

Engagement Policy Implementation Statement

COOPER-AVON TYRES LIMITED PENSION PLAN

30 September 2023

1. Introduction

The Directors of Cooper-Avon Pension Trust Limited (the 'Trustees') 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 Trustees 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 Trustees; and
 - a statement on any use of the services of a proxy voter.

This statement relates to the period from 1 October 2022 to 30 September 2023 (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: <https://www.coopertire.co.uk/general-information/pension-plan/>

2. Amendments to the SIP

There were no material changes to the governance arrangement of the plan during the reporting period, nor to the nature of risks, fees or stewardship practices.

During the period, on the back of the improved estimated funding level of the Plan, the Trustee conducted a funding and investment review in collaboration with their Professional Advisors and the Employer. This resulted in a decision to amend the Investment Policy within the SIP, which included:

- Adjustments to the investment strategy to reduce investment risk. This included adjustments to central targets for each portfolio (risk management versus return enhancement), as well as the minimum and maximum allocations permitted across the different portfolios.
- A new list of permitted asset classes.
- A new central target for liability hedging.

The new SIP was adopted on 26 April 2023.

3. Adherence to the SIP

The Trustees monitor compliance with the SIP annually. In particular, they obtain confirmation from their fiduciary manager, Van Lanschot Kempen Investment Management (VLK) 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 VLK 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 liabilities 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 compliant with the bandwidths specified in the SIP,
- details of the investment risk of the underlying investments, and the change in the total investment risk over time,
- the responsible investment characteristics of the underlying investments, and
- details of the engagement behaviour of both VLK and the underlying investment managers they appoint on behalf of the trustees, including their voting behaviour.

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

- investing the assets according to the investment policy and the investment strategy advised and implemented by VLK,
- choosing suitable investments to achieve the right balance between risk and return, so as to ensure the security, quality, liquidity and profitability of the Plan's assets,
- managing the key investment related risks of the Plan appropriately,
- monitoring the underlying managers of the investments, and the performance of those managers relative to 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 VLK and the underlying investment 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 investment 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 – VLK monitoring and engagement behaviour

Background

The Trustees 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 Trustees do not monitor or engage directly with issuers of, or holders of, debt or equity, but instead delegate this activity to VLK and to the underlying asset managers appointed by VLK. The Trustees expect VLK 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.

VLK 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. VLK 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.

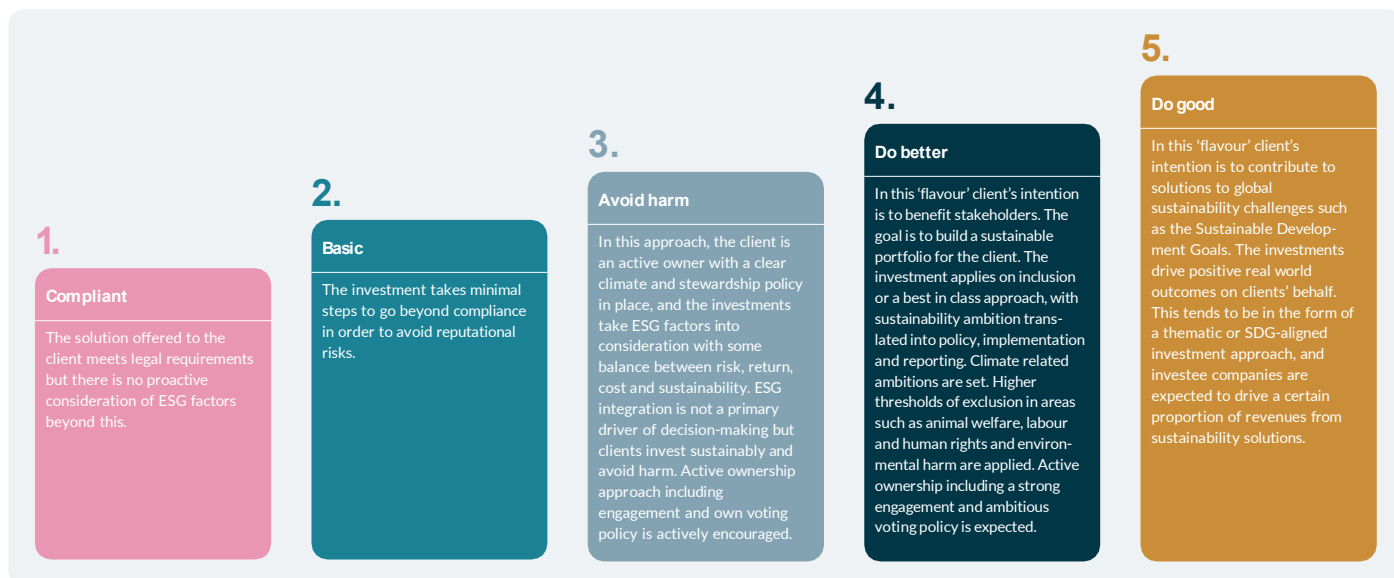
There are several levels of engagement at VLK: they engage with the asset managers they appoint, with companies they invest in directly (e.g. within VLK products), and via collaborative engagement with industry stakeholders, such as regulators, industry initiatives, benchmark providers, and peers.

VLK monitoring of underlying asset managers

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

- 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 VLK'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 VLK'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?
- VLK encourages its chosen managers to improve their practices where appropriate.

VLK have created a proprietary scoring framework (the Sustainability Spectrum) to help them understand and evaluate how asset managers integrate various ESG factors into their investment products and processes. Within this framework, asset managers and their products (i.e. pooled funds) are classified into one of 5 different levels: Compliant (level 1), Basic (level 2), Avoid harm (level 3), Do better (level 4), Do good (level 5).



Scoring listed funds

Over the reporting period VLK have continued to apply this scoring methodology to rate the ESG characteristics of the underlying managers and investment products used within client strategies. By the end of 2022 (the latest data currently available), they had scored 385 listed funds using the spectrum, which represents around 58.4% of VLK's AuM. The pie charts below show a breakdown of how the external managers in listed asset classes scored, ranging from 'Basic' to 'Do Good'. As a percentage of scored AuM, 11% of the funds scored 'Basic', 55% scored 'Avoid harm', 31% scored 'Do better' and 3% of the AuM fell under managers scoring 'Do good'.



VLK do not offer Compliant or Basic products proactively to their clients. Those products that scored within these categories were either legacy investment products that have been adopted from clients transitioning to VLK's fiduciary solution, or older products from their Approved List (including some in passively managed solutions) which they are in the process of replacing with more sustainable investment products (an exercise that they have been undertaking for a number of years).

Scoring alternative funds

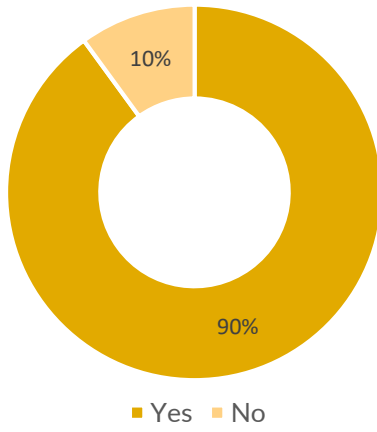
VLK continued to assess funds in private markets and alternative asset classes, which are typically structured as 'unlisted' funds. Although the ESG scores are not completely aligned with the listed asset classes mentioned above, they do give a good indication about the sustainability approach of the underlying managers. In 2022, 91 alternative funds have been assessed on ESG criteria, of which 15 scored 'Basic'; 28 scored 'Avoid harm'; 38 scored 'Do better'; and 10 scored 'Do good'. The scores of Basic and Avoid harm is not unexpected, it has historically been more challenging for unlisted alternative funds to apply sustainability in a similar way to the listed funds.

VLK engagement & examples

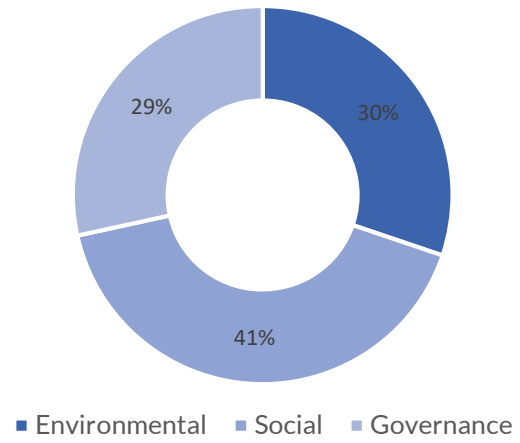
In order to help external managers to improve their sustainability and ESG characteristics, VLK will regularly engage with them on their sustainability commitments and performance. In 2022 VLK proactively engaged with 80 managers which can be broken down to 39 listed external managers, 31 private markets managers, and 10 managers linked to alternative strategies. VLK's expert Manager Research Solutions Team engages with external managers on compliance with VLK's exclusion list, on alignment with VLK's sustainability ambitions and those ambitions of their clients.

The pie charts below show the proportion of those engagements linked to an ESG topic, and where those topics were linked to ESG, which theme was the focus of the engagement.

Engagement on ESG?



ESG Theme



Below are some specific engagement examples relevant to the Plan's portfolio, which show how VLK are monitoring and engaging with underlying managers with respect to stewardship and ESG criteria.

Example 1:

Engagement type	Engagement on specific companies/industries (other)
Engagement topic	Social
Manager	Insight
Funds/mandates involved	Maturing Buy and Maintain Funds (MBAM)
Company	Volkswagen
Reason for engagement	Insight has exposure to Volkswagen, a name that has been added to VLK's exclusion list on the back of the MSCI ESG Red Flag it received relating to employment conditions in China.
Summary of discussion with manager	<p>Prelude: Insight had communicated before that they do not buy companies with MSCI ESG red flags within the MBAM funds. Volkswagen was already a name in a couple of the MBAM funds and Insight continue to hold the company debt while digesting the red flag and consider engagement. Our expectation was that there would be a hasty positive resolution within a reasonable time frame, but it has now been 3 months since we first reached out to Insight with no change. We therefore scheduled an update call to fully understand the situation.</p> <p>Update from Volkswagen: They explained that the VW China CEO visited the Urumqi plant to review the situation. The VW statement that followed this visit mentioned that employment of the 240 employees at the Urumqi plant predate the initial MSCI ESG allegations with employment of over four years. All employees have individual contracts with the JV, and minorities are fully (17% of employees are Uyghur) supported by policies and pay is higher than the industry average in the region.</p> <p>Update from MSCI ESG: No real update from MSCI ESG. MSCI ESG has updated the VW case recently but only referred to the additional VW communication.</p> <p>Insight's view: Insight plans to continue its engagement with Volkswagen. They think that an independent audit / NGO review is the best solution to conclude this case. Insight also thinks that a sale of the JV stake is unlikely as there will be political backlash, even though they recognize the underutilization and relative irrelevance of the plant in Volkswagen's overall operations.</p> <p>Insight's positioning: Insight continues to maintain its 'hold' position on the bonds in the MBAM portfolios. They do not want to be forced sellers in this case and think the company is doing what it can do to resolve the case and Insight will continue to push for the independent audit. Given the complexity of the situation and the fact that the case is still very 'engagement worthy' Insight also does not want to impair performance/yields of the MBAM funds. At the same time Insight seems to become more likely to be a seller as relative valuation moves further towards the pre-red-flag levels (spreads tightening) and Insight also expects the case to be resolved in about a year's time. If VW cannot resolve this case (e.g., via an independent audit) in the coming year this is a clear sign of governance and culture issues at the firm.</p>
Conclusion	Insight seems to be aligned with VLK's timelines to resolve the case in the coming year. Our view is that their engagement approach means there is a realistic chance this complex case will be resolved.
Next steps	Continue to engage with Insight and ask for updates on this topic during our quarterly monitoring process.

Example 2:

Engagement type	Engagement item with an ESG element to it
Manager	Libremax
Funds/mandates involved	LibreMax K Core Securitized Credit Fund, Ltd.
Reason for engagement	Libremax is a US manager, and one of the underlying manages within the Kempen Diversified Structured Credit Pool. The reason for this engagement is due to their ESG questionnaire score lagging most other long-only managers active in traditional public asset classes, with a score of 42% overall. Sub scores are 26% on commitment, 52% on ESG integration, 40% on Evidence and transparency, and 50% on Exclusions. This call was planned to explain our position and also explain how LibreMax might improve the funds ESG characteristics.
Summary of discussion with manager	<p>Overall they were happy to hear feedback from our end regarding our scoring of the fund. We provided an update that the new SFDR regulations will initially just provide transparency, but over time these new regulations will likely put pressure on SFDR 6 funds to improve their sustainability characteristics. We also explained that one of the European managers within our pool, Aegon, has been able to classify itself as an article 8 fund. It was positive to hear from them that Libremax would be interested to understand how they could also become an article 8 funds.</p> <p>Libremax now rates all the instruments they invest into and is actually able to report this across the whole firm. The rating methodology seems a little unstructured, and starts with the 'sector' rating but takes into account specific considerations with respect to the company, the securitization, the securitized collateral, the originator, sponsor, servicer and related companies. The rating scale is from 1 (Adequate – ESG concerns related to the investment are immaterial) to 2 (Adequate - despite concerns) to 3 (Inadequate – Significant ESG concerns with no active attempt at engagement and remediation). Libremax additionally looks into data providers (Moody's and Fitch) for ESG-related information like we do ourselves. Furthermore they work with consultants (ACA) for their UNPRI reporting and also work with BlueDot Capital to develop ESG policies and investing at Libremax.</p> <p>We also discussed their DEI policy and initiatives, and raised the lack of a climate policy and they directly mentioned that this was feedback they also got from BlueDot. Another point raised was setting up a biodiversity policy. Overall Libremax seems to be open to add to their and enhance their policies. This makes me feel that we can easily advance the dialogue with Libremax to set up more policies and refine the existing ones, even though ESG integration is not always easy because of the nature of the asset class.</p> <p>Libremax also share their latest UNPRI assessment report. They score 57 on investment & stewardship policy (just below the median), and 59 on the securitized module (just above the median) based on 2020 data and that some ESG improvements have taken place since then.</p>
Conclusion	Libremax seems to be on the right track and it was positive to hear that they are interested to move to an SFDR 8 like solution, even though it is likely that actual implementation is still far out. Libremax does not have dedicated ESG director - it seems that they have consciously chosen to work with external consultants which might fill part of this gap.
Engagement Results	A positive outcome from the engagement was that Libremax would share a basic overview of their engagement activities with us. This was demonstrated during the call, and whilst basic in nature it shows that Libremax actually has something to show regarding engagements in this asset class. The main result is that we improved our understanding of Libremax' ESG mindset and set up, which has improved since the initial due diligence we performed at appointment.
Next Steps	<p>Share some of the ideas we have from our side and discuss these topics during our next monitoring call:</p> <ul style="list-style-type: none"> - Formulating a climate policy with a reference to the Paris Agreement - Formulating a biodiversity policy - Referencing/committing to global norms in the ESG policy (e.g., OECD/UNGC guidelines/principles) - Ask which industry associations they support/have looked into. - Suggest scoring methodology to score specific elements of the securitization

Collaborative engagement

By participating in collaborative engagement initiatives with industry peers, VLK can increase the effectiveness and leverage of their engagement activities. VLK can initiate a collaborative engagement or join existing engagement initiatives, such as Climate Action 100+. VLK assess which collaborations fit best with their values and engagement targets on a case by case basis. In addition, VLK collaborate with other asset managers and asset owners where engagement objectives are aligned. In 2022 VLK became a supporter of the newly launched PRI collaborative effort on social themes, called Advance.

With the tangible effects and growing risks associated with climate change, VLK have prioritised engaging on climate related issues. This covers additional emissions disclosures, emission mitigation efforts, or the development of cleaner technologies. VLK expect external asset managers they select to be aligned with the Paris Agreement and set emission reduction targets. In 2022, VLK were an active member of several initiatives, most notably:

- IIGCC Climate Action 100+
- Platform Living Wage Financials
- FAIR
- Access to Medicine Foundation
- Investor Alliance on Human Rights

In terms of VLK's involvement in industry initiatives, they are an active member of PRI and several of its working groups (Corporate Reporting Reference Group, SDG Advisory Committee, Hedge Fund Advisory Committee),

the GIIN (Global Impact Investing Network), and the ICGN (International Corporate Governance Network). They are also a signatory to the Dutch and UK Stewardship Codes.

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 VLK's monitoring and engagement activities, the Trustees 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 assets are 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 behaviour of the fixed income corporate bond managers. Only material allocations are included in this section, while alternative assets and government bonds are excluded.

While managers may have used proxy voters, the Trustees have not used proxy voting services themselves during the last 12 months.

EQUITY MANAGERS' RESPONSE

The Plan had no material exposures to traditional listed equity funds over the reporting period. As a result, there is no information to display here.

BOND MANAGERS' RESPONSE

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

What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGR138
Question	Response
How many engagements were initiated over the last 12 months which were relevant to this strategy?	94
How many entities did you engage with over the last 12 months which were relevant to this strategy?	41
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	69.1%
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	75.9%
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	1
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	39
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	65
Number of ESG related engagements by theme:	
Environment - Climate change	60
Environment - Natural resource	7
Environment - Pollution and waste	5
Social - Conduct, culture and ethics	14
Social - Human and labour rights	14
Social - Human capital management	20
Social - Inequality	3
Social - Public health	5
Governance - Board effectiveness	13
Governance - Remuneration	14
Governance - Shareholder rights	8
Note: 1 engagement may cover multiple themes	

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

Name of entity you engaged	BNP Paribas
Year engagement was initiated	2023
Theme of the engagement	Environment – climate change
<p>Please describe your engagement method. For example:</p> <ul style="list-style-type: none"> -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 	<p>This engagement was identified as part of Insight’s counterparty engagement programme. BNP came in the middle of the pack, given its strong environmental policies. However, reports of greenwashing due to the volume of fossil fuel financing the bank conducts negatively impacted its score. BNP also proved relatively weaker on ESG-linked remuneration and diversity beyond gender. The primary objective of the engagement was to discuss the outcome of the questionnaire, including areas of strength and weakness.</p> <p>BNP has been a leader in terms of its environmental policies. The bank recently entered a new phase of its decarbonisation strategy by shifting away from oil and gas through its newly announced targets, including targets to provide €40BN in outstanding financing for the production of low-carbon, primarily renewable, energies by 2030 and a reduction in outstanding financing for oil extraction and production to <€1BN by 2030, a decrease of 80% from current levels. However, the new 80% oil and gas target only covers loans, not equity and bond issues, which could also be integrated. The issuer believes it is fully in line with the IEA’s Net Zero Emissions by 2050 scenario. This brings BNP’s ratio of low carbon energy financing to fossil fuel financing to 1.7, much higher than its rivals. BNP stated that it stopped oil project financing in 2016, but had not been reflected in its Oil and Gas sector policy, compared with peers (eg., HSBC, NatWest).</p> <p>BNP revealed it has not included any debt capital markets activities in its sector-based targets and its oil and gas commitment only extends to its loan book. The bank calculates facilitated emissions internally, however they are not ready to publish these externally.</p>
<p>Please comment on the outcomes from this engagement so far?</p> <p>For example:</p> <ul style="list-style-type: none"> -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? 	<p>Insight will monitor the progress of BNP Paribas towards its new climate commitments and the recommendations Insight provided during the engagement, which included covering equity and bond issues in its 80% oil and gas targets, and committing to ending financing any expansion in oil and gas exploration and production.</p> <p>Since the engagement, Insight are pleased to see that BNP Paribas updated its Oil and Gas sector policy to exclude oil and gas project financing. This matches the bank’s statements around its activities in this area.</p>

Insight Investment Management - Maturing Buy and Maintain Bond Fund 2036-2040

What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGQX81
Question	Response
How many engagements were initiated over the last 12 months which were relevant to this strategy?	87
How many entities did you engage with over the last 12 months which were relevant to this strategy?	38
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	67.9%
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	68.9%
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	1
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	27
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	42
Number of ESG related engagements by theme:	
Environment - Climate change	57
Environment - Natural resource	7
Environment - Pollution and waste	6
Social - Conduct, culture and ethics	9
Social - Human and labour rights	11
Social - Human capital management	19
Social - Inequality	4
Social - Public health	7
Governance - Board effectiveness	10
Governance - Remuneration	8
Governance - Shareholder rights	8
Note: 1 engagement may cover multiple themes	

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

Name of entity you engaged	BP Plc.
Year engagement was initiated	2023
Theme of the engagement	Environment – climate change
<p>Please describe your engagement method. For example:</p> <ul style="list-style-type: none"> -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 	<p>This engagement was initiated to clarify why BP made changes to its oil and gas output target from a 40% reduction by 2030 to a 25% reduction by 2030. BP changing its oil and gas output target was driven by the energy 'trilemma' – achieving energy that is clean, but also affordable and secure. The Ukraine war prompted a shift towards energy security, with governments and corporates seeking to enhance supply security. This started conversations at board level around BP's role in alleviating the energy crisis. Capex in oil and gas is increasing by \$1BN/year (\$8BN overall) but BP has also increased capex in transition fuels by \$1BN/year. The change in the output targets has not impacted any of BP's other targets, for example the Scope 1, 2 and 3 targets by 2030/2050. However, it is unclear what other changes BP will make to help accelerate its low-carbon business to ensure it continues on the correct trajectory to meet its carbon targets.</p> <p>Insight also asked BP about how it is ensuring that it is investing responsibly, given that most of its CO2 emissions reductions since 2010 have come from divestments. BP reiterated that its pathway to achieving its 2030 reduction target consists of one third from its operations, one third from its portfolio (i.e. divestment) and one third from carbon capture solutions.</p> <p>Insight also asked if BP considers the ESG credentials of the future owners of the assets from which it divests. BP answered responsible divestment represents a challenge for the industry in general and is a developing area that firms haven't yet implemented effectively. BP recognises it needs to do more in this area.</p> <p>Following an evolution of the Climate Action 100+ Net Zero Company Benchmark, Insight asked BP about its view. BP stated it does not feel it can achieve significantly higher marks on its current framework without significantly changing its strategy. BP views its 2030 targets as stretching enough and that there is little point setting stronger, unrealistic targets. It also stated it view that the world is not on a 1.5C pathway and it does not think it can meet more stringent targets, such as those contained in the new benchmark.</p>
<p>Please comment on the outcomes from this engagement so far? For example:</p> <ul style="list-style-type: none"> -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? 	<p>Given BP continues to invest in oil and gas exploration and development, Insight will continue to engage with the company on climate-related issues to understand the progress BP is making towards its interim carbon targets and whether low-carbon capex is increasing according to BP's stated projections. Insight will closely monitor any announcements relating to the firm's net-zero targets to understand if BP will roll back on any further climate-related commitments.</p>

Insight Investment Management - Maturing Buy and Maintain Bond Fund 2041-2045

What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGQZ06
Question	Response
How many engagements were initiated over the last 12 months which were relevant to this strategy?	98
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?	67.8%
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	67.9%
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	2
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	24
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	47
Number of ESG related engagements by theme:	
Environment - Climate change	62
Environment - Natural resource	5
Environment - Pollution and waste	9
Social - Conduct, culture and ethics	8
Social - Human and labour rights	12
Social - Human capital management	14
Social - Inequality	1
Social - Public health	9
Governance - Board effectiveness	13
Governance - Remuneration	5
Governance - Shareholder rights	8
Note: 1 engagement may cover multiple themes	

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

Name of entity you engaged	América Móvil
Year engagement was initiated	2022
Theme of the engagement	Governance - board effectiveness - diversity
<p>Please describe your engagement method. For example:</p> <ul style="list-style-type: none"> -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 	<p>We identified that America 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.</p> <p>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 America 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. Meetings with America 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.</p>
<p>Please comment on the outcomes from this engagement so far?</p> <p>For example:</p> <ul style="list-style-type: none"> -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? 	<p>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 Gisselle 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%).</p> <p>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 America 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 America Movil.</p>

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

What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BK1MB907
Question	Response
How many engagements were initiated over the last 12 months which were relevant to this strategy?	78
How many entities did you engage with over the last 12 months which were relevant to this strategy?	35
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	66.0%
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	67.4%
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	Unable to report
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	2
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	39
Number of ESG related engagements by theme:	
Environment - Climate change	45
Environment - Natural resource	3
Environment - Pollution and waste	2
Social - Conduct, culture and ethics	12
Social - Human and labour rights	9
Social - Human capital management	22
Social - Inequality	2
Social - Public health	8
Governance - Board effectiveness	12
Governance - Remuneration	7
Governance - Shareholder rights	6
Note: 1 engagement may cover multiple themes	

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

Name of entity you engaged	Heathrow
Year engagement was initiated	2022
Theme of the engagement	Environmental - net zero strategies
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	<p>Heathrow airport the largest and busiest Airport in the UK. Insight's engagement objectives included encouraging Heathrow to strengthen and consolidate its net zero strategy (particularly on Scope 3), encouraging Heathrow's participation in the Climate Disclosure Programme (CDP) and obtaining the Science Based Targets initiative (SBTi), which enables ambitious private sector action to set ambitious science-based emissions reduction targets.</p> <p>This engagement is aligned to SDGs 13 Climate Action.</p> <p>This was Insight 's first deep dive engagement with Heathrow on ESG topics. The meetings was hosted by our internal industrials analyst with their Treasurer.</p> <p>CO2 poses a significant challenge for Heathrow and the sector in general, given the materiality of its Scope 3 emissions and the lack of any clear technological solution to decarbonise the sector. 99.9% of Heathrow's carbon emissions are Scope 3 (95% derives from aircraft flying and moving on the ground, 3.6% are surface access and 1.1% stem from its supply chain.</p> <p>Heathrow has targeted to achieve Net Zero by 2050 including scope 3. Its 2030 targets include: a 15% reduction in CO2 emissions from flying (mainly from use of sustainable aviation fuel SAF). a 45% cut in CO2 from surface access, supply chain, vehicles and buildings.</p> <p>The airport faces two challenges in its effort to decarbonise: 1. the degree to which it can influence airlines to decarbonise fleets. 2. its net zero plan relies on technology which is costly and / or unproven (e.g. SAF, hydrogen plane etc.) Heathrow is working with SBTi to obtain certification; they are hopeful they will receive it before year-end.</p>
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?	<p>Heathrow were aware of CDP, and were keen to understand how Insight use the data. Insight have requested that they participate in future.</p> <p>In 1Q 2023, Heathrow received approval from the Science Based Targets Initiative (SBTi) for their 2030 carbon reduction targets, confirming they are consistent with a 1.5 degree trajectory. Heathrow is the first airport to achieve this status with SBTi's updated 1.5 degree standard. Insight will continue to hold their bonds.</p>

