

Engagement Policy Implementation Statement (“EPIS”)

Goodman UK Pension Plan (the “Plan”)

Plan Year End – 31 August 2023

The purpose of the EPIS is for us, the Trustee Directors of the Goodman UK Pension Plan, to explain what we have done during the year ending 31 August 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

We delegate the management of the majority of the Plan’s assets to our fiduciary manager, Aon Investments Limited (“Aon”). We believe the activities completed by our fiduciary manager to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf. The non delegated portfolio of the Plan consists of legacy illiquid assets which are in wind-down and represent a modest and diminishing part of the Plan’s portfolio. These assets contain no voting rights and engagement is of limited applicability. Hence, for these reasons and because of immateriality they are not included in this statement.

How voting and engagement policies have been followed

The majority of the Plan's investments are in pooled funds, and for these investments the responsibility for voting and engagement is delegated to the Plan's investment managers, which is in line with the Directors' policy.

We reviewed the stewardship activity of the material investment managers carried out over the Plan year and in our view, most of the investment managers were able to disclose strong evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon").

We received quarterly ESG ratings from Aon for the funds the Plan is invested in under the fiduciary arrangement. Aon's ESG rating system is designed to assess whether and how fund managers used by the Plan integrate responsible investment and more specifically ESG considerations into their investment decision making process. Over the year to 31 August 2023, no major stewardship concerns were identified for the managers that the Plan invests in.

Each year, we review the voting and engagement policies of the Plan's investment managers to ensure they align with our own policies for the Plan and help us to achieve them.

The Plan's stewardship policy can be found in the SIP:

<https://uk.goodman.com/-/media/project/goodman/united-kingdom/files/about-goodman/goodman-pension-scheme/gukpp-statement-of-investment-principles--sept-2020.pdf>

Training

During the year, we received training on ESG and stewardship topics, including a presentation on Aon's latest Stewardship Report. Fund specific examples of ESG integration with the fiduciary arrangement were discussed and we learnt how Aon actively engages with all underlying investment managers on key themes, such as climate change targets.

Ongoing engagement

We continue to meet regularly with our fiduciary manager to understand fund and market developments within ESG and to ensure they are using their resources to effectively influence positive outcomes in the underlying funds.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our fiduciary manager's engagement activity

Within the fiduciary arrangement a significant proportion of the Plan's assets are invested in Aon's Managed Growth Strategy. This is a fund of funds arrangement, where Aon selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. We have reviewed Aon's latest annual Stewardship Report and we believe it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, and important themes such as stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Plan's investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds within the fiduciary arrangement. We expect the Plan's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Plan's material funds with voting rights for the year to 30 June 2023 i.e. quarter end on or most recently prior to Plan Year End. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 30 June 2023 which broadly matches the Plan year.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM – Multi Factor Equity Fund	11,596	99.9%	20.7%	0.1%
BlackRock – Emerging Markets Equity Fund	31,150	97.0%	11.0%	3.0%

Source: Managers

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Plan's managers use proxy voting advisers.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

**Description of use of proxy voting advisers
(in the managers' own words)**

LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
BlackRock	<p>BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.</p> <p>While we subscribe to research from the proxy advisory firms ISS and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.</p>

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Plan's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Plan's funds. A sample of these significant votes can be found in the Appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Plan

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
LGIM – Multi Factor Equity Fund	279	1,224	Environment - Climate change Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Inequality, Public health Governance - Board effectiveness - Diversity, Board effectiveness - Other, Leadership - Chair/CEO, Remuneration, Strategy/purpose, ESG Scores, and others.
BlackRock – Emerging Markets Equity Fund	450	3,886	Environment - Climate Risk Management, Environmental Impact Management, Operational Sustainability Social - Human Capital Management, Social Risks and Opportunities Governance -Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Executive Management, Governance Structure
Robeco - Sustainable Development Goals ("SDG") Credit Income Fund	11	252	Environment - Climate change, Pollution, Waste Social - Human and labour rights (e.g. supply chain rights, community relations) Governance - Board effectiveness – Other Others - SDG Engagement
Aberdeen ("Abrdn") - Climate Transition Bond Fund	44	2,484	Strategy, Financial and Reporting - Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Financial performance, Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks) Others - Climate, Environment, Human Rights & Stakeholders, Corporate Behaviour, Corporate Governance
Aegon Asset Management – European Asset Backed Securities (ABS) Fund	132	441	Environment - Climate change Social Governance

Source: Managers

Data limitations

- LGIM and BlackRock did provide fund level engagement information but not to the best-practice industry standard ICSWG guide.
- Aegon's provision of fund level engagement information was limited.

This report does not include commentary on certain asset classes such as liability driven investments, gilts, cash or the legacy illiquid assets because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Plan's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below

LGIM – Multi Factor Equity Fund	Company name	Alphabet Inc.
	Date of vote	2-June-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.7%
	Summary of the resolution	Approve Recapitalization Plan for all Stock to Have One-vote per Share
	How you voted	For (against management recommendation)
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.
	On which criteria have you assessed this vote to be "most significant"?	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.
BlackRock – Emerging Markets Equity Fund	Company name	Banco de Chile SA
	Date of vote	23-March-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	BIS does not typically provide this information. We have directed clients to look this information up themselves.
	Summary of the resolution	Elect Andronico Luksic Craig as Director
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past

	company engagement and our active investment colleagues.
Rationale for the voting decision	Nominee serves on an excessive number of public company boards, which we believe raises substantial concerns about the director's ability to exercise sufficient oversight on this board.
Outcome of the vote	Pass
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
On which criteria have you assessed this vote to be "most significant"?	We consider directors serving on more than five boards to be overcommitted. Accordingly, we did not support the election of directors Andrónico Luksic Craig as they serve on seven public company boards. Our concern is that when directors serve on too many boards, they may not have capacity to fulfil their duties on each, particularly in times of crisis.

Source: Managers