

Engagement Policy Implementation Statement (“EPIS”)

Catalent UK Retirement and Death Benefit Plan (the “Plan”)

Plan Year End – 31 May 2023

The purpose of the EPIS is for us, the Trustees of the Catalent UK Retirement and Death Benefit Plan, to explain what we have done during the year ending 31 May 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

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

Our conclusion

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

In our view, most of the Plan’s material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

We delegate the management of the Plan’s assets to our fiduciary manager, Aon Investments Limited (“Aon”). We believe the activities completed by our fiduciary manager to review the underlying managers’ policies and practices on voting and engagement align with our stewardship expectations.

Details on our Engagement Action Plan can be seen further in the statement.

Some investment managers were unable to provide all the stewardship information requested. With the support of our fiduciary manager, we will engage with these managers to encourage them to provide more detailed and meaningful disclosures about their stewardship activities and better understand their engagement practices.

How voting and engagement policies have been followed

The Plan is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Plan's investment managers, which is in line with our policy. We reviewed the stewardship activity of the material investment managers carried out over the Plan year and in our view, most of the investment managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon. In particular, we received quarterly Environmental Social Governance ("ESG") ratings from Aon for the funds the Plan is invested in where available.

Each year, we review the stewardship activity of the Fiduciary Manager to ensure the Plan's stewardship policy is being appropriately implemented in practice. We engage with our Fiduciary Manager as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned.

We engage with our Fiduciary Manager, who in turn is able to engage with underlying asset managers, investee companies or other stakeholders, on matters including the performance, strategy, risks, social and environmental impact, corporate governance, capital structure, and management of actual or potential conflicts of interest, of the underlying investments made. Where a significant concern is identified, we consider, on a case by case basis, a range of methods by which we would monitor and engage so as to bring about the best long-term outcomes for the Plan.

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

<https://cdn.catalent.com/files/locations/Catalent-UK-Retirement-and-Death-Benefit-Plan-SIP.pdf>

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

1. We, with the support of our fiduciary manager, will engage with the following managers to inform them of our expectations of better disclosures in the future:
 - a. Legal and General Investment Management ("LGIM") provided a comprehensive list of fund-level engagements, which we find encouraging, however it did not provide detailed engagement examples specific to the funds in which we are invested, as per the industry standard.
 - b. Harris did not provide all the engagement data requested & GreenOak did not provide firm level engagement data.
 - c. Marshall Wace did not provide any engagement information requested.

What is stewardship?

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

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

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

Source: UN PRI

- d. BlackRock did not provide engagement information requested for the UK Property Fund. Whilst the opportunities for engagement with property funds are not as extensive as they are for other investments, such as equity and corporate bonds, we would still expect the manager to demonstrate and report on some level of engagement; for example, by engaging with tenants and the local community to address potential issues and drive change, as per the guidance issued by the Pension and Lifetime Saving Association ("PLSA").
 - e. Schroders did not provide fund-level engagement information. Schroders said that its third party property managers are responsible for the day-to-day relationship with tenants and therefore engagement is difficult to quantify.
 - f. GQG's, Marshall Wace's and Harris' significant vote examples lacked some of the requested information.
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- 2. We will invite our fiduciary manager to a meeting with the aim of better understanding how it is monitoring voting practices and engaging with underlying managers on our behalf, and how these help us fulfil our Responsible Investment policies.
 - 3. We will undertake more regular meetings with our fiduciary manager if required, to ensure our fiduciary manager is using its resources to effectively influence positive outcomes in our relevant funds.

Our fiduciary manager's engagement activity

We delegate the management of the Plan's defined benefit assets to our fiduciary manager, Aon.

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

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

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

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

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

What is fiduciary management?

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

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

Our managers' voting activity

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

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

Voting statistics

The table below shows the voting statistics for each of the Plan's material funds with voting rights for the year to 31 March 2023. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2023 which broadly matches the Plan year.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM Multi-Factor Equity Fund	11,712	99.8%	20.2%	0.1%
GQG Global Equity Fund	816	99.8%	10.3%	4.7%
Harris Global All Cap Equity Strategy	889	100.0%	8.0%	0.0%
Marshall Wace Market Neutral ESG TOPS Fund	3,973	87.5%	7.7%	13.7%

Source: Managers

Use of proxy voting advisers

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

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

Why is voting important?

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

Source: UN PRI

Why use a proxy voting adviser?

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

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

	Description of use of proxy voting advisers (in the managers' own words)
LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services' (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
GQG	To augment our independent research, we use Institutional Shareholder Services Inc. ("ISS") as an additional source of information to guide our voting. While we find ourselves voting with ISS on the majority of issues, we do not blindly follow their lead and will vote against their recommendations when we deem it necessary.
Harris	Harris Associates uses ISS for proxy voting advisory services. The manager uses its own Proxy Voting Policy, except where the analyst covering a stock recommends voting otherwise. In these cases, final decision rests with its Proxy Voting Committee.
Marshall Wace	Marshall Wace has developed a customised firm-wide ESG voting policy using the Glass Lewis ESG service. Whilst Glass Lewis have recently rolled out their own ESG voting policy criteria, we have chosen to adapt this further according to our own specific criteria.

Source: Managers

Significant voting examples

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

Our managers' engagement activity

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

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

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
LGIM Multi-Factor Equity Fund	279	1,224	Environment – Climate change Social – Human and labour rights (e.g., supply chain rights, community relations), Human capital management (e.g., inclusion & diversity, employee terms, safety), Inequality, Public health Governance – Remuneration, Board effectiveness – Diversity Strategy, Financial and Reporting - Strategy/Purpose, ESG Scores
GQG Global Equity Fund	36	80	Environment – Climate change, Pollution and waste Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human capital management (e.g. inclusion & diversity, employee terms, safety) Strategy, Financial and Reporting - Risk management (e.g., operational risks, cyber/information security, product risks)
Harris Global All Cap Equity Strategy			<i>Not provided</i>
Aegon – European Asset Backed Securities Fund	132	441	Environment – Climate change, Natural resource use/impact (e.g. water, biodiversity) Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance - Board effectiveness - Independence or Oversight, Remuneration Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)
T. Rowe Price – Dynamic Global Bond Fund	16	778	Environment – Pollution, Waste, Climate change Social – Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance – Remuneration Strategy, Financial and Reporting – Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, Capital allocation
M&G – Sustainable Total Return Credit Investment Fund	7	157	Environment – Climate change, Net Zero Social – Human and labour rights (e.g. supply chain rights, community relations), Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying) Governance – Remuneration, Leadership – Chair/CEO
Abnrdn – Climate Transition Bond Fund	44	2,484	Strategy, Financial and Reporting – Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Financial performance, Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks) Climate, Environment, Human Rights & Stakeholders, Corporate Behaviour, Corporate Governance

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
L&G Global Diversified Credit Sustainable Development Goals ('SDG') Fund	58	1,224	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity), Social – Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health, Governance - Board effectiveness - Diversity, Board effectiveness - Other, Remuneration, Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, and others.
BlackRock – Absolute Return Bonds Fund	391	3,886	Environment - Climate Risk Management, Operational Sustainability Social - Human Capital Management, Social Risks and Opportunities Governance - Corporate Strategy, Remuneration
Schroders Real Estate Fund*	<i>Not provided</i>	>2800	Environment - Climate change, Pollution, Waste Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying) Governance – Remuneration, Shareholder rights
BlackRock Property Fund	<i>Not provided</i>	3,886	<i>Not provided</i>
GreenOak RE UK Secured Lending Fund II	2	<i>Not provided</i>	Environment - Climate change, Pollution, Waste, and others Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human and labour rights (e.g. supply chain rights, community relations) and others Governance - Board effectiveness – Diversity, Independence or Oversight and others Strategy, Financial and Reporting - Capital allocation, Strategy/purpose and others
Marshall Wace Market Neutral ESG TOPS Fund			<i>Not provided</i>

Source: Managers. The following managers did not provide fund level themes; themes provided are at a firm-level:

- Schroders
- Aegon

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- Harris did not provide any engagement information and said it does not track the engagement metrics.
- Marshall Wace did not provide any engagement information requested.
- GQG's, Marshall Wace and Harris' significant vote examples lacked some of the requested information.
- GreenOak did not provide firm level engagement information.
- Schroders did not provide fund-level engagement information. Schroders commented that Property Managers are responsible for the day-to-day relationship with tenants and therefore difficult to quantify.
- LGIM and BlackRock did provide fund-level engagement information but not in the industry standard ICSWG template. BlackRock stated that the Investment Stewardship Team advised that BlackRock UK Property Fund does not hold publicly listed securities, hence they do not produce engagement reports.

This report does not include commentary on the Plan's liability driven investments or cash, etc because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Plan's managers. We consider a significant vote as one which the voting manager deems to be significant or a vote where more than 15% of votes were cast against management. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below

LGIM Multi-Factor Equity Fund	Company name	Alphabet Inc.
	Date of vote	1 June 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.5%
	Summary of the resolution	Report on Physical Risks of Climate Change
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
	Outcome of the vote	Failed
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.
GQG Global Equity Fund	Company name	Philip Morris International Inc
	Date of vote	May 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	<i>Not provided</i>
	Outcome of the vote	Pass
	Implications of the outcome eg were there any lessons learned and what likely future steps will	<i>Not provided</i>

Marshall Wace Market Neutral ESG TOPS Fund	you take in response to the outcome?	
	On which criteria have you assessed this vote to be "most significant"?	See policy
	Company name	NortonLifeLock Inc
	Date of vote	September 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Advisory Vote on Executive Compensation
	How you voted	Against Management
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	<i>Not provided</i>
	Rationale for the voting decision	<i>Not provided</i>
	Outcome of the vote	Pass
Harris Global All Cap Equity Strategy	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	<i>Not provided</i>
	On which criteria have you assessed this vote to be "most significant"?	<i>Not provided</i>
	Company name	Alphabet Inc.
	Date of vote	June 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	6.2%
	Summary of the resolution	Approve Recapitalization Plan for all Stock to Have One-vote per Share.
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	We agree with the proponent that a one-vote-per-share capital structure would further align economic interest and voting power. We therefore voted FOR this resolution.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	<i>Not provided</i>

**On which criteria have you
assessed this vote to be "most
significant"?**

Not provided

Source: Managers