Schroders

STATEMENT OF INVESTMENT PRINCIPLES (SIP) – Hallé Concerts Society Retirement Benefits Scheme

September 2020

1. Introduction

This statement sets out the principles governing decisions about the investment of the assets of the Hallé Concerts Society Retirement Benefits Scheme (‘the Scheme’). The Trustees of the Scheme (‘the Trustees’) issue this statement to comply with the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005.

This statement will be will be reviewed at least once every three years or after any significant change in investment policy.

Before preparing this statement, the Trustees have:

- obtained and considered the written advice of a person who is reasonably believed by the Trustees to have the appropriate knowledge and experience of financial matters and investment management; and
- consulted the employer in relation to the Scheme.

2. Investment objectives

The Trustees’ main objectives with regard to investment policy are as follows:

- to hold sufficient assets to meet the liabilities of the [Scheme]; and
- to ensure that sufficient liquid assets are available to meet benefit payments as they fall due

The Trustees reviewed the Scheme’s investment strategy in 2018 and decided to adopt a new strategy following the significant increase in the deficit between the 2014 and 2017 triennial actuarial valuations and the weakness of the employer (Halle Concerts Society) covenant. With the agreement of the Society the trustees decided to adopt a reduced risk strategy by increasing the use of hedging against future changes in interest and inflation rates. In addition, the trustees agreed to move to a fiduciary management approach to enable greater delegation of investment decisions, quicker decision making and a more comprehensive and effective integration of funding and investment strategies.

3. Investment Strategy

The strategic allocation of investments will be managed by the fiduciary manager in line with the latest advice provided by the fiduciary manager and agreed by the trustees. This advice is contained in a separate letter headed “Interim advice regarding the Scheme’s Investment Strategy” with the current letter being appended to this SIP. The current letter is the letter dated 14 April 2020.

4. Policy on choosing investments

The policy on choosing investments is as follows:

- the nature of the liabilities of the Scheme are considered in setting the Scheme’s strategic asset allocation. This includes consideration of interest rates, inflation, mortality and other financial and demographic factors.
- the Trustees’ funding objectives are considered. To meet these objectives the Trustees have set an allocation to Growth and Matching assets and a target liability coverage, which in their opinion is consistent with their funding objectives and risk appetite.
- the Scheme’s funding objective, Growth and Matching asset allocation, and target liability coverage form part of the Trustees’ investment policy. The implementation of the investment policy is delegated to a fiduciary manager.
- the Scheme’s strategic asset allocation is split into Matching Assets and Growth Assets.

    - **Matching Assets**: Comprise assets (including, but not limited to, UK government bond, corporate bond and derivative exposures) which are held with the aim of matching the interest rate and inflation exposures of the Scheme’s expected liabilities.

- **Growth Assets**: The Trustees recognise the benefits of diversification across the Scheme's Growth Assets. Growth Assets comprise assets (including but not limited to, developed and emerging market equities, corporate bonds and alternative assets) that are held with the aim of outperforming the Scheme's liabilities over the medium term.
- in advising the Trustees on the Scheme's strategic asset allocation, the fiduciary manager makes use of a set of assumptions about the long-term expected return from the main permitted asset classes. These assumptions are developed by the fiduciary manager based on input from a range of experts including the fiduciary manager's in-house economics specialists. The assumptions are updated by the fiduciary manager periodically. These can be provided upon request.

5. Risk

The Trustees measure and monitor the ongoing appropriateness of the investment objectives and risks through a combination of:

- Quarterly investment monitoring reports
- Annual reporting on turnover and transaction costs
- Estimates of the progression of the funding level and the impact of market moves on the funding level of the [Scheme]
- Triannual actuarial valuations
- Strategy reviews undertaken following completion of the actuarial valuation
- Ad-hoc investigations in the event of significant market events or changes to the expected liabilities.

The Trustees have chosen an investment strategy that takes risks where necessary to achieve their funding objectives, that focuses on those risks that the trustees expected to be rewarded, and that manages individual risks and overall risk levels appropriately. The Trustees recognise a number of risks involved in the investment of the assets including:

- **Interest rate and inflation risk:** the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates and expected future inflation rates. The Trustees receive information about the estimated level of interest rate and inflation risk in the strategy on a regular basis. Interest rate and inflation risks are managed using Liability Driven Investment techniques within the Matching Assets.

- **Currency risk:** the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates. This risk is measured and actively managed on an ongoing basis by the Scheme's investment managers. The majority of the overseas currency exposure in the portfolio is hedged back to Sterling, unless there is expected to be a risk or return benefit to the Scheme from leaving exposures to one or more overseas currencies unhedged.

- **Credit risk:** the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This risk is measured and actively managed on an ongoing basis by the Scheme's fiduciary manager. The fiduciary manager seeks to achieve a diversified exposure to a range of growth asset risks including credit risk so that no single risk in the portfolio dominates.

- **Other price risk:** the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). These are measured and managed on an ongoing basis by the Scheme's fiduciary manager. The Scheme's fiduciary manager seeks to achieve a diversified exposure to a range of growth asset risks so that no single risk in the portfolio dominates.

- **Liquidity risk:** the risk that the Scheme is unable to meet benefit payments as they fall due. This is managed by the fiduciary manager by holding an appropriate level of readily realisable investments.

6. Realisation of investments

The majority of the Scheme's assets are realisable at short notice. Therefore, the Trustees are satisfied that sufficient assets held will be readily realisable to provide cash to meet payments by the Scheme.

In addition, the Trustees are also satisfied that the spread of assets and the fiduciary manager's policies provide adequate diversification of investments.

7. Social, environmental or ethical considerations and climate change

Financially material considerations

The Trustees believe that Environmental, Social and Governance (ESG) related risks, including climate change risks, are financially material and an important component of investment risk. The Trustees believe that organisations that soundly manage ESG related risks are more likely to be financially sustainable over time, and therefore deliver better long-term risk-adjusted returns. The trustees have consulted with the Halle Concerts Society over the Society's attitude to ESG and are balancing their fiduciary duties with social responsibility.

Environmental factors include climate change, resource, especially water, scarcity, and waste treatment practices. The Trustees recognise that climate change is a key environmental challenge that poses both risks and opportunities. These may take the form of rising physical losses from extreme weather in the short term, the medium-term impacts from the implementation of climate change policy, and the longer-term impacts if global temperature rises are not limited.

Social factors include diversity, human capital management, health and safety, customer and supplier relationships, and interactions with local communities, regulators and governments. Organisations today must recognise that they operate under a social licence, and that relationships with stakeholders should reflect these obligations.

Governance factors include business ethics, transparency of company management and reporting, executive remuneration and board structure. Well-governed organisations typically face lower levels of ESG risk as a result of a strong governance culture and appropriate policies and procedures, enabling them to deliver sustainable long-term returns.

The Trustees require the fiduciary manager to integrate analysis of relevant ESG issues into their investment decision making processes. The Trustees monitor how the fiduciary manager takes ESG issues into account in practice on a regular basis.

Non-financial matters

The Trustees do not take into account non-financially material ESG considerations in the management of their investments.

8. Stewardship, voting and engagement activities

The Trustees have instructed the fiduciary manager to exercise their voting and other rights as shareholders in a manner the fiduciary manager believes to be consistent with best practice in relation to Corporate Governance and in accordance with the Institutional Shareholders' Committee's ("ISC") Statement of Principles on the Responsibilities of Institutional Shareholders and Agents.

The Trustees recognise the Scheme's responsibility as a long term institutional investor to support and encourage good corporate governance practices in the companies in which it invests, because this also protects the value of the Scheme's investments while they are held.

The Trustees therefore require their fiduciary manager in their stewardship of the Scheme's assets to pay appropriate regard to the investee companies' performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social, ethical and environmental impact and corporate governance when considering the purchase, retention or sale of investments. The Trustees oversee their fiduciary manager's voting and engagement activities to ensure compliance with this requirement. Reporting on the

fiduciary manager's voting and engagement activities and how these activities have had a bearing on the purchase, retention and sale of investments is included in the quarterly investment monitoring reports.

The Trustees prepare an Implementation Statement along with their Report and Accounts which describes their voting and engagement policies and their voting behaviour.

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9. Arrangements with asset managers

The Trustees incentivise the fiduciary manager's alignment with their policies relating to sections 4, 5, 6 and 7 using the reporting and activities listed under section 5 to oversee the fiduciary manager's execution of its mandate; should the Trustees believe that the fiduciary manager is not aligned with their policies they will consider making changes to the fiduciary manager's mandate as necessary.

The Trustees do not have any fee arrangements in place with the fiduciary manager that incentivise it to deviate from the Trustees' policies (such as performance fees that reward positions taken in the market without regard to the environmental, social and governance considerations referred to in section 6). Rather, the fee arrangements are consistent with, and therefore incentivise alignment with, those policies by encouraging the preservation of capital and risk-managed returns over an extended time horizon.

The Trustees review the annual portfolio turnover and the associated costs incurred by their fiduciary manager against its targeted portfolio turnover or expected turnover range. Targeted portfolio turnover is defined as the expected level of asset sales and purchases in the portfolio based on recent historical experience and expected turnover range is similarly defined as the minimum and maximum frequency of such transactions based on recent historical experience.

The fiduciary manager was appointed by the Trustees in March 2019.

10. AVCs and DC assets

AVCs are held by a separate fund manager in a with-profits fund and performance is monitored by the Trustees on a periodic basis. No new contributions have been made since 2006.

Dated 28 September 2020

Signed for and on behalf of the Trustees of the Scheme:

VALERIE A HAWKIN........... Name (Print)

...... Signature

28/09/2020.............................. Date

PETER MCDONALD............. Name (Print)

P. McDONALD.............................. Signature

28/09/2020.............................. Date

Implementation Statement for the year to 31 March 2024

The Hallé Concerts Society Retirement Benefits Scheme (the "Scheme")

1. Introduction

The Trustees of the Scheme (the "Trustees") are required to make publicly available online a statement (the "Implementation Statement") covering the extent to which the Trustees have followed the Scheme's Statement of Investment Principles (the "SIP"). This statement describes the Trustees' voting and engagement policies along with a summary of voting and engagement behaviour related to the Scheme's investments over the 12-month period to 31 March 2024.

2. Stewardship, voting and engagement policies

The Trustees have instructed the Scheme's fiduciary manager to exercise their voting and other rights as shareholder in a manner the fiduciary manager believes to be consistent with best practice in relation to Corporate Governance and in accordance with the Institutional Shareholders' Committee's ("ISC") Statement of Principles on the Responsibilities of Institutional Shareholders and Agents.

The Trustees support six engagement themes and encourage their fiduciary manager to vote and engage on all of them: Climate; Corporate Governance; Human Capital Management; Human Rights; Inclusion and Diversity, and; Natural Capital and Biodiversity. The Trustees believe that these themes are material to the long-term value of the investments, and that companies which address these issues meaningfully will drive improved financial performance for the Scheme and ultimately benefit the Scheme's members.

The Trustees therefore require their fiduciary manager in its stewardship of the Scheme's assets to pay appropriate regard to these six engagement themes, alongside the investee companies' performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social, ethical and environmental impact and corporate governance when considering the purchase, retention or sale of investments.

Reporting on the fiduciary manager's voting and engagement activities and how these activities have had a bearing on the purchase, retention and sale of investments is included in the quarterly investment monitoring reports.

3. Voting and engagement behaviour

The Trustees invest in pooled funds via their fiduciary manager. By the nature of these vehicles, the Trustees oversee the fiduciary manager's voting and engagement activities and policies, rather than directing how individual votes are exercised. The Trustees deem holdings in equities to be relevant in terms of voting behaviours and holdings in equities and corporate debt to be relevant in terms of engagement activities with investee companies.

The Trustees have considered the voting and engagement activity that took place on their behalf during the Scheme year, as described in this section. The Trustees are satisfied that their fiduciary manager has demonstrated high levels of voting and engagement in line with their stewardship policy. In particular, the Trustees noted the following.

- The fiduciary manager demonstrated very high levels of voting rights being exercised on the Trustees' behalf.
- Challenge to investee company management was demonstrated through the proportion of votes against management led resolutions.
- The fiduciary manager carried out a high level of engagement activities with the management of investee companies across the Trustees' six engagement themes, including progress on some issues.

Summary of voting

The table below summarises the fiduciary manager's voting behaviour over the period. The fiduciary manager's voting policies are described in section 4.

Number of meetings eligible to vote at	1,109 meetings	**% of resolutions**	
Number of resolutions eligible to vote on	14,566 resolutions		
% of resolutions voted on which we are eligible	93.9%	Voted with management	89.3%
% of meetings, in which we voted, that we voted at least one vote against management	54.6%	Voted against management	10.3%
Number of equity holdings as of period end	1,123	Abstained from voting	0.4%

Source: Schroders as at 31 March 2024 for the Diversified Growth Fund.

Most significant votes

The fiduciary manager's policy (see section 4, below) is to define any vote against management as a "most significant vote". Over the period in question, this amounted to 1,466 votes. The full list of votes by Schroders (including the rationale for votes both with and against management's recommendation) is available at https://www.schroders.com/en/sustainability/active-ownership/voting/. The Trustees consider the following sample as representative.

Company: JPMorgan Chase & Co.

Meeting date: 16 May 2023

Proposal: Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets

Theme: Climate Change

Management's recommendation: Against

Rationale for voting against management's recommendation: The company is asked to produce a report disclosing how it intends to align its financing activities with its 2030 sectoral GHG emission reduction targets. We welcome additional disclosures that help better understand how the company is implementing its climate strategy. We believe that how we have voted is in the best financial interest of our clients' investments.

Company: Amazon.com, Inc.

Meeting date: 24 May 2023

Proposal: Report on Efforts to Reduce Plastic Use

Theme: Natural Capital and Biodiversity

Management's recommendation: Against

Rationale for voting against management's recommendation: A vote for this proposal is warranted as we believe that the Company should be making meaningful steps towards eliminating use of plastic within the Company and its operations. More disclosure would enable shareholders to have a more comprehensive understanding of progress. We believe how we have voted is in the best financial interests of our clients' investments.

Company: Alphabet Inc.

Meeting date: 2 June 2023

Proposal: Report on Framework to Assess Company Lobbying Alignment with Climate Goals

Theme: Climate Change, Corporate Governance

Management's recommendation: Against

Rationale for voting against management's recommendation: Shareholders would benefit from additional disclosure on how the company's lobbying activities align to its climate goals and how it addresses any misalignment with its trade associations and other indirect lobbying activities.

Company: Jazz Pharmaceuticals plc

Meeting date: 3 August 2023

Proposal: Elect Director Rick E. Winningham

Theme: Climate Change, Corporate Governance

Management's recommendation: For

Rationale for voting against management's recommendation: Climate: Behind peers on climate risk management and oversight, we believe the way in which we have voted is in the best financial interests of our clients investments.

Company: Oracle Corporation

Meeting date: 15 November 2023

Proposal: Report on Median and Adjusted Gender/Racial Pay Gaps

Theme: Diversity and Inclusion

Management's recommendation: Against

Rationale for voting against management's recommendation: Shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives, and how it is positioning itself to realise the benefits of a diverse workforce. We believe that how we have voted is in the best financial interest of our clients' investments.

Company: Fortescue Ltd.

Meeting date: 21 November 2023

Proposal: Remuneration Report

Theme: Corporate Governance

Management's recommendation: For

Rationale for voting against management's recommendation: Excessive discretion applied in recent years. Additionally we are concerned with the quantum of remuneration linked to 'strategic' goals and targets which are open to interpretation and are not guaranteed to create shareholder value. We would prefer the reward for such move to be triggered by financial outcomes (e.g. referencing ROCE or NTA growth).

Company: Microsoft Corporation

Meeting date: 7 December 2023

Proposal: Report on Risks of Operating in Countries with Significant Human Rights Concerns

Theme: Human rights

Management's recommendation: Against

Rationale for voting against management's recommendation: Shareholders would benefit from further disclosure on how the company mitigates risks in markets in which it operates where there are significant human rights concerns. We believe how we have voted is in the best financial interests of our clients' investments.

Company: Tyson Foods, Inc.

Meeting date: 8 February 2024

Proposal: Shareholder Proposal Regarding Lobbying Activity Alignment with Science-based Targets and Net Zero Emissions Ambitions

Theme: Climate Change

Management’s recommendation: Against

Rationale for voting against management’s recommendation: Shareholders would benefit from further information outlining how the company's lobbying activities are aligned to its science-based targets and net zero commitments to better help shareholders understand any potential risks related to lobbying activities that do not align with these commitments, if any. We believe how we have voted is in the best financial interests of our clients' commitments.

Company: Apple Inc

Meeting date: 24 February 2024

Proposal: Shareholder Proposal Regarding Report on Use of Artificial Intelligence

Theme: Corporate Governance

Management’s recommendation: Against

Rationale for voting against management’s recommendation: Shareholders would benefit from further disclosure and information on how the company is using AI and managing any related risks, including ethical risks, that may result. We believe how we have voted is in the best financial interests of our clients' investments.

Company: Deere & Co.

Meeting date: 29 February 2024

Proposal: Shareholder Proposal Regarding Severance Approval Policy

Theme: Human Capital Management

Management’s recommendation: Against

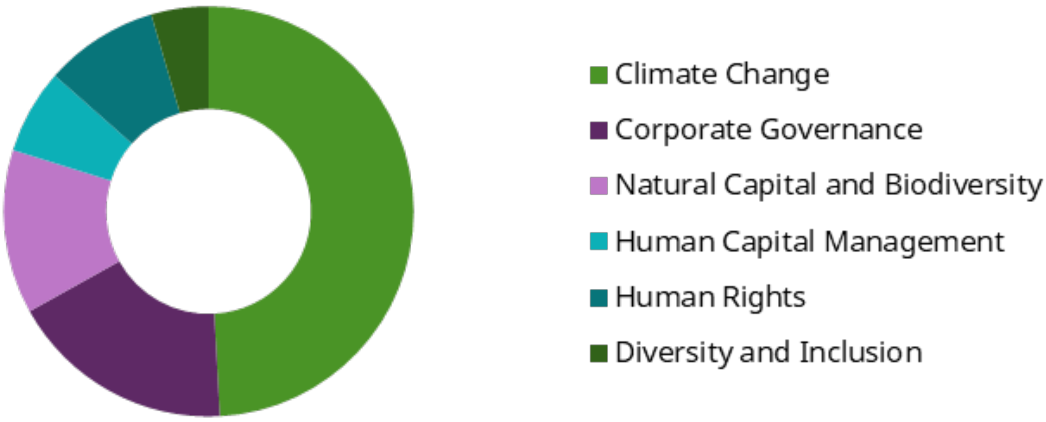
Rationale for voting against management’s recommendation: We believe that the proposed changes to the severance policy would strengthen shareholder' rights and mitigate risks regarding excessive severance arrangements. We believe how we have voted is in the best financial interests of our clients' investments.

Summary of engagements

The fiduciary manager's engagement activities with investee companies include correspondence in writing and by email, phone calls, meetings with company management, collaboration with other investors, participation at events and discussions with other advisers and stakeholders. The table and chart below summarise the number of engagements that have been undertaken in relation to the Scheme's investments over the period, with a case study and examples described on the following pages.

Engagement summary	
Engagements	**554**
Topics	**1,260**
Environmental	62%
Social	20%
Governance	18%

Discussion topics split by theme*



Source: Schroders as at 31 March 2024 for the Diversified Growth Fund. *Discussion topics are split by theme as set out in the Schroder Engagement Blueprint; over this period topics include 782 environmental, 254 social and 224 governance.

Engagement examples

Company	Activity
ASML	The Global and Thematic Equities team held a meeting with regards to ASML's climate change activities. We encouraged the company to publish a detailed transition plan explaining how the company will transition its business and meet its targets. We learnt ASML aims to achieve net zero for Scope 1, 2, and parts of Scope 3 emissions by 2025, primarily through energy reduction and renewable energy use. Challenges remain in Asian markets, but progress has been made in Taiwan. ASML is also addressing Scope 3 emissions in its supply chain, with increasing supplier commitments to sustainability. Product energy efficiency has improved significantly, with further reductions planned. Collaboration with customers like TSMC on renewable energy adoption and with SEMI on industry-wide sustainability efforts is ongoing. While costs are hard to quantify, they are part of ASML's substantial R&D investments. ESG metrics are now linked to 20% of executive long-term incentives. Overall, ASML has made considerable progress on its climate goals, with more work to be done in certain areas. We will continue to monitor progress.
Raia Drogasil	The Global & International team had a meeting with Raia Drogasil regarding the progress on climate targets. Overall, the company is struggling on its Scope 1 and 2 targets and is unlikely to set a Scope 3 target in the next 12-18m. Lack of public policy around climate and general climate investment is also making the job harder and more expensive for the company, so we should not benchmark them versus global peers. But more progress on Scope 1 and Scope 2 would help bring credibility to their climate ambitions. They also said that they are "reviewing" their targets (i.e. planning on cutting certain ones and being more specific on others) which will become apparent when they publish their 2023 sustainability report this year. Clearly, this is not a very helpful development, as we don't want to see companies withdrawing commitments, however the company has assured us that Scope 1 and 2 targets will not be removed, and we will get more information on plans for Scope 3. We have agreed to engage with them again once this report is published.
Kingfisher	The Global & International team engaged with the Kingfisher on executive remuneration. Remuneration had been a point of contention for the CEO specifically, such as not agreeing with some of the conditions to meet his annual bonus and the fact that 50% of it is deferred. Given the resistance to build the shareholding requirements as a % of base (for which they are far below), it was implied there are some personal reasons for not meeting the conditions. We fed back that we need more information and up to date calculations to determine the pace of building that shareholding, especially considering if there is truly so much optimism on the trajectory of the business. The Chair was receptive to our feedback regarding needing better investment communication and better indication of through cycle growth and profitability.

Source: Schroders. Any reference to sectors/countries/stocks/securities are for illustrative purposes only and not a recommendation to buy or sell any financial instrument/securities or adopt any investment strategy.

Case Study – US telecommunications

Below is a summary of an engagement with a US telecommunications company on lead-clad cables. The Scheme had exposure to this company via exposure to the Schroder All Maturities Corporate Bond Fund held within the Schroder Diversified Growth Fund.

Lead-clad telecommunication cables in the United States have been a source of concern due to potential lead pollution and health impacts. The Global and US Credit team engaged a telecommunications company to discover what steps are being taken to limit the potential hazard to human health.

In the early era of telecommunications infrastructure, it was common practice to sheath telephone cables in lead. In the United States, this dates back to the 1880s when the country was building out its telegraph and telephone infrastructure. Since then, lead has been used to protect interior wires from exposure to the elements and from electromagnetic radiation.

Many telecommunications companies in the United States have inherited legacy cable networks. In recent years, environmental groups have become more vocal about pollution caused by these lead-clad cables and the potential impact on human health.

In 2021, the subsidiary of this large telecommunications company settled a lawsuit with environmentalists, who suggested their cables were leaking lead into a large freshwater lake. The lake is also a source of drinking water and a popular tourist destination. The company no longer owned the cables due to expired easements and stopped using them around the 1980s. However, they agreed to spend up to $1.5 million to remove 8 miles of lead-clad cables.

Two years later in 2023, a prominent media agency published an investigative report about the health impacts associated with lead contamination potentially caused by lead-clad telecom cables. Stock prices plummeted for the companies involved. The previous agreement to remove lead-clad cables from the lake was put on hold to provide further evidence for scientific testing and to determine whether removing the cables would cause more damage. When cables are removed, the lead can be disturbed, leading to flakes and dust.

In response to the media story, the company highlighted their own independent tests on the levels of lead in the lake. In 2021, they engaged an expert testing firm to sample and analyse the lake water using scientific methods aligned with US Environmental Protection Agency (EPA) standards. They concluded no lead was leaching from the cables and there were very low levels of lead overall in the lake.

In August 2023, the Global and US Credit team engaged to determine the amount of lead-clad cables across the network and what steps were being taken to remediate the potential hazard to human health. During a call with the Investor Relations team, the company attested that less than 10% of its two million miles of copper cabling is lead-clad, with two-thirds of that amount either buried or contained in conduit. A small proportion is underwater.

The company estimated it would cost billions of dollars to remove all lead-clad cable in the network, and disturbing the cables could lead to greater lead exposure. However, removal could be done as part of ‘replacement upgrades’ to 5G, which would provide tax rebates for upgrading cables that are still in use.

During the engagement, the company confirmed they are working with the EPA to re-test the levels of lead pollution in the lake. They also explained their approach to health and safety as one of the most unionized companies in America. While the vast majority of employees have limited or no exposure to lead-clad cables, the company:

- Is meeting or exceeding federal and state Occupational Safety and Health Administration requirements and continues working with unions to ensure compliance is rigorous and employees are safe; and
- Has comprehensive lead training and extensive practices to minimize exposure.

We asked for more detailed information about the training provided to employees and the company's practices around limiting exposure to lead. This engagement affirmed our view that the company is working to address the potential pollution caused by lead-clad cables and is committed to providing more information as it becomes available.

4. The fiduciary manager's voting policies

As part of their oversight of the Scheme's assets, the Trustees asked the fiduciary manager to address the following questions regarding its voting policies.

Voting policy questions	Fiduciary manager's response
What is your policy on consulting with clients before voting?	The Schroders corporate governance analysts input votes based on their proprietary research in line with Schroders' house voting policy and do not take voting instruction from our clients. We report transparently on our voting decisions with rationales on our website.
Please provide an overview of your process for deciding how to vote.	As active owners, we recognise our responsibility to make considered use of voting rights. We therefore vote on all resolutions at all AGMs/EGMs globally unless we are restricted from doing so (e.g. as a result of share blocking). We aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with our Proxy Voting Policy. The overriding principle governing our voting is to act in the best interests of our clients. Where proposals are not consistent with the interests of shareholders and our clients, we will vote against resolutions. We may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues. We evaluate voting resolutions arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. Our Corporate Governance specialists assess each proposal. and consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Our specialists will draw on external research, such as that provided by Glass Lewis, the Investment Association's Institutional Voting Information Services and public reporting. Our own research is also integral to our process; this will be conducted by both our financial and Sustainable Investment analysts. For contentious issues, our Corporate Governance specialists consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context. We also engage with companies throughout the year via regular face-to-face meetings, written correspondence, emails, phone calls and discussions with company advisors and stakeholders.

	In 2023, we voted on approximately 7400 meetings and 95% of total resolutions, and instructed a vote against the board at over 52% of meetings. In Q4 2023 we switched vendor from ISS to Glass Lewis (GL) who act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive ISS's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. GL automatically votes all our holdings of which we own less than 0.5% (voting rights) excluding merger, acquisition and shareholder resolutions. This ensures consistency in our voting decisions as well as creating a more formalised approach to our voting process.
How, if at all, have you made use of proxy voting services?	In Q4 2023 we switched vendor from ISS to Glass Lewis (GL) who act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
What process did you follow for determining the "most significant" votes?	We believe that all resolutions when we vote against the board's recommendations should be classified as a significant vote, for example, votes against the re-election of directors, on executive remuneration, on material changes to the business (such as capital structure or M&A), on climate matters and on other environmental or social issues may all be more or less significant to different client stakeholders.
Did any of your "most significant" votes breach the client's voting policy (where relevant)?	No
If 'Y' to the above. Please explain where this happened and the rationale for the action taken.	Not applicable
Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings? 1) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also	Schroders accepts that conflicts of interest arise in the normal course of business. We have a documented Group wide policy, covering such occasions, to which all employees are expected to adhere, on which they receive training and which is reviewed annually. There are also supplementary local policies that apply the Group policy in a local context. More specifically, conflicts or perceived conflicts of interest can arise when voting on motions at company meetings which require further guidance on how they are handled. Schroders is responsible for monitoring and identifying situations that could give rise to a conflict of interest, including those that could give rise to a conflict of interest when voting at company meetings. Those responsible for monitoring and identifying situations that could give rise to a conflict of interest are

have an equity or bond holding;	responsible for informing the Corporate Governance team of any potential conflicts in accordance with Schroders Group Conflicts of Interest Policy.
2) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings; 3) The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding; 4) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer; 5) There are differences between the stewardship policies of managers and their clients.	Where a potential conflict is identified with respect to a fund or client on whose behalf the Corporate Governance team is voting, or the company being voted on, we will typically follow the standard voting recommendations of Schroders proxy voting provider. Examples of conflicts of interest include (but are not limited to): – Where the company in question is a significant client, or part of the same group, as a significant client of Schroders; – Where the Schroders employee making the voting decision is a director of, significant shareholder of or has a position of influence at the company being voted on; – Where Schroders plc or an affiliate is a shareholder of the company being voted on; – Where there is a conflict of interest between one client and another; – Where a Schroders plc director or senior manager is a director of the company in question; – Where Schroders plc is the company being voted on. There may be scenarios where it is in the best interest of the client to override the recommendations of Schroders proxy voting provider. In such scenarios, Schroders will obtain approval for the decision from Schroders' Head of Equities (or other relevant asset class), or his or her alternate, with the reason for such a vote being recorded in writing. Where a director of Schroders plc is also a director of an investee company, Schroders' Global Head of Equities, or his or her alternate, will approve the voting recommendations for all resolutions at that investee company's shareholder meetings with the reason for such a vote being recorded in writing. If the third-party recommendation is unavailable, we will vote as we see is in the interests of the fund. If however this vote is in a way that might benefit, or be perceived to benefit, Schroders' interests, we will obtain approval and record the rationale in the same way as described above.
Please include here any additional comments which you believe are relevant to your voting activities or processes	Not applicable

Source: Schroders

Dated September 2024

Signed for and on behalf of the Trustees of the Scheme:

………………………………………….. Name (Print)

………………………………………….. Signature

.... Date

.... Name (Print)

.... Signature

.... Date