Statement of Investment Principles
Trane UK Limited Retirement Benefits Plan

Adopted with effect from September 2021

Introduction

1 This document is the Statement of Investment Principles ("SIP") written by the Trustees of the Trane UK Limited Retirement Benefits Plan (the "Plan") in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and regulations made under it).

2 The Plan is a Registered Pension Scheme for the purposes of the Finance Act 2004.

3 Before finalising this statement, the Trustees have obtained and considered written advice from their Investment Consultant and consulted with the Corporate Treasury Department of Trane Technologies plc ("Trane Corporate Treasury"). The Trustees have also consulted Trane UK Limited (the "Employer") on the principles set out in this statement and will consult the Employer and Trane Corporate Treasury on any changes to it. The ultimate power and responsibility for deciding investment policy, however, lies solely with the Trustees.

4 The Trustees will review this SIP at least every three years and without delay after any significant change in investment policy.

Plan objectives

5 The Trustees main aims are:

- To ensure they can meet their obligations to the beneficiaries of the Plan; and
- To pay due regard to the Employer's interests on the size and incidence of Employer's contribution payments.

6 In seeking to achieve these objectives, the Trustees are mindful of the need to:

- Take account of current market conditions when positioning the portfolio at any time; and
- Limit the risk of the assets failing to meet the liabilities over the long term, noting that future asset values will depend on both investment returns and future contributions.

7 The Trustees will review these objectives regularly and amend as appropriate.

Investment strategy

8 The Trustees' policy is to seek to achieve the objectives through investing in a suitable mixture of asset classes. The Trustees recognise that return-seeking assets (such as equities) are expected to offer greater returns over the long term but they are also likely to be more volatile than liability-matching assets (such as index-linked gilts) which will provide a better hedge against the interest rate and inflation sensitivity of the Plan's liabilities.

9 The Trustees have received investment advice from the Investment Consultant and consulted with Trane Corporate Treasury to determine an appropriate investment strategy for the Plan (which has been agreed with the Employer).

10 Following the results of the Actuarial Valuation in 2019, the Trustees reviewed the investment strategy and Journey Plan in June 2020. It was agreed that once the Plan is fully funded on a gilts + 0.25% basis, an appropriate long-term (End State) portfolio would have a 10% allocation to return-seeking assets and 90% to liability-matching assets.

11 Subsequent to the Strategy Review, the Employer accelerated the annual Employer contribution, taking the Plan above its full funding target. As a result, the move to the 10% / 90% portfolio was executed in August 2020 alongside an increase to the Plan's target interest rate and inflation hedging level to 100% (as a percentage of liabilities), reducing the risk borne by the Plan. Additionally, the Trustees decided to replace the Plan's UK Corporate Bonds mandate with a Buy and Maintain Credit mandate, managed by AXA Investment Managers, to increase the credit quality of the underlying bonds and generate income within this portfolio to meet benefit payments. This mandate was implemented in March 2021 following a due diligence process and manager selection exercise where the Trustees considered the key characteristics of the mandate and assessed several managers/strategies before selecting AXA to manage the assets.

12 The Trustees have a desire to diversify the Plan's risk exposures and to manage the Plan's investments efficiently.

13 The investment strategy makes use of two main types of investments:

- A diversified portfolio of global equities; and
- A range of instruments that provide a better match to changes in liability values, including (but not limited to) fixed interest and index-linked government bonds, and corporate bonds.

14 The balance within and between these investments will be determined from time to time with regard to maximising the chance of achieving the Plan's investment objectives.

15 The Plan will hold assets in cash and other money market instruments from time to time as may be deemed appropriate.

16 The Trustees, in conjunction with the Investment Consultant and the Scheme Actuary, and in consultation with Trane Corporate Treasury, will monitor the liability profile of the Plan and will regularly review the appropriateness of its investment strategy.

17 The expected returns of the Plan's investments will be monitored regularly and will be directly related to the Plan's investment objectives.

18 The Trustees' policy is that there will be sufficient investments in liquid or readily realisable assets to meet cashflow requirements in foreseeable circumstances so that the realisation of assets will not disrupt the Plan's overall investments, where possible. The Trustees, together with the Plan's administrators, will hold sufficient cash to meet benefit and other payment obligations.

Investment managers

19 In accordance with the Financial Services and Markets Act 2000, the Trustees will set general investment policy and will approve the selection of investment managers and strategies, but will delegate the responsibility for selection of specific investments to an appointed investment

manager or managers. The investment manager(s) shall provide the skill and expertise necessary to manage the investments of the Plan competently.

20 Managers will be recommended by the Investment Consultant for the Trustees' approval based on the following criteria:

- Organisational stability;
- Quality of investment process;
- Experience and scale to manage desired strategy;
- Record of success in meeting objectives; and
- Competitive fees.

21 The Trustees have considered the extent to which Environmental, Social and Governance ("ESG") factors should be taken into account in the selection, retention and realisation of investments, and their policy in relation to the exercise of the rights (including voting rights) attaching to investments.

22 **Financially material investment considerations**

The Trustees have delegated selection, retention, and realisation of investments to the Plan's investment managers. The Trustees recognise that long-term sustainability issues could have a material impact on risk and outcomes, both financial and non-financial, though the Trustees' fundamental mission is to meet the Plan's financial obligations, and therefore financial considerations must take precedence. The Trustees' policy is that the extent to which social, environmental or ethical considerations are taken into account in these decisions is left to the discretion of its investment managers, in particular the extent to which these issues may have a fundamental impact on portfolio returns.

The Plan uses different managers and mandates to implement its investment policies. The Trustees ensure that, in aggregate, its portfolio is consistent with the policies set out in this Statement, in particular those required under regulation 2 of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustees will also ensure that the investment objectives and guidelines of any particular pooled vehicle are consistent with their policies, where relevant to the mandate in question. Where segregated mandates are used, the Trustees will use their discretion, where appropriate, to set explicit guidelines within the Investment Management Agreement to ensure consistency with the Trustees' policies, where relevant to the mandate.

23 To maintain alignment, managers are provided with the most recent version of the Plan's Statement of Investment Principles on an annual basis and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question.

24 **Non-financial matters**

The Trustees do not at present take in to account non-financial matters (such as members' ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as there is no likely common view on any ethical matters which members are likely to hold. At this time, the Trustees have no plans to seek the views of the membership on ethical considerations.

25 **Rights attached to investments**

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings.

26 It is expected that the Plan’s portfolio will be primarily invested in indexed strategies in order to minimise fees and active management risk. Active strategies may be utilised in those asset classes in which there is deemed to be no suitable index or are deemed to be “inefficient”. When deciding whether to implement a given mandate with active or passive management, the Trustees will consider the likelihood of active management adding value above fees and transaction costs on a predictable and consistent basis.

27 The Trustees are not involved in the investment managers' day-to-day method of operation and do not directly seek to influence attainment of their performance targets. The Trustees will maintain processes to ensure that performance is assessed on a regular basis against a measurable objective for each manager, consistent with the achievement of the Plan’s long term objectives, and an acceptable level of risk.

28 The Trustees, Investment Consultant and Trane Corporate Treasury will receive quarterly reports from the investment managers. Performance reports will be provided to the Trustees on a quarterly basis by the Investment Consultant along with any discussion of specific issues or recommendations regarding investment managers. The performance data contained within the Investment Consultant’s quarterly report is compiled by the Plan’s independent performance measurer, Portfolio Evaluation Limited. The Trustees will meet with the investment managers on an ad-hoc basis, in the event that there are any issues that need to be addressed.

29 Managers will be assigned appropriate performance benchmarks against which portfolio risk and return will be regularly measured. Benchmarks will be periodically reviewed to ensure that they continue to be appropriate for the individual mandates and the strategic objectives of the Plan. The Trustees expect the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods.

30 Should the Trustees’ monitoring process reveal that a manager’s portfolio is not aligned with the Trustees’ policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers’ engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

31 The Trustees appoint its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan’s assets. When assessing a manager’s performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager’s appointment based purely on short term performance. However, a manager’s appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

32 Managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement.

33 The Trustees review the costs incurred in managing the Plan’s assets annually, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustees will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that

mandate. Monitoring of portfolio turnover is produced annually, with data received directly from the investment managers specific to each fund they manage and covers: 1) The experienced portfolio turnover of the fund over the year; 2) A range of expected long-term portfolio turnovers; and 3) A high level range of typical long-term portfolio turnovers for that specific asset class (provided by WTW).

Additional Voluntary Contributions (AVC)

34 The Plan's AVC arrangements provide for benefits to be accrued on a money purchase basis, with the value of members' funds being determined by the value of accumulated contributions adjusted for investment returns net of charges. In selecting appropriate investments, the Trustees are aware of the need to provide a range of investment options broadly satisfying the risk profiles of all members, given that members' benefits will be directly determined by the value of the underlying investments.

35 The Plan has two AVC providers – Utmost (formerly Equitable Life) and Prudential.

36 From time to time, the Trustees (via their DC sub-committee) will review the AVC arrangements with the assistance of the Investment Consultant, and in consultation with Trane Corporate Treasury, to ensure that the investment performance achieved is acceptable and the investment profile of the available funds remains consistent with the objectives of the Trustees and the needs of the members. A limited review was carried out in March 2020, following the transfer of assets from Equitable Life to Utmost Life & Pensions. No changes were made following the 2020 review, but the DC sub-Committee has agreed to undertake a further review in 2021.

DC Underpin

37 Some members of the Plan have a DC ‘underpin’ applied to their DB benefits at the point at which they “crystallise” (begin drawing benefits). When a member of the Plan takes their retirement benefits, transfers out or dies, their benefits are tested to check if the underpin applies. This is referred to as a Personal Pension Accounts (“PPA”) in the Plan Rules. If the value of the PPA is greater than the value of the DB benefits, the DC underpin ‘bites’ and the Trustees must ensure that the value of the benefits paid out to the member is in line with the PPA. This rule applies very rarely to the Plan, and has no specific investment objectives linked to it, however in the instance where the underpin does ‘bite’ then it is equivalent to a DC benefit, and the Trustee will produce a Chair’s Statement that addresses the underpin (if triggered).

Appendix A – Risk Measurement and Management

The Trustees recognise a number of risks involved in the investment of the Plan’s assets:

Deficit risk

- Is measured through a qualitative and quantitative assessment of the expected development of the liabilities relative to the current and alternative investment policies.
- Is managed through assessing the progress of the actual growth of the liabilities relative to the selected investment policy and agreeing an appropriate level of Employer contributions that cover ongoing accruals and amortizes prior deficits.

Interest rate and inflation risk

- Is measured by comparing the sensitivity of the Plan’s liabilities and assets to movements in inflation and interest rates.
- Is mitigated by holding a portfolio of matching assets that enable the Plan’s assets to better match movements in the value of the liabilities due to inflation and interest rates.

Manager risk

- Is measured by the expected deviation of the return relative to the benchmark set.
- Is managed by limiting exposure to any one investment manager, consideration of the appropriate amount of the Plan to allocate to each portfolio and by monitoring the actual deviation of returns relative to the benchmark and factors supporting the managers’ investment process.

Liquidity risk

- Is measured by the level of cashflow required by the Plan over a specified period.
- Is managed by the Plan's administrators assessing the level of cash held in order to limit the impact of the cash flow requirements on the investment policy and through holding assets of appropriate liquidity.

Currency risk

- Is measured by the level of exposure to non-Sterling denominated assets.
- Is managed by monitoring the actual level of assets held in non-Sterling denominated currencies and determining the appropriate level of hedging for currency exposures.

Political risk

- Is measured by the level of concentration of any one market leading to the risk of an adverse influence on investment values arising from political intervention.
- Is managed by regular reviews of the actual investments relative to policy and through the level of diversification within the existing policy.

Sponsor risk

- Is measured by receiving regular financial updates from the Employer and periodic independent covenant assessments.
- Is managed through an agreed contribution and funding schedule.

ESG risk

- Is measured by the adverse performance due to Environmental, Social and Governance (ESG) related factors including climate change
- Is managed through an initial ESG assessment at the point of investment with the investment managers and the ongoing investment manager monitoring process.

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Appendix B – Statement of Funding Principles

The Trustees considered the future returns expected on the Plan's assets when setting the discount rate assumptions used for the Plan's 5 April 2019 formal funding valuation, as documented in their Statement of Funding Principles (SFP) dated June 2020.

The Trustees recognise that the discount rates used for funding purposes take a prudent view of the likely investment returns achieved by the Plan's assets and, therefore, the actual long term returns from their asset portfolio are expected to be higher than the assumptions used for funding.

The SFP states that *"the discount rate will be set taking account of the full (term-dependent) UK Government gilt yield curve, with an explicit margin added to reflect a prudent estimate of the expected investment return on the portfolio of assets which the Trustees hold at the date of the valuation and expect to hold in future."*

The Appendix to the SFP states that, as at 5 April 2019:

"The discount rate approach selected for this valuation was based upon the term-structure of returns available on UK Government Gilts. The gilt yield spot curve was taken to represent the return available, at the valuation date, on a low-risk investment portfolio.

An addition was made to this yield curve to reflect the additional returns expected on the Plan's assets:

- A margin of 0.55% pa over gilts was selected as a suitably prudent estimate of the long-term outperformance expected from the investment strategy held at the valuation date;
- A prudent margin of 0.4% pa over gilts was selected to represent the returns anticipated in the long term; and
- The discount rate was then calculated based on the assumption that the outperformance margin would linearly reduce from 0.55% pa at the valuation date to reach 0.4% pa from 2025.

This approach was determined by the Trustees based on market conditions as at the valuation date, with regard to the Plan's investment strategy at the valuation date, and how the Trustees plan to reduce their holding in return-seeking assets from 20% to 10%.

The Trustees expect to keep these margins under review at future valuations to reflect any change in the Plan's investment strategy, or in the outlook for investment returns on the portfolios of assets."

Trane UK Limited Retirement Benefits Plan

Implementation Statement for Plan year ended 5 April 2021

1. Introduction

This document is the Annual Implementation Statement ("the Statement") prepared by the Trustees of Trane UK Limited Retirement Benefits Plan ("the Plan") covering the Plan year ("the year") to 5 April 2021.

The purpose of this statement is to:

- detail any reviews of the Statement of Investment Principles ("SIP") that the Trustees have undertaken, and any changes made to the SIP over the year as a result of the reviews
- set out the extent to which, in the opinion of the Trustees, the Plan's SIP has been followed during the Plan year; and
- describe the voting behaviour, including "most significant" votes, by, or on behalf of, the Trustees, and any use of a proxy voter, during the year ended 5 April 2021.

The Plan makes use of a range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact.
As the Plan has a defined contribution (money purchase) ("DC") underpin in place in respect of some members, it means that the Plan is subject to a higher level of disclosure within the Implementation Statement than a plan that solely provides defined benefit (final salary) ("DB") benefits. The DC underpin may apply to DB benefits at the point at which members/beneficiaries begin drawing benefits. When a member of the Plan takes their retirement benefits, transfers out or dies (resulting in death benefits becoming payable), their benefits are tested to check if the underpin applies. This is referred to as the Personal Pension Accounts ("PPA") in the Plan Rules.
If the value of the PPA is greater than the value of the DB benefits, the DC underpin 'bites' and the Trustees must ensure that the value of the benefits paid out to the member is in line with the PPA.

The Trustees acknowledge the importance of being responsible stewards. Whilst the Trustees delegate voting rights and the execution of those rights to the underlying investment managers, an assessment of that voting activity, engagement and environmental, social and governance (ESG) integration is undertaken on behalf of the Trustees on a periodic basis through the form of an annual Sustainable Investment Review and through monitoring of voting data as part of the Statement process. Also, Willis Towers Watson as the Plan's Investment Consultant reviews the investment managers and provides quarterly updates to the Trustees. No issues were raised during the year.

In addition, the Trustees, with input and advice from their Investment Consultant, look to identify and undertake appropriate training to ensure they keep abreast of developments and maintain an appropriate level of knowledge and understanding across investment and sustainability related topics.

A copy of the Plan's annual report and accounts, including this Implementation Statement, is available online and on request from:

Trane UK Limited Retirement Benefits Plan
Willis Towers Watson
PO Box 545
Redhill
Surrey
RH1 1YX
Email: Trane@willistowerswatson.com

Just prior to the Plan year, there was some corporate restructuring activity. In order to facilitate a merger with Gardner Denver Holdings Inc ("GDI") the Company announced the "spin-off" of the industrial business of Ingersoll-Rand Plc. to form Trane Technologies, with the pension scheme being rebranded under the new entity as the Trane UK Limited Retirement Benefits Plan. In early 2020, the Trustees undertook a covenant review in light of the corporate restructuring and found there to be "no material weakening of the covenant" when compared to the previous assessment. The Trustees receive regular financial updates from the Company and will continue to undertake independent covenant assessments as part of the actuarial valuation process.

2. Review of and changes to the SIP during the Plan year ended 5 April 2021

DB Section

There is one SIP currently in place for the Plan, and this was reviewed once during the year, in September 2020. There is a statutory requirement to review the SIP at least once every three years. The previously agreed SIP was dated September 2019.

The Trustees, together with the Trustees' legal advisers and Investment Consultant, carried out the review of the SIP in September 2020 with a focus on recent changes to the investment strategy, and to reflect new legislative requirements. As part of this review the objectives listed in the SIP were also reviewed. The revisions made to the SIP in September 2020 were based on the following:

a) following the results of the Actuarial Valuation in 2019, the Trustees reviewed the investment strategy and Journey Plan in June 2020. It was agreed that once the Plan reached full funding on a gilts + 0.25% basis, an appropriate long-term (End State) portfolio would have a 10% allocation to return-seeking assets and 90% to liability-matching assets;
b) the annual Employer contribution was accelerated to take the Plan above its full funding target. Subsequently, a move to the 10% / 90% portfolio was executed in August 2020 alongside an increase to the Plan's target interest rate and inflation hedging level to 100% (as a percentage of liabilities) reducing the risk borne by the Plan;
c) the Trustees also decided to replace the Plan's existing UK Corporate Bonds fund, managed by BlackRock, with a Buy and Maintain Credit fund, managed by AXA (and invested via AMX platform), to increase the credit quality of the underlying bonds and generate income within this portfolio to meet benefit payments. This change was implemented in March 2021;
d) new wording regarding alignment with investment managers was added, particularly the Trustees' policies on:

    - how the arrangement with each investment manager incentivises the asset manager to align its investment strategy and decisions with the Trustees' policies;
    - how that arrangement incentivises the investment 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;
    - how the Trustees will use their discretion, where appropriate, to set explicit guidelines within the Investment Management Agreement to ensure that any segregated mandates used are consistent with the Trustees' policies, where relevant to the mandate; and
    - how the Trustees appoint their investment managers with an expectation of a long-term partnership which encourages active ownership of the Plan's assets;

e) new wording regarding manager fees and the reviewing of asset management costs, particularly the Trustees' policies on:

    - how managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement; and

- how the Trustees review the costs incurred in managing the Plan's assets annually. In assessing the appropriateness of portfolio turnover costs, the Trustees will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate; and

f) new wording regarding rights attached to investments, particularly the Trustees' policies on how the responsibility for the exercising of rights (including voting rights) attaching to investments, is delegated to the investment managers and the Trustees encourage the invest managers to exercise those rights, with respect to relevant matters.

No other policies in the previous SIP were changed as a result of this review.

AVCs and DC underpin

While the Trustees have made no changes to the investments under the AVC policies during the period, both AVC providers have done so:

a) Utmost – from 1 July 2020, members' AVC funds under the policy with Utmost began automatically and gradually switching from the Cash Fund to Utmost's "Investing by Age Strategy", which moves members through a number of multi-asset, bond and cash funds depending on their age. It aims to reduce risk overtime, culminating in the member being invested entirely in cash from age 85. The Trustees continue to assess the Utmost AVC arrangement on at least an annual basis; and

b) Prudential – Prudential closed its Property Fund with effect from 22 June 2021. There were two members of the Plan invested in the Property Fund and in line with Prudential's plans, they were switched to an alternative fund, a multi-asset fund, the Prudential Dynamic Growth I S3 fund ("PDGI"). The Trustees continue to monitor the Prudential AVC arrangement on at least an annual basis.

There have been no changes to the terms of the DC underpin.

3. Adherence to the SIP during the Plan year ended 5 April 2021

This Statement reviews adherence against the current SIP, dated September 2020, which built on the policies outlined in the SIP that was in place at the start of the year.

Overall, the Trustees believe the policies outlined in the SIP have been followed during the Plan year ended 5 April 2021.

Full details of Plan's individual investment and risk management policies can be found in the latest version of the SIP, which is publicly available to access by all members of the Plan, and the below table summarises the key policies in place regarding the incentivisation, alignment and monitoring of the Plan's investment managers.

Policy area	Approach
Incentivising Investment Managers to align their investment strategy and decisions with the Trustees' investment policies as set out in this SIP	Each Investment Manager is chosen for a targeted asset class or market exposure within the Plan's investment strategy. Managers will be assigned appropriate performance benchmarks against which portfolio risk and return will be regularly measured. Benchmarks will be periodically reviewed to ensure that they continue to be appropriate for the individual mandates and the strategic objectives of the Plan.

	The Plan invests with multiple Investment Managers for the implementation of the Plan's investment strategy, which provides additional mitigation of any single manager being misaligned.
Incentivising Investment Managers to base their decisions on assessments of the medium to long-term financial performance of an issuer of debt or equity, and to engage with those issuers to improve their medium to long-term performance	The Trustees appoint their investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets. When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustees would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team. The Investment Consultant conducts formal reviews of Investment Managers at least annually to ensure that their investment approach is robust, long-term focussed and sustainable. The Trustees inform Investment Managers of the Trustees' Stewardship and Engagement policy when they are first appointed and provides updates to them as required. An annual Environment Social and Governance (ESG) questionnaire is sent to the Investment Managers by the Investment Consultant and enables the Trustees to monitor the Investment Managers' consideration of ESG and stewardship considerations.
Method and timescale for evaluating that Investment Managers' performance and fees align with the Trustees' investment policies	Performance is monitored and reported to the Trustees net of fees and on a regular basis. The Investment Consultant conducts a detailed assessment of Investment Managers' performance and other factors at least annually. As part of this review, fees and charges are monitored in the context of the Investment Adviser's ongoing market evaluation of the price of fund management services. The Trustees understand the importance of assessing performance over longer time periods. Investment Managers' fees are reported to the Trustee regularly.
Monitoring turnover costs incurred by Investment Managers and how the Trustees define and monitor targeted portfolio turnover	The Trustees review the costs incurred in managing the Plan's assets annually, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustees will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.
The length of arrangements with Investment Managers	The Trustees appoint their investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets. When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustees would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

4. Voting and Engagement

DB section

The Plan's equity holdings are held within pooled investment vehicles and the Trustees delegate voting rights and the execution of those rights to the underlying managers for the securities they hold. Willis Towers Watson engage managers on areas for development, not least around resourcing, and improving the breadth and depth of corporate engagements.

Further information on the voting and engagement activities of those managers with equity investments is provided in the summary tables below.

Some of the Plan's underlying investment strategies, such as fixed income holdings, do not have any voting rights attached and have been excluded from the table below. These include the Corporate Bonds (including both the BlackRock and AXA-AMX mandates that were in place during the Plan year), and the Plan's Segregated Gilts/Index-Linked Gilts mandate.

Use of proxy voting:

Manager	Use of proxy advisor services:
State Street Global Advisors (SSgA)	(Statement from SSgA): In order to facilitate our proxy voting process, we retain Institutional Shareholder Services Inc. ("ISS"), a firm with expertise in proxy voting and corporate governance. We utilize ISS to: (1) act as our proxy voting agent (providing State Street Global Advisors with vote execution and administration services), (2) assist in applying the Guidelines, (3) provide research and analysis relating to general corporate governance issues and specific proxy items, and (4) provide proxy voting guidelines in limited circumstances.

Further information on the voting and engagement activities of those managers with equity investments is provided in the summary table below.

Fund	Voting activity for the year end 31 March 2021
SSgA UK Equity Index Fund	Number of meetings at which the manager was eligible to vote: 158 Number of resolutions on which manager was eligible to vote: 2,889 Percentage of eligible votes cast: 100% Percentage of votes with management: 93% Percentage of votes against management: 7% Percentage of votes abstained from: <1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 7%

SSgA North America Equity Index Fund **SSgA North America Equity Index Fund (Hedged)**	Number of meetings at which the manager was eligible to vote: 674 Number of resolutions on which manager was eligible to vote: 8,377 Percentage of eligible votes cast: 100% Percentage of votes with management: 90% Percentage of votes against management: 10% Percentage of votes abstained from: <1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 10%
SSgA Europe ex UK Equity Index Fund **SSgA Europe ex UK Equity Index Fund (Hedged)**	Number of meetings at which the manager was eligible to vote: 538 Number of resolutions on which manager was eligible to vote: 9,178 Percentage of eligible votes cast: 99% Percentage of votes with management: 89% Percentage of votes against management: 11% Percentage of votes abstained from: <1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 6%
SSgA Asia Pacific ex Japan Equity Index Fund **SSgA Asia Pacific ex Japan Equity Index Fund (Hedged)**	Number of meetings at which the manager was eligible to vote: 442 Number of resolutions on which manager was eligible to vote: 3,104 Percentage of eligible votes cast: 100% Percentage of votes with management: 83% Percentage of votes against management: 17% Percentage of votes abstained from: <1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 10%
SSgA Japan Equity Index Fund **SSgA Japan Equity Index Fund (Hedged)**	Number of meetings at which the manager was eligible to vote: 518 Number of resolutions on which manager was eligible to vote: 6,223 Percentage of eligible votes cast: 100% Percentage of votes with management: 92% Percentage of votes against management: 8% Percentage of votes abstained from: 0% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 7%
SSgA Middle East & Africa Fund (50% Hedged)	Number of meetings at which the manager was eligible to vote: 56 Number of resolutions on which manager was eligible to vote: 490 Percentage of eligible votes cast: 100% Percentage of votes with management: 93% Percentage of votes against management: 7% Percentage of votes abstained from: 2% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 2%

The investment manager has provided an extensive list of significant votes cast throughout the year, and this list is available upon request. Details of two of the most significant votes cast by each of the equity regional sub-funds are included below.

Fund	Most significant votes cast during the 12 months to year ending 31 March 2021
SSgA UK Equity Index Fund	Significant vote 1: Company: Lloyds Banking Group Plc Meeting Date: 21 May 2020 Type of resolution: Compensation Resolution: Approve Remuneration Policy Company Management Recommendation: For How the manager voted: Against Rationale: SSgA feel that this item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company. Vote outcome: 64% for, 36% against. Significant vote 2: Company: Royal Dutch Shell Plc Meeting Date: 19 May 2020 Type of resolution: Shareholder – Environmental proposal Resolution: Greenhouse Gas (GHG) Emissions disclosures and practices Company Management Recommendation: Against How the manager voted: Against Rationale: SSgA feel that this proposal does not merit support as the company's disclosure and/or practices related to GHG emissions are reasonable. Vote outcome: 14% for, 86% against.
SSgA North America Equity Index Fund	Significant vote 1: Company: Alphabet Inc. Meeting Date: 3 June 2020 Type of resolution: Shareholder/Directors'- related Resolution: Establish Environmental/Social Issue Board Committee Company Management Recommendation: Against How the manager voted: For Rationale: SSgA feel that in the absence of significant concerns, support for this proposal is warranted.

SSgA North America Equity Index Fund (Hedged)	Vote outcome: 16% for, 83% against, <1% abstain. <u>Significant vote 2:</u> Company: Chevron Corporation Meeting Date: 27 May 2020 Type of resolution: Shareholder – Environmental & Social proposal Resolution: Product Toxicity and Safety Company Management Recommendation: Against How the manager voted: Abstain Rationale: SSGA is abstaining on the proposal as the company's disclosure and/or practices pertaining to the item are broadly in line with market standard but could be enhanced. Vote outcome: 46% for, 54% against.
SSgA Europe ex UK Equity Index Fund	<u>Significant vote 1:</u> Company: Credit Agricole SA Meeting Date: 13 May 2020 Type of resolution: Compensation Resolution: Approve Remuneration Policy Company Management Recommendation: For How the manager voted: Abstain Rationale: SSgA feel that this proposal merits qualified support as SSGA has some concerns with the remuneration structure for senior executives at the company. Vote outcome: 88% for, 12% against.
SSgA Europe ex UK Equity Index Fund (Hedged)	<u>Significant vote 2:</u> Company: Enel SpA Meeting Date: 14 May 2020 Type of resolution: Compensation Resolution: Approve Remuneration Policy Company Management Recommendation: For How the manager voted: Against Rationale: SSgA feel that this proposal merits qualified support as SSGA has some concerns with the remuneration structure for senior executives at the company. Vote outcome: 81% for, 18% against, <1% abstain.
SSgA Asia Pacific ex Japan Equity Index Fund	<u>Significant vote 1:</u> Company: Rio Tinto Limited Meeting Date: 7 May 2020 Type of resolution: Shareholder – Environmental Proposal Resolution: Report on Climate Change Company Management Recommendation: Against How the manager voted: For

SSgA Asia Pacific ex Japan Equity Index Fund (Hedged)	Rationale: SSgA feel that this proposal merits support as the company's disclosure and/or practices related to climate change can be improved. Vote outcome: 37% for, 63% against. <u>Significant vote 2:</u> Company: QBE Insurance Group Limited Meeting Date: 7 May 2020 Type of resolution: Shareholder – Environmental & Social proposal Resolution: Miscellaneous Proposal on Environmental & Social disclosures/practices Company Management Recommendation: Against How the manager voted: Against Rationale: SSgA feel that this proposal does not merit support as the company's disclosure and/or practices pertaining to the item are reasonable. Vote outcome: 7% for, 93% against.
SSgA Japan Equity Index Fund	<u>Significant vote 1:</u> Company: Capcom Co., Ltd. Meeting Date: 17 June 2020 Type of resolution: Director election/directors-related Resolution: Elect Director Company Management Recommendation: For How the manager voted: Against Rationale: SSgA voted against the nominee due to the lack of gender diversity on the board. Vote outcome: 91% for, N/A% against, N/A% abstain.
SSgA Japan Equity Index Fund (Hedged)	<u>Significant vote 2:</u> Company: Chubu Electric Power Co., Inc. Meeting Date: 25 June 2020 Type of resolution: Shareholder – Environmental Proposal Resolution: Phase out nuclear facilities Company Management Recommendation: Against How the manager voted: Against Rationale: SSgA feel that this proposal does not merit support as the company's disclosure and/or practices related to nuclear power are reasonable. Vote outcome: 96% for, N/A% against, N/A% abstain.
SSgA Middle East & Africa Fund (50% Hedged)	<u>Significant vote 1:</u> Company: Harel Insurance Investments & Financial Services Ltd. Meeting Date: 12 October 2020 Type of resolution: Compensation Resolution: Approve Remuneration Policy Company Management Recommendation: For How the manager voted: Against

	Rationale: This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company. Vote outcome: 65% for, 35% against. <u>Only one significant vote was provided by the manager for this fund.</u>

AVCs / DC Underpin

Use of proxy voting:

Manager	Use of proxy advisor services:
M&G Investment Management	M&G use the research services of ISS and IVIS. Our voting is instructed through the ISS voting platform, ProxyExchange. M&G use the ISS custom service to flag resolutions that may not meet their policy guidelines. Voting decisions are taken by the Sustainability and Stewardship at M&G often in consultation with Fund Managers. Some routine resolutions are voted by ISS on M&G's behalf when clear criteria have not been met.
M&G Treasury & Investment Office	
BlackRock	BlackRock subscribe to research from the proxy advisory firms Institutional Shareholder Services and Glass Lewis. This is just one among many inputs into their vote analysis process and BlackRock do not follow proxy advisor recommendations.

Note: As the Prudential Dynamic Growth fund invests in BlackRock pooled funds, voting is carried out by BlackRock.

Utmost Life & Pensions have not provided information on voting. Utmost is covered by FCA rules implementing the Shareholder Rights Directive. This Directive requires firms in scope to either have a policy to set out how they engage and vote in firms in which they invest, or an explanation of why they do not have a policy.

Firms in scope of the rules are those who invest directly, or through an asset manager, in shares. Asset managers are also defined so that certain types of investment are covered – all except one of our funds are out of scope. The one in scope, Managed fund, is tightly controlled by the mandate so that the asset manager has little discretion in the fund's investments.

Further information on the voting and engagement activities of those managers with equity investments is provided in the summary table below.

Fund	Voting activity for the year end 31 March 2021
Prudential UK Equity Passive	Number of meetings at which the manager was eligible to vote: 670 Number of resolutions on which manager was eligible to vote: 9,520 Percentage of eligible votes cast: 99% Percentage of votes with management: 97% Percentage of votes against management: 2% Percentage of votes abstained from: 1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 3%
Prudential UK Equity S3	Number of meetings at which the manager was eligible to vote: 564 Number of resolutions on which manager was eligible to vote: 8,053 Percentage of eligible votes cast: 99% Percentage of votes with management: 97%

	Percentage of votes against management: 2% Percentage of votes abstained from: 1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 3%
Prudential Dynamic Growth I	Number of meetings at which the manager was eligible to vote: 5,408 Number of resolutions on which manager was eligible to vote: 60,518 Percentage of eligible votes cast: 96% Percentage of votes with management: 93% Percentage of votes against management: 6% Percentage of votes abstained from: 1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: N/A
Prudential With Profits fund	Number of meetings at which the manager was eligible to vote: 2,125 Number of resolutions on which manager was eligible to vote: 29,590 Percentage of eligible votes cast: 85% Percentage of votes with management: 93% Percentage of votes against management: 6% Percentage of votes abstained from: 1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 3%

Details on the most significant votes cast by these funds are captured in the table below.

Details of the 'reason for inclusion' has not been provided by the manager for the Prudential UK Equity Passive, Prudential UK Equity S3, and Prudential Dynamic Growth I fund. Details of the voting outcome, the company management recommendation and how the company manager voted have not been provided for any of the funds.

Fund	Most significant votes cast during the 12 months to year ending 31 March 2021
Prudential UK Equity Passive	Significant vote 1: Company: BHP PLC Meeting Date: 15 October 2020 Type of resolution: Shareholder resolution support Resolution: Approve Suspension of Memberships of Industry Associations where COVID-19 Related Advocacy is Inconsistent with Paris Agreement Goals How the manager voted: For Rationale: Contemporary in nature (social and environmental issue). Significant vote 2: Company: NextEnergy Solar Fund Ltd. Meeting Date: 11 September 2020 Type of resolution: Other

	Resolution: Approve Change of Fundamental Investment Policy How the manager voted: Against Rationale: Prudential are concerned that the new policy allows for investment in private equity assets.
Prudential UK Equity S3	Significant vote 1: Company: Aggreko Plc Meeting Date: 23 April 2020 Type of resolution: Compensation-related Resolution: Approve Remuneration Report How the manager voted: Against Rationale: Prudential opposed the vote due to concern that remuneration is excessive given the dividend cut and current market conditions Significant vote 2: Company: Amino Technologies Plc Meeting Date: 4 September 2020 Type of resolution: Shareholder rights and Governance Resolution: Adopt New Articles of Association How the manager voted: For Rationale: Company assurance that at the 2021 AGM it will propose an amendment to the New Articles such that the power to hold wholly electronic general meetings thereafter is subject to prior annual confirmation by shareholder resolution.
Prudential Dynamic Growth I	Significant vote 1: Company: Amazon.com, Inc. Meeting Date: 27 May 2020 Type of resolution: Multiple Resolution: Multiple How the manager voted: BIS voted For all management proposals, and Against all shareholder proposals. Rationale: After thorough review of the company's existing disclosures, along with insights gleaned from multiple engagements, BlackRock determined that Amazon is actively addressing those material issues raised by the various shareholder proposals. Some of the proposals were too prescriptive in their request for additional information, such as requesting an alternative report on gender/racial pay in addition to the one the company already publishes and a specific supply chain report format beyond the report currently available on the company's website specifically addressing human rights. For a subset of the proposals, including the request for a report on customer use of certain technologies, such as Rekognition and an additional report on lobbying, the company is already meeting the best practices guidelines. Significant vote 2: Company: Alphabet, Inc. Meeting Date: 3 June 2020 Type of resolution: Shareholder resolution support Resolution: Item 1.8: Elect Director Ann Mather and Item 5: Shareholder Proposal to Approve Recapitalization Plan for all Stock to Have One-vote per Share

<table>
<tr><td></td><td>How the manager voted: BIS voted AGAINST Director Mather due to excessive board commitments. BIS voted FOR the shareholder proposal asking for the recapitalization plan as BIS generally support one share one vote capital structures. BIS supported management on all remaining agenda items.

Rationale: Item 1.8: BlackRock expect non-CEO directors to serve on a total of no more than four public company boards. Since Ms. Mather sits on five public boards, BlackRock consider her overcommitted and voted against her re-election to the Board of Directors.

Item 5: BlackRock strongly prefer a “one vote for one share” capital structure for publicly-traded companies. BlackRock prefer this capital structure as it provides control proportionate to shareholders’ capital at risk and is thus more aligned with their clients’ interests.</td></tr>
<tr><td>Prudential With Profits fund</td><td><u>Significant vote 1:</u>

Company: Samsung Electronics Co., Ltd.

Meeting Date: 17 March 2021

Type of resolution: Director election

Resolution: Elect multiple directors

How the manager voted: Against

Rationale: Concerns over corporate behaviour and insufficient shareholder engagement: Incumbent directors Byung-gook Park, Jeong Kim and Sun-uk Kim have collectively failed to remove criminally convicted directors from the board. The inaction is indicative of a material failure of governance and oversight at the company.

Reason for inclusion: The manager deems this vote significant as it relates to shareholder rights and governance.

<u>Significant vote 2:</u>

Company: Facebook, Inc.

Meeting Date: 7 May 2020

Type of resolution: Shareholder proposal

Resolution: Shareholder proposal to report on political advertising

How the manager voted: Against

Rationale: Shareholders would benefit from increased disclosures to better understand specific risks that Facebook may face as well as broader societal impact in terms of public discourse and democratic processes.

Reason for inclusion: The vote was deemed significant as it is believed to have a material impact on the financial performance of the investment.</td></tr>
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