

University of Dundee Superannuation and Life Assurance Scheme Implementation Statement for the year ended 31 July 2022

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustee of the University of Dundee Superannuation and Life Assurance Scheme ("the Scheme") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme's investments, and engagement activities during the year ended 31 July 2022 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

In April 2022, the Trustee received training on Environmental, Social and Governance ("ESG") issues from their Investment Adviser, XPS Investment ("XPS") and discussed their beliefs around those issues. This enabled the Trustee to consider how to update their policy in relation to ESG and voting issues. The Trustee's new policy was documented in the updated Statement of Investment Principles dated May 2022.

The Trustee's updated policy

The Trustee has considered its approach to environmental, social and corporate governance ("ESG") factors for the long term time horizon of the Scheme and believes there can be financially material risks relating to them. The Trustee has therefore agreed a policy reflecting its beliefs around these factors in relation to the selection, retention or realisation of investments. The policy is implemented through a combination of investment mandate guidelines with the Scheme's investment managers and a requirement that the investment managers take ESG and climate change risks into careful consideration in relation to any portfolio management decisions taken outside of those guidelines.

The Trustee will seek advice from the Investment Adviser on the extent to which its policy on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustee, with the assistance of the Investment Adviser, will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this Statement.

When considering the selection, retention or realisation of investments, the Trustee has a fiduciary responsibility to act in the best interests of the beneficiaries of the Scheme, although they have neither sought nor taken into account the beneficiaries' views on risks including (but not limited to) ethical, social and environmental issues.

Specifically when making investment decisions the Trustee considers the following key aspects of the University's Ethical policy:

- Focus investments towards
 - low carbon industries
 - impact investments with wider social benefit
- Apply exclusions in relation to the following aspects:
 - avoiding companies producing armament
 - avoiding companies involved in tobacco manufacturing.

The Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and requires them to engage with investee companies and vote whenever it is

practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustee seeks advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, the Trustee introduced the LGIM Synthetic Equity and Synthetic Equity (GBP Hedged) Funds. Each fund was recommended by XPS, using various criteria. One of the criteria - in acknowledgement of the Trustees' updated ESG policy - was that the investment manager had been found to have a credible ESG capability, with decisions linked to that capability applied to the fund to an acceptable degree.

Ongoing governance

The Trustee, with the assistance of XPS, monitors the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this statement. Further, the Trustee has set XPS the objective of ensuring that any selected managers reflect the Trustee views on ESG (including climate change) and stewardship.

Beyond the governance work currently undertaken, the Trustee believes that its approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually.

Adherence to the Statement of Investment Principles

During the reporting year the Trustee was satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to both public and private equities, and investments in equities will also form part of the strategy for the diversified growth funds in which the Scheme invests. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below.

Baillie Gifford Diversified Growth Fund

Voting Information
Baillie Gifford Diversified Growth Fund
The manager voted on 86.73% of resolutions of which they were eligible out of 1,387 eligible votes.

Investment Manager Client Consultation Policy on Voting

All voting decisions are made by our Governance & Sustainability team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Investment Manager Process to determine how to Vote

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the long-term investment process, which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' shares also strengthens our position when engaging with investee companies. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource any part of the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with our Governance & Sustainability Principles and Guidelines and we endeavour to vote every one of our clients' holdings in all markets.

How does this manager determine what constitutes a 'Significant' Vote?

The list below is not exhaustive, but exemplifies potentially significant voting situations:

- Baillie Gifford's holding had a material impact on the outcome of the meeting
- The resolution received 20% or more opposition and Baillie Gifford opposed
- Egregious remuneration
- Controversial equity issuance
- Shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders
- Where there has been a significant audit failing
- Where we have opposed mergers and acquisitions
- Where we have opposed the financial statements/annual report
- Where we have opposed the election of directors and executives.

Does the manager utilise a Proxy Voting System? If so, please detail

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
GALAXY ENTERTAINMENT GROUP LTD	Amendment of Share Capital	Against	Pass
We have opposed similar resolutions in previous years and will continue to advise the company of our concerns and seek to obtain proposals that we can support.			
GALAXY ENTERTAINMENT GROUP LTD	Amendment of Share Capital	Against	Pass
We have opposed similar resolutions in previous years and will continue to advise the company of our concerns and seek to obtain proposals that we can support.			
GREGGS PLC	Remuneration	Against	Pass
Following casting a vote, we reached out to the Company to provide reasons for our opposition on the remuneration report and ask for clarification on pay setting for the CEO. The Company acknowledged our feedback on pensions and pay increases for one executives and explained how the new CEO's salary was set.			
CBRE GROUP, INC.	Shareholder Resolution - Governance	Against	Fail
We opposed the shareholder resolution to lower the ownership threshold to call a special meeting as we were comfortable with the current 25% threshold in place and do not believe that lowering it would be reasonable. Ahead of voting, we had an engagement call with the company to discuss the proposed agenda. We were satisfied to learn about the company's efforts to engage with their holders, including the proponent, who according to the company, did not have any particular concerns over CBRE but backs a lower threshold out of principle. We intend to follow up with the company later in a year to speak about governance developments.			
LEG IMMOBILIEN SE	Remuneration	Against	Pass
Following our vote decision, we have reached out to the company to let them know about our dissent on remuneration and set out our expectation on pay.			

LGIM Dynamic Diversified Fund

Voting Information

LGIM Dynamic Diversified Fund

The manager voted on 99.78% of resolutions of which they were eligible out of 97,704 eligible votes.

Investment Manager Client Consultation Policy on Voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

How does this manager determine what constitutes a 'Significant' Vote?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team

at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;

- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

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

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

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

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Microsoft Corporation	Elect Director Satya Nadella	Against	94.7% of shareholders supported the resolution

LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.			
Apple Inc.	Resolution 9 - Report on Civil Rights Audit	For	53.6% of shareholders supported the resolution
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Royal Dutch Shell Plc	Resolution 20 - Approve the Shell Energy Transition Progress Update	Against	79.9% of shareholders supported the resolution
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Rio Tinto Plc	Resolution 17 - Approve Climate Action Plan	Against	84.3% of shareholders supported the resolution
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Prologis, Inc.	Resolution 1a - Elect Director Hamid R. Moghadam	Against	92.9% of shareholders supported the resolution
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			

Partners Group Partners Fund

Voting Information
Partners Group Partners Fund
The manager voted on 100% of resolutions of which they were eligible out of 865 eligible votes.
Investment Manager Client Consultation Policy on Voting
We do not consult with clients before voting.

Investment Manager Process to determine how to Vote

Our voting is based on the internal Proxy Voting Directive.

How does this manager determine what constitutes a 'Significant' Vote?

Size of the holding in the fund

Does the manager utilise a Proxy Voting System? If so, please detail

We hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with our Proxy Voting Directive. Wherever the recommendations for Glass Lewis, our proxy voting directive, and the company's management differ, we vote manually on those proposals.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
VSB Renewables Platform	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	Control of board	n.a.
<p>VSB initiated the "VSB Goes Green Initiative", which includes several ESG projects aimed at deepening the alignment of business units and employees with the climate friendly nature of the company. One of the initiatives includes assessing Scope 1 and Scope 2 emissions with the support of an external advisor. VSB aim to reduce their carbon footprint.</p> <p>VSB have also initiated a comprehensive health and safety review to promote the well-being of their employees.</p> <p>VSB completed a detailed assessment of their IT and cyber security setup across offices with an external consultant. VSB will make the necessary improvements based on the outcome of this engagement.</p>			

Techem Metering GmbH	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	Control of board	n.a.
<p>Techem completed a climate change engagement with an external advisor where a detailed greenhouse gas inventory was established including Scope 1, Scope 2 as well as material Scope 3 emissions. Initial carbon reduction opportunities were identified, and this analysis forms the basis for the development of Techem's carbon neutrality target.</p> <p>In addition, Techem added health and safety terms in all contracts with suppliers in Germany, Poland and France to improve their oversight across their supply chain.</p> <p>After successfully completing a detailed materiality assessment. Techem published their first Corporate Sustainability Report in June 2021, which highlights key ESG achievements and lays out a detailed sustainability roadmap for the company. In the roadmap, Techem commit to the development of a carbon neutrality target by 2022 and to increase the number of women in management from 17% in 2020 to 35% in 2025.</p>			
Civica	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	Control of board	n.a.
<p>Civica formalized their sustainability working group, which focuses on three areas: employees, customers and suppliers.</p> <p>Civica aim to build on their previous achievements on employee net promoter score (eNPS) and diversity and inclusion. The group's eNPS is over 50 and they were placed 73rd in Europe in the 2021 Financial Times Diversity Leaders list.</p> <p>Following the rise in COVID-19 cases in India, Civica increased its assistance in the region, including support for BAPS Shri Swaminarayan Mandir, which has established a dedicated, 500-bed hospital to provide medical assistance to the people of Vadodara. Civica also raised funds to support the setup of an intensive care unit to ensure patient access to ventilators, oxygen, food and medicine, while directly funding the purchase of patient monitors.</p> <p>The focus on employees also includes managing the environmental impact of their offices. In September 2021, Civica formalized their first carbon plan.</p>			
International Schools Partnership	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	Control of board	n.a.
<p>ISP completed the transition of all its 45k students to distance learning. ISP's Learning Hub got a faster rollout in order to include a broader range of supportive materials and resources and supplement each school's distance learning strategy.</p> <p>ISP launched its first employee survey, with over 60% of its 5k employees at that time participating. This</p>			

exercise has continued with a NPS assessment, now conducted to ISP's 7k employees, and including both the schools and the company's offices. Response rates have increased from 60% to 78% in schools and 82 to 89% in offices, and NPS in the offices has increased from 27 to 51, remaining stable in schools. The company is taking the feedback and continuously working on opportunities for further improvement.

On the environmental side, ISP has ramped up their efforts on tracking their energy consumption, and now has information to inform its carbon footprint exercise. The company is also working on reducing it, for instance by assessing the feasibility of installing solar panels in all its Spanish schools.

In addition, ISP planted one tree in India for each staff member.

Foncia	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	Control of board	n.a.
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Foncia made significant efforts to reduce the environmental impact of its residential properties, notably through energy refurbishment. The company is training more than 80% of its approximately 1'500 joint-property managers on energy efficiency topics before the end of the year, and re-trainings will be provided going forward.

Foncia also has a plan to significantly reduce its own emissions. Around 10% of the company's Scope 1 and 2 emissions are caused by its vehicle fleet. By switching to hybrid or electric vehicles, the footprint could be reduced from 112 to 60 CO₂ grams/km. By the end of 2021, approximately 1'000 hybrid and electric vehicles will be ordered, which will gradually replace its current fleet in 2022.

Foncia made a commitment to improve the diversity of its employee base. The core operations of the company (the "UES Foncia") scores 83 points in the French "Index d'égalité professionnelle entre les femmes et les hommes" (gender professional equality index), 8 points above the minimum required by the French government. The company is targeting a score of 90 within the next three years. In addition, Foncia's subsidiaries aim to reach or exceed 75 points within the next three years.

Signed: _____, Trustee

Date: _____