George Fischer Pension Scheme

Engagement Policy Implementation Statement for the year ending 31 December 2022

Introduction

This implementation statement has been prepared by the George Fischer Pension Scheme (the ‘Scheme’). The Scheme provides benefits calculated on a defined benefit (DB) basis for members.

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles (the ‘SIP’)) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 December 2022. This statement also describes the voting behaviour by, or on behalf of, the Trustees.

Trustees’ overall assessment

In the opinion of the Trustees, the policies as set out in the SIP have been followed during the year ending 31 December 2022.

Review of the SIP

The Trustees’ policies have been developed over time by the Trustees in conjunction with their investment consultant and are reviewed and updated periodically and at least every three years.

Policy in relation to the kinds of investments to be held

The Trustees have given full regard to their investment powers as set out in the Trust Deed and Rules and have considered the attributes of the various asset classes when deciding the kinds of investments to be held. The Scheme may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index linked bonds, cash, property and pooled investment vehicles considered appropriate for tax-exempt approved occupational pension schemes. The Trustees consider all of the stated classes of investment to be suitable in the circumstances of the Scheme.

All investments made during the year have been in line with their investment powers.

Investment strategy and objectives

Investment strategy

The investment strategy for the Scheme is based on an analysis of its liability profile, the required investment return and the returns expected from the various asset classes over the long-term. The Trustees review this investment strategy and the asset allocation as part of each triennial actuarial valuation. The Trustees may also reconsider the asset allocation and the investment strategy outside the triennial valuation period where necessary.

Policy in relation to the balance between various kinds of investments and the realisation of investments

The appointed indirect investment managers hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market each indirect manager maintains a diversified portfolio of stocks through pooled vehicles.

The Trustees require the indirect investment managers to be able to realise the Scheme's investment in a reasonable timescale by reference to the market conditions existing at the time the disposal is required.

During the year, the Trustees received training on the Diversified Return Fund by Nordea.

Policy in relation to the expected return on investments

The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary's published actuarial valuation report to reach / maintain a fully funded status under the agreed assumptions.

Risk capacity and risk appetite

Policy in relation to risks

Although the Trustees acknowledge that the main risk is that the Scheme will have insufficient assets to meet its liabilities, the Trustees recognise other contributory risks, including the following. Namely the risk:

- Associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors.
- Of the Scheme having insufficient liquid assets to meet its immediate liabilities.
- Of the indirect investment managers in aggregate failing to achieve the required rate of return.
- Due to the lack of diversification of investments.
- Of failure of the Scheme's Sponsoring Employer to meet its obligations.

The key strategic risks were assessed during the year as part of the investment strategy review.

The liquidity and cashflow risks were assessed as part of the cashflow review dated November 2022.

The Trustees monitor indirect investment manager risks through the biannual performance monitoring reports and cost disclosure documents provided by and discussed with the investment consultant.

Two monitoring reports were received during the year. These did not highlight any significant concerns over the level of risk being run within the Scheme.

Stewardship in relation to the Scheme assets

Policies in relation to indirect investment manager arrangements

The Scheme's assets are invested in pooled funds which have their own policies and objectives and charge a fee, set by the indirect investment managers, for their services. The Trustees have very limited to no influence over the objectives of these funds or the fees they charge (although fee discounts can be negotiated in certain circumstances).

The Trustees receive information on any trading costs incurred as part of asset transfer work within the Scheme, as and when these occur. The exercise is only undertaken if the expected benefits outweigh the expected costs.

The Trustees completed an LDI Rebalancing exercise in April 2022 following the annual hedging review. Information on estimated switching costs incurred was included in the 11 March 2022 pre-transfer letter.

The Trustees also completed a portfolio rebalancing exercise in October 2022 following a series of LDI capital calls to increase the Scheme's capital buffer. Information on estimated switching costs incurred was included in the 14 October 2022 pre-transfer email.

The indirect investment managers have invested the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation. In return the Trustees have paid their indirect investment managers a fee which is a fixed percentage of assets under management.

The investment consultant has reviewed and evaluated the indirect investment managers on behalf of the Trustees, including performance reviews, manager oversight meetings and operational due diligence reviews.

Indirect Investment manager monitoring and changes

During the year the Trustees received two reports from the investment consultant examining the performance of the pooled funds used. The Trustees also received reports directly from the platform provider.

Appropriate written advice will be taken from the investment consultant before the review, appointment, or removal of the indirect investment managers.

Stewardship of investments

The Trustees have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long-term. The Trustees can promote an investment’s long-term success through monitoring, engagement and/or voting, either directly, via the platform provider or through their indirect investment managers.

The Trustees, in conjunction with their investment consultant, appoints their platform provider and indirect investment managers and choose the specific pooled funds to use in order to meet specific policies. They expect their indirect investment managers to make decisions based on assessments about the financial and non-financial performance of underlying investments (including environmental, social and governance (ESG) factors, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme’s performance) over an appropriate time horizon.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

The Trustees also expect their indirect investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

During the year, the Trustees received training from their investment consultant on ESG issues, including stewardship and engagement.

Stewardship - monitoring and engagement

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

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

The Trustees also delegate responsibility for engaging and monitoring investee companies to the indirect investment managers and they expect the indirect 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 Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

Indirect Investment manager engagement policies

The Scheme's indirect investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how each indirect investment manager engages 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 indirect 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 each indirect investment manager's engagement policy or suitable alternative is shown in the appendix.

These policies are publicly available on each of the investment manager's websites.

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

Engagement	LGIM Global (ex UK) Fixed Weights Equity Index Fund	LGIM Global Equity Fixed Weights (50:50) Index Fund - GBP Currency Hedged	LGIM Active Corporate Bond – Over 10 year Fund	M&G Total Return Credit Investment Fund
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.			

Number of companies engaged with over the year	247	380	38	9
Number of engagements over the year	387	593	73	12

Engagement	Nordea Diversified Return Fund
Period	01/01/2022-31/12/2022
Engagement definition	Nordea's engagement activities entail constructive dialogues with companies through face-to-face meetings, conference calls, letters or even field visits. As such, it provides an opportunity to improve their understanding of companies that they invest in as well as the ability to influence them. Nordea engage proactively with companies and other stakeholders on behalf of all internally managed Nordea funds. Nordea's engagement activities are carried out on behalf of all their funds, and follow this process: o Engagement selection process o Engagement plan with objective o Research and meeting o Report progress or escalate
Number of companies engaged with over the year	72
Number of engagements over the year	109

Exercising rights and responsibilities

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

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

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

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

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

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

Voting behaviour	LGIM Global (ex UK) Fixed Weights Equity Index Fund	LGIM Global Equity Fixed Weights (50:50) Index Fund - GBP Currency Hedged	Nordea Diversified Return Fund
Period	01/01/2022-31/12/2022	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Number of meetings eligible to vote at	2,271	3,197	193
Number of resolutions eligible to vote on	28,500	40,837	2,363
Proportion of votes cast	99.7%	99.8%	98.8%
Proportion of votes for management	77.0%	82.0%	84.5%
Proportion of votes against management	22.8%	17.9%	9.0%
Proportion of resolutions abstained from voting on	0.2%	0.1%	1.7%

Trustees' engagement

The Trustees have undertaken a review of each indirect investment manager's engagement policy including their policies in relation to financially material considerations.

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

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

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

The Trustees have reviewed the indirect investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

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

Appendix

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

Investment manager	Engagement policy
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
Nordea Asset Management	https://www.nordea.lu/documents/static-links/NIM_AB_Engagement_Policy.pdf/
M&G Investment Management	https://www.mandg.com/~/media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mg-investments-engagement-policy-may-2020.pdf

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

LGIM Global (ex UK) Fixed Weights Equity Index Fund	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Amazon.com, Inc.	LVMH Moet Hennessy Louis Vuitton SE
Date of Vote	04/03/2022	25/05/2022	21/04/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.9	0.9	0.9
Summary of the resolution	Resolution 9 - Report on Civil Rights Audit	Resolution 1f - Elect Director Daniel P. Huttenlocher	Resolution 5 – Re-elect Bernard Arnault as Director
How the fund manager voted	For	Against	Against
Where the fund manager voted against management, did	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		

they communicate their intent to the company ahead of the vote			
Rationale for the voting decision	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.	Joint Chair/CEO: A vote against is applied as LGIM expects companies not to combine the roles of Board Chair and CEO. These two roles are substantially different, and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.
Outcome of the vote	53.6%	93.3%	92.0%
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is assessed to be "most significant"	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 they have supported shareholder

			proposals seeking the appointment of independent board chairs, and since 2020 they have voted against all combined board chair/CEO roles.

LGIM Global Equity Fixed Weights (50:50) Index Fund - GBP Currency Hedged	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Royal Dutch Shell Plc	BP Plc	Rio Tinto Plc
Date of Vote	24/05/2022	12/05/2022	08/04/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.4	1.5	1.3
Summary of the resolution	Resolution 20 - Approve the Shell Energy Transition Progress Update	Resolution 3 - Approve Net Zero - From Ambition to Action Report	Resolution 17 - Approve Climate Action Plan
How the fund manager voted	Against	For	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Voted in line with management.	Voted in line with management.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not

			limited to shareholder meeting topics.
Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. They acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	Climate change: A vote FOR is applied, though not without reservations. While LGIM note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is their view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, they remain committed to continuing their constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.	Climate change: LGIM recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while they acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, they remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.
Outcome of the vote	79.9%	88.5%	84.3%

Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is assessed to be "most significant"	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.

Nordea Diversified Return Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Johnson & Johnson	Microsoft Corporation	Monster Beverage
Date of Vote	28/04/2022	13/12/2022	14/06/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.9%	3.6%	1.3%
Summary of the resolution	Report on government financial support and access to COVID-19 vaccines and therapeutics (shareholder proposal).	Report on tax transparency.	Report on GHG emission reduction targets aligned with the Paris Agreement goal.
How the fund manager voted	For	For	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	No	No	No

Rationale for the voting decision	Nordea think reporting on the impact of public funding on the company's pricing and access plans would allow shareholders to better assess the company's management of related risks.	Nordea voted for the shareholder proposal as the proposed GRI Tax Standard would enhance the company's transparency in communicating its tax practices to investors globally.	Nordea think that additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and climate change related risks.
Outcome of the vote	Against	Against	Against
Implications of the outcome	Nordea will continue to support shareholder proposals on this issue as long as it is needed.	Nordea will continue to support shareholder proposals on this issue as long as it is needed.	Nordea will continue to support shareholder proposals on this issue as long as the company is not showing substantial improvements.
Criteria on which the vote is assessed to be "most significant"	Significant votes are those that are severely against their principles, and where Nordea feel they need to enact change in the company.		

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
Topic	Climate Transition	Antimicrobial resistance	Financial Inclusion
Rationale	LGIM's work with the Institutional Investor	The overuse of antimicrobials	Pay equality and fairness has been a

	Group on Climate Change (IIGCC) is a crucial part of their 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. LGIM actively support the initiative by sitting on sub-working groups related to European engagement activities and proxy voting standards. LGIM also co-lead several company engagements programmes, including at BP 5* (ESG score: 27; -11) and Fortum 5* (ESG score: 27; -11). UN SDG: 13 - Climate Action	(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. 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. UN SDG 3 - Good Health & Wellbeing	priority for LGIM for several years. They 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 they 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. 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. UN SDG 8 - Decent work and economic growth
What the investment manager has done	LGIM engaged with BP's senior executives on six occasions in 2021 as	During 2021, LGIM voted on the issue of AMR. A shareholder proposal was filed at	LGIM has engaged with the company on several occasions in 2021 and are pleased

	they develop their climate transition strategy to ensure alignment with Paris goals.	McDonald's seeking a report on antibiotics and public health costs at the company. LGIM supported the proposal as they 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.	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.
Outcomes and next steps	Following constructive engagements with the company, LGIM 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 LGIM expect to be shared across the oil and gas sector as they aim to progress towards a low-carbon economy. More broadly, LGIM's detailed research on the EU coal phase-out earlier this year reinforced their view that investors should support utility companies in seeking to dispose of difficult-	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.	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.

	to-close coal operations, but only where the disposal is to socially responsible, well-capitalised buyers, supported and closely supervised by the state. In LGIM's engagement with multinational energy provider RWE's senior management, for example, LGIM have called for the company to investigate such a transfer. LGIM think transfers like this could make the remaining transition focused companies more investable for many of their funds and for the market more generally.		

Information on the most significant engagement case studies for Nordea as a company for the funds containing public equities or bonds as at 31 December 2022 is shown below:

Nordea - Firm-level	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	Waste Management	Kerry Group plc	The Middleby Corporation
Topic	Environment - Climate change	Governance - Executive remuneration	Environment - Climate change
Rationale	Waste Management Inc. ("Waste Management") provides services which include the collection, transfer, recycling, resource	Kerry Group plc is a provider of taste and nutrition solutions. The company serves the food, beverage and pharmaceutical industries, and is a	The Middleby Corporation designs and manufactures foodservice equipment. The company's products provide for diverse

	recovery and disposal of waste. Waste Management is one of the largest waste management companies in North America. The company has more than 26,000 garbage trucks, more than 50,000 employees and operates 268 landfills. Nordea Asset Management is a founding member and signatory of the Net Zero Asset Managers ("NZAM") initiative, a global coalition of asset managers working for the achievement of net-zero greenhouse gas emissions by 2050, and adopted a historic set of climate targets to support this ambition. For companies in high carbon emitting sectors such as waste management Nordea Asset Management engages to understand their decarbonisation strategy, and they have been in dialogue with Waste Management since 2019.	supplier of branded and customer branded foods to Ireland, the United Kingdom and certain international markets. It has been an enabler and contributor to healthier food solutions and demonstrated progress on various ESG topics in recent years. Many of the Kerry's clients have made strong commitments to sustainable sourcing. The ongoing pandemic had significant impact on the company in several levels and has accelerated some of the trends the company is exposed to. Nordea's focus on this engagement was related to the company's corporate governance and the executive remuneration in particular. This engagement is connected to the Goal 16 of the UN Sustainable Development Goals - Peace, Justice and Strong Institutions.	traditionally energy intensive use cases in commercial kitchens and restaurants. Several of its products provide the ability to monitor equipment via IoT (Internet of Things) and automate processes across commercial kitchen appliances. Clients can leverage the technology in order to save energy, enhance food safety and improve the overall sustainability of their operations. In developed countries, cooking and storage of food represents a large part of the energy consumption of commercial buildings. Most commercial kitchen appliances come with high consumption of electricity, water and gas – thus leaving a large environmental footprint. Some – but not all – of the company's products deliver solutions that improve energy efficiency.
What the investment manager has done	The waste management sector is among the largest emitting source of	Prior to their latest correspondence, the company reached out to Nordea to gain	While Nordea acknowledge that the company continuously invests in research

	carbon dioxide, but also methane globally. When Nordea initiated the dialogue with Waste Management in 2019 they were enquiring climate and environmental data reported according to TCFD. Waste Management was already reporting climate and environmental data to CDP Climate Change and has since 2017 received the best grade (A). In 2020, Waste Management has disclosed their TCFD reporting publicly. This indicates that the company is well aware of the environmental challenges and risks of its business model, measures them and would eventually be able to set carbon emission targets. They did set a carbon abatement target of x3 to x4 carbon emitted in their operations, which in Nordea's view does not demonstrate a clear decarbonisation strategy since this does not address absolute emission reduction to be aligned with below 2 degrees scenario,	feedback and insights from shareholders regarding a proposal from the Board Remuneration Committee. Before the publication of the Director's Remuneration Report, Nordea have had a meeting with the Chairman of the Remuneration Committee to discuss the context and background for the proposed change as well as the details of the final proposals in the 2021 Directors' Remuneration Report. The key proposals include (a) refining the annual short-term performance margin progression metric and (b) making an adjustment to the vesting of the 2019 long term incentive program. During the meeting Nordea also shared that they appreciate that sustainability KPI's are included in the Long Term Incentive Plan (LTIP) performance metrics with significant weights.	and development for new energy- and cost-efficient products in order to meet the surge in demand, they also raised that the company is lacking transparency on its sustainability efforts for both its operations and on its products. Having published the last sustainability report in 2019, the company is now working on an update to be published in Q3 2022. Further, Nordea raised that third party certifications for its operations (e.g. ISO 14001 for manufacturing sites) and its products (e.g. 'Energy Star') could increase investor conviction in the ESG case a climate beneficiary.

	especially for GHG Scope 1 and 2. Nordea Asset Management has met with Susan Robinson, Sustainability & Policy Director at Waste Management to discuss how Waste Management is considering absolute carbon emission reduction targets including fugitive emissions, and when these will be approved by the Science-Based Target initiative ("SBTi").		
Outcomes and next steps	In 2021 Waste Management has realised that the climate expectations were changing and that their x4 target (abate x4 the amount they emit) was insufficient. Together with an external consultant they are now working to set a 1.5 degree aligned absolute reduction target, with the ambition of reducing absolute greenhouse gas emissions for scope 1 and 2 by as much as 42% by 2030 compared to the 2021 level. The target will be released mid-2022 and seek SBTi validation. Nordea see this as a serious decarbonisation	As in previous years, the Remuneration Report is being put to shareholders for an advisory vote at the AGM. Last year, 99% of the shareholders who voted, voted in favour of the Remuneration Report and Nordea will support this year's Remuneration Report with the changes proposed on the vesting level for the 2019 LTIP.	The company informed Nordea that there is currently no formal process ensuring its energy saving products are certified by third parties. This is a low hanging fruit for which the company welcomed their feedback. With regards to its own operations and manufacturing, the company has recently started working on collecting the necessary data in order to increase energy efficiency. Nordea will follow up and continue engaging the company in due course during the year considering its

	commitment demonstrating a 1.5 degree scenario alignment where Waste Management's focus is on better emission measurement, capture and biogas conversion that can be used as a renewable fuel in their collection fleet. The targets apply to carbon dioxide; Waste Management estimates 80% of methane emissions are captured based on modelling, and is working on improving modelling capabilities of fugitive emissions. Recycling ambitions will also be formulated together with the targets to be released later this year. This is a positive improvement Nordea are looking forward to seeing communicated later this year. Once the targets are disclosed, they plan on following-up with the link of Management Incentive programs to ESG metrics.		disclosure in the upcoming sustainability report.