

Annual Engagement Policy Implementation Statement

Introduction

This Implementation Statement (the "Statement") sets out the Trustee's assessment of how, and the extent to which, they have followed their Statement of Investment Principles ("SIP") which includes their engagement policy and their policy with regard to the exercise of rights (including voting rights) attaching to the Plan's investments during the one-year period to 31 December 2022 (the "Plan Year"). This statement has been produced in accordance with the Occupational Pension Schemes (Investment) Regulations 2005 and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 along with guidance published by the Pensions Regulator.

For the DB Section the Trustee has decided to implement its investment strategy using Mercer's (as fiduciary manager) engagement and voting policy and monitors it regularly to establish whether it aligns with the Trustee's policies. In the DC Section, the Trustee has decided to adopt its investment manager's engagement and voting policies subject to monitoring where possible. Those policies are attached to this Statement in Appendix A.

The Trustee invests the DB assets of the Plan in a fiduciary arrangement with Mercer Limited ("Mercer"). Under this arrangement Mercer are appointed as a discretionary investment manager and day-to-day management of the Plan's assets is by investment in a range of specialist pooled funds (the "Mercer Funds"). Management of the assets of each Mercer Fund is undertaken by a Mercer affiliate, Mercer Global Investments Europe Limited ("MGIE"). MGIE are responsible for the appointment and monitoring of suitably diversified portfolio of specialist third party asset managers for each Mercer Fund's assets.

Under these arrangements, the Trustee accepts that it does not have the ability to directly determine the engagement or voting policies or arrangements of the managers of the Mercer Funds. However, the Trustee has made Mercer aware that they expect MGIE to manage assets in a manner, as far as is practicably possible, that is consistent with the Trustee's engagement policy and their policy with regard to the exercise of rights attaching to the Plan's investments. The Trustee reviews regular reports from Mercer with regard to the engagement and voting undertaken on their behalf in order to consider whether their policies are being properly implemented.

This Statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Plan Year, which was the SIP dated September 2020. The table later in the document sets out how, and the extent to which, the policies in the Plan's SIP have been followed and whether there were any deviations from the SIP in the Plan Year.

The SIP is comprised of 3 parts:

- (A) Part 1: Investment principles governing investment decisions for the purposes of providing defined benefits from the Plan (in this Statement referred to as the DB Section).
- (B) Part 2: Investment principles governing investment decisions for the purposes of providing money purchase benefits from the Plan (in this Statement referred to as the DC Section).
- (C) Part 3: Investment principles governing investment decisions for the purposes of the Plan's money purchase default arrangement (i.e. currently the use of the Clerical Medical With Profits Fund).

Investment Objectives of the Plan

The objectives of the Plan are set out in the SIP, which is available online. The current SIP was signed on 18 September 2020.

Review of the SIP

During the year the Trustee did not review the Plan's SIP for the DC Section. The Plan's SIP for the DB Section of the Plan was reviewed at a high level by Mercer as part of the annual investment strategy review. No revisions were made during this period.

If the SIP were to be updated, the Trustee would consult with RATP Dev UK Ltd, the Plan's principal employer.

Assessment of how the policies in the SIP have been followed for the year to 31 December 2022

The information provided in the following table highlights the work undertaken by the Trustee (or on behalf of the Trustee) during the year, and longer term where relevant, and sets out how this work was consistent with the Trustee policies in the SIP, relating to the Plan as a whole. Unless specifically noted in the table below, there were no deviations from the SIP during the Plan Year. The SIP is available online and sets out the policies referenced below.

The SIP can be viewed on the pensions section of the RATP Dev website: <https://www.ratpdevlondon.com/pensions>
The direct link to the SIP is: <https://www.ratpdevtransitlondon.com/sites/default/files/2022-02/LUB%20-%20combined%20SIPs%20-%20Sept%202020.pdf>

	Requirements	Policy	In the year to 31 December 2020
1	Securing compliance with the legal requirements about choosing investments	<p><u>DB Section</u></p> <p>In preparing the SIP, the Trustee has consulted a suitably qualified person by obtaining written advice from Mercer Limited ("Mercer"). In addition, consultation has been undertaken with RATP Dev UK Ltd to ascertain whether there are any material issues of which the Trustee should be aware in agreeing the Plan's investment arrangements and, in particular on the Trustee's objectives.</p> <p><u>DC Section and Default SIP (Part 2, Section 1)</u></p> <p>The Trustee is responsible for the investment of the PIP and AVCs assets and arranging administration of these policies. Where the Trustee is required to make an investment decision, it will first receive written advice from an Investment Adviser. The Trustee believes that this, together with their own expertise, ensures that they are appropriately familiar with the issues concerned and that the advice received and arrangements implemented are consistent with the requirements of section 36 of the Pensions Act 1995 (as amended).</p>	<p><u>DB Section</u></p> <p>Over the year to 31 December 2022, the Trustee received investment advice from the Plan's Investment Consultant on the suitability of the investment arrangements. This included advice in relation to the appointment or removal of investment vehicles, changes to asset allocation and the continuing suitability of existing investment vehicles.</p> <p>The Trustee's appointed Fiduciary Manager (Mercer) had been delegated the authority to invest the assets across various asset classes both with the aim of earning an investment return above the rate of growth in the Plan's liabilities and managing the various risks to which the Plan is exposed.</p> <p><u>DC Section & Default SIP</u></p> <p>The Plan's DC advisor attended all DC Working Party meetings during the year. They also attended the DC specific Trustee meeting held on 15 November 2022. Where regulated investment advice was required, an appropriately qualified adviser attended the meetings. A formal update on fund performance and appropriateness of the funds used was last presented to the DC Working Party at its meeting on 10 November 2020. Performance and appropriateness of the funds is also included as part of the Plan's annual Value for Members assessment.</p>

2	Kinds of investments to be held	<p><u>DB Section</u></p> <p>The Trustee has appointed Mercer to act as discretionary investment manager, by way of Mercer's Dynamic De-risking Solution ("MDDS"), to implement the Trustee's strategy whereby the level of investment risk reduces as the Plan's funding level improves. In this capacity, and subject to agreed restrictions, the Plan's assets are invested in multi-client collective investment schemes ("Mercer Funds").</p> <p><u>DC Section (Part 2, Section 6)</u></p> <p>The investment choices comprise a wide range of assets including developed market equities, emerging market equities, gilts, index-linked gilts, with profits and cash. The members can, having considered their own appetite for risk, decide on the balance of different kinds of investments, from the range of funds offered by the Trustee.</p> <p>The Trustee monitors the fund range offered by the Investment Platform Manager including the investment strategy and asset allocation of those funds.</p> <p>Where practicable the Trustee expects investments to be readily realisable (e.g. investments and disinvestments to be permitted in a daily basis in unit-linked funds).</p> <p><u>Default SIP (Part 3, Section 3.2)</u></p> <p>The Trustee has selected a with profits arrangement which means that the day to day decisions on the kinds of investment and the balance between different kinds to be held are taken by Clerical Medical. The Trustee acknowledges that there are restrictions in the extent that it can control these day to day decisions.</p>	<p><u>DB Section</u></p> <p>The Plan invests in Mercer's Dynamic De-risking Solution. During 2021 the Plan's funding level improved such that the target growth asset allocation was reduced to 30.0%. No further de-risking triggers were hit during 2022. The Trustee regards the distribution of the assets to be appropriate for the Plan's objectives and liability profile. The Trustee continued to invest in a range of asset classes, regions and sectors to ensure diversification.</p> <p><u>DC Section & Default SIP</u></p> <p>There were no changes during the Plan year on the kinds of investments held and the balance between investments.</p> <p>The Plan has available a range of investment options with Utmost Life which includes equity, fixed-income and money market funds. The Plan also offers a with-profits fund with Clerical Medical.</p> <p>The kinds of investment held in the Plan and the balance between those investments remained consistent with the SIP.</p>
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3	The balance between different kinds of investments	<p><u>DB Section</u></p> <p>The Trustee recognises the risks that may arise from the lack of diversification of investments. To control this risk the Trustee has delegated the asset allocation decisions within the Growth and Matching Portfolios to Mercer (subject to certain restrictions). Mercer aims to ensure the asset allocation policy in place results in an adequately diversified portfolio. Mercer provides the Trustee with regular monitoring reports regarding the level of diversification within the Trustee's portfolio.</p> <p><u>DC Section (Part 2, Section 6)</u></p> <p>The investment choices comprise a wide range of assets including developed market equities, emerging market equities, gilts, index-linked gilts, with profits and cash. The members can, having considered their own appetite for risk, decide on the balance of different kinds of investments, from the range of funds offered by the Trustee. This will determine their individual expected returns.</p> <p><u>Default SIP (Section 3, Part 3.2)</u></p> <p>The Trustee has selected a with profits arrangement which means that the day to day decisions on the kinds of investment and the balance between different kinds to be held are taken by Clerical Medical. The Trustee acknowledges that there are restrictions in the extent that it can control these day to day decisions.</p>	<p><u>DB Section</u></p> <p>Mercer and the underlying investment managers had responsibility for ensuring the actual allocation of the Plan's investments in Mercer Funds remains within the agreed tolerance ranges as set out in the Investment Guidelines agreed with Mercer.</p> <p>The respective allocations were monitored in the Plan Year by the Trustee as part of the quarterly reporting process and rebalancing is implemented by Mercer as required.</p> <p><u>DC Section & Default SIP</u></p> <p>Monitoring of the Plan takes place annually as part of the Value for Members report, with the latest report presented to the Trustee at its meeting on 15 November 2022.</p> <p>The default investment option and wider self select review was last subject to a formal investment review in November 2020. Whilst this review was not undertaken during this Plan year, it represents an important exercise for the Trustee that covers the majority of the investment policies the Trustee has in place. Following the advice from their investment advisor the Trustee agreed that no immediate changes were required at that time. The default investment option is due to be reviewed in November 2023.</p> <p>As part of the triennial investment review, the Trustee started considering the market for alternative products to the Clerical Medical With-Profit Fund; however, given the nature of the fund, the Trustee's DC advisers did not propose amending the default or moving away from the fund at that time. The Trustee spent a large part of 2021 exploring the market for alternative arrangements for both the unit-linked funds and with-profits fund, and this continued into 2022.</p> <p>During 2022, the Trustee spent time understanding it options to transfer members to a different platform which may provide better value for members, including options in relation to the Clerical Medical With-Profits Fund. The Trustee agreed it may be in the members' best interests to transfer out of this fund and is currently in the process of liaising with the Sponsoring Employer to request support in further investigating these options.</p>
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			The kinds of investment held in the Plan and the balance between those investments remain consistent with the SIP.
4	Risks, including the ways in which risks are to be measured and managed	<p><u>DB Section</u></p> <p>The Trustee understands that taking some investment risk, with the support of RATP Dev UK Ltd, is necessary to improve the Plan's current and ongoing funding positions. The Trustee recognises that equity investment (and other growth assets) will bring increased volatility to the funding level, but in the expectation of improvements in the Plan's funding level through asset outperformance over and above the liabilities over the long term.</p> <p>There is also a list of risks considered in Section 4 of the SIP.</p> <p><u>DC Section (Part 2, Section 3)</u></p> <p>The Trustee recognises a number of risks involved in the investment of PIP and AVC assets. These are set out in Part 2 Section 3 of the SIP.</p> <p><u>Default SIP (Part 3, Section 4)</u></p> <p>Regarding the Default SIP, the risks and the way they are mitigated are set out in the respective section 4.</p>	<p><u>DB Section</u></p> <p>The Trustee considered both quantitative and qualitative measures for the risks when deciding investment policies, and overall risk tolerance.</p> <p>The Trustee reviewed various quantitative risk measures as part of their quarterly investment monitoring over the year, including risk attribution and interest rate and inflation hedge ratios. The Trustee also considered risk levels, their risk appetite and how risks are managed alongside the Plan's funding status, covenant support and market conditions over the year.</p> <p>Mercer provided the Trustee with regular reports regarding the performance of the underlying asset managers within the relevant Mercer Funds to enable the Trustee to monitor the difference between the expected and experienced levels of risk and return.</p> <p><u>DC Section & Default SIP</u></p> <p>As part of its regular monitoring (at least once a year as part of the Value for Members assessment) the Trustee identifies and monitors risks, including the main investment risks. As part of that reporting risks are measured against likelihood and impact and controls to manage those risks are recorded. The DC working party will also, at least triennially, review market conditions and performance against the Trustee's objectives with their DC investment advisor and consider appropriate actions. The last report was presented to the DC Working Party at its meeting on 10 November 2020 with the next review due in November 2023.</p>

5	Expected return on investments	<p><u>DB Section</u></p> <p>The solution determined by MDDS drives the asset allocation of the Plan with reference to the Plan's funding level (on an actuarial basis using a single discount rate of 0.4% p.a. in excess of appropriate gilt yields), targeting full funding on this basis by 2029.</p> <p><u>DC Section (Part 2, Section 6)</u></p> <p>The Trustee monitors the fund range offered by the Investment Platform Manager including the investment strategy and asset allocation of those funds. It also monitors actual returns against expected returns with input from the DC Investment Adviser at least annually. The Trustee receives advice from the DC Investment Adviser on the appropriateness of the investment options for Plan members. If concerns are raised about the appropriateness or performance of the funds, the Trustee will consider if and when to explore alternative arrangements, which may include the realisation of investments and transfer of funds elsewhere.</p> <p><u>Default SIP (Part 3, Section 3.1)</u></p> <p>To achieve a smoothed level return over the medium to long term.</p> <p>The strategic investment mix is reviewed regularly by Clerical Medical and assets are chosen with a view to getting the best possible long-term performance; and making sure that the with-profits fund can always meet its guarantees.</p>	<p><u>DB Section</u></p> <p>The Trustee received an investment performance report on a quarterly basis – this included the risk and return characteristics of the various funds in which the Plan invests. The investment performance report included information on how each fund/manager is performing relative to the stated benchmark or index, on a net of fees basis. The Trustee also considered performance of the assets relative to the liabilities in their funding monitoring.</p> <p>Over the year the investment strategy was reviewed by the Trustee, with advice and guidance provided by Mercer. No significant changes were made by the Trustee to the Plan's headline investment strategy (i.e. the target allocation to return seeking assets and risk reducing assets). However, further de-risking triggers were added targeting a funding level of 110% on the self-sufficiency basis by 2030.</p> <p><u>DC Section & Default SIP</u></p> <p>The Trustee monitored the performance of the funds against their stated objectives/benchmarks. This is done on an annual basis as part of the Value for Member assessment, with the last report presented to the Trustee at its meeting on 15 November 2022.</p> <p>An in depth review of performance is undertaken triennially, with the last review presented to the DC Working Party on 10 November 2020. This review is due in November 2023.</p>
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6	Realisation of investments	<p><u>DB Section</u></p> <p>The Trustee on behalf of the Plan holds units in the Mercer Funds. The investment managers to the Mercer Funds (including the underlying third party asset managers appointed by Mercer Global Investments Europe), operate within parameters stipulated in the relevant appointment documentation, have discretion in the timing of the realisation of investments and in considerations relating to the liquidity of those investments. The Trustee has the ability to terminate its agreement with Mercer, thus disinvesting from the Mercer Funds.</p> <p><u>DC Section(Part 2, Section 6)</u></p> <p>Where practicable the Trustee expects investments to be readily realisable (e.g. investments and disinvestments to be permitted a daily basis in unit-linked funds).</p> <p><u>Default SIP (Part 3, Section 3.2)</u></p> <p>The selection, retention and realisation of assets within the With Profits fund is delegated to Clerical Medical in line with its Principles and Practices of Financial Management.</p>	<p><u>DB Section</u></p> <p>Over the year, Mercer took account of the Trustee's objectives when processing any investments or disinvestments that were required to meet cashflows.</p> <p>This involved taking any disinvestment requirements from the most overweight portfolios to help ensure that portfolio risk remained consistent with the Trustee's objectives.</p> <p><u>DC Section & Default SIP</u></p> <p>All unit linked funds are daily-dealt pooled investment vehicles, accessed by an insurance contract.</p> <p>The value of the with-profits funds varies from member to member and is not based on market returns. Clerical Medical will ordinarily realise the investments in a timely fashion, but this may be restricted in cases of market fluctuations. The Trustee monitors this with assistance from its advisors.</p>
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7	<p>Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments</p>	<p><u>DB Section</u></p> <p>Section 10 of the DB Section SIP sets out the Trustee's policy on Corporate Governance and Social, Environmental Investment and their policy on financially material considerations. The Trustee's policy is to integrate factors, including ESG and climate change, that are financially material to a particular investment in the context of the Plan's investment strategy at various stages of the portfolio construction and manager selection processes.</p> <p>The Trustee also has a policy that requires Mercer as fiduciary manager to engage with the underlying investment managers to encourage them to exercise any rights attaching to the investments it holds and to engage with the companies held where possible.</p> <p><u>DC Section (Part 2, Section 4)</u></p> <p>Section 4 of the DC Section SIP sets out the Trustee's policy on Corporate Governance and Social, Environmental Investment and their policy on financially material considerations. The Trustee's policy is that the managers approach to financially material factors forms part of the criteria when deciding whether to select or retain a pooled fund product.</p> <p><u>Default SIP (Part 2, Section 3.2)</u></p> <p>Clerical Medical has full discretion on the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments.</p>	<p><u>DB Section</u></p> <p>The Trustee considered financially material considerations over the year when monitoring the investment arrangements and considering new asset classes. Within the funds, consideration of financially material considerations was delegated on a day to day basis to the underlying investment managers and reviewed by the Mercer on an ongoing basis, and by the Trustee periodically to check alignment with the Trustee's own policies, e.g. in the SIP. Mercer engaged with underlying investment managers to encourage them to exercise any rights attaching to the investments it holds and to engage with the companies held where possible.</p> <p>The Trustee considered how ESG, climate change and stewardship is integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers in the monitoring process. Mercer, and MGIE, have provided reporting to the Trustee on a regular basis. A copy of Mercer's ESG, climate change and stewardship policies can be found in Appendix A.</p> <p><u>DC Section & Default SIP</u></p> <p>The last full investment review was presented to the Trustee at the 10 November 2020 meeting, with the next review due in November 2023. The funds currently used by the Plan are not researched by Mercer, therefore the ratings for investment managers (and therefore future looking assessment) have not been included. However, the paper presented in November looked at the continued appropriateness of the funds, including relevant financially material considerations.</p>
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8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<p><u>DB Section, DC Section (Section 3) & Default SIP (Section 3.3)</u></p> <p>The Trustee does not take non-financial matters (e.g. anyone's ethical views or personal views in relation to social and environmental impacts or quality of life) into account when making any investment decisions, including selecting, retaining or realising investments. There is not likely to be a common view amongst members. The Trustee will comply with its legal duty to act in the financial interests of the membership as a whole.</p>	<p><u>DB Section</u></p> <p>No changes during the year to this policy. Reflects current practice. Trustee on investment advice focused on financially material factors.</p> <p><u>DC Section & Default SIP</u></p> <p>No changes during the year to this policy. Reflects current practice.</p>
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9	<p>The exercise of the rights (including voting rights) attaching to the investments</p>	<p><u>DB Section</u></p> <p>The Trustee's policy is that the manager's approach to financially material factors, such as ESG and climate change, and stewardship forms part of the criteria used when deciding whether to select or retain the fiduciary investment manager (or other pooled fund products). It should also form an appropriate part of the ongoing monitoring of the fiduciary investment managers' performance. It expects managers (passive and active) to comply with the UK Stewardship Code and UK Corporate Governance Code, and other appropriate engagement activities with the issuers or holders of the assets it invests in.</p> <p><u>DC Section & Default SIP (Section 4)</u></p> <p>The Plan is invested in pooled funds. The Trustee does not directly own any of the assets within the funds, which are managed for the benefit of all investors. It does not have any rights like voting rights in relation to the underlying assets and instead relies on the manager's engagement with underlying entities in which the fund is invested.</p>	<p><u>DB Section</u></p> <p>The Trustee delegated the exercise of voting rights associated with investments to the underlying investment managers via Mercer's (as fiduciary manager) own engagement, and reviewed this during the Plan Year to check it was in line with the Trustee's own policies.</p> <p>The Trustee engaged with Mercer as part of its stewardship monitoring process. In the Plan Year, the Trustee reviewed regular reports from Mercer with regard to the engagement and voting undertaken on their behalf in order to consider whether their policies are being properly implemented, in line with the policies in the Plan's SIP, and including in relation to the exercise of rights (including voting rights). The Trustee concluded that these policies had been followed during the Plan Year.</p> <p>The Trustee is fully supportive of the updated UK Stewardship Code ("the Code") published by the Financial Reporting Council and expects the Plan's managers who are registered with the FCA to comply with the Code. The Plan's investment managers are required to (and do) report to Mercer on the extent of their adherence to the UK Stewardship Code on an annual basis.</p> <p>The Trustee considered how ESG, climate change and stewardship is integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers in the monitoring process. Mercer, and MGIE, have provided reporting to the Trustee on a regular basis. A link to Mercer's ESG, climate change and stewardship policies can be found in Appendix A.</p> <p><u>DC Section & Default SIP</u></p> <p>The Trustee delegated the exercise of voting rights associated with investments to the underlying investment managers via Utmost's (as platform provider) own engagement.</p> <p>The Trustee engaged with Utmost as part of its stewardship monitoring process to request information in relation to significant votes. In the Plan Year, the Trustee has been unable to obtain this voting information and is therefore unable to conclude whether</p>
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			<p>these policies had been followed during the Plan Year.</p> <p>The Trustee is fully supportive of the updated Code published by the Financial Reporting Council and expects the Plan's managers who are registered with the FCA to comply with the Code.</p>
10	<p>Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Trustee would monitor and engage with relevant persons about relevant matters)</p>	<p><u>DB Section</u></p> <p>The Trustee does not currently engage in any formal way with other pooled fund investors in order to exert pressure on managers. However, Mercer in its role as fiduciary manager has the combined influence of its pension schemes clients, and as such exert more influence than the Trustee could alone. The Trustee considers this beneficial (to the extent it aligns with the Trustee's beliefs).</p> <p>The Trustee expects their investment managers to engage with the investee companies on their behalf.</p> <p>The Trustee ensures it receives appropriate reporting from the fiduciary investment manager, with whom there is a direct legal relationship.</p> <p><u>DC Section & Default SIP (Section 4)</u></p> <p>The Plan is invested in pooled funds. The Trustee does not directly own any of the assets within the funds, which are managed for the benefit of all investors. It does not have any rights like voting rights in relation to the underlying assets and instead relies on the manager's engagement with underlying entities in which the fund is invested.</p>	<p><u>DB Section</u></p> <p>The Trustee reviewed regular reports from Mercer (and discussed arising items as appropriate) with regard to the engagement and voting undertaken on their behalf in order to consider whether their policies are being implemented.</p> <p><u>DC Section & Default SIP</u></p> <p>As the Plan invests solely in pooled funds, the Trustee requires its investment managers to engage with the investee companies on their behalf. There has been no change in this policy during the year and the policy reflects current practice.</p> <p>The Trustee has requested information on engagement activity from the platform provider, with whom there is a direct legal relationship. Please see the section on Voting Information.</p>

11	<p>How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies.</p>	<p><u>DB Section</u></p> <p>This is set out in full in Section 11 of the SIP of the DB Section. Should Mercer fail to align its investment strategies and decisions with the Trustee's policies, it is open to the Trustee to disinvest some or all of the assets invested managed by Mercer, to seek to renegotiate commercial terms or to terminate Mercer's appointment.</p> <p><u>DC Section & Default SIP (Section 7)</u></p> <p>Policy set out under 'Aligning Manager Investments Strategy and Decisions with Trustee's policies' in Part 2 Section 7 of the SIP.</p> <p>The investment manager is aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed and the outcome of the Investment Adviser's regular assessment of the manager. If the Trustee is dissatisfied, it will look to review the appointment.</p>	<p><u>DB Section</u></p> <p>In the year to 31 December 2022, the Trustee received quarterly reports from Mercer setting out the performance and research view of each of the managers in which the Plan invests, including the underlying investment managers within the Mercer Funds. Based on these reports and advice from Mercer, the Trustee reviewed whether the investment managers continued to operate and perform in line with expectations and whether the likelihood of achieving the expected return and risk characteristics had changed. This was considered alongside funding status, covenant strength and market conditions.</p> <p><u>DC Section & Default SIP</u></p> <p>New policy added in September 2020 and reflects current practice.</p> <p>The Trustee receives investment manager performance reports on an annual basis as part of its annual value for members' assessment. The Trustee reviewed the absolute performance and relative performance against sectors of funds with similar investment strategies (where possible) on a net of fees basis. This review demonstrated that performance had been mixed., including, in some instances, to the extent where the policies in relation to arrangements with asset managers have not been completed followed in the opinion of the Trustee. The Trustee is seeking to transfer the funds away from Utmost, partly due to mixed performance of the (limited) fund range available with Utmost.</p>
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12	<p>How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.</p>	<p><u>DB Section</u></p> <p>Neither Mercer, Mercer Global Investments Europe Limited ("MGIE"), nor Mercer AG make investment decisions based on their assessment about the performance of an issuer of debt or equity. Instead, assessments of the medium to long-term financial and non-financial performance of an issuer are made by the underlying third party asset managers appointed by MGIE and Mercer AG to manage assets within the Mercer Funds. Those managers are in a position to engage directly with such issuers in order to improve their performance in the medium to long term.</p> <p><u>DC Section & Default SIP</u></p> <p>Policy set out under 'Aligning Manager Investments Strategy and Decisions with Trustee's policies' in Part 2 of the SIP.</p> <p>The investment manager is aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed and the outcome of the Investment Adviser's regular assessment of the manager. If the Trustee is dissatisfied, it will look to review the appointment.</p>	<p><u>DB Section</u></p> <p>In the year to 31 December 2022, the Trustee has worked with Mercer to review ongoing manager performance and are comfortable that the contractual arrangement in place continues to incentivise the manager to make decisions based on medium to long-term financial and non-financial performance (e.g. service levels). Within the Mercer Funds, Mercer are responsible for the appointment and termination of investment managers.</p> <p><u>DC Section & Default SIP</u></p> <p>New policy added in September 2020 and reflects current practice.</p> <p>The Trustee receives investment manager performance reports on an annual basis as part of its annual value for members' assessment. The Trustee reviewed the absolute performance and relative performance against sectors of funds with similar investment strategies (where possible) on a net of fees basis.</p>
13	<p>How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies.</p>	<p><u>DB Section</u></p> <p>The underlying third party asset managers are incentivised, as they are made aware by Mercer, that their continued appointment by MGIE and Mercer AG will be based, at least in part, on their success in meeting the expectations of Mercer. As noted above, it is intended that Mercer's expectations align with the Trustee's policies.</p> <p><u>DC Section & Default SIP (Section 7)</u></p> <p>Policy set out under 'Evaluating Investment Manager Performance' in Part 2 Section 7 of the SIP.</p>	<p><u>DB Section</u></p> <p>The Trustee received investment manager performance reports from the managers and Mercer on a quarterly basis throughout the year, which present performance information over 3 month, 1 year, 3 years and since inception periods. The Trustee reviews absolute performance, relative performance against a suitable index used as a benchmark, where relevant, and against the manager's stated performance target (over the relevant time period), on a net of fees basis.</p> <p><u>DC Section & Default SIP</u></p> <p>The Trustee reviewed longer-term performance in its annual performance reports as part of its annual value for members assessment. The latest Value for Members assessment was issued on 4 May 2023 and approved on 25 May 2023.</p>

14	<p>How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.</p>	<p><u>DB Section</u></p> <p>The Trustee does not have an explicit targeted portfolio turnover range, given the de-risking mandate, but rebalancing ranges have been designed to avoid unnecessary transaction costs being incurred by unduly frequent rebalancing. Other than in respect of private markets investments where turnover in the Mercer Funds does not usually apply, performance is reviewed net of portfolio turnover costs, with the review of portfolio turnover of the underlying investment managers undertaken by MGIE.</p> <p><u>DC Section & Default SIP (Section 7)</u></p> <p>The Trustee monitors portfolio turnover costs, which are incorporated in the annual costs and charges, on an annual basis as part of its annual value for members' assessment. The Trustee does not have an explicit targeted portfolio turnover or range. It assesses portfolio turnover in the context of the particular mandate and if it is not will, via the DC Investment Adviser, engage with the manager to find out why.</p>	<p><u>DB Section</u></p> <p>MiFID II reporting was provided by the investment managers and Mercer over the period where applicable. MiFID compliant Costs and Charges statements are produced annually. Mercer reviewed this on behalf of the Trustee and reported accordingly.</p> <p><u>DC Section & Default SIP</u></p> <p>The Trustee considered the levels of transaction costs as part of the annual Value for Members assessment issued on 4 May 2023 and approved on 25 May 2023.</p> <p>However, there is little flexibility for the Trustee to impact transaction costs as the Plan invests in pooled funds. While the transaction costs for the Plan's investments appear to be reflective of costs expected of various asset classes and markets that the Plan invests in, there is not as yet any "industry standard" or universe to compare these to. The Trustee will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.</p>
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15	The duration of the arrangement with the asset manager	<p><u>DB Section</u></p> <p>The Trustee is a long-term investor and is not looking to change the investment arrangements on an unduly frequent basis. However, the Trustee does keep those arrangements under review, including the continued engagement of Mercer using, among other things, the reporting described above. The arrangements will continue until such time as the Trustee decides that the use of Mercer and/or the Mercer Funds is no longer suitable or the investment objective to be fulfilled by a particular Mercer Fund has been met.</p> <p><u>DC Section & Default SIP (Section 7)</u></p> <p>The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis. However, the Trustee will consider changing if for example:</p> <ul style="list-style-type: none"> • There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager; • The basis on which the manager was appointed changes materially (e.g. manager fees or investment process).investment process); 	<p><u>DB Section</u></p> <p>Over the year to 31 December 2022, Mercer implemented a number of strategic (SAA) and dynamic asset allocation (DAA) changes to the portfolio on behalf of the Trustee.</p> <p><u>DC Section & Default SIP</u></p> <p>The Trustee reviewed longer-term performance in its annual value for members assessment. Performance of the funds has generally been mixed, and the Trustee dedicated large amounts of time during 2021 and 2022 to reviewing its options with advice from its advisors. This review will continue in 2023.</p> <p>The Trustee also undertakes a more detailed review of performance triennially. The last review was completed on 20 November 2020, with the next review due in November 2023.</p>
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APPENDIX A: Engagement policy implementation statement

Policy on ESG, Stewardship and Climate Change

DB Section

The Trustee's policy on ESG for the DB section is set out in the SIP which is available online.

The Trustee considers how ESG, climate change and stewardship is integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers in the monitoring process. Mercer, and MGIE, provide reporting to the Trustee on a regular basis.

The Mercer Sustainability Policy is reviewed regularly. In March 2021 there was an update in relation to the Sustainable Finance Disclosure Regulation (SFDR) implementation. In August 2022 the policy update reflected enhancements to the approach to climate change modelling and transition modelling, additional detail on how the policy is implemented, monitored and governed and, as part of the commitment to promote diversity, finalising MGIE's signatory status to the UK chapter of the 30% Club.

In line with the requirements of the EU Shareholder Rights Directive II, Mercer have implemented a standalone Stewardship Policy to specifically address the requirements of the directive. This Policy was also updated in August 2022 to reflect enhancements made to Mercer's stewardship approach including an introduction of Engagement Dashboards and Trackers, an enhanced UN Global Compact engagement and escalation process and a Client engagement survey.

Climate Change Reporting and Carbon Footprinting

Mercer and the Trustee believe climate change poses a systemic risk and recognise that limiting global average temperature increases this century to "well below two degrees Celsius", as per the 2015 Paris Agreement, is aligned with the best economic outcome for long-term diversified investors. Mercer supports this end goal and is committed to achieving net-zero absolute carbon emissions by 2050 for the multi-asset growth fund used by the Plan. To achieve this, Mercer plans to reduce portfolio relative carbon emissions by at least 45% from 2019 baseline levels by 2030. This decision was supported by insights gained from Mercer's Investing in a Time of Climate Change (2015 and 2019) reports, Mercer's Analytics for Climate Transition (ACT) tool and advice framework, and through undertaking climate scenario analysis and stress testing modelling.

Mercer's approach to managing climate change risks is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD), with Mercer's inaugural Climate Change Management report, highlighting Mercer's approach to the TCFD framework in more detail, including example analysis on strategy and targets and metrics. As at 31 December 2022 Mercer are on track to reach our long-term net zero portfolio carbon emissions target. There has been a notable 16% reduction over the 3 years since 2019 baseline levels, resulting in the 45% baseline-relative reduction by 2030 being within range.

ESG Rating Review

Where available, ESG ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustee. ESG ratings are reviewed by MGIE during quarterly monitoring processes, with a more comprehensive review performed annually - which seeks evidence of positive momentum on ESG integration and compares the Mercer funds overall ESG rating with the appropriate universe of strategies in Mercer's Global Investment Manager Database (GIMD). Engagements are prioritised with managers where their strategy's ESG rating is behind that of their peer universe.

As at 31 December 2022, in the Annual Sustainability Report provided by Mercer, the Trustee notes that over 20% of Mercer's funds have seen an improved ESG rating over the year and the vast majority have a rating ahead of the wider universe. Due to the nature of certain strategies, they do not have an ESG rating (i.e. are N rated) and are therefore excluded from this review. Please see Mercer's Guide to ESG Ratings for more information <https://www.mercer.com/our-thinking/mercer-esg-ratings.html>

Update to Exclusions

As an overarching principle, Mercer and MGIE prefer an approach of positive engagement rather than negative divestment. However Mercer and MGIE recognises that there are a number of cases in which investors deem it unacceptable to profit from certain areas and therefore exclusions will be appropriate.

Controversial weapons are excluded from active equity and fixed income funds, and passive equity funds. In addition tobacco companies (based on revenue) are excluded from active equity and fixed income funds. The Mercer sustainability-themed funds have additional exclusions, for example covering gambling, alcohol, adult entertainment and fossil fuels.

Mercer expanded exclusions to further promote environmental and social characteristics across the majority of the multi-client building block funds over the second half of 2022, in line with EU SFDR Article 8 classification, as well as aligning Mercer's existing active and passive exclusions across their fund range.

In addition, Mercer and MGIE monitors for high-severity breaches of the UN Global Compact (UNGC) Principles that relate to human rights, labour, environmental and corruption issues.

Sustainably themed investments

An allocation to Sustainable Equities and private markets is included within the Plan's portfolio of Growth assets.

A detailed standalone report sustainability monitoring report is produced for the active/passive Sustainable Global Equity fund on a semi-annual basis, including a more granular breakdown of the fund against ESG metrics, for example the UN Sustainability Development Goals.

The actively managed Mercer Sustainable Global Equity Fund includes an impact investing strategy employing fundamental analysis to target companies that aim to achieve a positive Environmental and Social Impact. The strategy is diversified across multiple themes including health and sanitation, affordable housing, education and cyber security.

Diversity

From 31 December 2020, gender diversity statistics have also been included in the quarterly reporting for the Mercer equity funds and this is being built into a broader Mercer Investment Solutions International policy on Diversity, Equity and Inclusion, sitting alongside Mercer's established Diversity Charter.

Mercer consider broader forms of diversity in decision-making, but currently report on gender diversity. As at 31 December 2022, 36% of the Key Decision Makers (KDM's) within Mercer IS team are non-male, and Mercer's long term target is 50%.

Within the Fixed Income universe the average fund has 8% non-male KDM's and within the EMEA Active Equity universe the average is 12%. Figures relating to Mercer Fixed Income and Active Equity Funds are currently slightly ahead at 9% and 13%.

In Q3 2022 MGIE was confirmed as a signatory of the UK Chapter of the 30% Club.

Voting Activity

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the third party investment managers appointed by Mercer on the Trustee's behalf. The Trustee did not adopt any Engagement Priorities during the Plan Year but Engagement Priorities were set during 2023, and these are aligned with the reporting outlined in this statement.

This is because any voting rights that do apply with respect to the underlying investments attached to the Mercer Funds are, ultimately, delegated to the third party investment managers appointed by MGIE. In delegating these rights, MGIE accepts that managers are typically best placed to exercise voting rights and prioritise particular engagement topics by security, given they are expected to have detailed knowledge of both the governance and the operations of the companies and issuers they invest in. However, Mercer has a pivotal role in monitoring their stewardship activities and promoting more effective stewardship practices, including ensuring attention is given to more strategic themes and topics. As such, proxy voting responsibility is given to listed equity investment managers with an expectation that all shares are to be voted in a timely manner and a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting, as part of the selection process to ensure it is representing Mercer's commitment to good governance, integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code 2020, to which Mercer is a signatory. As such the Trustee does not use the direct services of a proxy voter.

Voting: As part of the monitoring of managers' approaches to voting, MGIE assesses how managers are voting against management and seeks to obtain the rationale behind voting activities, particularly in cases where split votes may occur (where managers vote in different ways for the same proposal). MGIE portfolio managers will use these results to inform their engagements with managers on their voting activities.

Set out below is a summary of voting activity for the year to 31 December 2022 for a range of Mercer Funds that the Plan's assets are invested in. This may include information in relation to funds that the Plan's assets were no longer invested in at the year end. The statistics set out in the table below are drawn from the Glass Lewis voting system (via Mercer's custodian). Typically, votes exercised against management can indicate a thoughtful and active approach. This is particularly visible where votes have been exercised to escalate engagement objectives. The expectation is for all shares to be voted.

Voting Activity Summary 1 January 2021 to 31 December 2022

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Fund Name	Total Proposals		Vote Decision					For/Against Mgmt		Use of Proxy Advisor
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Others*	For	Against	
Mercer Global Listed Infrastructure Fund	809	747	82%	11%	7%	0%	0%	85%	15%	
Mercer Global Small Cap Equity Fund	6,657	6,506	91%	6%	1%	1%	0%	92%	8%	
Mercer Low Volatility Equity Fund	8,384	8,231	91%	7%	0%	1%	0%	92%	8%	
Mercer Multi-Asset Credit Fund ⁽¹⁾	9	9	100%	0%	0%	0%	0%	100%	0%	
Mercer Passive Global REITS UCITS CCF	3,066	2,931	79%	16%	0%	4%	0%	80%	20%	
Mercer Sustainable Global Equity Fund	6,755	6,608	87%	11%	1%	1%	0%	88%	12%	
MGI Emerging Markets Equity Fund	8,622	8,346	82%	14%	3%	0%	0%	84%	16%	
MGI Eurozone Equity Fund	4,706	4,592	85%	13%	2%	0%	0%	86%	14%	
MGI UK Equity Fund	1,090	1,089	99%	1%	0%	0%	0%	99%	1%	

(1) Voting Activity figures for the Mercer Multi-Asset Credit fund relate to a small number of equity holdings within the fund's underlying segregated mandates. Please note this does not include voting activity from any underlying pooled strategies within the fund over the period

- “Eligible Proposals” reflect all proposals of which managers were eligible to vote on over the period
- “Proposals Voted On” reflect the proposals managers have voted on over the period (including votes For and Against, and any frequency votes encompassed in the “Other” category)
- “No Action” reflects instances where managers have not actioned a vote. MGIE may follow up with managers to understand the reasoning behind these decisions, and to assess the systems managers have in place to ensure voting rights are being used meaningfully
- “Other” refers to proposals in which the decision is frequency related (e.g. 1 year or 3 year votes regarding the frequency of future say-on-pay).

*Proxy advisor not used by at least one underlying manager of the fund.

Significant Votes: The Trustee has determined what it defines as a “significant vote” on the advice of Mercer using its [Beliefs, Materiality and Impact \(BMI\) Framework](#). In order to capture this in the monitoring and reporting of managers’ voting activities, significant votes focus on proposals covering priority areas identified by the BMI Framework. During the Plan Year, the Trustee did not have any Engagement Policies. However, in 2023, the Trustee, on the advice of Mercer, selected Climate Change, Diversity and Modern Slavery as its Engagement Priorities. The Trustee has decided to use the adopted Engagement Priorities to determine what it defines as a “significant vote” for the purposes of reporting voting activity for the Plan Year.

The significant votes below were assessed and selected by the Trustee on the following criteria:

1. Proposal topic relates to an Engagement Priority (Climate Change, Diversity and Modern Slavery).
2. The most significant proposals below relate to material holdings, assessed by the approximate weight at the time of the vote relative to each fund.

Reported below are the most significant votes over the period

Most significant votes

Fund	Proposal Description	Issuer	Date of the Vote	Vote Decision (For/Against Proposal)	Outcome of the Vote	Approximate Holding Weight in the Fund on the Day of the Vote	Rationale (provided by manager)
Mercer Global Listed Infrastructure Fund	Environmental: Management Proposal Regarding Approval of Climate Action Plan, (1,2,3)	Aena S.M.E. S.A.	2022-03-31	Against	94% For	4%	Insufficient information for shareholders to provide an opinion on the current approach to addressing Climate Action.
	Governance: Management Proposal Regarding Remuneration Report, (2,3)	Aena S.M.E. S.A.	2022-03-31	Against	96% For	4%	Lack of alignment in incentive structure and there is limited disclosure on targets. Targets appear to be operational and do not include relative TSR or ROIC. There is no LTI scheme or required share ownership at the company.
Mercer Global Small Cap Equity Fund	Governance: Management Proposal Regarding the Election of Directors, (2,3)	Dena Co Ltd	2022-06-26	Against	90% For	1%	Concerns regarding capital allocation, corporate governance and poor investor relations / communication. We highly respect the executive team of DeNA and we believe they and the company stand out in Japan. Still, the company is far from perfect in our view regarding the three topics we mentioned above (capital allocation, corporate governance and poor investor relations / communication). Privately, we engaged extensively with the executive team on all topics and while we have seen some progress, overall the amount of improvement needs to accelerate in our view. Unfortunately as we have not seen enough progress, we cannot support the Directors this year.

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Fund	Proposal Description	Issuer	Date of the Vote	Vote Decision (For/Against Proposal)	Outcome of the Vote	Approximate Holding Weight in the Fund on the Day of the Vote	Rationale (provided by manager)
Mercer Low Volatility Equity Fund	Governance: Shareholder Proposal Regarding Report on Board Diversity, (1,2,3)	Alphabet Inc.	2022-06-01	Against	5% For	2%	Alphabet's Nominating and Corporate Governance Committee evaluates and recommends candidates for membership on the board. The board states that the committee nominates and selects candidates based on, among other things, the candidate's race, ethnicity, gender identity, age, education, cultural background, and professional experiences. With 30% of the company's board being gender diverse and 40% of the board being racially/ethnically diverse following this AGM, the company does not appear to be significantly lagging its peers. The company states that it is committed to having a diverse board, has a board nominating process that includes diverse candidates, and has a board that reflects this.
	Environmental: Shareholder Proposal Regarding Climate Report, (1,2,3)	Charter Communications Inc.	2022-04-26	For	37% For	2%	Additional information on the company's GHG emissions reduction goals aligned with Paris Agreement goals, would allow shareholders to better assess how the company is mitigating climate change related risks.
	Environmental: Shareholder Proposal Regarding Managing Climate Risk in Employee Retirement Options (1,2,3)	Microsoft Corporation	2022-12-31	Against	11% For	2%	Managers who voted against this proposals felt this was not a material risk for the company given the current investment options available to employees. As a result, they were generally concerned that additional reporting on the Company's retirement plan options in the manner suggested by this proposal were unlikely to be a prudent use of company resources. Supporting this sentiment, proxy providers such as GlassLewis voiced concern around the proponent's case, noting a lack of articulation around any meaningful risks that the Company faces on account of its retirement plan options. However, the proposal earned an 11.2% vote at Microsoft's annual general meeting, achieving the threshold needed to continue dialog with the company and resubmit the resolution next year, if necessary.

Fund	Proposal Description	Issuer	Date of the Vote	Vote Decision (For/Against Proposal)	Outcome of the Vote	Approximate Holding Weight in the Fund on the Day of the Vote	Rationale (provided by manager)
Mercer Passive Global REITS UCITS CCF	Governance: Management Proposal Regarding the Election of Executive Committee Members, (1,2,3)	Prologis	2022-05-04	Against	85% For	6%	Votes related to joint CEO/chair, diversity, and independence. The manager expects companies to separate the roles of Chair and CEO due to risk management and oversight. Also, the company has an all-male Executive Committee. Finally, the manager expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
	Governance: Management Proposal Regarding the Election of Directors, (1,2,3)	VICI Properties Inc	2022-04-27	Against	99% For	2%	Manager expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background

Fund	Proposal Description	Issuer	Date of the Vote	Vote Decision (For/Against Proposal)	Outcome of the Vote	Approximate Holding Weight in the Fund on the Day of the Vote	Rationale (provided by manager)
Mercer Sustainable Global Equity Fund	Governance: Shareholder Proposal Regarding Report on Board Diversity, (1,2,3)	Alphabet Inc.	2022-06-01	Against	5% For	Data not available	No rationale given
	Social: Shareholder Proposal Regarding Report on Untraceable Firearms, (2,3)	Mastercard Incorporated	2022-06-21	For	10% For	1%	Given the forthcoming regulatory change regarding this subject matter, it is reasonable for the company to furnish the report.

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	Environmental: Shareholder Proposal Regarding Managing Climate Risk in Employee Retirement Options, (1,2,3)	Microsoft Corporation	2022-12-31	Mixed ⁽¹⁾	11% For	3%	<p>Managers who voted against this proposals felt this was not a material risk for the company given the current investment options available to employees. As a result, they were generally concerned that additional reporting on the Company's retirement plan options in the manner suggested by this proposal were unlikely to be a prudent use of company resources. Supporting this sentiment, proxy providers such as GlassLewis voiced concern around the proponent's case, noting a lack of articulation around any meaningful risks that the Company faces on account of its retirement plan options.</p> <p>Managers who voted for this proposal were generally supportive of better disclosure, but also felt the success of this proposal would help support the ongoing dialogue between employees and management around long term climate risk and negative brand impact. While it ultimately did not pass, the proposal earned an 11.2% vote in favour at Microsoft's annual general meeting, achieving the threshold needed to continue dialog with the company and resubmit the resolution next year, if necessary.</p>
MGI Emerging Markets Equity Fund	Governance: Management Proposal Regarding Authority to Issue Repurchased Shares, (2,3)	Tencent Holdings Ltd	2022-05-18	Against	70% For	3%	<p>Managers agreed with the guidance below, provided by Glass Lewis and ISS respectively.</p> <p>Glass Lewis: We generally support granting the board the authority to repurchase shares and issue the repurchased shares to give it the flexibility to reissue shares that today already trade in the market in the event the Company needs additional capital. As discussed in the general mandate proposal, we believe that the aggregate maximum limit of additional share issuances should be limited to 20% of the Company's issued share capital: 10% for the general mandate and 10% for this authority to issue repurchased shares. Further, we believe discount rates should be capped at 15% of the market price. In this case, while the issuance limit of the proposed authority to issue repurchased shares is capped at 10.0% of the Company's issued share capital, the Company has not provided the maximum discount rate in its disclosures. In the absence of information about the discount rate, we do not believe that shareholders should support this mandate.</p> <p>ISS: The rationale was that the company had not specified the discount limit for share issuances under the general mandate, hence a max 20% would be assumed which we/ISS believe to be too high. In addition to this the aggregate share issuance proposal is greater than 10% of the relevant class of share, which is not considered balanced as it applied to the issuance of equity without pre-emptive rights.</p>

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MGI Eurozone Equity Fund	Environmental: Management Proposal Regarding Opinion on 2022 Sustainability and Climate Progress Report, (1,3,4)	Total Energies SE	2022-05-25	For	89% For	2%	The following concerns are raised but it is not without any concerns for shareholders: Announced increased productions and new production sites, the partial disclosure and the absence of clear absolute scope 3 reduction targets do not allow one to assess whether the company's plan is robust enough to be in line with its Net Zero ambition by 2050 in line with Paris goal. Support is warranted as:- The company committed to reduce by 30 percent scope 3 GHG emissions from oil production by 2030;- The company pursues investments in alternative sources of energy and CCS technology;- The company committed to disclose absolute targets for GHG emissions covering all activities, the evolution of the energy mix and targeted production volumes, the potential contribution of CCS technology, and the work of assessment carried out by an independent third party; and committed to propose a shareholders' vote at each AGM addressing its sustainable and climate report and progress.
	Governance: Management Proposal Regarding Appointment of Auditor (PricewaterhouseCoopers), (2,3,4)	Air Liquide S.A	2022-05-04	For	96% For	1%	There are no concerns regarding this proposal.
	Governance: Management Proposal Regarding Amendments to Articles Regarding the CEO's Age Limit and Shareholder Notification, (2,3)	Lvmh Moet Hennessy Vuitton SE	2022-04-21	Against	82% For	4%	Manager noted this item warranted a vote AGAINST as negative provisions in these new articles outweigh any positive ones. In addition, they felt the adoption of the new articles did not allow piecemeal voting by shareholders, who were presented with an all-or-nothing choice.
MGI UK Equity Fund	Environmental: Management Proposal Regarding Approval of Climate Action Plan, (1,2,3)	Rio Tinto plc	2022-04-08	Against	82% For	4%	The company can do more to address its lifecycle emissions, including setting ambitious medium and long-term scope 3 targets. We encouraged Rio Tinto to lead the mining and minerals industry by setting stretching scope 3 emissions reduction targets.
	Environmental: Shareholder Proposal Regarding Fossil Fuel Financing, (1,2,4)	Standard Chartered plc	2022-05-04	Against	12% For	2%	We opposed a shareholder resolution to implement a revised net zero plan. After engagement with the company we believe that the company's own net zero plan to be appropriate.
	Environmental: Management Proposal Regarding Endorsement of Pathway to Net Zero, (1,3,4)	Standard Chartered plc	2022-05-04	For	83% For	2%	After engagement with the company we believe the company's own net zero plan to be appropriate, and therefore supported the management resolution.

The Trustee, through its advisor (Mercer), has included all of the information available in relation to the above voting activity. This has relied on the level of detail available from the underlying sub-investment managers on the expanded requirements for this Implementation Statement. The Trustee understands that in future reporting years the information available on the votes is expected to be more detailed, to allow it to meet the vote reporting requirements in full.

DC Section

The Trustee's policy on ESG for the DC section is set out in the SIP which is available online.

Voting and Engagement Activity during the Plan year

The Trustee has delegated its voting rights and engagement activity to the investment managers. The Trustee does not use the direct services of a proxy voter.

The Trustee has requested information on investment managers' voting and engagement records from the platform provider, with whom there is a direct legal relationship. This has been requested numerous times since the year end, with the request being escalated within Utmost. However, as at time of publishing the Implementation Statement, this information has not been received.