XPS Investment

Institute of Physics Retirement Benefit Plan (1975) Implementation Statement

Purpose

This statement provides information on how, and the extent to which, the Trustees of the Institute of Physics Retirement Benefit Plan (1975) ("the Plan") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan's investments, and engagement activities during the year ended 31 December 2022 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

During 2019, the Trustees received training on Environmental, Social and Governance ("ESG") issues from XPS and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues. In the two years following, the Trustees received training in relation to voting and engagement issues which enabled them to refine their policies in relation to such issues.

During 2021, the Trustees received further training covering ESG and climate change issues and ongoing regulatory developments in this area, particularly in relation to climate change. They also reviewed whether the Plan's investment managers were granted signatory status under the UK Stewardship Code 2020. However, no changes were made to the Trustees' ESG, voting or engagement policies during the reporting year.

The Trustees' policies are documented in the Statement of Investment Principles dated 24 September 2020 and are summarised below.

The Trustees' policy on ESG, voting and Engagement

The Trustees encourage Investment Managers to make decisions in the long-term interests of the Plan. The Trustees expect engagement with management of the underlying issuers of debt or equity and the exercising of voting rights. This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns. The Trustees also require the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustees believe these factors could have a material financial impact in the long-term. The Trustees therefore make decisions about the retention of Investment Managers, accordingly.

The Trustees have considered their approach to environmental, social and corporate governance ("ESG") factors for the long term time horizon of the Plan and believe there can be financially material risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan's Investment Managers. The Trustees require the Plan's Investment Managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

As the Plan invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the Investment Managers. The Trustees encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees.

If the Trustees become aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees' expectation, then the Trustees may consider terminating the relationship with that Investment Manager.

During the reporting year, there have been no areas of concern in terms of engagement or ESG matters from the Plan's investment managers.

Manager selection exercises

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

During the reporting year, the Trustees did not appoint any new investment managers.

Ongoing governance

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

As mentioned above, during the reporting year, the Trustees began to consider upcoming climate change related regulations.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers. Stewardship and ESG matters are therefore regularly discussed at IC/Trustees' meetings.

Adherence to the Statement of Investment Principles

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

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Plan has specific allocations to both public and private equities, and investments in equities will also form part of the strategy for the diversified growth funds in which the Plan invests. The Plan also gains equity exposure through derivatives contracts held in the Schroders Diversified Growth Fund and the Insight Broad Opportunities Fund; however, these vehicles instruments have no voting rights so have not been included in this report. A summary of the voting behaviour and most significant votes determined by and cast by each of the relevant investment manager organisations is presented in the rest of this document.

Voting Information

LGIM Global Equity Market Weights (30:70) Index Fund - 75% GBP Currency Hedged
The manager voted on 99.88% of resolutions of which they were eligible out of 75300 eligible votes.

Investment Manager Client Consultation Policy on Voting

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

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

Investment Manager Process to determine how to Vote

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

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

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

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

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

• High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;

• Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where LGIM note a significant increase in requests from clients on a particular vote;

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

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

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

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

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

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

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

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Apple Inc.	Resolution 9 - Report on Civil Rights Audit	For	53.6%
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			
Royal Dutch Shell Plc		Against	79.9%

	Resolution 20 - Approve the Shell Energy Transition Progress Update		
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			
Amazon.com, Inc.	Resolution 1f - Elect Director Daniel P. Huttenlocher	Against	93.3%
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			
BP Plc	Resolution 3 - Approve Net Zero - From Ambition to Action Report	For	88.5%
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			
Rio Tinto Plc	Resolution 17 - Approve Climate Action Plan	Against	84.3%
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			

Voting Information
Insight Broad Opportunities Fund[1]
The manager voted on 100% of resolutions of which they were eligible out of 169 eligible votes.
Investment Manager Client Consultation Policy on Voting
Insight does not consult client prior to voting on resolutions. However, Insight is committed to voting all proxies where it is deemed appropriate and responsible to do so. Insight takes its responsibility to vote very seriously and votes in the best interest of clients.
Investment Manager Process to determine how to Vote
Insight retains the services of Minerva Analytics (Minerva) for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from thousands of markets, national and international legal and best practice provisions from jurisdictions around the world. Independent and

impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. In addition, please refer to their Proxy Voting Policy, which sets out in detail their approach to voting on resolutions: https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/uk-aus-proxy-voting-policy.pdf#ribbonTabs
How does this manager determine what constitutes a 'Significant' Vote?
The strategy invests in listed closed-end investment companies with a focus on cash-generative investments in social and public, renewable energy and economic infrastructure sectors. The corporate structure of closed-end investment companies held in the strategy includes an independent board which is responsible for providing an overall oversight function on behalf of all shareholders. This governance framework includes a range of aspects including setting out investment objectives, and on an ongoing basis ensuring that the underlying strategy and portfolio activities within it remain within the agreed framework. This governance framework, that is with an independent board acting on behalf of shareholders, generally limits contentious issues that can arise with other listed entities. As a result, examples of significant votes cast that may be comparable to other listed entities are not applicable to the strategy's exposures.
Does the manager utilise a Proxy Voting System? If so, please detail
Insight would utilise Minerva to analyse resolutions against Insight-specific voting policy templates to determine the direction of the vote, where applicable.

1. Insight did not provide a list of 'top significant votes' over the period considered.

Voting Information
Schroders Diversified Growth Fund
The manager voted on 95.73% of resolutions of which they were eligible out of 15081 eligible votes.
Investment Manager Client Consultation Policy on Voting
The corporate governance analysts input votes based on their proprietary research in line with Schroders' house voting policy and do not take voting instruction from their clients. The manager reports transparently on their voting decisions with rationales on their website.
Investment Manager Process to determine how to Vote

As active owners, Schroders recognises their responsibility to make considered use of voting rights. Schroders therefore vote on all resolutions at all AGMs/EGMs globally unless they are restricted from doing so (e.g. as a result of share blocking).

Schroders aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with their published ESG policy.

The overriding principle governing their voting is to act in the best interests of their clients. Where proposals are not consistent with the interests of shareholders and their clients, Schroders are not afraid to vote against resolutions. Schroders may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues.

Schroders evaluate voting resolutions arising at their investee companies and, where they have the authority to do so, vote on them in line with their fiduciary responsibilities in what they deem to be the interests of their clients. Schroders' Corporate Governance specialists assess each proposal, applying their voting policy and guidelines (as outlined in Schroders' Environmental, Social and Governance Policy) to each agenda item. In applying the policy, they consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Schroders specialists will draw on external research, such as the Investment Association's Institutional Voting Information Services and ISS, and public reporting. Schroders own research is also integral to their process; this will be conducted by both their financial and Sustainable Investment analysts. For contentious issues, Schroders' Corporate Governance specialists consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

Schroders also engage with companies throughout the year via regular face-to-face meetings, written correspondence, emails, phone calls and discussions with company advisors and stakeholders.

In 2022, Schroders voted on approximately 7600 meetings and 96% of total resolutions, and instructed a vote against the board at over 50% of meetings.

Institutional Shareholder Services (ISS) act as their one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with their own bespoke guidelines, in addition, Schroders receive ISS's Benchmark research. This is complemented with analysis by their in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

ISS automatically votes all their holdings of which Schroders own less than 0.5% (voting rights) excluding merger, acquisition and shareholder resolutions. This ensures consistency in their voting decisions as well as creating a more formalised approach to their voting process.

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

Schroders believe that all resolutions when they vote against the board's recommendations on how to vote should be classified as a significant vote, for example, votes against the re-election of directors, on executive remuneration, on material changes to the business (such as capital structure or M&A), on climate matters and on other environmental or social issues may all be more or less significant to different client stakeholders.
Does the manager utilise a Proxy Voting System? If so, please detail
Institutional Shareholder Services (ISS) act as Schroders' one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with Schroders' own bespoke guidelines, in addition, Schroders receive ISS's Benchmark research. This is complemented with analysis by Schroders' in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

Top 5 Significant Votes during the Period[2]

Company	Voting Subject	How did the Investment Manager Vote?	Result
Standard Chartered Plc	Approve Net Zero Pathway	For	N/A
The Company's net zero pathway includes short-, medium- and long-term targets and a clear timeline for how it expects to improve its target setting and approach to financed emissions in key sectors. The Company has made clear progress against its own operations targets and have moved its net zero commitment from 2030 to 2025 as a result. The Company's rationale regarding the nature of its portfolio is noted and there are no significant concerns.			
Forsee Power SA	Authorize Repurchase of Up to 10 Percent of Issued Share Capital	For	N/A
Schroders are not supportive of the share repurchase program can be continued during a takeover period.			
NV BEKAERT SA	Authorize Board to Repurchase Shares in the Event of a Serious and Imminent Harm and Under Normal Conditions	Against	N/A
Schroders are not supportive of the repurchase as the authorisation could be used to thwart a hostile takeover by repurchasing and reissuing 20 percent of shares.			
Lundin Energy AB	Approve Merger Agreement with Aker BP ASA	For	N/A
Schroders believe the proposal is warranted based on the compelling strategic rationale, as well as the estimated synergies to be created. Furthermore, it is noted that the transaction consideration is deemed to be beneficial to current shareholders of Lundin Energy.			
Ariston Holding NV		For	N/A

	Approve Acquisition of Entire Issued Share Capital of CENTROTEC Climate Systems (Proposed Transaction)		
Schroders believe a vote for this item is warranted because the compelling strategic rationale where the company demonstrated the strategic fit and how this is aligned with the company's growth strategy.			

2. Schroders do not provide a list of 'top significant votes' over the period considered. Instead, Schroders have provided a full list of all votes over the previous 12 months. XPS have narrowed this down by focusing on votes where Schroders have voted against management of the company. This has been further narrowed down by ignoring arguably more trivial votes such as election/removal of a director or remuneration policy. The resulting votes displayed are XPS' attempt to show 'significant votes' however this may not capture everything of a significant nature.

Voting Information
Partners Group Partners Fund
The manager voted on 100% of resolutions of which they were eligible out of 853 eligible votes.
Investment Manager Client Consultation Policy on Voting
Partners do not consult with clients before voting.
Investment Manager Process to determine how to Vote
Partners' voting is based on the internal Proxy Voting Directive.
How does this manager determine what constitutes a 'Significant' Vote?
Size of the holding in the fund
Does the manager utilise a Proxy Voting System? If so, please detail
Partners hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with Partner's Proxy Voting Directive. Wherever the recommendations for Glass Lewis, Partner's proxy voting directive, and the company's management differ, Partners vote manually on those proposals.

Top 5 Significant Votes during the Period			
Company	Voting Subject[5]	How did the Investment Manager Vote?	Result
Confluent Health	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
Confluent has also expanded its stakeholder benefits program. For instance, in 2022, the company launched stock options for all physical therapists and made significant investments in benefits, including reduced Eligible Employee premiums and increased communication around its wellness programs.			
EyeCare Partners	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
Meanwhile, several initiatives were implemented to improve stakeholder benefits. For instance, significant investment in benefits were made in 2021 and 2022. In addition, the company increased communication around its ECP Cares Foundation, a non-profit organization dedicated to giving back to ECP team members in need. Meanwhile, Incident Frequency Rate (IFR) measures were established and are being captured to drive root-cause analysis and drive prevention strategies. This has engaged employees and helped to increase employee retention to 31% (exceeding the target of 27%). Lastly, baselines and specific initiatives were established based on the doctor and employee engagement surveys conducted during the first half of 2022.			
Pharmathen	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
The company has a strong ESG culture as reflected in its core mission of making a positive impact on the lives of people by ensuring that they enjoy better health.			
PremiStar	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
In the meantime, Premistar has engaged a third party ESG consultant to identify material sustainability topics and craft a longer term ESG journey and strategy. Premistar is looking to hire an ESG manager and sales strategy employee, as the company aims to launch an energy efficiency sales strategy with customers.			
Rovensa	As Partners control the Board, please see below the ESG	Control of board	n.a.

	efforts of the portfolio company.		
Health and Safety (H&S) remains a top priority for Rovensa, as illustrated by the roll out of its 'STAR Program' across all manufacturing plants globally to achieve a zero-harm culture adoption worldwide. The board and management are aligned on the importance of H&S and have been working with the H&S team on the STAR Program to reduce the company's lost time injury frequency rate (LTIFR). In 2022, Rovensa has reduced its LTIFR by around 40% compared to the prior-year period.			

3. "N/A Control the board" refers to Partners owning a controlling interest of the company in question, therefore giving it significant influence over the company, allowing it to direct strategic and operational decisions.

4. Partners voting information is for the E-N Share class.

5. Partners have focused exclusively on their private markets investments over the reporting year, as such their engagement is not via voting but rather via direct hands-on engagement. Partners have therefore provided case studies on their significant direct hands-on engagements.

Signed: Fiona Stark, Chair of Trustees

Date: