



Implementation Statement

**COOPER-AVON TYRES LIMITED PENSION
PLAN**

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

1. Introduction

Cooper-Avon Pension Trust Limited (the 'Trustee') are obliged, acting in their capacity as trustee of the Cooper-Avon Tyres Limited Pension Plan (the 'Plan'), to prepare a yearly statement setting out how they have complied with the Statement of Investment Principles (the 'SIP'), including:

- A description of any amendments to the SIP during the period covered by the statement.
- How and the extent to which, in the opinion of the Trustees, compliance with the SIP has been achieved.
- How the Trustee have demonstrated good stewardship over investments, which includes
 - a description of how, and the extent to which, policies on investment rights (including voting) and engagement described within the SIP have been complied with;
 - a description of voting behaviour made by or on behalf of the Trustee; and
 - a statement on any use of the services of a proxy voter.

This statement relates to the period from 1 October 2021 to 30 September 2022 (the 'reporting period'), and has been prepared in accordance with regulatory requirements and guidance published by the Pensions Regulator. This statement is based on the SIP that applied during the period, the latest of which is available at the following link: [Pension Plan - Cooper Tyres](#)

2. Amendments to the SIP

There were no material changes to the governance arrangements of the Plan during the reporting period, nor to the investment policy, nature of risks, fees or stewardship practices. As a result, the SIP has not been amended during this reporting period.

3. Adherence to the SIP

The Trustees regularly monitor compliance with the SIP, at least every quarter. In particular, they obtain confirmation from their fiduciary manager, Kempen Capital Management (Kempen) and other advisors that they have complied with the relevant SIP insofar as is reasonably practicable and that in exercising any discretion they have done so in accordance with Occupational Pension Schemes Regulations.

In particular, the Trustees have received periodic investment reports and investment updates from Kempen that provide:

- details of the asset allocation, and whether the allocations are consistent with the investment policies specified in the SIP
- details of the value of the Plan's investments, and the estimated value of the liabilities from which an estimated funding level can be determined,
- progress of the funding level with respect to funding targets,
- details of the performance of the individual investments, including relative to a benchmark,
- details of the performance of the total investments, including relative to the target return and investment objectives,
- details of the hedging of the interest rate and inflation risks associated with the liabilities, and whether the hedging is working as expected, and is compliant with any investment constraints specified in the SIP,
- details of the investment risk of the investments, and the change in the total investment risk over time,
- the responsible investment characteristics of the investments, and
- details of the engagement behaviour of both Kempen and the underlying asset managers they appoint on behalf of the trustees, including their voting behaviour.

The Trustees have reviewed the information provided by Kempen and its other advisors, and are satisfied that the policies set out in the SIP have been followed, including for:

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

- investing the assets according to the investment policy and the investment strategy advised and implemented by Kempen,
- choosing suitable investments to achieve the right balance between risk and return,
- managing the key risks of the Plan appropriately,
- monitoring the underlying asset managers of the investments, and the performance of the investments relative to the objectives,
- managing ESG risks (financial materially considerations) appropriately (note that non-financial matters, such as member views, are not taken into consideration), and
- exercising of the rights (including voting rights) attaching to investments.

A summary of the engagement behaviour of both Kempen and the underlying asset managers they appoint on behalf of the Trustees is provided in the sections below. This includes information on voting behaviour, and votes considered significant by each of the asset managers. The Trustees have no influence on the managers' definitions of significant votes but have noted these and are satisfied that they are all reasonable and appropriate.

4. Stewardship – Kempen monitoring and engagement behaviour

Background

The Trustee recognise their responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments.

The Trustee do not monitor or engage directly with issuers of, or holders of, debt or equity, but instead delegate this activity to their fiduciary manager, Kempen Capital Management ("Kempen") and to the underlying asset managers appointed by Kempen. The Trustee expect Kempen to undertake regular monitoring and engagement in line with its' own corporate governance policies, taking account of current best practice including the UK Corporate Governance Code 2018 and the UK Stewardship Code 2020.

Kempen expects the underlying asset managers they select, and who are regulated in the UK, to comply with the UK Stewardship Code 2020, including public disclosure of compliance via an external website. Kempen also expect those managers to exercise rights attached to their investments, including voting rights, and to engage with issuers of debt and equity and other relevant persons about matters such as performance, strategy, management of actual or potential conflicts of interest, and environmental, social and governance ("ESG") considerations.

ESG criteria are a set of non-financial indicators relating to a company's operations that are used by investors to evaluate corporate behaviour and to determine how it may impact the future financial performance of companies. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

There are several levels of engagement at Kempen: they engage with the asset managers they appoint, with companies they invest in directly (e.g. within Kempen products), and via collaborative engagement with industry stakeholders, such as regulators, industry initiatives, benchmark providers, and peers.

Kempen engagement with asset managers

Whilst Kempen has limited influence over an asset managers' investment practices where assets are held in pooled funds, it has, throughout the reporting period, encouraged its chosen managers to improve their own stewardship and engagement practices, and consider ESG factors and their associated risks. Kempen uses the following methodology to engage with the underlying asset managers:

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

- ESG criteria are assessed based on international conventions and initiatives, such as the UN Global Compact and the Principles for Responsible Investment (PRI);
- All managers are screened against ESG criteria before inclusion in Kempen's approved manager list. For example:
 - does the manager have a responsible investment policy;
 - is the manager open for a dialogue on ESG criteria; and
 - does the manager have exposure to companies that are on Kempen's exclusion & avoidance list?
- All managers are reviewed against ESG criteria on an ongoing basis. For example:
 - do responsible investing considerations continue to be integrated into their investment process;
 - is the manager making progress;
 - is the manager well informed and up-to-speed on ESG criteria and initiatives; and
 - is there periodic screening of all the underlying equity and debt securities held by managers within their investment products, to check for exclusion candidates?
- Kempen encourages its chosen managers to improve their practices where appropriate.

Kempen have created a proprietary scoring framework to help them understand and evaluate how asset managers integrate various ESG factors into their investment processes. Within this framework, asset managers and their products (i.e. pooled funds) are classified into one of different levels: bare minimum (level 1), basic (level 2), responsible (level 3), sustainable (level 4), impact (level 5).

The five levels of the Sustainability spectrum are:



Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

To assess where a manager fits within the Sustainability Spectrum, Kempen have developed assessment criteria based on the six 'pillars' outlined in the graphic below. For each of the pillars there are requirements that managers need to satisfy to qualify for the corresponding level.

For example, to qualify for level 3 (responsible) managers need to have a public commitment to responsible investment and global norms, avoid investing in companies that produce tobacco or controversial weapons, violate or potentially violate the UN Global Compact, OECD Guidelines or UN Guiding Principles for Business and Human Rights. Kempen also expect managers in this level to have a climate change policy and integrate ESG criteria into their investment process.

Furthermore, Kempen expect managers to engage and vote in line with their policies and clearly evidence that their policies and commitments are implemented in their investment portfolios.

To qualify for sustainability level 4, managers should not only meet the requirements of level 3 but also have CO2 reduction targets and a best-in-class or thematic investment approach that shows how they are benefiting stakeholders.

Level 5 is reserved for managers that invest in companies that intentionally contribute positively to solving specific global challenges through their products and services.

In Kempen's manager scoring process a distinction is made between 'listed', 'non-listed' and 'alternative' investment funds. The manager scoring methodology is aligned on the pillars across asset classes, but the exact scoring elements vary per asset class.

Kempen assessed over 387 listed funds in 2021, representing around 57% of total assets under management, and their ESG scores ranged between levels 2 and 5 on the sustainability spectrum; 9% of scored 'Basic' (score 2); 64% scored 'Responsible' (score 3), 25% scored 'Sustainable' (score 4) and 2% scored 'Impact' (score 5).

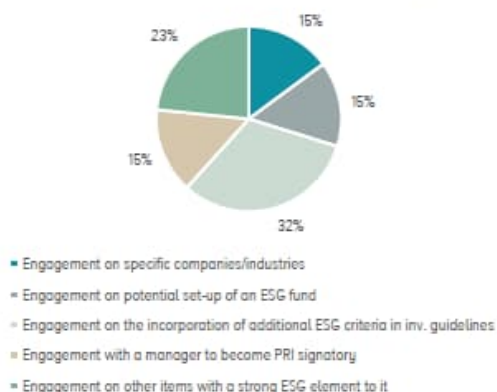
During 2021, both the coverage as well as the percentage of Kempen's assets that can be classified as sustainable and impact has grown materially (amounting to 27%). For the next few years, Kempen have an objective to grow this with 5% points annually. In 2021, the percentage of fund managers on Kempen's Approved List that met the criteria for responsible, sustainable and impact investments was 76%.

All Kempen approved funds are monitored on a quarterly basis, with one of the monitoring items being ESG. As part of the monitoring, the holdings of all approved funds are screened for compliance with Kempen's ESG criteria taking into account international standards such as the PRI, UN Global Compact and the UN Guiding Principles. The screening process includes monitoring the funds on a look-through basis, which then encourages structural engagement on any issues identified.



Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Manager Research Solutions engagement types in 2021



Kempen's engagement with companies

Kempen manage their own equity investment funds, and will therefore engage directly with investee companies on various matters including ESG criteria. While the Plan is not invested in Kempen's equity or bond funds, these engagement activities will have an indirect impact given the Plan is invested in the funds of other asset managers who may also invest in the same companies.

In 2021, Kempen engaged directly with 132 companies on environmental, social and governance themes. Of these engagements, 90 were direct engagements by Kempen's portfolio managers and responsible investment team. Kempen also engaged with an additional 204 companies in collaboration with peers.

Dialogue with companies is divided into 'engagements for change' and 'engagements for awareness'. The engagements for change were focused mainly on environmental (42%) and governance issues (39%). Kempen also engaged with 70 companies for awareness on general ESG issues, for the most part on governance and often around AGM agenda items. Overall, Kempen saw good progress in their dialogues with more than half showing a positive direction of travel.

Voting at shareholder meetings of investee companies is a key tool of stewardship and active ownership. Throughout 2021 Kempen voted at 437 distinct company meetings, with 14% of their votes cast against management. They make use of ISS as a voting platform and votes are based on their custom voting policy.

Kempen policies

Kempen maintains several policies to help guide investment decision making, manager selection and engagement. One of these policies is to maintain an exclusion & avoidance list; 43 companies are on the exclusion list due to their involvement with controversial weapons, while 30 companies are avoided due to their involvement in significant controversies. Kempen also avoid 105 tobacco companies. Kempen will monitor the funds of the external asset managers to identify whether any of these companies are included within their portfolios, and will engage with those managers where they do exist. Ultimately, Kempen try to persuade the external managers to adopt the same exclusion and avoidance list, however this is not always possible.

Kempen significantly strengthened their Climate Change Policy in 2021, with a long-term commitment to be a net-zero investor (by 2050), a mid-term ambition (2030) and shorter-term objectives (2025). Kempen's commitment, ambition and objectives are aligned with the Paris Agreement goals, and the 1.5°C scenarios from the IPCC. The objectives for 2025 applies to all external managers on Kempen's Approved List as well as funds managed by Kempen.

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

- **Commitment to net zero by 2050:** As a long-term investor, Kempen are committed to aligning with the Paris Agreement goals and contributing to the transition to a low carbon economy by 2050.
- **Ambition 2030:** By 2030 Kempen aim to be aligned with a path to achieving the Paris Agreement goals for all 'listed' and 'non-listed' investments.
- **Objective 2025:** By 2025, Kempen aim to be aligned with a path to achieving the Paris Agreement goals for all 'listed' investments. For the more sustainable and impact investments Kempen expect climate aligned pathways in line with the EU Benchmarks or alike.

In order to monitor progress on these objectives, in 2021 they translated their climate objectives into Key Performance Indicators (KPIs) across their organisation for 2022. Along with the net zero commitments in their investments, these KPIs include:

- Having already been measuring and reducing their own carbon footprint for more than a decade, starting in 2022, they are significantly increasing their carbon reduction target from 2.5% per FTE per year to 7% per FTE per year. This 7% annual reduction applies equally to the absolute emissions for their organisation, balance sheet and investments alike.
- A new KPI is coverage of indirect CO₂e emissions via their asset under management, with coverage growing to 55-60% by end 2022. They expect to add more KPIs relating to other sustainability topics in the future.

SUMMARY - KEMPEN'S STEWARDSHIP DASHBOARD



5. Stewardship – asset manager voting and engagement behaviour

The Shareholder Rights Directive (SRD II) and The UK Stewardship Code 2020 both emphasise the importance of institutional investors and asset managers engaging with the companies in which they invest, and stress the importance of exercising shareholder voting rights effectively.

Via Kempen's monitoring and engagement activities, the Trustee encourage all its asset managers to be engaged investors, and furthermore encourages the managers to report on these activities and to disclose information about responsible investing on their website and in their reporting.

The Plan is invested in a diverse range of asset classes, however the intention of this section of the statement is to provide specific details of the voting and engagement behaviour of the equity managers who manage equity investments which have voting rights attached, as well as the engagement details of

Appendix 3 – Implementation Statement (forming part of the Trustee's report)**continued**

the bond managers. Some asset managers may provide data that is not entirely consistent with the Plan's reporting period, the Trustee accepts this effectively means some managers are reporting with a lag.

While managers may have used proxy voters, the Trustee have not used proxy voting services themselves during the reporting period.

Appendix 3 – Implementation Statement (forming part of the Trustee's report)

continued

EQUITY MANAGERS' RESPONSES

State Street Global Advisors – World TPI Climate Transition Index Equity Fund

Voting Statistics:

Fund / Mandate Information	Response
What is the Fund's Legal Entity Identifier (LEI) (if applicable)	5493009W7D20FJBG65B
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	G800BMV36T24
What was the total size of the fund / mandate as at the end of the Reporting Period?	GBP 1,114mm
Total size of Scheme assets invested in the fund / mandate as at the end of the Reporting Period (if known)?	GBP 10.4m
What was the number of equity holdings in the fund / mandate as at the end of the Reporting period?	960
Question	
How many meetings were you eligible to vote at?	1158
How many resolutions were you eligible to vote on?	16,803
What % of resolutions did you vote on for which you were eligible?	99.14%
Of the resolutions on which you voted, what % did you vote with management?	91.27%
Of the resolutions on which you voted, what % did you vote against management?	8.73%
Of the resolutions on which you voted, what % did you abstain from voting?	0.53%
In what % of meetings, for which you did vote, did you vote at least once against management?	57.50%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	ISS
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	7.58%

Cooper-Avon Tyres Limited Pension Plan

Trustee's annual report and financial statements for the year ended 30 September 2022

3705477

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Most significant votes: State Street Global Advisors – World TPI Climate Transition Index Equity Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Metro Inc	Standard Chartered Plc	Bank of Montreal	Royal Bank of Canada	The Kraft Heinz Company
Date of vote	January 2022	February 2022	April 2022	April 2022	May 2022
Summary of the resolution	Community-Environment Impact	Climate Change Action	Sustainability Activities and Action	Sustainability Activities and Action	Community-Environment Impact
How you voted	Against	Against	Against	Against	Ab
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	This proposal does not merit support as the company's environmental disclosure and/or practices are reasonable.	This proposal does not merit support as the company's disclosure and/or practices related to climate change are reasonable.	This proposal does not merit support as the company's sustainability disclosure and practices are reasonable.	SSGA is abstaining on the proposal as the company's sustainability disclosure and practice are broadly in line with market standard but could be enhanced.	This proposal does not merit support as the company's environmental disclosure and/or practices are reasonable.
Outcome of the vote	N/A	N/A	N/A	N/A	N/A
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
On which criteria have you assessed this vote to be the "most significant"?	Vote against management	Vote against management	Vote against management	Vote against management	Vote against management

Page 84 of 99

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Northern Trust Company – NT EM ESG Leaders Equity Index Fund

Voting Statistics:	
Fund / Mandate Information	Response
What is the Fund's Legal Entity Identifier (LEI) (if applicable)	NA
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BDCLL976
What was the total size of the fund / mandate as at the end of the Reporting Period?	GBP 705.51mm
Total size of Scheme assets invested in the fund / mandate as at the end of the Reporting Period (if known)?	GBP 2.4m
What was the number of equity holdings in the fund / mandate as at the end of the Reporting period?	476
Question	
How many meetings were you eligible to vote at?	829
How many resolutions were you eligible to vote on?	8,017
What % of resolutions did you vote on for which you were eligible?	99%
Of the resolutions on which you voted, what % did you vote with management?	87%
Of the resolutions on which you voted, what % did you vote against management?	12%
Of the resolutions on which you voted, what % did you abstain from voting?	3%
In what % of meetings, for which you did vote, did you vote at least once against management?	45%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Institutional Shareholder Service (ISS). A custom bespoke policy is applied to this strategy.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	0%

Cooper-Avon Tyres Limited Pension Plan

Trustee's annual report and financial statements for the year ended 30 September 2022

3705477

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Most significant votes: Northern Trust Company – NT EM ESG Leaders Equity Index Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Top Glove Corporation Bhd	Klabin SA	Havells India Ltd	Hartalega Holdings Berhad	Zhejiang Chint Electrics Co., Ltd.
Date of vote	January 2022	March 2022	July 2022	September 2022	September 2022
Summary of the resolution	Approve Ernst & Young PLT as Auditors and Authorize Board to Fix Their Remuneration	Elect Directors - Slate 1	Approve Authorization for Havells Employees Welfare Trust to Subscribe to Shares for and under the Havells Employees Stock Purchase Scheme 2022	Elect Rebecca Fatima Sta. Maria as Director	Approve Provision of Financial Assistance
How you voted	Against	Against	Against	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	N/A	N/A	N/A	N/A	N/A
Rationale for the voting decision	A vote AGAINST because Northern Trust generally vote against auditor ratification and incumbent members of the Audit Committee if non-audit fees are excessive in relation to audit-related fees without adequate explanation.	The proposed board's level of independence fails to meet the expectations of institutional investors. There are significant concerns regarding the majority of the management nominees and Shareholders have presented an independent dissident nominee for whom minority shareholders can vote individually under the cumulative voting election.	A vote AGAINST these resolutions is warranted because the proposed scheme permits shares to be issued with an exercise price at a discount to the current market price.	A vote AGAINST Rebecca Fatima Sta. Maria (Item 5) and Nurmala Siti Abd Rahim (Item 6) as they serve on the audit committee and the company paid excessive non audit fees to its auditor.	A vote AGAINST is warranted because the level of loan to be provided to the receiving entity is disproportionate to the company's ownership in the said entity. The company has failed to provide any justifications in the meeting circular.
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Pass - continue to engage on the topic(s)	Withdrawn	Pass - continue to engage on the topic(s)	Continue to engage on the topics	Continue to engage on the topics
On which criteria have you assessed this vote to be the "most significant"?	Vote against management	Vote against management	Vote against management	Vote against management	Vote against management

Page 86 of 99

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

JPMorgan AM (Asia Pacific) Limited – JPM China A Shares Opportunities

Voting Statistics*:

Fund / Mandate Information	Response
What is the Fund's Legal Entity Identifier (LEI) (if applicable)	NA
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	LU2339014586
What was the total size of the fund / mandate as at the end of the Reporting Period?	GBP 28,002mm
Total size of Scheme assets invested in the fund / mandate as at the end of the Reporting Period (if known)?	GBP 1.6m
What was the number of equity holdings in the fund / mandate as at the end of the Reporting period?	63
Question	
How many meetings were you eligible to vote at?	231
How many resolutions were you eligible to vote on?	2,169
What % of resolutions did you vote on for which you were eligible?	100% 2,169 proposals
Of the resolutions on which you voted, what % did you vote with management?	90% 1,960 proposals*
Of the resolutions on which you voted, what % did you vote against management?	9% 209 proposals*
Of the resolutions on which you voted, what % did you abstain from voting?	0% 0 proposals*
In what % of meetings, for which you did vote, did you vote at least once against management?	32% 75 meetings
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Although we use the ISS ProxyExchange platform and see their voting recommendations, this forms only the starting point for our proprietary thinking, and all our voting decisions are made on a case by case basis by in-house specialists in conjunction with the Analyst and/or Fund Manager in reference to the JPMAM Corporate Governance Policy and Voting Guidelines.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	1% 27 proposals

Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

* Manager only providing data for financial year which is April to March

Cooper-Avon Tyres Limited Pension Plan

Trustee's annual report and financial statements for the year ended 30 September 2022

3705477

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Page 88 of 99

Most significant votes: JPMorgan AM (Asia Pacific) Limited – JPM China A Shares Opportunities					
	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Glodon Co., Ltd.	Guangzhou Automobile Group Co Ltd.	China Merchants Bank Co., Ltd.	China Merchants Bank Co., Ltd.	Haier Smart Home Co., Ltd.
Date of vote	April 2021	May 2021	Jun 2021	Jun 2021	Aug 2021
Summary of the resolution	Amend Rules and Procedures Regarding Meetings of Board of Directors	Approve Grant of General Mandate to the Board of Directors to Issue Shares	Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights	Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights	Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights for Additional Issuance of H Shares
How you voted	Against	Against	Against	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	J.P.Morgan Asset Management voted against this item because the company has not specified the details and the provisions covered under the proposed amendments.	A vote AGAINST this resolution is warranted for the following: "The share issuance limit is greater than 10 percent of the relevant class of shares. " The company has not specified the discount limit.	J. P. Morgan Asset Management voted against approving the Equity or Equity-Linked Securities without Pre-emptive Rights for H Shares due to concerns over the issuance limits, relating to concerns over dilution.	J. P. Morgan Asset Management voted against the approving the Equity or Equity-Linked Securities without Pre-emptive Rights for H Shares due to concerns over the issuance limits, relating to concerns over dilution.	J.P Morgan Asset Management voted against this item because the company has not specified the discount limit.
Outcome of the vote	Passed	Passed	Passed	Passed	Passed
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics
On which criteria have you assessed this vote to be the "most significant"?	Vote against management	Vote against management	Vote against management	Vote against management	Vote against management

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued
BOND MANAGER'S RESPONSES

Insight Investment Management – Buy and Maintain Bond Fund 2021-2025

Engagement Statistics:

Fund / Mandate Information	Response
What is the Fund's Legal Entity Identifier (LEI) (if applicable)	N/A
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE008HNGOW74
What was the total size of the fund / mandate as at the end of the Reporting Period?	GBP 1,084.7mm
Total size of Scheme assets invested in the fund / mandate as at the end of the Reporting Period (if known)?	GBP 5.4mm
What was the number of holdings in the fund / mandate as at the end of the Reporting period?	102
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	71
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	66.4
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	66.1
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	17
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	48
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	82
You participated in a collaborative engagement	60

Cooper-Avon Tyres Limited Pension Plan

Trustee's annual report and financial statements for the year ended 30 September 2022

3705477

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Engagement Case Studies Insight Investment Management – Buy and Maintain Bond Fund 2021-2025

Page 90 of 99

Name of entity you engaged	Blackstone Partners
Year engagement was initiated	Q4 2021
Theme of the engagement	Engaging to fully understand the impact of labelled ESG issuance
Your objective(s) from the engagement	Background & ESG Ratings: Blackstone Property Partners invest in high-quality, substantially stabilised real estate assets across Europe. Investments are concentrated in the logistics, residential and office sectors, with a focus on major European markets and key gateway cities. Insight Prime ESG Rating: 2
Please describe your engagement method. For example: -Who you have typically engaged with (and at what seniority level) -The extent of written communication and meetings -How the engagement approach has evolved over time -Any escalation that has occurred	Engagement discussion & findings: BPPEH announced a Green Bond issuance in October 2021 Use of proceeds included Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation and Tenant Relationships We joined an investor call and were disappointed with elements of their framework, including: Weak minimum standards for Green Buildings Lack of commitment on when full allocation would be achieved
Please comment on the outcomes from this engagement so far? For example: -What was the result of any escalation you employed -Have you met your stated objective? -What actions or changes by the entities have occurred? -Was the outcome purely a financial benefit or is there also a wider societal or environmental benefit?	Outcome & next steps: Our feedback on areas for improvement in the green bond framework were shared with BPPEH and we will review the framework if and when they update it in future We rated the bond as a fail through our Prime impact bond assessment, and as a result did not invest in the bond for any of our Impact or Responsible Horizon funds

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Insight Investment Management – Buy and Maintain Bond Fund 2031-2035

Engagement Statistics:

Fund / Mandate Information	Response
What is the Fund's Legal Entity Identifier (LEI) (if applicable)	NA
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BLN85Y73
What was the total size of the fund / mandate as at the end of the Reporting Period?	GBP521.4mm
Total size of Scheme assets invested in the fund / mandate as at the end of the Reporting Period (if known)?	GBP 4.6 mm
What was the number of holdings in the fund / mandate as at the end of the Reporting period?	71
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	40
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	57.1
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	58.0
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	9
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	22
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	47
You participated in a collaborative engagement	36

Cooper-Avon Tyres Limited Pension Plan

Trustee's annual report and financial statements for the year ended 30 September 2022

3705477

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Engagement Case Studies Insight Investment Management – Buy and Maintain Bond Fund 2031-2035

Page 92 of 99

Name of entity you engaged	HSBC
Year engagement was initiated	Q1 2022
Topic for this engagement	Environment - Climate change
Your objective(s) from the engagement	We wanted to understand HSBC's intermediate carbon targets to support its Net Zero commitment, and to understand whether the organisation will be releasing any fossil fuel lending policies, in line with peers. We have had numerous calls with HSBC on their transition plans. We found that HSBC's 2050 net zero target was announced fairly late compared to peers, and its Asian loan book is more heavily weighted towards coal producers. We challenged HSBC on this point, who stated that Hong Kong is very reliant on coal & oil with limited opportunity for renewables and it is difficult for them not to support this given their prominence. However, they confirmed that they will release targets for CO2 intensity in utilities and oil & gas sectors, with CO2 intensity to be added as a lending constraint alongside capital and leverage.
What you have done, for example: -When the engagement started and how your approach has evolved over time -The level of activity (e.g. number and type of meetings undertaken; number and type of written communications) -The level of individual you have typically engaged with and who led the engagement -Where your engagement activity included working alongside others in a collaborative engagement then explain your specific role within the collaborative engagement(s)	Meetings with HSBC have been with the Treasurer and Capital market, there were multiple meetings during 2022. Meeting have been hosted by both our ESG analyst and the relevant banks analyst. All meetings have been private in nature.
Outcomes and next steps, for example: -Has the engagement met your stated objective? -What actions or changes by the entity have occurred? -Can the entity verify that your engagement played a significant role in bringing about the change? -How has the outcome provided financial benefit or wider societal/environmental benefit? -How do you see the engagement progressing from here? -Have any portfolio allocation decisions been taken based, in whole or in part, on the engagement (e.g. divestment)? -Have you taken any other action as a result of the engagement?	We plan to follow up with HSBC on its coal financing policy as part of our Counterparty stewardship process. We have sent out questionnaires to our core trading counterparties, including HSBC, whereby the relevant counterparties were required to fill out an ESG questionnaire by the end of March. This includes questions on financing exclusions and policies and we will be conducting a benchmarking assessment and engaging directly with laggards in each area.

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued
Insight Investment Management – Buy and Maintain Bond Fund 2036-2040

Engagement Statistics:

Fund / Mandate Information	Response
What is the Fund's Legal Entity Identifier (LEI) (if applicable)	NA
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGQXS1
What was the total size of the fund / mandate as at the end of the Reporting Period?	GBP 354.82mm
Total size of Scheme assets invested in the fund / mandate as at the end of the Reporting Period (if known)?	GBP 3.8 mm
What was the number of holdings in the fund / mandate as at the end of the Reporting period?	60
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	37
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	60.7
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	62.5
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	8
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	18
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	40
You participated in a collaborative engagement	36

Cooper-Avon Tyres Limited Pension Plan

Trustee's annual report and financial statements for the year ended 30 September 2022

3705477

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Engagement Case Studies Insight Investment Management – Buy and Maintain Bond Fund 2036-2040

Page 94 of 99

Name of entity you engaged	América Movil
Year engagement was initiated	Q3 2022
Topic for this engagement	Governance - Board effectiveness - Diversity
Your objective(s) from the engagement	We identified that América Movil had poor governance scores. We used our proprietary tools to understand the drivers for these poor scores, which were influenced by the controlling ownership as a result of the multiple-equity class structure where the company's major shareholder, Carlos Slim and his family, hold >80% of voting rights. We also have concerns about the board's limited diversity, independence, and skills. Through this engagement, we wanted to understand the company's willingness to change the board structure, and if they were, how they plan to change it. We pushed the issuer to set targets related to board representation and diversity, in addition to diversity within the company holistically, like industry leaders. We led an ESG-focused discussion with América Movil's IR and Sustainability teams in H2 2021 and followed up in H2 2022. While the firm will continue to have Carlos Slim's two children on its board, the company is striving for additional board improvements regarding diversity, experience and tenure, as well as over boarding. The company updated its materiality assessment and conducted its first overview of board practices in late 2021 to evaluate board effectiveness.
What you have done, for example: -When the engagement started and how your approach has evolved over time -The level of activity (e.g. number / type of meetings; number / type of communications) -The level of individual you have typically engaged with and who led the engagement -Where your engagement activity included working alongside others in a collaborative engagement then explain your specific role within the collaborative engagement(s)	Meetings with América Movil have been hosted by the relevant analyst with support from the RI stewardship team. All meetings have been private in nature and various members of the IR and ESG team have been involved.
Outcomes and next steps, for example: -Has the engagement met your stated objective? -What actions or changes by the entity have occurred? -Can the entity verify that your engagement played a significant role in bringing about the change? -How has the outcome provided financial benefit or wider societal/environmental benefit? -How do you see the engagement progressing from here? -Have any portfolio allocation decisions been taken based, in whole or in part, on the engagement (e.g. divestment)? -Have you taken any other action as a result of the engagement?	In the company's 2021 Sustainability Report, we were pleased that they established a new target to increase board diversity to three female directors, representing 21% of the board, which it achieved by appointing Giselle Jiménez as a new director. The company also refreshed their Board Diversity Policy, which includes the ambition to 'set measurable objectives to achieve gender diversity with the ultimate goal of having a composition of the Board where each gender represents at least thirty percent (30%).' The engagement may provide financial benefit, as there is a growing body of research which suggests that companies with diverse directors and executive teams (in relation to gender and ethnicity) are more likely to achieve above-average profitability and have higher returns on invested capital. Since América Movil were open to our feedback and has made improvements including meeting our initial objective of increasing board diversity, we have decided to hold our position due to the positive conversations that we have had with América Movil.

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued
Insight Investment Management – Buy and Maintain Bond Fund 2041-2045

Engagement Statistics:

Fund / Mandate Information	Response
What is the Fund's Legal Entity Identifier (LEI) (if applicable)	NA
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNG0206
What was the total size of the fund / mandate as at the end of the Reporting Period?	GBP 229.48mm
Total size of Scheme assets invested in the fund / mandate as at the end of the Reporting Period (if known)?	GBP 5.2mm
What was the number of holdings in the fund / mandate as at the end of the Reporting period?	60
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	37
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	60.7
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	58.5
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	7
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	25
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	37
You participated in a collaborative engagement	35

Cooper-Avon Tyres Limited Pension Plan

Trustee's annual report and financial statements for the year ended 30 September 2022

3705477

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Engagement Case Studies Insight Investment Management – Buy and Maintain Bond Fund 2041-2045

Page 96 of 99

Name of entity you engaged	Motability Operations
Year engagement was initiated	Q1 2022 & Q3 2022
Topic for this engagement	Governance - Remuneration and Environmental - emissions
Your objective(s) from the engagement	<p>We wanted to follow up on executive remuneration which we discussed at length with Motability in 2021. We left the previous meeting satisfied with their responses regarding the introduction of more modest remuneration packages which we deemed more appropriate for the business. However, when reviewing their latest disclosures, we were concerned that executive pay still looked very high given the lack of competition in the market. We wanted to have a more detailed discussion with Motability about their sustainability strategy and plans for the future.</p> <p>Our engagement centred on three key areas: financing, Motability's provision of electric vehicles (EVs) and its carbon footprint. Motability is rated an ESG 3 with our in house ratings model, and is rated 3 for Social and Governance and 4 for Environmental factors. The engagement is aligned to the following SDGs: Goal 16: Peace, Justice and Strong Institutions</p>
<p>What you have done, for example:</p> <ul style="list-style-type: none"> -When the engagement started and how your approach has evolved over time -The level of activity (e.g. number / type of meetings; number / type of communications) -The level of individual you have typically engaged with and who led the engagement -Where your engagement activity included working alongside others in a collaborative engagement then explain your specific role within the collaborative engagement(s) 	<p>We began our ESG engagement with Motability in 2021 and this was our second discussion to follow up on the key concerns around remuneration. The CFO of Motability was on the call and the lead Insight analyst led the call. All engagements have been on a one to one basis to date.</p>
<p>Outcomes and next steps, for example:</p> <ul style="list-style-type: none"> -Has the engagement met your stated objective? -What actions or changes by the entity have occurred? -Can the entity verify that your engagement played a significant role in bringing about the change? -How has the outcome provided financial benefit or wider societal/environmental benefit? -How do you see the engagement progressing from here? -Have any portfolio allocation decisions been taken based, in whole or in part, on the engagement (e.g. divestment)? -Have you taken any other action as a result of the engagement? 	<p>We're happy to see some developments in Executive remuneration, but do not feel it goes far enough given the lack of competition in the market. We will continue to engage with Motability with the intention of further influencing modest pay.</p> <p>Motability have yet to set a coherent ESG strategy with targets to measure performance. Motability stated that they were attempting to address our concerns going forward. We will closely monitor their progress, reviewing their SBTs and Sustainability Report as and when they are published and look to reengage early in 2023</p> <p>We continue to hold Motability bonds.</p>

✓
✓
✓

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Insight Investment Management – Buy and Maintain Bond Fund 2046-2050

Engagement Statistics:

Fund / Mandate Information	Response
What is the Fund's Legal Entity Identifier (LEI) (if applicable)	NA
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGQZ06
What was the total size of the fund / mandate as at the end of the Reporting Period?	GBP 229.48mm
Total size of Scheme assets invested in the fund / mandate as at the end of the Reporting Period (if known)?	GBP 12.7mm
What was the number of holdings in the fund / mandate as at the end of the Reporting period?	60
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	39
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	63.9
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	63.5
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	7
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	26
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	39
You participated in a collaborative engagement	44

Cooper-Avon Tyres Limited Pension Plan

Trustee's annual report and financial statements for the year ended 30 September 2022

3705477

Appendix 3 – Implementation Statement (forming part of the Trustee's report) continued

Engagement Case Studies Insight Investment Management – Buy and Maintain Bond Fund 2046-2050

Page 98 of 99

Name of entity you engaged	JP Morgan
Year engagement was initiated	Q3 2022
Topic for this engagement	Environmental and Social
Your objective(s) from the engagement	<p>We engaged with JPM as part of Insight's counterparty engagement process on three separate occasions to provide feedback on the Insight counterparty ESG questionnaire and to understand its decarbonisation approach and its Diversity and Inclusion (D&I) policies in more detail. The engagement is aligned to SDG 5 Gender equality and SDG 10 Reduced inequalities and SDG 13 Climate action.</p> <p>JPM stated that its decarbonisation approach focuses on its reducing the carbon impact from its banking and financing book, engaging with corporates to identify 'green unicorns' and helping corporates transition to a low carbon world. During a follow up engagement, JPM outlined in more detail the parameters of its fossil fuel policies, and we discussed the areas of weakness. For example, its fossil fuel financing policy only applies to greenfield coal projects and does not commit to a full phase out of coal.</p> <p>On D&I, JPM does not publicly disclose any targets for representation D&I despite having goals. JPM has fairly good D&I gender performance at board level (40%). However, Female representation at executive / senior level is only 29%, which is a significant decrease from mid-level management, where female employees make up 43% of its workforce. JPM only provides ethnic diversity for the US workforce, and disclosure rates are poor in other markets.</p>
<p>What you have done, for example:</p> <ul style="list-style-type: none"> -When the engagement started and how your approach has evolved over time -The level of activity (e.g. number / type of meetings, number / type of communications) -The level of individual you have typically engaged with and who led the engagement -Where your engagement activity included working alongside others in a collaborative engagement then explain your specific role within the collaborative engagement(s) 	<p>This was the initial engagement and was with an Executive Director that works within the Centre for Carbon Transition within the group. The meeting was led by our Senior Stewardship Analyst.</p>
<p>Outcomes and next steps, for example:</p> <ul style="list-style-type: none"> -Has the engagement met your stated objective? -What actions or changes by the entity have occurred? -Can the entity verify that your engagement played a significant role in bringing about the change? -How has the outcome provided financial benefit or wider societal/environmental benefit? -How do you see the engagement progressing from here? -Have any portfolio allocation decisions been taken based, in whole or in part, on the engagement (e.g. divestment)? -Have you taken any other action as a result of the engagement? 	<p>Among the counterparties surveyed/assessed JPM's fossil fuel financing policies are some of the weakest. We believe JPM should review and strengthen its fossil fuel policies in reference to IEA (International Energy Agency) Net Zero guidance. Similarly, on its D&I policies, we will recommend JPM prioritise the provision of more quantitative and data led information. We would welcome greater focus on efforts and initiatives for other diverse groups beyond gender and ethnicity and broadening the application of D&I initiative beyond gender in market outside the US. We continue to use JP Morgan as a Counterparty. Recommendations will be provided to JPM over time and changes will be monitored.</p>