Investors Group on Climate Change (IGCC);

- Founding the Coalition for Climate Resilient Investment (with the World Economic Forum);

- Co-founding the Investment Consultants Sustainability Working Group;

- Continuing to lead collaboration through the Thinking Ahead Institute and Willis Research Network.