Amalgamated Metal Corporation Pension Scheme

Engagement Policy Implementation Statement for the year ending 31 December 2022

Introduction

The Trustees of the Amalgamated Metal Corporation Pension Scheme (the 'Scheme') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. In exercising this duty, the Trustees monitor the investments through regular assessment of performance supplemented, as appropriate, by engagement and/or voting through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 December 2022. This statement also describes the voting behaviour by, or on behalf of, the Trustees including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustees, in conjunction with the investment consultant, appoint each investment manager and choose the specific pooled funds to use in order to meet specific policies. They expect their investment managers to make decisions based on assessments about the financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustees consider that the financial interests of the Scheme members are their first priority when choosing investments. The Trustees believe that these interests will be best served by investing in companies who follow appropriate ESG policies because, in the absence of such policies, the medium to long term success of such companies may be compromised. The Trustees have decided not to canvas the opinions of members on such matters but will consider representations made to them.

Stewardship - monitoring and engagement

The Trustees recognise that each investment manager's ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees acknowledge that the concept of stewardship may be less applicable to some of their assets, particularly for short-term money market instruments. As such the Scheme's investments in this asset class are not covered by this engagement policy implementation statement.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to each investment manager and to encourage the manager to exercise those rights. The investment managers are expected to provide regular reports to the Trustees detailing their voting activity.

The Trustees' policy is to delegate responsibility for engaging and monitoring investee companies to each investment manager and they expect the investment manager to use their discretion to maximise financial returns for members and others over the long term.

The Trustees are supportive of appointing managers that have strong stewardship policies and processes and being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
BlackRock	Yes	Yes
Morgan Stanley	Yes	Yes
BNY Mellon	No	No
Lazard	Yes	Yes
First Sentier	Yes	Yes
TwentyFour	Yes	Yes
Janus Henderson	Yes	Yes
M&G	Yes	Yes
Insight	Yes	Yes
LGIM	Yes	Yes

The Trustees review each investment manager prior to appointment and monitor them on an ongoing basis through the regular review of the manager's voting and engagement policies, their investment consultant's ESG rating, and a review of each manager's voting and engagement behaviour.

The Trustees believe that monitoring and engaging on these stewardship priorities will result in better long-term returns for the Scheme and better outcomes for Scheme members.

The Trustees have not set out their own stewardship priorities but follow those of the investment managers.

As all of the investments are held in pooled vehicles, the Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

Investment manager engagement policies

Each investment manager is expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment manager engages in dialogue with the companies they invest in and how they exercise voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

The Trustees are comfortable that these policies are broadly in line with the Scheme's chosen stewardship approach.

Links to each investment manager's voting and engagement policy or suitable alternative is provided in the Appendix.

The latest available engagement information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

Engagement	BlackRock Aquila Life UK Equity Index Fund	Morgan Stanley Global Brands Fund	BNY Mellon Long-Term Global Equity
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Engagement definition	n/a	As long-term investors, and active owners, Morgan Stanley believe they have a duty to be good stewards of the capital they manage. Morgan Stanley fulfill this duty by engaging with the companies in which they are invested and by exercising their proxy voting rights. These stewardship activities give them the opportunity to guide companies in which they invest toward better governance practices, which they believe produce long-term, sustainable returns.	BNY distinguish between two types of engagement as explained below. For the purposes of questions 2 - 4 BNY have counted 'Engagements for Change'. While engaging with investee companies has always been an integral part of their investment process, BNY began separately tracking engagements for change on 10th March 2021. Engagement for Information – a meeting or correspondence involving a two-way exchange of information. Engagement for Change – typically a series of one-to-one meetings and correspondence, where BNY seek influence with a defined objective. An engagement for change

			will often relate to sustainability issues and BNY's tailored approach enables them to focus on the issues or concerns material to each company. Through constructive dialogue, BNY encourage management to take the steps necessary to address areas of concern. Engagements for change are very often long-term in nature, involving numerous meetings with management and close monitoring of progress. BNY's experience of engaging with companies suggests there is no perfect sustainability scorecard, and all companies face different issues of varying materiality. Given the rigour of BNY's analysis before making an initial investment, they find the need for engagements for change relatively limited when compared to engagements for information.
Number of companies engaged with over the year	1,910	31	3
Number of engagements over the year	644	65	4

Engagement	Lazard Global Infrastructure Fund	First Sentier Global Listed Infrastructure Fund	TwentyFour Sustainable Enhanced Income ABS Fund

Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Engagement definition	Historically, Lazard maintained two overarching engagement objectives: either information gathering for informed decision-making or purposeful engagement where Lazard may add value for their clients. To ensure Lazard are accountable to their clients, in 2022 they developed new engagement definitions. Lazard believe the revised criteria will also support client and regulatory reporting as expectations around evidencing the level and depth of engagement activities grows over time. Lazard will continue to explore options to further strengthen their engagement tracking capabilities in the future. Lazard's objective was to more effectively track both engagement objectives and outcomes, allowing them to measure their engagement effectiveness. Effectiveness can be measured by a tangible outcome. As an active manager driven by fundamental research, Lazard are assessing sustainability through the lens of pricing externalities to understand financial risk and opportunities. This requires them to translate their engagements so that	Purposeful, targeted communication with an entity (e.g., company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement	For TwentyFour's investment grade credit funds, they count engagements which are significant discussions on a specific topic. For funds including high yield and ABS they currently also include engagements to gather missing data or challenge data as engagements as within those universes, the data availability through 3rd party databases is still very low.

they're meaningful to Lazard's investment process as active managers. If an engagement doesn't result in a tangible outcome, then Lazard label it as due diligence. A tangible outcome is where learnings from an engagement led to a potential change to Lazard's investment decision-making process, for example; Lazard's proxy voting decisions, sustainability scorecards, or other investment-focused metric. Under Lazard's new definitions, this is called an integrated conversation engagement. These types of engagements may also lead to another type of engagement, an influencing engagement. This is where Lazard can identify a missed opportunity or risk that hasn't been adequately addressed. This is where Lazard define a specific objective around something Lazard want a company to do differently. Again, this must result in a tangible outcome for the relevant investment process, but Lazard can also measure results through what has changed at a company, a real-world outcome such as lower absolute emissions or a more effective board. It is Lazard's view that it is challenging to credibly measure the extent to which investor

	engagement has influenced changes in company practice, given that an investor won't have full transparency on the visibility into the range of stakeholder engagements that an individual corporate is involved in at any one time. However, Lazard believe that investors can evidence how an engagement has impacted their own investment process, or measure whether a requested change has occurred, regardless of how many other stakeholders may have been requesting the same change. In consultation with relevant stakeholders across Lazard, their new definitions were approved by Lazard's Global Stewardship Committee in Q3 2022. Lazard commenced a new tracking system via their centralised research system, LAMR in Q4 2022.		
Number of companies engaged with over the year	9	33	~100
Number of engagements over the year	16	39	127

Engagement	TwentyFour Corporate Bond Fund	Janus Henderson Multi Asset Credit Fund	M&G Alpha Opportunities Fund
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022

Engagement definition	For TwentyFour's investment grade credit funds, they count engagements which are significant discussions on a specific topic. For funds including high yield and ABS they currently also include engagements to gather missing data or challenge data as engagements as within those universes, the data availability through 3rd party databases is still very low.	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	n/a
Number of companies engaged with over the year	~80	47	7
Number of engagements over the year	87	67	8

Engagement			
	M&G Total Return Credit Fund	Insight Maturing Buy and Maintain Bond Fund 2031-2035	Insight Maturing Buy and Maintain Bond Fund 2036-2040
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Engagement definition	n/a	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	
Number of companies engaged with over the year	9	38	37
Number of engagements over the year	12	82	81

	Engagement
	LGIM Multi Asset Fund
Period	01/01/2022-31/12/2022
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.
Number of companies engaged with over the year	59
Number of engagements over the year	126

Exercising rights and responsibilities

The Trustees recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers of the pooled funds for which voting is possible are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The Trustees have been provided with details of what each investment manager considers to be the most significant votes. The Trustees have not influenced the manager's definitions of significant votes.

The Trustees do not carry out a detailed review of all votes cast by or on behalf of each investment manager but rely on the requirement for the investment manager to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management and believe this to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by each investment manager (for mandates that contain public equities) is as follows:

Voting behaviour			
	BlackRock Aquila Life UK Equity Index Fund	Morgan Stanley Global Brands Fund	BNY Mellon Long-Term Global Equity
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Number of meetings eligible to vote at	1,087	32	46
Number of resolutions eligible to vote on	14,904	488	702
Proportion of votes cast	96.0%	100.0%	100.0%
Proportion of votes for management	94.0%	88.5%	97.6%
Proportion of votes against management	5.0%	11.3%	2.4%
Proportion of resolutions abstained from voting on	1.0%	0.2%	0.0%

Voting behaviour	Lazard Global Infrastructure Fund	First Sentier Global Listed Infrastructure Fund
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Number of meetings eligible to vote at	27	49
Number of resolutions eligible to vote on	378	678
Proportion of votes cast	95.0%	100.0%
Proportion of votes for management	97.2%	79.0%
Proportion of votes against management	2.8%	15.0%
Proportion of resolutions abstained from voting on	0.0%	6.0%

Trustees' assessment

The Trustees have, in their opinion, followed the Scheme's voting and engagement policies during the year, by continuing to delegate to each investment manager, the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

The Trustees have undertaken a review of each investment manager's engagement policy including their policies in relation to financially material considerations and have found them to be acceptable at the current time.

The Trustees have considered the environmental, social and governance rating for each investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

The Trustees may also consider reports provided by other external ratings providers.

Where an investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustees will consider whether and how to engage with the investment manager.

The Trustees will review the significant voting and engagement behaviour of each investment manager from time to time. The Trustees recognise that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the engagement policies for each of the investment managers can be found here:

Investment manager	Engagement policy (or suitable alternative)
BlackRock	https://www.blackrock.com/corporate/insights/investment-stewardship https://www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf
Morgan Stanley Investment Management	https://www.morganstanley.com/im/publication/resources/engagement-and-stewardship-principles-us.pdf?1686725741700
BNY Mellon	https://www.bnymellon.com/us/en/about-us/esg-and-responsible-investment.html
Lazard	https://www.lazardassetmanagement.com/docs/-m0-/88455/SRDIIEngagementPolicy_en.pdf
First Sentier	https://www.firstsentierinvestors.com/uk/en/institutional/our-funds/infrastructure-real-estate/global-listed-infrastructure/responsible-investment.html
TwentyFour	https://www.twentyfouram.com/engagement-at-twentyfour
Janus Henderson	https://www.janushenderson.com/en-gb/adviser/who-we-are/esg-environmental-social-governance/esg-investing/ https://cdn.janushenderson.com/webdocs/JHI_Stewardship_Policy_Statement_November2021.pdf
M&G	https://www.mandg.com/~/media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mg-investments-engagement-policy-may-2020.pdf
Insight	https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/responsible-investment-policy.pdf
LGIM	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf

Information on the most significant votes for each of the funds containing public equities is shown below.

BlackRock Aquila Life UK Equity Index Fund*	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Rio Tinto Plc	Petroleo Brasileiro SA	Grupo Financiero Banorte SAB de CV
Date of vote	08/04/2022	13/04/2022	22/04/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a	n/a
Summary of the resolution	Accept Financial Statements and Statutory Reports	Accept Financial Statements and Statutory Reports for Fiscal Year Ended Dec. 31, 2021	Approve All Operations Carried out by Company and Ratify Actions Carried out by Board, CEO and Audit and Corporate Practices Committee
How the investment manager voted	For	Abstain	For
Where the investment manager voted against management, did they communicate their intent to the company ahead of the vote	n/a	n/a	n/a
Rationale for the voting decision	n/a	Abstaining from this item preserves shareholders' right to take legal action should irregularities be discovered at a future date.	n/a

Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	n/a	n/a	n/a
Criteria on which the vote is assessed to be "most significant"	Vote Bulletin	Vote Bulletin	Vote Bulletin

**BlackRock voting data is provided on a chronological basis and at the time of the preparation the top three most significant votes for the BlackRock funds were not available.*

Morgan Stanley Global Brands Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Accenture Plc	Accenture Plc	Accenture Plc
Date of vote	26/01/2022	26/01/2022	26/01/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.6	2.5	3.6
Summary of the resolution	Approve Remuneration Report	Elect Director	Reduce Ownership Threshold for Shareholders to Call Special Meeting
How the investment manager voted	Against	Against	For
Where the investment manager voted against management, did they communicate their intent to the company ahead of the vote	No, MSIM does not share voting intentions with any parties internally or externally prior to the vote.		

Rationale for the voting decision	Recommend against due to poor performance metrics disclosure.	Recommend against due to lack of independence.	The lower threshold would enhance the current shareholder right to call special meetings.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	Continue to engage on the topics.		
Criteria on which the vote is assessed to be "most significant"	MSIM considers a vote against management significant.		

BNY Mellon Long-Term Global Equity	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Jardine Matheson	Prudential	Prudential
Date of vote	05/05/2022	26/05/2022	26/05/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.2	2.2	2.2
Summary of the resolution	Authorise issue of equity.	Authorise issue of equity.	Authorise issue of equity to include repurchased shares.
How the investment manager voted	Against Management	Against Management	Against Management
Where the investment manager voted against management, did they communicate their intent to the company ahead of the vote	Yes - Informed the company of voting intentions and rationale via email.	Yes - Informed the company of voting intentions and rationale via email.	Yes - Informed the company of voting intentions and rationale via email.

Rationale for the voting decision	Due to potential dilution greater than 10%.	Due to potential dilution greater than 10%.	Due to potential dilution greater than 10%.
Outcome of the vote	Passed (96.5% votes for)	Passed (92.1% votes for)	Passed (95.7% votes for)
Implications of the outcome	All significant votes are reviewed and approved by the Investment Stewardship Committee. Any potential learnings from BNY Mellon's significant votes are then taken into account for periodic reviews of their Proxy Voting Policy.		
Criteria on which the vote is assessed to be "most significant"	Vote against management.	Vote against management.	Vote against management.

Lazard Global Infrastructure Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	National Grid Plc	Ferrovial SA	Atlantia SpA
Date of vote	11/07/2022	06/04/2022	29/04/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	8.2	6.8	4.7
Summary of the resolution	Management - Approve Climate Transition Plan	Management - Advisory Vote on Company's Greenhouse Gas Emissions Reduction Plan	Management - Approve Climate Transition Plan
How the investment manager voted	With Management	With Management	With Management
Where the investment manager voted against management, did they communicate their intent to the company	n/a	n/a	n/a

ahead of the vote			
Rationale for the voting decision	A vote FOR this resolution is considered warranted, as no significant concerns have been identified.	A vote FOR this item is warranted in view of the company's emissions reduction achieved in 2021. However, this is not without the following concerns: The company only commits to 'climate neutrality' by 2050, not SBTi-sponsored 'net zero'.- The board has yet to set up a sustainability-related committee that would ensure independent oversight of the company's climate action effort led by management.	A vote FOR this item is warranted because the company's climate transition plan reflects a net zero ambition by 2040 (scope 1&2) and by 2050 (scope 3). This includes clear scope 1&2 targets for 2030 and a commitment to set up scope 3 targets for 2040. In addition, the governance structure for addressing and dealing with the climate topics is transparent and appears robust, and the company will give shareholders an advisory vote on its climate action reporting every three years.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	As active managers, outcomes stemming from voting decisions and engagement are incorporated into Lazard's investment process, further enhancing long-term value for clients and beneficiaries. Lazard believe the most effective shareholder engagement is undertaken by analysts who can contextualise the information that arises from the dialogues which is reflected in their voting decisions and then incorporated into their investment process. Lazard engage with companies on a regular basis and in the case where they have voted against management Lazard would typically follow up.		
Criteria on which the vote is assessed to be "most significant"	In this instance, Lazard have considered most significant votes in the following order: firstly, any "Say on Climate" management proposal or ESG focused shareholder proposals, secondly, any votes considered controversial by their investment, and lastly, any management proposals where Lazard voted against management professionals. The resultant proposal buckets are then ranked by the company's average holding within the fund/or portfolio over the period under review to identify the top 10 votes for disclosure in the template. The resultant proposal buckets are then ranked by the company's average holding within the fund/or portfolio over the period under review to identify the top 10 votes for disclosure in the template. Lazard's voting approach is based on their global governance principles which lays out Lazard's expectations of company management. They are		

	founded on the belief that long-term shareholder value is enhanced through a more comprehensive assessment of stakeholder management. This includes governance issues such as remuneration policies, independence of appointed board members, human capital issues including employees, suppliers, their customers, and the community, as well as natural capital issues, including its dependency and use of natural resources and its approach to manage climate change risk. Lazard believe that they must vote in a manner that (i) will maximize sustainable shareholder value as a long-term investor; (ii) is in the best interest of its clients; and (iii) the votes that it casts are intended in good faith to accomplish those objectives. Further details of Lazard's global governance principles, which showcases their thinking, can be found here: www.lazardassetmanagement.com/docs/-m0-/101881/GlobalGovernancePrinciples_en.pdf

First Sentier Global Listed Infrastructure Fund	**Case study 1**	**Case study 2**	**Case study 3**
Name of entity engaged with	Xcel Energy	Rubis	NextEra Energy
Topic	Environment - Climate change	Social - Human and labour rights (e.g. supply chain rights, community relations)	Environment - Climate change
Rationale	As a large provider of electricity and natural gas, Xcel Energy has a substantial carbon footprint. Transition risk represents the single largest climate-related risk for listed infrastructure companies, as the world moves away from fossil fuels and towards lower carbon sources of energy. Companies that fail to adapt in this environment are likely to face not only stranded asset risk but also regulatory risk.	Rubis is a France-based international company specialized in the storage, distribution and sale of petroleum, liquefied petroleum gas (LPG), food and chemical products. The company has operations across 40 countries in three geographical zones: Europe, Africa and the Caribbean. First Sentier believe Rubis' global footprint means it is inherently more exposed to modern slavery risks than much of their opportunity set, as a result of its large contractor workforce	NextEra Energy (NextEra) is a Florida-based integrated regulated utility, and the US' largest renewables developer and owner. Climate change mitigation and adaptation are key investment opportunities for this company, which is playing a leading role in moving to decarbonise and generate affordable clean energy. Despite its strong position in this area, NextEra was slow to set a net zero target. First Sentier therefore engaged with the

	Their approach on this topic is to encourage companies to accelerate their current strategies, given the urgent need to take action in this area. This engagement topic is relevant to UN Sustainable Development Goal 7: Affordable and Clean Energy.	and complex supply chains.	company to encourage it to formalize its net zero pathway, noting they were well ahead of many peers who had already done so. This engagement topic is relevant to UN Sustainable Development Goal 7: Affordable and Clean Energy.
What the investment manager has done	First Sentier met with the company's CEO and Chief Sustainability Officer in Denver, CO. to discuss the decarbonisation of Xcel Energy's electric and natural gas utilities. They encouraged the company to: (1) Use Inflation Reduction Act (IRA) tax credits to accelerate investment in solar, wind and energy storage. (2) Prioritise investment in its electric utilities over its natural gas utilities given the former's rapidly declining carbon footprint. To help us understand the underlying assumptions behind their net-zero 2050 target, they also asked the company to request ratification from the Science Based Targets initiative.	First Sentier met with Rubis seven times during the year, with one session dedicated to corporate governance and sustainability issues. They followed this up with a letter to management to better understand how they identify modern slavery risks, what policies they have in place and what procedures would be followed in the event of an incident arising. More specifically they sought clarity on issues such as: • Are workers recruited by an agent or working on a contractual basis? If an agent is used, what steps have you taken to ensure that labour outsourcing companies have not retained workers' passports or prevented workers from being charged recruitment fees or other related costs for their work? • Are migrant workers / minorities employed through your supply chain? If so, what	First Sentier engaged with NextEra Energy on this topic individually, and also collaboratively as part of Climate Action 100+, an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. The First Sentier Global Listed Infrastructure team has been part of the Climate Action 100+ working group for NextEra since 2019.

		markets are they concentrated in? • Who carries out the audit of suppliers and how often are these audits carried out? How does the company ensure auditors (a) remain independent; and (b) cover the key risks in their audit assessments?	
Outcomes and next steps	Xcel Energy has been and remains deeply committed to reducing its carbon footprint by: (1) Investing in renewable energy and closing coal fired power generation and (2) Reducing the GHG emissions from natural gas via RNG and hydrogen. The company is evaluating the impact of IRA on its renewable energy investments and subsequent coal plant closures. It agrees that the economics of renewables have improved post IRA. The company cautioned that its very cold service territories mean that energy storage technology (battery lengths need to improve from 4 hours to between 10 and 12 hours) are a real impediment to accelerating coal plant closures. But there is little doubt while coal closures may not be bought forward, capacity factors and	The company has performed risk analysis to identify potential risk areas and to ensure that adequate prevention measures are implemented. In practice, no major risks have been identified nor examples of modern slavery, in particular with regards to migrant workers employment through their supply chain. Respecting human rights is part of the Group's commitment as stated in their Code of Ethics. Compliance with the Code of Ethics is mandatory for all staff and is included in the internal rules of the Group's entities. Training courses covering the Code of Ethics principles are provided to employees. Employees and external or occasional staff can raise concerns and report instances of potential noncompliance with the Code of Ethics through the Rubis Integrity Line. The use of recruitment agencies is limited to	In June 2022, following engagement on this topic with Climate Action 100+ for several years, NextEra announced an updated climate strategy with a goal of achieving "Real Zero" by 2045. The announcement sets an industry-leading goal of eliminating carbon emissions from its operations. Real Zero is the most ambitious carbon emissions reduction goal ever set by an energy producer, and the sector's only one to not require carbon offsets for success. The company has set interim milestones every five years, adding visibility and accountability to this long-dated target. As long-term investors in listed infrastructure assets, they look forward to continued engagement with NextEra, both directly and via Climate Action 100+, to ensure they meet their decarbonisation goals.

	emissions would be materially reduced.	shipping activity and is strictly monitored. For vehicles they own, each seafarer signs a declaration form confirming they have not paid any fee or other cost to a recruitment agency. First Sentier believe that, to some degree, all companies are exposed to modern slavery risk, whether directly in their business or through their supply chain. But these risks are inherently higher for companies with exposure to less developed markets. They will continue to engage with Rubis on this important issue and monitor for any breaches of policy or identified risks.	

Name of entity engaged with	Otis Worldwide	Reckitt Benckiser	Nike
Topic	Environment - Climate Change Social - Human capital management Governance - Remuneration	Governance - Remuneration	Social - Human and labour rights
Rationale	A recent addition to the portfolio, Morgan Stanley have selected this engagement as an example as it covered two of the thematic engagement subjects that they have identified as priorities – decarbonisation and	Morgan Stanley selected this engagement as they believe it is a good example of how continued engagement on a subject with company management can lead to change.	Morgan Stanley selected this engagement as an example as it outlines their follow up to a shareholder proposal concerning supply chain issues that was tabled at the company's 2021 AGM.

	diversity, equity and inclusion (DE&I). Morgan Stanley's objective for this engagement was to better understand their decarbonisation targets, as well as discussing their commitment to DE&I and providing feedback on the company's executive compensation scheme. While not directly connected to a UN SDG, as the SDGs were written for governments and a majority of the targets and indicators are in governments' hands, this engagement would contribute to the spirit of Goal 13: Climate Action and indirectly in delivering indicator 13.2.2 Total greenhouse gas emissions per year plus SDG 5 and target 5.5 which seeks to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.	Morgan Stanley believe most managers do what they are paid to do, meaning Morgan Stanley look for pay schemes that incentivise behaviour that is aligned with shareholders' interests. As Morgan Stanley look to own companies for the long term, they are wary of incentive schemes that rely too heavily on earnings per share (EPS) as an evaluation metric. If management are paid on EPS, it can be tempting to manipulate earnings using short-term tactics – such as increasing debt or making acquisitions – at the expense of shareholders' long-term returns. Morgan Stanley also try to avoid schemes that award high pay for ordinary or even poor performance. Morgan Stanley don't believe that time served or the ability to show up every day is a good enough reason for a high reward. Instead, Morgan Stanley like to see management compensated for achieving return on capital targets, as well as progressing environmental and social objectives. Morgan Stanley's objective for this engagement was to follow up on the company's remuneration programme.	Morgan Stanley voted in favour of the shareholder proposal, against management and ISS recommendations. ISS suggested voting against the shareholder proposal as they felt the company provided sufficient disclosure related to its human rights policies and sustainable sourcing practices, and that the company was not lagging its peers in terms of human rights disclosure. However, Morgan Stanley chose to support the proposal as they believed it was important to apply pressure on a subject that posed a large supply chain risk and where information was scarce. Morgan Stanley then engaged further on the subject with the company, pressing them for information on their cotton sourcing policy, and any progress they had made on the traceability of the cotton they used. While not directly connected to a UN SDG, as the SDGs were written for governments and a majority of the targets and indicators are in governments' hands, this engagement would contribute to delivering Goal 1: No poverty, Goal 10: Reduced inequalities and Goal 8: Decent work and economic growth, specifically targets 8.7

		The engagement was not directly connected to any of the UN SDGs.	(which seeks to eradicate forced labour, end modern slavery and human trafficking) and 8.8 (which seeks to protect labour rights and promote safe and secure working environments for all workers, including migrant workers and those in precarious employment).
What the investment manager has done	The engagement took place in May 2022, and was led by the portfolio manager, who met with the company's Investor Relations team. Discussion covered their Scope 1 and 2 targets, with the company explaining when questioned that, while they hadn't taken net zero off the table, they preferred to work within their own reduction roadmap at present. Scope 3 emissions are still being assessed, and so no targets have yet been set for their reduction. Morgan Stanley explored the company's targets for gender parity by 2030 at the executive level, and questioned whether they had conducted pay gap analysis (the first investors to ask them about this, the company shared). On executive compensation, Morgan Stanley outlined their	Morgan Stanley have been seeking changes to the company's executive compensation structure for a while. In previous engagements, Morgan Stanley had argued that their fixation with EPS in their long-term incentive plan (LTIP) was not conducive to long-term performance, and that the lack of measurable environmental and social metrics would hinder progress in these areas. Morgan Stanley also expressed their concern over the quantum of pay (given the potential value of the options package), which Morgan Stanley felt was misaligned with the corporate's recent performance. Morgan Stanley have previously voted against Reckitt Benckiser's pay plan to signal their dissidence. Engagement has been with the C-suite, the Head of the Remuneration Committee and IR, and	The engagement was led by the portfolio manager, and Morgan Stanley's Head of ESG Research also attended. The meeting was attended by the company's ESG/Sustainability manager and IR.

	concerns on how the LTIP is structured, considering it to be insufficiently performance linked, and in Morgan Stanley's opinion the vesting period too short. Morgan Stanley subsequently voted against ratifying named executive officer compensation.	was led by the portfolio manager. This specific engagement took place in May 2022.	
Outcomes and next steps	Overall, Morgan Stanley's engagement reassured them that the company is headed in the right direction. It allowed them to delve further into specific subjects with the company and identified areas for them to continue to engage on. In terms of decarbonisation, Morgan Stanley will continue to encourage the introduction of a more comprehensive renewables target, and to monitor how they progress with Scope 3 measurement and reduction. On the topic of DE&I, the company shared that they conducted a global pay-gap analysis in 2021 but have not yet made it public. Morgan Stanley urged them to do so, especially as they already disclose EE0-1 data, something Morgan Stanley regularly ask of their holdings.	In Morgan Stanley's engagement with the head of the remuneration committee they were pleased to hear that EPS targets have been dropped from the pay plan, and that targets for decarbonisation and sustainable product promotion now constitute a meaningful portion of the LTIP. Furthermore, much to Morgan Stanley's delight, the company has reduced the maximum LTIP opportunity available to executive directors, meaning the quantum of pay has come down. Morgan Stanley recognise that there is still a way to go, and they intend to keep pushing for more sensible operating metrics, that Morgan Stanley believe should help share price performance in the long run. Morgan Stanley consider that the plan is now relatively well balanced, including a sales growth, returns, and ESG component and so to signal	The company stated their commitment to not sourcing from Xinjiang, and outlined the actions they had taken with their suppliers regarding sourcing. They shared that they were actively working on tools to verify suppliers' claims on sourcing, adding two senior positions within the firm. Morgan Stanley consider this evidence that the shareholder resolution on the social risks of cotton sourcing – despite not passing – has led to positive changes. Morgan Stanley strongly encouraged the company to look into working with a sustainable cotton NGO that offers traceability and a company providing a new technology helping verify the origin of raw materials. Morgan Stanley have continued to follow up on the subject of supply chain management with the company since this engagement.

	Morgan Stanley were pleased that the company was receptive to their feedback on the executive compensation scheme. Otis Worldwide thanked Morgan Stanley for their thorough review of their pay plan, and Morgan Stanley offered additional time to discuss this topic with them. Morgan Stanley will be sure to follow up to review Otis Worldwide's compensation changes at a later date.	Morgan Stanley's encouragement for the company's meaningful progress, they voted in favour of this year's pay plan.	

BNY Mellon Long-Term Global Equity	**Case study 1**	**Case study 2**	**Case study 3**
Name of entity engaged with	Booking Holdings	Cognex	Intuitive Surgical
Topic	Governance - Remuneration	Environment - Carbon Footprint	Environment - Carbon Footprint
Rationale	Reason for selection: Walter Scott's engagement policy targets regular and constructive interactions with company management and expressly cites the review of governance as an example of desirable engagement. Objective: Encourage simplification, and improved shareholder alignment, of remuneration, as well as improved clarity in plan disclosure.	Reason for selection: Walter Scott's engagement policy targets regular and constructive interactions with company management and expressly cites the review of environment as an example of desirable engagement. Objective: Climate Change Goals. Walter Scott's engagement policy targets regular and constructive interactions with company management and expressly cites the review of environment	Reason for selection: Walter Scott's engagement policy targets regular and constructive interactions with company management and expressly cites the review of environment as an example of desirable engagement. Objective: Climate Change Goals. Walter Scott's engagement policy targets regular and constructive interactions with company management and expressly cites the review of environment

		as an example of desirable engagement.	as an example of desirable engagement.
What the investment manager has done	Engagement start: 2022 Members of the Research team at Walter Scott led the engagement. Call with Senior VP Finance, VP Corporate Counsel and Executive Assistant to President and CEO to discuss 2022 AGM vote on say-on-pay which was rejected by shareholders and which Walter Scott also voted against.	Engagement start: 2021 Members of the research team at Walter Scott led the engagement. In September 2022, Cognex released its first Sustainability Report for 2021. There are suggestions that they are working on emissions reductions targets within this report.	Engagement start: 2022 Members of the Research team at Walter Scott led the engagement. Investor Relations conference call. Intuitive will start TCFD alignment with filing of 2022 sustainability report in Q123. Hope to follow that up with a CDP report - when depends a bit on their reporting cycle. Marshall Mohr (ex CFO) is leading these developments in his new role as head of business services. Intuitive have also hired a new head of sustainability and social responsibility from Stanford, Fahmida Bangert.
Outcomes and next steps	Outcome: This is the 3rd engagement Walter Scott have had with them on this, and the first since Walter Scott sent a detailed email highlighting their reasoning for voting against and their frustrations with some of the remuneration plan characteristics. Booking Holdings were very appreciative of their detailed approach and Walter Scott believe they have caused some introspection among the compensation committee at the firm. Walter Scott are	Outcome: The release of this Sustainability Report marks an improvement in disclosure. Cognex are now largely aligned with TCFD.	Next Step: Look out for level of disclosure in their Sustainability Report early 2023.

	making progress in their engagement (aims to improve disclosure and structure of the rem plan), but objectives are not yet achieved. It will be interesting to see how they get on at the 2023 AGM.		

Lazard Global Infrastructure Fund	Case study 1	Case study 2	Case study 3
Name of entity engaged with	SES	National Grid	VINCI
Topic	Strategy, Financial and Reporting - Capital allocation	Environment - Climate change Strategy, Financial and Reporting - Capital allocation"	Social - Human and labour rights (e.g. supply chain rights, community relations)
Rationale	Lazard's engagement policy is aligned with their global governance principles pursuant to their role as fiduciaries of clients' capital. As a substantial shareholder in SES, Lazard wanted to engage with SES management to ensure appropriate capital allocation following the sale of the US C-band spectrum.	Engage with National Grid CEO John Pettigrew, head of National Grid's North American renewable energy division William Hazelip and the Group CFO to ensure their renewable energy business does not destroy shareholder value.	Lazard engaged with VINCI to understand and discuss the allegations of modern slavery on construction sites in Qatar.
What the investment manager has done	As a substantial shareholder, the investment team engaged with SES's management and Chairman in separate meetings during 2H 2021 and Q2 2022 to discuss how the company would be using the approx EUR 2.65bn (post tax) windfall from the sale of the US C-band	Lazard's discussion centred on the price discipline, investment opportunities and the operational skill set. Lazard gained comfort about the level of returns available from National Grid's acquired assets and, importantly, about the prospect for further attractive investment opportunities. This led	In Q4 2022, Lazard met with Gregoire Thibault (Head of IR) to discuss the allegation of modern slavery on construction sites in Qatar. Vinci confirmed that they were not involved in any football stadium construction (6,500 people died during construction according to some NGOs). Independent

	spectrum, to be received in two tranches. The investment team encouraged SES management to pay down debt using the first tranche of proceeds (received in Jan 2022, estimated to be around EUR650m) from the US Federal Communications Commission (FCC) and investigate possible shareholder returns via special dividends and/or share buybacks for the second tranche of proceeds to be received next year (estimated to be around EUR2bn). SES have subsequently used the first tranche of proceeds to pay down debt. In addition, they have received acceleration payments (through a deal to accelerate the timing of making spectrum available with three of the largest mobile phone players in the US) and have used that capital to repurchase stock.	to a meeting in Jan 2020 with National Grid's Director of UK Operations, Nicola Shaw about opportunities in the energy transition. Including discussions on the role of hydrogen in decarbonisation as well as deploying fast charging stations for electric vehicles in the UK. Lazard had 2 meetings in Q1 2021 with National Grid management relating to the strategic pivoting towards electricity that is directed by ESG criteria. In early May 2021, Lazard engaged with the new National Grid Chair, Paula Reynolds, to discuss capital allocation and investment strategy in the energy transition. In addition, Lazard also separately met with CEO John Pettigrew in late May 2021 to discuss the Western Power Distribution (WPD) acquisition in more detail and the process to divest the gas transmission business in the UK. In November 2021, Lazard had a meeting with National Grid following an investor day on ESG. Discussions centred around new financial targets and growth trajectory, along with drivers of investment in	organisations such as their own French unions visited the sites regularly. In fact, NY University has also lauded their work practices in a study. It is a common practice in Qatar to retain employee's passport, but Vinci does not follow this practice. Only at the employee's request, will they hold passports in a safe and this only accounted for a small population. They also have recruitment chain controls to ensure that workers do not pay a fee to recruitment agencies. In November 2022, the company was summoned to answer charges relating to a complaint on work practices dating back to 2015 (but was dismissed in 2018). 6 employees (out of 11,000) had legitimated claims, but the company has denied the allegations. Investigations are still ongoing. Lazard understand that Vinci has standards well above local norms to avoid the risk of modern slavery. Overall, Lazard are reasonably reassured that Vinci has no wrongdoings, but will keep monitoring.

		renewables integration and resilience. In March 2022, Lazard met with the remuneration committee to clarify targets with a focus on return measures, and the inclusion of net zero targets in incentive schemes. In Q2 2022, Lazard met with CFO Andy Agg to continue existing discussions. In Q3 2022, Lazard met with National Grid Chair Paula Reynold and CFO Andy Agg to discuss several ESG issues including (but not limited to) assessing the progress of strategic pivoting towards electricity, asset rotation, capital allocation and the recent disruption to UK financial markets.	
Outcomes and next steps	Lazard will continue to closely monitor how they will allocate capital from the second tranche to be received next year.	Discussions are ongoing and progress on policy directions give the group greater clarity on investment step up.	Lazard are reasonably reassured that Vinci has no wrongdoings, but will keep monitoring.

First Sentier Global Listed Infrastructure Fund	**Case study 1**	**Case study 2**	**Case study 3**
Name of entity engaged with	n/a	n/a	n/a
Topic	n/a	n/a	n/a
Rationale	n/a	n/a	n/a

What the investment manager has done	n/a	n/a	n/a
Outcomes and next steps	n/a	n/a	n/a

TwentyFour Asset Management – Firm - level	**Case study 1**	**Case study 2**	**Case study 3**
Name of entity engaged with	Paragon	BHP Group Ltd	Southern Company
Topic	Environment - Climate change	Social - Public health	Environment - Climate change
Rationale	This was an engagement as part of TwentyFour's Carbon Emissions Engagement Policy. Following the UK Government's proposed regulation for buy-let-let properties to have a minimum EPC rating of C, TwentyFour reached out to understand Paragon (a sponsor of Residential Mortgage Backed Securities) plans to reach this target. TwentyFour questioned how much of their £150 million green bond has been allocated to new green financing. Finally, TwentyFour's ESG scoring provider Asset4 by Refinitiv scores Paragon very poorly on innovation – while innovation is a more challenging area for the banking sector TwentyFour questioned their	In Q1 2022 TwentyFour reached out to the multinational miner, BHP regarding the collapse of the Fundão tailings dam in Brazil in 2015 and their lack of action since. TwentyFour had concerns that they showed a lack of care of the environment in which they work and the treatment of those affected by their business which does not align with TwentyFour's values. This engagement is aligned with the SDG Good Health & Well Being and Clean water & Sanitation goals."	Southern Company has the highest carbon intensity in TwentyFour's credit portfolios and higher than its European peers, so environmental improvement is very important. TwentyFour had a call with the firm's investor relations team in Q4 22 to understand its emissions reduction and net zero plans, and its timelines for exiting coal and full Scope 3 emissions disclosure. This engagement is aligned with the SDG Climate Action goal.

	progress on green mortgages and other environmental incentive products. This engagement is aligned with the SDG Climate Action goal.		
What the investment manager has done	In Q2 2022 TwentyFour spoke to Paragon who are currently in discussion with the UK government on how to meet the challenging EPC target. The lender is unable to force landlords to upgrade their properties, but they are actively communicating with their buy-to-let customers on this issue and encouraging action. With the launch of its green mortgage product, which offers reduced rates to new applicants with a property rated C or above, Paragon is aiming to lower the concentration poorly rated properties in its mortgage portfolio. TwentyFour learned that some £142m of the £150m green bond proceeds have already been invested in eligible green loans – these are mainly in B rated EPC properties, with A rated EPCs still very rare in the UK. Paragon's progress on innovation is not fairly captured in TwentyFour's current ESG score for the bank and TwentyFour will look to update this, reflecting Paragon's green mortgage offering and the	In BHP's response, only 96 of the 553 households displaced have been rebuilt and all 42 of the programs identified by the Renova Foundation are behind schedule. They provided insufficient detail on mitigation of future incidents nor actions taken to clean up and compensate for the disaster.	This was a very constructive and honest call with management. Regulation differs between the US and Europe, so while the plan is to exit coal as soon as possible, local commissions have the final say and they have pushed back and actually extended the decommissioning timeline due to the ongoing energy crisis – this is outside the issuer's control. Overall, on coal the desire and the plan is to exit but external factors are hindering this. Southern Company plans to make a more formal net zero commitment in the near future and disclose Scope 3 emissions in 2023. TwentyFour pushed management to sign up for the Science Based, however since many environmental decisions are out of their control (such as the closure of their coal plants) they are currently unable to sign up to the SBTi's. Management also highlighted that due to the greater consumption of coal due to the energy crisis, carbon intensity is unlikely to change

	extension of Paragon's motor finance policy to cover lending on battery electric vehicles.		much over the next 18 months.
Outcomes and next steps	This was a useful engagement and TwentyFour were relatively pleased with the news on the green bond proceeds. TwentyFour will continue to monitor Paragon's progress on EPC ratings across its portfolio and the uptake on its green mortgage product, and TwentyFour will update the issuer's innovation score to reflect new information. The engagement gave TwentyFour additional comfort in the progress they are making and TwentyFour remain invested.	The lack of action since the disaster highlights intrinsic social and governance concerns despite a strong raw ESG score. TwentyFour do not invest.	A relatively satisfactory response and no reason not to invest. Many factors are unfortunately out of management's control but there is a lot of work ahead to catch up with European peers. TwentyFour will continue to monitor progress.

Janus Henderson Multi Asset Credit Fund	**Case study 1**	**Case study 2**	**Case study 3**
Name of entity engaged with	Volkswagen	ELFA	Summit Materials
Topic	n/a	n/a	n/a
Rationale	n/a	n/a	n/a
What the investment manager has done	Labour conditions; Human rights in the supply chain	ESG Engagement, Framework and Reporting Carbon Emission Measurement Framework Corporate Governance, Servicing and Management Practices	Carbon emissions

Outcomes and next steps	Janus Henderson engaged with the company following MSCI's recent move to flag VW as a "FAIL" in respect of Global Compact Compliance Principle 4 "Businesses should uphold the elimination of all forms of forced and compulsory labour". This stemmed from allegations, refuted by VW, of the use of forced labour, specifically Uyghur minorities (42 employees), at its JV plant in Urumqi, Xinjiang, China, and in the plant's supply chain.	CLO market provides substantial proportion of funding to leverage and high yield borrowers. These borrowers represent a wide range of industries from Healthcare and Financial Services to Chemicals and Technology. CLO managers are uniquely positioned, with their direct access to companies' management and private equity sponsors, to influence and drive the sustainability developments within these sectors. Joining the ELFA initiative and assuming a leading role will allow Janus Henderson to socialise their key objectives, such as better understanding of manager ESG frameworks, achieving transparency and standardisation in ESG and sustainability reporting, with other market participants and utilise this common platform to influence positive change in the industry. Janus Henderson believe this initiative directly relates to UN's SDG-17 "Strengthen the means of implementation and revitalize the global partnership for sustainable development" as well as SDG-9 "Build resilient infrastructure, promote inclusive and sustainable	Given cement accounts for 7% of global CO2 emissions and a quarter of all industry emissions at 6.9kg of CO2 per dollar of revenue, Janus Henderson engaged with Summit a building materials company, with a view to find out what the company was doing in order to address its high level of CO2 emissions and progress towards their 2050 net zero goal. In 2022 Janus Henderson have held two formal engagements with the firm and note good progress that is being made.

		industrialization and foster innovation".	

Insight Investment Management – Firm - level	**Case study 1**	**Case study 2**	**Case study 3**
Name of entity engaged with	Equinor	Volkswagen	JP Morgan
Topic	Environment	Social	Environmental and Social
Rationale	As part of a general update with Equinor, Insight covered two ESG topics. Firstly, its carbons emissions and secondly on its product footprint and guidance for its 2023 energy production mix. Additionally, Insight previously engaged with Equinor after it exceeded a 5% threshold measuring the proportion of its revenues generated from unconventional methods such as Arctic Oil. Breaching this threshold meant that Equinor failed Insight's Buy and Maintain purchase agreement. At the previous engagement, Equinor stated that some of the oilfields labelled as 'unconventional' should not qualify for that description given the area in which three of the oilfields are located are ice-free most of the year. At Insight's most recent engagement, Equinor confirmed it views itself	Initial engagement on changes implemented following the Diesel-gate scandal, decarbonisation targets and receive updates on its electric vehicle strategy VW provided an update on the various issues related to its Diesel-gate controversy. Overall, the legal process is ongoing, with the Porsche lawsuit continuing. Likewise, a class action lawsuit remains operative in Europe, despite reflective action. In the US, the legal consequences from the scandal are largely finished, but several states continue to push for sanctions. VW have set aside €32bn of provisions, including €30bn of cash spent so far and €2bn for impairments. VW stated that legal costs have amounted to €200m. VW also provided an update on its plan to change its culture	JP Morgan (JPM) provides global financial services and retail banking. The US company provides services such as investment banking, treasury and securities services, asset management, private banking, card member services, commercial banking, and home finance. Insight engaged with JPM as part of Insight's counterparty engagement process on three separate occasions to provide feedback on the Insight counterpart ESG questionnaire and to understand its decarbonisation approach and its Diversity and Inclusion (D&I) policies in more detail The engagement is aligned to SDG 5 Gender equality and SDG 10 Reduced inequalities and SDG 13 Climate action

as aligned with a 1.5 degree global warming scenario. It also confirmed it has only one target that is Paris-aligned. In addition, Insight asked about its group-wide emissions reduction targets. Equinor confirmed it has a 50% group-wide emission reduction target by 2030 for Scope 1 and 2 targets but do not have targets for Scope 3 because these emissions are out of their control. Insight explained that they expect oil and gas companies to set Scope 3 targets, in line with many of Equinor's peers.

Insight asked about the issuer's plans for investments in renewables and it revealed gross capex in renewables between 2021 to 2026 will reach approximately 23 billion. Overall, this remains low, with renewables accounting for only 1% of its energy production, and 0.7GW installed capacity versus its ambition of for 2030 to reach 12-16GW. Insight also asked about Equinor's unconventional oil and gas exposure to obtain an update based on their last conversation. Equinor issuer confirmed that Johan Castberg, an Arctic located oilfield in the Barents Sea, remains on track for 2024 but it is still too early for

following the scandal. The business has instituted a 10 point strategic plan including ESG. VW is also attempting to improve its relationship with customers. It has also set in place several different surveys to gauge opinion's on culture in the group. However, Mr Potsch (tainted by Diesel-gate) remains in post as Chairman.

Insight asked about its internal carbon footprint and VW stated it has a 100% renewables target (excluding China) by 2025. It doesn't have a specific target for China. Its domestic emissions reduction effort is complicated by the fact that coal remains in use in Germany due to issues surrounding supply security. However, overall coal represents a very small part of the mix. In addition, suppliers are contractually obliged to use green energy production and it had an audit process in Germany to measure the energy consumption of its battery technology. The issuer also indicated it has contractually obliged suppliers in China to use green energy.

Finally, VW has committed to electrifying key models across it brands during 2022-2024 and by 2033 VW will cease

		volume/production guidance. The issuer also confirmed it won't rule out more investments in the Barents Sea as it views it as conventional. Finally, Equinor did not reveal its energy mix plans or any guidance for 2030 or 2050. It did guide that some projects will come on-stream by 2030 but looking for more opportunities that make sense. This engagement is aligned to SDG 13 Climate Action	production in Europe of ICE vehicles for mass market brands. Follow-up engagement on Uyghur Forced Labour allegations in its Urumqi plant in Xinjiang, which is a 50/50 joint venture with SAIC. Insight attended the investor call with VW's Human Rights Officer following the forced labour allegations from MSCI. Insight also had a separate call with VW IR regarding this topic. VW stated that MSCI has confirmed there was no forced labour in any of its operations in China. However, MSCI reports the allegations made by some NGOs that some employees in the Urumqi plant might have been transferred from 're-education camps' in the region. VW stated that they are unlikely to cease participation in the Urumqi plant. They first want to send executives to visit the plant and to elaborate a full update on the situation. MSCI will review the red flag if an independent third-party investigation or compliance monitoring agency has concluded (through onsite inspection or an independent audit) that there is no connection to state-sponsored labour-transfer schemes or 'Vocational Education and Training Centres'.	

		This engagement is aligned to numerous SDGs including SDG 3, 8 and 13.	
What the investment manager has done	Insight have engaged with Equinor on multiple times during the period and begun their ESG discussions with them back in 2020. The meetings have been held on a 121 basis with numerous follow up emails in between. Insight have met with the capital markets team and IR. Engagements have been led by Insight's energy analyst with the support of the RI Stewardship analysts. All engagement has been on a one-to-one basis.	Insight engaged with Volkswagen (VW) three times during Q4, initially on the implemented initiatives following the Diesel-gate scandal, to understand its decarbonisation strategy, and then on the company's response to the MSCI ESG controversy on 'allegations of forced labour in its own operations'. Insight's engagements were held by the Auto analyst and RI Stewardship analyst with the IR team and VW human rights officer. Engagements were both on a 121 basis and group calls.	This was the initial engagement and was with an Executive Director that works within the Centre for Carbon Transition within the group. The meeting was led by Insight's Senior Stewardship Analyst. JPM stated that its decarbonisation approach focuses on its reducing the carbon impact from its banking and financing book, engaging with corporates to identify 'green unicorns' and helping corporates transition to a low carbon world. Meanwhile, JPM's strategy for identifying green unicorns involves lending \$2.5 trillion to develop novel technologies that identify long term solutions to advance climate action and sustainable development. During a follow up engagement, JPM outlined in more detail the parameters of its fossil fuel policies, and Insight discussed the areas of weakness. For example, its fossil fuel financing policy only applies to greenfield coal projects and does not commit to a full phase out of coal.

			On D&I, JPM does not publicly disclose any targets for representation D&I despite having goals. JPM has fairly good D&I gender performance at board level (40%). However, Female representation at executive / senior level is only 29%, which is a significant decrease from mid-level management, where female employees make up 43% of its workforce. JPM only provides ethnic diversity for the US workforce, and disclosure rates are poor in other markets.
Outcomes and next steps	Insight will continue their separate, more specific engagement with Equinor on its plans for those oilfields deemed ‘unconventional’ to assess the environment/bio-diversity impact of these projects. Restrictions remain in place as a result of Equinor exceeding the 5% threshold - Excluding the three oilfields suggested to be 'conventional' by Equinor would pushes their controversial revenues score below the threshold, however, given the heightened biodiversity risk in the Arctic, Insight decided to keep the definition of these oilfields as ‘unconventional’.	Insight sold VW bonds which were held in their Responsible Horizons fund range. Insight are continuing to monitor the situation closely and will re-engage on those different topics. Insight also believe that several areas of improvement are necessary, and Insight recommend that audits of ethical standards should occur annually, VW should appoint a new chairman and introduce a renewable energy target in China.	Among the counterparties surveyed/assessed JPM’s fossil fuel financing polices are some of the weakest. Insight believe JPM should review and strengthen its fossil fuel policies in reference to IEA (International Energy Agency) Net Zero guidance. Similarly, on its D&I policies, Insight will recommend JPM prioritise the provision of more quantitative and data led information. Insight would welcome greater focus on efforts and initiatives for other diverse groups beyond gender and ethnicity and broadening the application of D&I initiative beyond gender in market outside the US.

	Insight continue to use JP Morgan as a Counterparty. Recommendations will be provided to JPM over time and changes will be monitored.