

Appendix 2 – Engagement Policy Implementation Statement for the year ending 5 April 2022

Introduction

The Trustee of the Aston Martin Lagonda Limited Pension Scheme (the 'Scheme') has a fiduciary duty to consider its approach to the stewardship of the investments in order to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through its investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustee, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 5 April 2022. This statement also describes the voting behaviour by, or on behalf of, the Trustee.

The Trustee, based on advice received from its investment consultant, appoints the investment managers and chooses the specific pooled funds to use in order to meet specific policies. The Trustee expects the investment managers, where appropriate, to have taken account of financially material considerations, including environmental, social and governance (ESG) factors as part of their investment analysis and decision-making process. The financial interests of the Scheme members are the Trustee's first priority when choosing investments. The Trustee will take members' preferences into account if it considers it appropriate to do so.

Stewardship - monitoring and engagement

The Trustee recognises that an investment manager's ability to influence the companies in which it invests will depend on the nature of the investment.

The Trustee's 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. The investment managers are expected to provide regular reports for the Trustee detailing their voting activity.

The Trustee also delegates responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

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

Investment manager engagement policies

The Scheme's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustee with information on how the investment managers engage in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to the investment managers' engagement policies or suitable alternatives are provided in the Appendix.

These policies are publicly available on the investment managers' websites.

Appendix 2 – Engagement Policy Implementation Statement for the year ending 5 April 2022 (continued)

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

	MFS Global Equity	LGIM Absolute Return Bond
Period	01/04/2021-31/03/2022	01/04/2021-31/03/2022
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.
Number of companies engaged with over the year	Not provided	57
Number of engagements over the year	92	125

Engagement		
	TwentyFour Sustainable Short Term Bond Income	TwentyFour Sustainable Enhanced Income ABS
Period	01/04/2021-31/03/2022	01/04/2021-31/03/2022
Engagement definition	We currently count engagements to gather missing data or challenge data as engagements as within our universe (including High Yield and ABS) the data availability through 3rd party databases is still very low.	
Number of companies engaged with over the year	37	95
Number of engagements over the year	46	221

Exercising rights and responsibilities

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

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

The investment managers publish online the overall voting records of the firm on a regular basis.

Investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustee does not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

Appendix 2 – Engagement Policy Implementation Statement for the year ending 5 April 2022 (continued)

The Trustee considers the proportion of votes cast, and the proportion of votes against management, to be important (but not the only) indicators of investor behaviour.

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

Voting behaviour	
	MFS Global Equity
Period	01/04/2021-31/03/2022
Number of meetings eligible to vote at	89
Number of resolutions eligible to vote on	1,473
Proportion of votes cast	100.0%
Proportion of votes for management	93.4%
Proportion of votes against management	6.6%
Proportion of resolutions abstained from voting on	0.0%

Trustee's assessment

The Trustee will be undertaking a detailed review of each manager's environmental, social and governance policies or their voting and engagement activities and accept that the way in which investment managers exercise their rights and engagement activities may differ from the Trustee's policies as set out in the Statement of Investment Principles.

The Trustee recognises that engagement and voting policies, practices and reporting, will continue to evolve over time and intend to review the way in which they monitor and engage with their investment managers over the next year.

The Trustee is supportive of the investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix 3 – Links to Engagement Policies

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

Investment manager	Engagement policy	Annual disclosure statement
Barings Asset Management Limited	https://www.barings.com/en-gb/institutional/esg/esg-in-investing	https://bwebprod.blob.core.windows.net/assets/user/media/Vote%20Summary%20Disclosure%20-%20March%202022.pdf
Insight Investment Management	https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/responsible-investment-policy.pdf	https://www.insightinvestment.com/investing-responsibly/insights-equity-voting-records/
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf	https://www.lgim.com/uk/en/capabilities/investment-stewardship/
MFS Investment Management	https://www.mfs.com/content/dam/mfs-enterprise/mfscom/backlot/Directive%20II%20-%20InstiCli.pdf	https://www.mfs.com/en-gb/institutions-and-consultants/insights/sustainable-investing/proxy-voting-policies-procedures.html
Morgan Stanley Investment Management	https://www.morganstanley.com/im/publication/msinvf/material/engagementpolicy_msinvf_msfunksuk_globalsustain_en.pdf	https://www.morganstanley.com/im/en-gb/institutional-investor/about-us/proxy-voting-en-gb/vote-summary-report.desktop.html
TwentyFour Asset Management	https://www.twentyfouram.com/engagement-at-twentyfour	-

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

MFS Global Equity	Vote 1	Vote 2	Vote 3
Company name	Nestle SA	Carrier Global Corp.	Omnicom Group Inc.
Date of Vote	15/04/2021	19/04/2021	04/05/2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.28%	0.24%	0.27%
Summary of the resolution	Reelect Kasper Rorsted as Director	Elect Director Jean Pierre Garnier	Report on Political Contributions and Expenditures

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How the fund manager voted	Against Management	Against Management	Against Management
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.		
Rationale for the voting decision	The nominee attended less than 75% of the board and committee meetings that they were scheduled to attend during the previous fiscal year without a valid excuse (e.g. illness, work on behalf of the company, service to the nation). As such, a vote against the proposal was warranted.	MFS voted against the re-election of one director due to what we believe to be insufficient gender diversity on the board of directors. Specifically, less than 15% of the board comprises gender-diverse directors.	MFS voted in favor of the proposal as we believe shareholders would benefit from additional disclosures regarding the company's political contributions and lobbying activity.
Outcome of the vote	61.68%	85.71%	51.03%
Implications of the outcome	We will continue to monitor attendance levels and vote against directors as appropriate. We embrace opportunities to engage with companies on issues such as this.	We embrace opportunities to engage with issuers on issues such as this and seek productive dialogues around gender diversity and the broader diversity among directors.	This level of support demonstrates clear shareholder concern. We expect to see the issuer work to resolve the issue brought forth in this majority-supported proposal.
Criteria on which the vote is assessed to be "most significant"	For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc.		

Information on the most significant engagement case studies for the MFS as a company for the funds containing public equities or bonds as at 31 March 2022 (latest available) is shown below:

MFS	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Comcast Corporation	Rolls Royce Holdings PLC	PPG Industries Inc.
Topic	Governance - Remuneration; Governance - Board effectiveness; Social - Conduct, culture and ethics; Strategy, Financial and Reporting - Capital allocation.	Environment - Climate Change	Environment - Natural resource use/impact; Social - Human capital management; Strategy, Financial and Reporting - Risk management; Governance - Leadership - Chair/CEO

Rationale	<p>Illustrates a number of core MFS practices as active owners - regular dialogue, collaboration within MFS and with the company, long term approach, resulting in recent signs of improvement.</p> <p>Objective: Ensure quality and independence of board, given shareholding structure, combined CEO & CH role, executive compensation culture, historical capital allocation policy and apparent valuation discount.</p> <p>MFS is supportive of the UN Sustainable Development Goals (SDGs). We consider them to be a critical framework through which economic activity can reduce and reverse the degradation of environment and society caused by human activity to date, and promote responsible economic activity in the future. We actively consider the impact of the SDGs on our company-specific and thematic ESG research. For example, our MFS portfolio management team has invested in a wide variety of companies that are helping to build resilient infrastructure, improve safety and increase energy efficiency.</p>	<p>Illustrates our involvement with Climate Action 100+ Rolls Royce engagement group.</p> <p>Objective: To enhance our ability to engage with the company on both its own decarbonization plans and how its technology can help other companies further down in the aviation supply chain to decarbonize.</p> <p>MFS is supportive of the UN Sustainable Development Goals (SDGs). We consider them to be a critical framework through which economic activity can reduce and reverse the degradation of environment and society caused by human activity to date, and promote responsible economic activity in the future. We actively consider the impact of the SDGs on our company-specific and thematic ESG research. For example, our MFS portfolio management team has invested in a wide variety of companies that are helping to build resilient infrastructure, improve safety and increase energy efficiency.</p>	<p>Illustrates how we approach important industry issues such as sustainability and succession planning.</p> <p>Objective: To discuss the growth potential of their 'sustainable' products, the subject of tracking of water stress; to question the voluntary front line staff turnover in the firm; to open an engagement item on the approach to cyber security and to discuss the increasing importance that the board is placing on CEO succession planning.</p> <p>MFS is supportive of the UN Sustainable Development Goals (SDGs). We consider them to be a critical framework through which economic activity can reduce and reverse the degradation of environment and society caused by human activity to date, and promote responsible economic activity in the future. We actively consider the impact of the SDGs on our company-specific and thematic ESG research. For example, our MFS portfolio management team has invested in a wide variety of companies that are helping to build resilient infrastructure, improve safety and increase energy efficiency.</p>
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What the investment manager has done

While the engagement described below took place during the one year timeframe to end March 2022, engagement may have been ongoing for a number of years. At a firm level we have open dialogue with companies that are long-term in nature.

Led by: Investment team, Proxy Voting team, Covering industry analyst.

There have been various meetings over several years with different Comcast representatives including CEO/CH, CFO, IR, Lead Independent Director, Head of Governance and Chief Legal Officer & Corporate Secretary and also with other companies in the industry.

Proxy led engagement dialogues over the last five years have focused largely on compensation, board structure, director refreshment and the board's oversight of certain issues.

In February 2021, MFS analysts met with Comcast's chief legal officer and corporate secretary to discuss governance issues. MFS generally supports the separation of the roles of CEO and board chair, which is widely regarded as best practice for avoiding any perceived or actual conflict of interest given the board's role as a check to ensure that management is running the company effectively. Currently, Comcast believes its CEO is well suited to act in both capacities simultaneously. We will continue to

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Led by: Covering industry analyst, portfolio managers.

Collaborative engagement: MFS is an investor member of Climate 100+ and is an active participant in the group.

Our team had a number of engagements with Rolls Royce during Q1 2021, including with their chief people officer and chief sustainability officer. MFS also joined the Climate Action 100+ Rolls Royce engagement group.

During Q2 2021, the team engaged with Rolls Royce both individually and on a collective basis as part of our ongoing Climate Action 100+ engagement. Our conversations focused on the company's efforts to reduce the climate impacts of air travel, with a particular focus on sustainable aviation fuels and alternative propulsion technologies (e.g., hydrogen).

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Led by: Analyst team, Stewardship team.

During Q4 2021, MFS met with this speciality chemicals company. We discussed the growth potential of their 'sustainable' products and opened the subject of tracking of water stress, with the intent to continue this conversation in future engagements. We questioned the voluntary front line staff turnover in the firm, which is higher than their peers. We opened an engagement item on the approach to cyber security, which is currently outsourced to outside consultants. We also discussed the increasing importance that the board is placing on CEO succession planning.

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monitor the situation closely.

The team also engaged on executive compensation, which we deem to be excessive, during the meeting. While there appear to be plans to amend executive remuneration to align with better governance practices and bring Comcast in line with some of its competitors, it also appears that the

absolute level of compensation will stay the same. Due to these ongoing governance concerns, the covering analyst applied a discount to our fair value estimate of Comcast.

In November 2021, MFS followed up an engagement with Comcast, by sending a formal letter asking it to disclose employee turnover data. We sent the same letter a year ago, and it explains our perspective on the matter, summarily we believe that an organization's culture is critical to its long-term success or failure, and a crucial driver of long-term value creation.

Outcomes and next steps	So far, the result of the various engagements over several years has been increasing confidence around the broad governance issues at Comcast – for example management change at NBCU, changes in capital allocation policy (buyback, increased dividend) discussion of performance related compensation metrics, board diversity. Our equity analyst continues to apply a	Our team found that Rolls Royce has already run both large and small engines on 100% sustainable aviation fuels. However, the adoption of such fuels will likely continue to be constrained by regulation for some time. The team was more positive on the company's small modular nuclear reactor business. Rolls Royce is going to manufacture these small module reactors in a	We will continue to track and monitor.
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<p>valuation discount for these concerns but directionally is encouraged.</p> <p>On proxy led engagement dialogues, we have observed improvements to the compensation program, including stricter performance hurdles and extended vesting periods, which have incorporated feedback from shareholders.</p> <p>From February 2021 meeting: Due to these ongoing governance concerns, the covering analyst applied a discount to our fair value estimate of Comcast.</p> <p>From November 2021 meeting: We commended Comcast on their diversity and composition disclosures and much appreciate the progress they have made. We do not feel like there is a 'correct' absolute level or trend for employee attrition but think disclosure can facilitate a dialogue from which we can understand the reasons for changes and long-term objectives of the company. We also sent examples of other companies in the telecom industry who we think are doing a particularly good job in this area.</p> <p>We will continue the dialogue and monitoring of the framework.</p>	<p>central facility which will reduce time to energy production and the higher costs associated with traditional reactor construction.</p> <p>Learnings from these Q2 2021 meetings with Rolls Royce were combined with related research on other, similar companies (such as Ryanair) to inform a dedicated sector team meeting on climate risks and opportunities in aviation.</p> <p>Going forward the team will track Rolls Royce's progress on publishing a clearer pathway towards net zero emissions, including its approach to lowering scope 3 emissions, which represent the bulk of its total emissions.</p> <p>Additionally, the team plans to closely monitor and engage on Roll's Royce's strategic investment in technology. The covering analyst notes the risk of regulation on customer demand favoring technologies other than those in which the company has invested to become a leader. Given the pace of technology, loss of market share from bad bets is a significant risk.</p>
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Information on the most significant engagement case studies for LGIM as a company for the funds containing public equities or bonds as at 31 December 2021 (latest available) is shown below:

LGIM - Firm-level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	BP	McDonalds	Experian

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Topic	Climate Transition	Antimicrobial resistance	Financial Inclusion
Rationale	<p>Our work with the Institutional Investor Group on Climate Change (IIGCC) is a crucial part of our approach to climate engagement. IIGCC is a founding partner and steering committee member of Climate Action 100+ (CA100+), a global investor engagement initiative with 671 global investor signatories representing \$65 trillion in assets that aims to speak as a united voice to companies about their climate transition plans. We actively support the initiative by sitting on sub-working groups related to European engagement activities and proxy voting standards. We also co-lead several company engagements programmes, including at BP 5* (ESG score: 27; -11) and Fortum 5* (ESG score: 27; -11).</p> <p>UN SDG: 13 - Climate Action</p>	<p>The overuse of antimicrobials (including antibiotics) in human and veterinary medicine, animal agriculture and aquaculture, as well as discharges from pharmaceutical production facilities, is often associated with an uncontrolled release and disposal of antimicrobial agents. Put simply, antibiotics end up in our water systems, including our clean water, wastewater, rivers and seas. This in turn potentially increases the prevalence of antibiotic-resistant bacteria and genes, leading to higher instances of difficult-to-treat infections.</p> <p>In autumn 2021, LGIM worked again with Investor Action on AMR and wrote to the G7 finance ministers, in response to their Statement on Actions to Support Antibiotic Development. The letter highlighted investors' views on AMR as a financial stability risk.</p> <ul style="list-style-type: none"> • A member of our team was on the expert committee for the 2021 AMR Benchmark methodology. The benchmark, which was launched in November 2021, evaluates 17 of the world's largest pharmaceutical companies on their progress in the fight against AMR. We participated in a panel discussion on governance and stewardship around AMR. 	<p>Pay equality and fairness has been a priority for LGIM for several years. We ask all companies to help reduce global poverty by paying at least the living wage, or the real living wage for UK based employees. Income inequality is a material ESG theme for LGIM because we believe there is a real opportunity for companies to help employees feel more valued and lead healthier lives if they are paid fairly. These are important steps to help lift lower-paid employees out of in-work poverty. This should ultimately lead to better health, higher levels of productivity and result in a positive effect on communities.</p> <p>Global credit bureau Experian† (ESG score: 69; +9) has an important role to play as a responsible business for the delivery of greater social and financial inclusion.</p> <p>UN SDG 8 - Decent work and economic growth</p>

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		UN SDG 3 - Good Health & Wellbeing	
What the investment manager has done	<p>We engaged with BP's senior executives on six occasions in 2021 as they develop their climate transition strategy to ensure alignment with Paris goals.</p>	<p>During 2021, we voted on the issue of AMR. A shareholder proposal was filed at McDonald's† (ESG score: 62; +8) seeking a report on antibiotics and public health costs at the company. We supported the proposal as we believe the proposed study, with its particular focus on systemic implications, will inform shareholders and other stakeholders on the negative implications of sustained use of antibiotics by the company.</p>	<p>LGIM has engaged with the company on several occasions in 2021 and are pleased to see improvements made to its ESG strategy, encompassing new targets, greater reporting disclosure around societal and community investment, and an increasing allocation of capital aligned to transforming financial livelihoods.</p>
Outcomes and next steps	<p>Following constructive engagements with the company, we were pleased to learn about the recent strengthening of BP's climate targets, announced in a press release on 8 February 2022, together with the commitment to become a net-zero company by 2050 – an ambition we expect to be shared across the oil and gas sector as we aim to progress towards a low-carbon economy.</p> <p>More broadly, our detailed research on the EU coal phase-out earlier this year reinforced our view that investors should support utility companies in seeking to dispose of difficult-to-close coal operations, but only where the disposal is to socially responsible, well-capitalised buyers, supported and closely supervised by the state. In our engagement with multinational energy</p>	<p>The hard work is just beginning. LGIM continues to believe that without coordinated action today, AMR may be the next global health event and the financial impact could be significant.</p>	<p>The latter includes the roll-out of Experian Boost, where positive data allows the consumer to improve their credit score, and Experian Go, which is hoped to enable access for more people. The company also launched the United for Financial Health project as part of its social innovation fund to help educate and drive action for those most vulnerable.</p>

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provider RWE's senior management, for example, we have called for the company to investigate such a transfer. We think transfers like this could make the remaining transition focused companies more investable for many of our funds and for the market more generally.

Information on the most significant engagement case studies for TwentyFour Square as a company for the funds containing public equities or bonds as at 31 March 2022 (latest available) is shown below:

TwentyFour - Firm-level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Heimstaden AB - European REIT	National Express Group	Barclays
Topic	Environment - Climate change	Environment - Climate change	Social - Human capital management (e.g. inclusion and diversity, employee terms, safety)
Rationale	As part of our Carbon Emissions Engagement Policy, we reached out to Heimstaden to understand how they plan to improve their poor environmental score. We were particularly concerned by the deterioration of their environmental credentials following the acquisition of a more 'dirty' real estate company. The engagement was in relation to the Climate Action SDG.	We engaged with National Express on a range of environmental issue as part of our Carbon Emissions Engagement Policy. Our desired outcome was to assess their carbon emissions reduction plan and other environmental objectives and if substandard, push for improvements. The engagement was in relation to the Climate Action SDG.	On reviewing the gender diversity of our financial holdings, we were surprised to discover that Barclays was the worst performing in number of fields. Therefore, we decided to engage to understand in more detail what they are doing on this issue. This aligns with Gender Equality and Reduce Inequalities SDGs.
What the investment manager has done	Our Outcome Driven investment team spoke to Heimstaden's IR team in Q4 2021. While there is a lot of work to do, we were pleased by the roadmap and detail Heimstaden outlined in their response. Heimstaden was one of the first pan-European residential REITs to	This was a very detailed and largely successful engagement starting in Q3 2021 with the senior management at National Express with senior members of our Outcome Driven and Multi Sector Bond investment teams.	The engagement was from the Outcome Driven team, who manage the Absolute Return Credit Fund, but this engagement was relevant to a number of our strategies as Barclays issues are widely held (another reason to engage). The

<p>commit to the SBTi and they will reduce their GHG emissions in line with the Paris Agreement's 1.5°C global warming level.</p>	<p>We have identified specific data points which we will track and measure to ensure National Express continue to improve on their environmental credentials. We were pleased to hear they plan to publish new net zero Group targets very shortly which would align to a 1.5 degrees Celsius target, following the success they have had in reaching their 2 degrees Celsius targets.</p>	<p>engagement was via emails with the IR team and as we got very satisfactory responses, there was no need to escalate.</p>
<p>Regarding their recent acquisition of 42,500 units in Czech Republic which increased their carbon intensity, even on a per m² basis, Heimstaden will invest approximately SEK3 billion in fuel shifts and energy efficiency measures. 5,000 of these units have local boilers in the apartment blocks – they will focus on shifting from inefficient coal/gas based local boilers to more efficient central gas boilers (which can be fuelled with biogas) – the work is ongoing and will be completed within 6-7 years. It is worth noting that in 2019-20, management demonstrated they can reduce emissions from energy efficiency measures such as insulation of walls, attics and roofs, LEDs & sensors, smart control systems and optimization of heating systems – they plan to take these steps as part of their five pillar climate roadmap outlined below and thus we should expect emissions to decline in the coming years.</p>	<p>The area which is holding back the decarbonisation of the UK Bus division is the lack of hydrogen infrastructure in the UK – they have currently submitted a bid together with Transport for West Midlands (TfWM) for funding as part of the Zero Emission Bus Regional Areas (ZEBRA) funding through the National Bus Strategy, for up to 200 Hydrogen vehicles. For National Express' coach business, electric vehicle (EV) technology doesn't currently work due to the high speed and long distance of these routes so a national hydrogen infrastructure will also be required for refueling a national network. Despite the challenges National Express are facing in transforming their bus fleet, this is an area where we must see change in order to meet carbon reduction targets and wider net zero targets.</p>	
<ol style="list-style-type: none"> 1. Origin-certified renewable electricity 2. Fuel shifts 3. Energy provider improvements 4. Energy efficiency improvements 5. Encourage tenants to reduce energy 	<p>We were provided with a full breakdown of the fuel type of their bus fleet in North America, UK and Europe. Their current portfolio is very heavily</p>	

weighted to diesel vehicles, particularly in their UK operations – we fully expect this to improve and will monitor this closely. We learned that they may look to issue ESG labelled debt in the future. Additionally, in order to finance the transition to zero emissions vehicles, they may change their asset ownership model to something like the Rolling Stock Leasing company (ROSCO) model in the UK – this is certainly a positive from an ESG and credit perspective, and good for momentum. National Express has clear climate reduction targets with ambitious goals to operate a fully zero emission fleet - by 2030 in their UK bus business and by 2035 in the UK coach business.

<p>Outcomes and next steps</p>	<p>One point worth noting, is that it is more efficient from a life cycle perspective, climate-wise to keep an older residential building than to demolish it and re-build a new energy efficient building. With that in mind, despite the deterioration in emissions metrics, thinking about overall societal outcomes, Heimstaden’s acquisition of ‘dirty’ companies and applying their proven climate roadmap, which is supported by a very strong balance sheet (which many smaller operators do not have), may well be the best ultimate outcome for society.</p> <p>We were satisfied with the plans that Heimstaden have and believe that their</p>	<p>We believe that public transport can be an important part of a path to Net Zero, and whilst currently all bus companies are struggling to move away from their reliance on diesel vehicles, we do think that National Express are making good efforts to move to a better carbon footprint. Whilst they, and others still have a long way to go, we are happy to support them in their transition and maintain invested in their bonds.</p>	<p>Overall, we were satisfied with the response and have no issues maintaining investment. Barclays recognise that attracting, developing and retaining top female talent is crucial to their long-term goals. In the email they detailed a number of targets in place to increase the number of female employees, directors and board members –we will monitor these and engage as necessary. They are working with recruitment partners to actively identify female talents in the market and have set gender targets for individual business areas, including actively encouraging female talent to apply for open vacancies. Their progress on this subject is a high</p>
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poor ESG scoring will improve due to the work they have already carried out. We will continue to monitor progress but remain invested.

priority and is reviewed monthly by the CEO. We don't believe that the engagement played a specific part in the response, but we are pleased to be one of many Asset Managers asking questions of senior management to ensure that these topics are addressed. We will set a review to discuss their progress at our next formal meeting.
