Appendix D: Annual Implementation Statement (forming part of the Trustee Report)

Scheme year ended 31 March 2021

Section 1: Introduction

This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of the Johnson Matthey Employees Pension Scheme ("the Scheme") covering the Scheme year ("the year") to 31 March 2021.

The purpose of this statement is to:

- Detail any reviews of the Defined Benefit and Defined Contribution Statements of Investment Principles ("SIPs") that the Trustee has undertaken, and any changes made to the SIPs over the year as a result of the reviews
- Set out the extent to which, in the opinion of the Trustee, the Scheme's SIPs have been followed during the Scheme year
- Describe the engagement and voting behaviour on behalf of the Trustee over the year.

The Scheme makes use of a wide range of investments; therefore, the principles and policies in the SIPs are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact.

A copy of this implementation statement has been made available on the following website: https://elements.matthey.com/#/public-jmeps-trustee-governance-statement

Section 2: Review and changes to the SIPs

A) Defined Contribution SIP

The Defined Contribution (DC) SIP was last reviewed and updated during the Scheme year, with a revised version being published as at September 2020. The changes reflected additional policies covering:

- How arrangements with the Investment Managers incentivise the Investment Managers to align their investment strategy and decisions with the Trustee's policies
- How those arrangements incentivise the Investment Managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term
- How the method (and time horizon) of the evaluation of the Investment Managers' performance and the remuneration for asset management services are in line with the Trustee's policies
- How the Trustee monitors portfolio turnover costs incurred by the Investment Managers, and how the Trustee defines and monitors targeted portfolio turnover or turnover range; and
- The duration of the arrangements with the Investment Managers

In addition, amendments were made to existing policies covering:

- Changes to Investment Strategy, reflecting the conclusions of the strategic review which was undertaken in 2019 and implemented in July 2020.
- Expanding the Sustainable Investment policy to state that it will monitor asset managers' sustainable investment practices, including the approach to ESG integration within the investment process through desk-based research.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

B) Defined Benefit SIP

The Defined Benefit (DB) SIP was reviewed and updated in May 2020. The updates were made in May to reflect the requirement (from 1 October 2020) for the SIP to include details of the Trustee's investment manager arrangements. This covers the following:

- Investment manager structure
- Performance objectives
- Fees
- Portfolio turnover costs
- Manager turnover

The update also reflected the revised strategic benchmark allocation, with 6% of the strategic allocation moving from LDI to Multi-Asset Credit.

The DB SIP was subsequently updated in September 2020. The updates included the Trustee's policy in relation to managing liquidity risk, the method of remuneration for investment managers, and the arrangements for performance fees.

Section 3: Adherence to the SIP

The Trustee believes the policies outlined in the DC and DB SIPs have been followed during the Scheme year and the justification for this is set out in the remainder of this section. Please note that this statement only covers sections of the SIPs deemed to represent the Trustee's policies, and not introductory or background comments, or statements of fact.

A) Defined Contribution

OBJECTIVES AND INVESTMENT STRATEGY

The Trustee has met its objective of making available to members a programme of investment through the provision of three Glidepath strategies and eleven self-select fund options. They have generated income and capital growth over the long-term for members which, together with new contributions from members and the Sponsor, are expected to provide a fund at retirement with which to provide retirement benefits. The Trustee's general investment aims are as follows:

- To offer a suitable default strategy appropriate for the profile of the defaulting members that takes into account their expected risk tolerances and potential target retirement outcomes; and
- To supplement the default strategy with a range of self-select investment options which offer sufficient investment choice to satisfy members' differing risk appetites and risk profiles, and retirement objectives.

During the Scheme year the default arrangement was changed from the **Annuity Glidepath** to the **Drawdown Glidepath**.

Following a review of the default arrangement, which was concluded in 2019, the Trustee decided that a growing majority of members were likely to prioritise drawdown at retirement rather than annuity purchase. This was based on a combination of membership analysis which indicated that the majority of members were likely to have sizeable accounts at retirement and market data that showed members with larger funds are more likely to enter a drawdown arrangement and withdraw regular or ad-hoc sums from their fund. This led the Trustee to decide to implement the **Drawdown Glidepath** as the default arrangement for all members.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

The **Drawdown Glidepath** invests primarily in shares of UK and overseas companies when members are a long way from retirement with the aim of providing growth at a time when an investor can generally afford to take more investment risk.

All members in the **Annuity Glidepath** were transferred into the **Drawdown Glidepath** unless they decided to remain in the Annuity Glidepath or made an alternative selection.

The Glidepath strategies achieved their aims of providing a reasonable level of long-term growth, with both the equity and diversified growth elements delivering positive returns over the long-term, including very strongly positive returns over the year. An element of risk protection was provided for members approaching their designated retirement age with fluctuation in capital values or expected income being reduced for these members.

FUND CHANGES

During the Scheme year the Trustee implemented changes to a few of its funds, having undertaken a review of the fund options in 2019.

Global Equity Index Tracker Fund

- The Trustee previously invested in an equity fund with a 30% allocation to UK shares and 70% in shares of companies listed overseas. The Trustee made a change, creating the Global Equity Index Tracker Fund, which has a 10% allocation to UK shares and 90% overseas shares. This change was made to reduce the bias to companies listed in the UK.
- The Trustee also reduced the level of currency hedging (or managing the risk of overseas currency fluctuations against Sterling) within the Fund.
- This fund features in the initial phase of all the glidepaths as well as being available as a self-select 'Freestyle' option.

JMEPS Global Equity Fund

- The Trustee's monitoring of the Global Equity Fund highlighted the departure of the co-portfolio manager. A review of this strategy was undertaken, where it was decided to replace the underlying fund due to a belief it was unlikely to achieve its performance objective over the long term.
- Following a selection exercise, undertaken with the support of its Investment Consultant, the Trustee decided to replace the underlying fund manager with a blend of two managers with complementary styles of management. The Trustee took into consideration a qualitative assessment of these funds as well as past performance history when making this decision.
- The overall objective and risk rating of this fund remains the same.

JMEPS Emerging Markets Fund

- Developments at the manager, identified by the Trustee's monitoring of the fund, led it to conclude that it did not expect the manager to achieve its performance objective over the long term.
- Having evaluated the market, the Trustee made the decision to select a passively managed fund as the Trustee did not believe it could identify a manager that would consistently outperform and that moving to passive management would reduce the charges members pay for investing in this fund.
- The objective of this fund was changed to reflect the 'passive' investment style. The risk rating has remained unchanged.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

The Trustee was supported in making these decisions by its Investment Consultant, who provided assessments that evaluated managers against a range of factors. The Trustee considered information relating to the managers professional capabilities, insight generation, portfolio management, firm and team stability, opportunity set and alignment with the Trustee's needs. Sustainable investment factors were also assessed, including the integration of ESG and stewardship.

Before implementing these changes the Trustee, together with its Investment Consultant, explored a range of transition approaches with the managers and provider, considering risks, cost and disruption to members. Careful consideration was also given to the timing of this change due to heightened volatility in the market during the early part of 2020.

Aegon's DC Team were engaged in project managing the restructure of the investment options for the Scheme and the transitioning of members' benefits from the existing to the new investment options range. Aegon confirmed that the delivery was completed and that the member blackout was lifted on 23rd July 2020.

SUSTAINABLE INVESTMENT

The Trustee monitors asset managers' sustainable investment practices, including the approach to ESG integration within the investment process through desk-based research. During the Scheme year the Trustee received a report from its Investment Consultant which considered how the managers were integrating environmental, social and governance factors into their decision making as well as their stewardship looking at both voting and engagement. Issues identified as part of their review were raised with the managers either directly by the Trustee or via its Investment Consultant.

Trustee also considers sustainable investment factors, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, in the context of this broader risk management framework. All risks and opportunities are considered for materiality and impact within a risk management framework, which takes account of members' investment time horizons and objectives.

Based on this, the Trustee has provided members with one fund that is managed with reference to social, environmental or ethical considerations within the self-select fund range, namely the JMEPS Sustainability Fund, which is a 'white-labelled' fund where the underlying fund is currently the Jupiter Ecology Fund.

MONITORING PERFORMANCE, MANAGERS & COSTS

The Trustee regularly reviews the underlying performance of the funds within the default strategy and the self-select fund range. Over the reporting period, the Trustee reviewed performance information quarterly, prepared by either the Group Reward & Benefits (the in-house Pensions Team) or its Investment Consultant which enables the Trustee to review performance of the funds against their benchmarks and identify any areas of concern that may require further investigation. As part of the investment performance monitoring, upper and lower performance triggers are used to evaluate the performance of the funds. No material issues were identified during the Scheme year.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

The Trustee also met with BlackRock and Legal & General in December, who are responsible for the management of most of the Scheme assets. The Trustee used the meeting to discuss changes in process, including the integration of environmental, social and governance factors, the stewardship of the assets and the performance of the funds amongst other issues. Further information was provided by the managers to the Trustee following the meeting, to address questions related to ownership, performance assessment and an example of how ESG factors had been incorporated into process.

The Trustee monitors the costs associated with portfolio turnover, as part of their annual assessment of the costs and charges incurred within the Scheme. As an additional monitoring item, fund managers were asked to confirm the actual level of portfolio turnover during the Scheme year. This enables the Trustee to consider whether the levels are consistent and proportionate to the type of fund and the way it is managed.

The Trustee is satisfied that over the reporting period, the performance of the investment funds has been consistent with their aims and objectives as set out in the SIP.

Each investment manager that invests in equities has been provided with a copy of the SIP and have been asked to confirm whether they believe that the management of the assets is consistent with those policies in the SIP that are relevant to the fund in question.

RISK MANAGEMENT

The Administration, Audit and Defined Contribution Sub-Committee (AADCSC) met four times during the year. At these meetings, the Trustee considered both short and long-term risks associated with the investment strategies. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. The Trustee was supported in these considerations by reports prepared by its Investment Consultant.

B) Defined Benefit

OBJECTIVE AND INVESTMENT STRATEGY

The Trustee's objective is to invest the Main Section's assets in the best interests of the members and beneficiaries, and to pay for current benefits out of investment income as far as practical, provide for future accrual of benefits through capital growth and future contributions and reduce any funding deficit. This is done by setting a strategy that relies on a balance between contributions from the Sponsor and investment returns to achieve this goal, with due regard to risk.

The Trustee has agreed to a strategy which is expected to achieve full funding on a gilts+0.5% p.a. basis.

The Trustee's investment objective (at the Company's request) for the Elements Section is to invest in assets that best match the liabilities, pay for benefits out of investment income, provide for future accrual of benefits through capital growth and future contributions and reduce any funding deficits.

Full details of the investment managers and funds are contained in the DB SIP.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

RESPONSIBLE INVESTMENT AND CORPORATE GOVERNANCE

The Trustee considers environmental, social and governance ("ESG") factors as financially material and believe that good stewardship can create and preserve value for companies and markets as a whole. The Trustee has given the appointed investment managers full discretion when evaluating ESG factors, exercising voting rights and stewardship obligations in relation to the Scheme's investments. This includes undertaking engagement activities and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. The Trustee will review the policies of an investment manager ahead of appointment and will review them on an annual basis as part of the Implementation Statement preparation process.

The Trustee has not set any ESG related investment restrictions on the appointed investment managers, but may consider this in future.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing, monitoring and withdrawing from investment managers. Monitoring is undertaken on a regular basis and this makes use of the investment consultant's ESG ratings.

During the Scheme year the Trustee received a presentation from its Investment Consultant to discuss how the Trustee can implement their Responsible Investment policies in a pragmatic way (the "ESG Implementation Plan"). The ESG Implementation Plan covered suggested actions and activities to be completed on a quarterly basis as well as regulatory deadlines.

MONITORING PERFORMANCE, MANAGERS & COSTS

The governance of the pension scheme is well documented in the SIP and includes the division of responsibilities between the Trustee, Investment sub-Committee, Investment Consultant and Custodians. During the year, the Trustee reviewed the performance of the investment consultant and decided to invite tenders from a number of providers. Following an extensive exercise including presentations, the Trustee appointed Isio as its new investment consultant with effect from 1 April 2021.

The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over 3 month, 1 year, 3 year and 5 year time periods. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and/or against the managers' stated target performance (over the relevant time period). The Trustee's focus is primarily on long-term performance but short-term performance is also reviewed.

The Trustee has a meeting with each manager during the year to receive a presentation on their performance, discuss other investment matters (such as integration of ESG and climate change into the investment process and voting and engagement activities) and raise questions where actions appear to be out of line with the Scheme's policies.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

MONITORING PORTFOLIO TURNOVER

As an additional monitoring item, fund managers were asked to confirm the actual level of portfolio turnover during the Scheme year. This enables the Trustee to consider whether the levels are consistent and proportionate to the type of fund and the way it is managed.

Fund	Level of portfolio turnover 01/04/20 – 31/03/21	Comments
BlackRock Property	10%	The level of portfolio turnover for each fund is in line with our expectations for the given fund and asset class.
BlackRock Active Credit	45%	
CQS Credit Multi Asset	101%	
Insight Broad Opportunities	424%	
Janus Henderson Buy & Maintain Credit	2%	
LGIM AAA-AA-A Bonds All Stocks Index	44%	
LGIM AAA-AA-A Over 15 Year Index	30%	
LGIM Buy & Maintain Credit	10%	
LGIM LDI Portfolio	Not applicable	
LGIM World Developed Equity Index	13%	
LGIM World Developed Equity Index GBP Hedged	7%	
Partners Group Global Infrastructure 2012	Not applicable	
Partners Group Global Infrastructure 2018	Not applicable	
Schroders Diversified Growth	78%	
Wellington Multi Sector Credit	85%	

The Trustee takes regular advice from their investment consultant about the suitability of the funds and the investment managers, so that they can be satisfied that they are consistent with their investment policies. Each investment manager has been provided with a copy of the SIP and has been asked to confirm whether they believe that the management of the assets is consistent with those policies in the SIP that are relevant to the fund in question.

RISK MANAGEMENT

The Trustee manages investment risks associated with the Scheme in several ways, for example:

- A proportion of the Main Section's assets are in a Matching portfolio which aims to hedge a proportion of the liabilities to decrease the likelihood of inflation and interest rate risk.
- The Trustee has regard for the strength of the Company's covenant and engages in regular dialogue with them to assess sponsor risk. The Trustee also receives a confidential review of the financials of the business at least once a year.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

- The Trustee diversifies the investment across different asset classes and geographical markets to reduce market risk, credit risk and volatility risk.
- As part of the quarterly monitoring, the Trustee monitors the actual deviation of returns relative to the manager's objective and investment processes to reduce the likelihood of manager risk.
- To manage liquidity risk, the Trustee invests in assets of sufficient liquidity so that benefits can be paid as they fall due but, given the Scheme's long-term horizon, also in illiquid assets such as property and infrastructure to receive an illiquidity premium.
- The Trustee assesses the creditworthiness of the custodian bank, the ability of the organisation to settle trades on time and provide secure safekeeping of the assets under custody to measure custodian risk.
- The Main Section's overseas developed equity assets are 50% hedged to reduce currency risk and the Trustee reviews the strategic case for the currency hedge periodically.
- The Trustee regularly reviews the actual investments relative to the policy and regularly assesses the diversification within the existing policy to measure the level of concentration of any one market and reduce the impact of potential regulatory changes on investment values.
- The Trustee reviews the investment managers' Environmental, Social and Governance (ESG) policies before appointment and on an annual basis to manage ESG risks.

Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. The investment strategy reviews take account of the overall balance of these risks.

Section 4: Voting Data

The Scheme's equity holdings are held within pooled investment vehicles and the Trustee delegates voting rights and the execution of those rights to the underlying managers for the securities they hold. The Scheme's Investment Consultant engages managers on areas for development, not least around resourcing, and improving the breadth and depth of corporate engagements.

Further information on the voting and engagement activities of the managers is provided in the summary table below. A supplementary document containing information on the managers' key voting activities will be published on the Scheme's website.

Having reviewed the information summarised in this Implementation Statement, the Trustee is satisfied with the way in which the managers are exercising voting rights.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

A) Defined Contribution

Fund	Underlying fund(s)	Votes cast	Significant votes
JMEPS Diversified Growth	LGIM Diversified Fund	115,604 (98.98% of eligible votes cast) 17.71% of votes against management / 0.56% abstained	Qantas Airways Limited Whitehaven Coal
JMEPS Global Equity Index Tracker	BlackRock MSCI World Index	15,762 (90.67% of eligible votes cast) 7.28% of votes against management / 0.72% abstained	Exxon Mobil Corp Royal Dutch Shell PLC Class B
	BlackRock MSCI Currency Hedged World Index	15,762 (90.67% of eligible votes cast) 7.28% of votes against management / 0.72% abstained	Exxon Mobil Corp Royal Dutch Shell PLC Class B
	BlackRock EM Equity Index	23,180 (96.77% of eligible votes cast) 9.21% of votes against management / 2.77% abstained	Top Glove Corporation Korea Electric Power Corp
UK Equity	BlackRock UK Equity Index	11,044 (100.0% of eligible votes cast) 5.13% of votes against management / 0.65% abstained	Exxon Mobil Corp Royal Dutch Shell PLC Class B
Overseas Equity	BlackRock World (ex-UK) Index Fund	27,246 (92.04% of eligible votes cast) 6.26% of votes against management / 0.34% abstained	Exxon Mobil Corp Mizuho Financial Group Inc
Emerging Market Equity	BlackRock EM Equity Index	23,180 (96.77% of eligible votes cast) 9.21% of votes against management / 2.77% abstained	Top Glove Corporation Korea Electric Power Corp
JMEPS Global Equity	River & Mercantile Global High Alpha	4,285 (99.74% of eligible votes cast) 24.08% of votes against management / 0.94% abstained	Facebook Paypal
	Baillie Gifford Long-Term Global Growth	382 (100% of eligible votes cast) 2.88% of votes against management / 0% abstained	Amazon Facebook
JMEPS Sustainability	Jupiter Ecology Fund	856 (100.0% of eligible votes cast) 1.0% of votes against management / 0.5% abstained	Xylem Inc Knorr-Bremse

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

B) Defined Benefit

Fund	Votes cast	Significant votes
Main Section		
LGIM World Developed Equity Index	34,980 (99.82% of eligible votes) 18.69% against management / 0.19% abstained	The Procter & Gamble Company Olympus Corporation
LGIM World Developed Equity Index GBP Hedged	34,980 (99.82% of eligible votes) 18.69% against management / 0.19% abstained	The Procter & Gamble Company Olympus Corporation
Schroders Diversified Growth	20,062 7.73% against management / 0.26% abstained	Schroders are currently unable to provide significant voting data.
Insight Broad Opportunities	154 (100.00% of eligible votes) 0.00% against management / 0.00% abstained	Insight stated that they do not have any examples of significant votes for the fund due to the strategy's exposures.
Elements Section		
LGIM World Developed Equity Index	34,980 (99.82% of eligible votes) 18.69% against management / 0.19% abstained	Barclays Olympus Corporation

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Voting activity

1. Introduction

This document is supplementary to the Annual Implementation Statement ("the statement") prepared by the Trustee of the Johnson Matthey Employees Pension Scheme ("the Scheme") covering the Scheme year ("the year") to 31 March 2021. It provides additional detail on the key voting and engagement activities for the managers of the Scheme during the year.

A) Defined Contribution

BAILLIE GIFFORD LONG-TERM GLOBAL GROWTH

Voting Activities:

- There were 382 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 100% of its votes over the year
- 2.88% of votes were against management and 0.00% were abstained

What is Baillie Gifford's policy on consulting with clients before voting?

All voting decisions are made by our Governance & Sustainability team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Please describe whether Baillie Gifford has made use of any proxy voter services

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisers in the Chinese and Indian markets to provide us with more nuanced market specific information.

Please provide an overview of Baillie Gifford's process undertaken for deciding how to vote

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the longterm investment process, which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' shares also strengthens our position when engaging with investee companies. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource any part of the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with our Governance & Sustainability Principles and Guidelines and we endeavour to vote every one of our clients' holdings in all markets.

Is Baillie Gifford currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

At Schibsted ASA, Investment AB Kinnevik and Adevinta ASA, Spencer Adair, James Anderson and Chris Davies respectively, Baillie Gifford partners and/or fund managers were elected onto the nomination committee. It is market practice in Scandinavia for representatives of a company's largest shareholders to make up the committee; the Nomination Committee is not a board committee.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Within Baillie Gifford, any decisions with material relevance are made in conjunction with multiple members of the portfolio construction group ensuring robust discussion and debate. As this is not a board position and does not have the value to vote on substantive company policies or actions, we support the opportunity to be more closely involved in the governance and stewardship of one of our clients' holdings.

Please include here any additional comments which are relevant to Baillie Gifford's voting activities or processes
No response provided.

Most significant vote – Vote 1: Amazon.com, Inc.
Resolution: Shareholder Resolution – Governance

Approximate size of the fund's holding as at the date of the vote: 0.45%

Action: For
We supported a shareholder proposal to improve the transparency of Amazon's corporate lobbying policies and governance. We believe greater transparency of all political expenditures and lobbying, particularly indirect spending through trade associations, coalitions and charities, would enable shareholders to assess alignment with Amazon's values and corporate goals.

Outcome: Pass
Amazon provides good disclosure of its direct political expenditures and there is board level oversight of its activities by the audit committee. However, areas for improvement relate to it indirect spending through trade associations, coalitions and charities. Whilst the company discloses the gross amounts of trade association payments, it does not break out payment by group and does not disclose the portion of these payments that are used for lobbying. Peer companies Facebook and Alphabet publish a list of trade associations where they maintain membership, while Amazon only discloses names of those associations it made payments >$10,000. Greater transparency of all political expenditures and lobbying would enable shareholder to assess alignment with Amazon's values and corporate goals.

Most significant vote – Vote 2: Facebook, Inc.
Resolution: Shareholder Resolution – Governance

Approximate size of the fund's holding as at the date of the vote: 0.42%

Action: For
We supported a shareholder resolution relating to the introduction of a majority voting standard for directors, as we believe that simple majority voting is best practice for director elections.

Outcome: Pass
The board is currently elected by according to a plurality voting standard. Majority voting raises the threshold for re-election and therefore greater accountability. We will continue to assess similar proposals in the future.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

BLACKROCK – EM EQUITY INDEX, MSCI CURRENCY HEDGED WORLD INDEX, MSCI WORLD INDEX, UK EQUITY INDEX, WORLD (EX-UK) INDEX

Voting Activities:

EM Equity Index
- There were 23,180 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 96.77% of its votes over the year
- 9.21% of votes were against management and 2.77% were abstained

MSCI Currency Hedged World Index & MSCI World Index
- There were 15,762 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 90.67% of its votes over the year
- 7.28% of votes were against management and 0.72% were abstained

UK Equity Index
- There were 11,044 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 100% of its votes over the year
- 5.13% of votes were against management and 0.65% were abstained

World (ex-UK) Index
- There were 27,246 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 92.04% of its votes over the year
- 6.26% of votes were against management and 0.34% were abstained

What is BlackRock's policy on consulting with clients before voting?
BlackRock welcome discussions with clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. BlackRock's Investment Stewardship team would not implement the policy themselves, but the client would engage a third-party voting execution platform to cast the votes.

Please describe whether BlackRock has made use of any proxy voter services
BlackRock subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis.

BlackRock use Institutional Shareholder Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock work with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to them any meetings where additional research and possibly engagement might be required to inform their voting decision.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Please provide an overview of BlackRock's process undertaken for deciding how to vote

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. BlackRock's voting guidelines are market-specific to ensure they take into account a company's unique circumstances by market, where relevant. BlackRock inform their vote decisions through research and engage as necessary. Their engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock may also update their regional engagement priorities based on issues that they believe could impact the long-term sustainable financial performance of companies in those markets. BlackRock welcome discussions with clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in their Global Corporate Governance and Engagement Principles, BlackRock determines which companies to engage directly based on an assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. BlackRock's voting guidelines are intended to help clients and companies understand their thinking on key governance matters. They are the benchmark against which BlackRock assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock apply their guidelines pragmatically, taking into account a company's unique circumstances where relevant. They inform their vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy themselves, but the client would engage a third-party voting execution platform to cast the votes.

Is BlackRock currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

No response provided.

Please include here any additional comments which are relevant to BlackRock's voting activities or processes

No response provided.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Most significant vote – EM Equity Index

Top Glove Corporation Bhd.

The company has been the subject of intense scrutiny over various labor-related and human rights issues in its supply chain since 2018. Whilst we acknowledge the board and management's willingness to engage with the BIS team, as well as the steps the company has taken in response to some of the controversies, the COVID-19 pandemic has exposed severe shortcomings in management and oversight of worker health and safety-related issues. Despite the board and management's reassurance that COVID-19 preventive measures have been implemented since the start of the pandemic, a quarter of its workers have since been infected with the virus, with one associated death. The investigations conducted by MoHR and US CBP, together with the whistleblower's account and other media reports, have shown that Top Glove's workers live in dense, unsuitable accommodations with a lack of proper ventilation and physical distancing – a stark contrast to what the board has conveyed to shareholders. Given Top Glove's role as a leading Personal Protective Equipment (PPE) manufacturer, we view the board's ineffectiveness in COVID-19 mitigation and inadequate oversight of worker health and safety issues as especially egregious with potentially serious implications for its reputation as a supplier of such equipment to hospitals around the world. As the COVID-19 pandemic ravaged the region, the board failed in a key aspect of its oversight responsibility given that it did not identify and set policies to manage risks including the health and safety of workers living in its dormitories. This is particularly surprising given the enhanced awareness and attention to the company's worker safety issues since 2018. As such, BIS voted against the re-election of six Independent Non-Executive Directors (INEDs) and a separate proposal for Senior Independent Director Lim Han Boon to continue in office as an INED: (i) Item 1: Elect Lim Han Boon as Director (ii) Item 2: Elect Rainer Althoff as Director (iii) Item 3: Elect Noripah Kamso as Director (iv) Item 4: Elect Norma Mansor as Director (v) Item 5: Elect Sharmila Sekarajasekaran as Director (vi) Item 6: Elect Lim Andy as Director (vii) Item 11: Approve Lim Han Boon to Continue Office as Independent Non-Executive Director. Given the gravity of the situation and the material failure in oversight by the board, BIS voted against the reelection of the current members of the Board of Directors. We also intend to hold other incumbent directors not on ballot at this AGM accountable by voting against their re-election at future shareholder meetings. We will continue to engage with the company to assess the measures that are taken towards the resolution of the US CBP and MoHR investigations, how it is meeting its various commitments to improve labor rights and workers' accommodation, and how it is addressing health and safety-related issues.

Most significant vote – MSCI Currency Hedged World Index, MSCI World Index, UK Equity Index & World (ex-UK) Index

Exxon Mobil Corporation

Item 1.2: Elect Director Angela F. Braly

Against Director Angela F. Braly for insufficient progress on TCFD aligned reporting and related action. According to Exxon's disclosures, the company's Public Issues and Contributions Committee oversees operational risks such as those relating to employee and community safety, health, environmental performance, including actions taken to address climate-related risks, security matters, and reviews and provides advice on objectives, policies and programs related to political and othercontributions. Ms Braly is the Chair of Public Issues Committee, and as such, BIS holds her accountable for lack of progress in driving greater action on climate risk in line with TCFD guidance, SASB recommendations, and BIS' feedback over several years.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Item 1.4: Elect Director Kenneth C. Frazier

Against Director Kenneth C. Frazier for insufficient progress on TCFD aligned reporting and related action, and for failure to provide investors with confidence that the board is composed of the appropriate mix of skillsets and can exercise sufficient independence from the management team to effectively guide the company in assessing material risks to the business. We look to the Lead Independent Director and the Nominating and Governance Committee Chair for oversight of board composition and independence. This includes ensuring that the board is made up of directors with the right mix of skillsets and experience and who have sufficient leeway to exercise judgment that is independent from management to provide unfettered guidance to them. In this instance, we do not believe that the Exxon board has demonstrated that it is exercising its independent judgment in advising and overseeing management in assessing and disclosing material risks to the business relating to climate. In addition, we believe that having more directors with oil and gas industry experience would bolster the board's ability to act independently. As such, we are holding Mr. Frazier as the Lead Independent Director and Chair of the Nominating and Governance Committee, accountable. We also hold Mr. Frazier, as Lead Independent Director, responsible for lack of progress in driving greater action on climate risk in line with TCFD guidance, SASB recommendations, and BIS' feedback over several years. We supported all other directors and routine management items on the 2020 ballot.

Shareholder Proposals
We voted in Favor of the following proposal:

Item 4: Require Independent Board Chair
For the Independent Chair proposal on account of our belief that the board would benefit from a more robust independent leadership structure given the concerns noted below. The non-binding shareholder proposal requests that the company establish an Independent Board Chair position in place of the present Lead Independent Director structure by appointing one of the independent members of the board to the Chair position. The Independent Chair proposal would be phased in for the next CEO transition.

BIS typically defers to the board to establish the appropriate structure of governance. Our governance and voting guidelines do not normally necessitate an Independent Chair so long as there is evidence of strong independence in the boardroom that is facilitated by a Lead Independent Director. We acknowledge that the company has strengthened its disclosures around the stated roles and responsibilities of the Lead Independent Director. We also recognize that Mr. Frazier, Chair of the Nominating and Governance Committee, stepped into the Lead Independent Director Role this year. Nonetheless, we remain concerned about the board's responsiveness to shareholder feedback and concerns regarding climate risk management, and do not have confidence that an enhanced role on paper will lead to a demonstrable increase in independent leadership.

This concern is also reflected in the fact that BIS took voting action in 2017 and 2019, including voting against both Mr. Frazier and former Lead Independent Director Steven Reinemund. However, we have still not seen the substantive action we would expect given the material climate risks facing the company, and the concern expressed to the company by investors, including BlackRock.5 In our view this lack of progress on robust GHG emissions reduction target setting and disclosure is a symptom of board independence issues. This now warrants an escalation in our approach, to encourage more independent leadership in this particular boardroom.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

JUPITER ASSET MANAGEMENT – JUPITER ECOLOGY FUND

Voting Activities

- There were 856 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 100% of its votes over the year
- 1.00% of votes were against management and 0.50% were abstained

What is Jupiter's policy on consulting with clients before voting?

Jupiter is open to and welcomes dialogue with clients on stewardship matters, including voting decisions. Such dialogue is typically coordinated by our in-house Governance and Sustainability team, who work with our fund managers on proxy voting and company engagement and the development of our Stewardship Policy. Understanding client priorities, engaging in collective action with other investors, using third party data and remaining close to investor organisations and industry bodies informs our overall stewardship strategy, including voting.

Please describe whether Jupiter has made use of any proxy voter services

In order to assist in the assessment of corporate governance and sustainability issues, Jupiter subscribes to external corporate governance and sustainability research and data providers. Such external resources contribute to forming a balanced view on voting matters. However, while Jupiter takes the proxy adviser's recommendations into account, stewardship activities are not delegated or outsourced to third parties and recommendations are not automatically followed when deciding how to vote. Our primary proxy research providers are Institutional Shareholder Services (ISS).

Please provide an overview of Jupiter's process undertaken for deciding how to vote

Individual fund managers with responsibility for an investment in a company retain ultimate discretion over voting decisions for the funds they manage on behalf of clients. This is consistent with Jupiter's active management philosophy where fund managers are given the freedom to invest as they see fit. We do not think it is appropriate or in keeping with our commitment to clients if these considerations become detached from our fund managers. Therefore, we do not outsource voting or engagement activity to third parties and nor do we automatically follow voting recommendations. The process is supported by the GS team, which is involved in reviewing agenda items, disseminating information and engaging with companies. Resolutions are assessed against Jupiter's Stewardship Policy and any non-compliance with good market practice or major issues (including investment decisions) is discussed with fund managers prior to voting. For further details on our firm-wide approach to proxy voting, please see Jupiter's Stewardship Policy attached as Appendix A and UK Stewardship Code Approach document attached as Appendix B, which are also both available on our website (www.jupiteram.com).

Is Jupiter currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

No

Please include here any additional comments which are relevant to Jupiter's voting activities or processes

N/A

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Most significant vote – Vote 1: Xylem Inc
Resolution: Reduce Ownership Threshold for Shareholders to Call Special Meeting.

Approximate size of the fund's holding as at the date of the vote: 0.024%

Action: In favour
We decided to vote in favour following considerations it may enhance shareholder rights.

Outcome: Did not pass
Although the resolution failed a significant proportion of shareholders (38%) indicated their support; this may influence management's attitude to the issue and increase the potential likelihood for success if the resolution is raised at a future AGM.

Most significant vote – Vote 2: Knorr-Bremse
Resolution: Election of three new directors to the Supervisory Board.

Approximate size of the fund's holding as at the date of the vote: 0.017%

Action: In favour
Despite adverse recommendations from our proxy adviser, we decided a vote against was not warranted following further analysis of the credentials and expertise of these nominees.

Outcome: Pass
We believe Board oversight will be strengthened by the addition of the directors.

LEGAL & GENERAL INVESTMENT MANAGEMENT (LGIM) – DIVERSIFIED FUND

Voting Activities:
- There were 115,604 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 98.98% of its votes over the year
- 17.71% of votes were against management and 0.56% were abstained

What is LGIM's policy on consulting with clients before voting?
LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

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

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Please describe whether LGIM has made use of any proxy voter services
LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting 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. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

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

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

Is LGIM currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?
No response provided.

Please include here any additional comments which are relevant to LGIM's voting activities or processes
It is vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of our formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations.

Most significant vote – Vote 1: Qantas Airways Limited

Resolution: Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.

Action: LGIM voted against resolution 3 and supported resolution 4.
The COVID crisis has had an impact on the Australian airline company's financials. In light of this, the company raised significant capital to be able to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as we wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package. In collaboration with our Active Equities team, LGIM's Investment Stewardship team engaged with the Head of Investor Relations of the company to express our concerns and understand the company's views. The voting decision ultimately sat with the Investment Stewardship team. We supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, our concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. We voted against resolution 3 to signal our concerns.

Outcome: About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in our view.

Most significant vote – Vote 2: Whitehaven Coal

Resolution: Resolution 6 Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.

Action: LGIM voted for the resolution.
The role of coal in the future energy mix is increasingly uncertain, due to the competitiveness of renewable energy, as well as increased regulation: in Q4 2020 alone three of Australia's main export markets for coal – Japan, South Korea and China – have announced targets for carbon neutrality around 2050. LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, the phase-out of coal will be key to reaching these global targets.

Outcome: The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in 'significant environmental harm'. As the company is on LGIM's Future World Protection List of exclusions, many of our ESG-focused funds – and select exchange-traded funds – were not invested in the company.

RIVER AND MERCANTILE ASSET MANAGEMENT (RAMAM) – RIVER AND MERCANTILE GLOBAL HIGH ALPHA FUND

Voting Activities:
- There were 4285 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 99.74% of its votes over the year
- 24.08% of votes were against management and 0.94% were abstained

What is RAMAM's policy on consulting with clients before voting?
Clients may request for RAMAM to vote in a specific manner in an upcoming meeting. Our Operations team has set up a process to monitor and process these requests.

Please describe whether RAMAM has made use of any proxy voter services
We use a third party, ISS Corporate Solutions, to implement our voting policy, overriding their recommended action when it differs from ours.

General Principles on standards for good corporate governance and management of environmental and social issues.

Please provide an overview of RAMAM's process undertaken for deciding how to vote
Our Voting & Engagement Policy sets out our beliefs on what we regard as best practice for companies globally. For UK companies it incorporates the standards set by the UK Corporate Governance Code and intends to deal with issues that are either not covered, require greater emphasis or are specifically left open for shareholders to resolve with company boards. This also applies to companies listed outside the UK, as we believe this code has taken a lead in encouraging companies to set higher standards of corporate governance in promoting transparency, integrity and to adopt a medium to long-term view in decision making for the benefit of all stakeholders. Implementation of our Policy is mainly by voting, with engagement as appropriate.

Fundamental principles are set out in our Policy and applied in the majority of cases. However, RAMAM discourages passive box ticking and aims to take an informed and pragmatic approach to voting. RAMAM will give due consideration to the specific circumstances and facts available to each investor before voting. For UK companies RAMAM supports a "comply or explain" approach to corporate governance and endorses the Code. We expect UK companies to explain and justify any reasons for non-compliance, and to outline their plans for compliance in future. In the case of non-compliance, we reserve the right to accept or reject the explanation. For non-UK companies, we are supportive of similar Codes.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

The overriding objective of the company should be to optimise over time the returns to its shareholders. Where other considerations affect this objective, they should be clearly stated and disclosed. To achieve this objective, the company should endeavour to ensure the long-term viability of its business, and to manage effectively its relationships with stakeholders.

Is RAMAM currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?
R&M responded "No".

Please include here any additional comments which are relevant to RAMAM's voting activities or processes
No response provided.

Most significant vote – Vote 1: Facebook
Resolution: Elect Director Marc Andreessen

Approximate size of the fund's holding as at the date of the vote: 1.6%

Action: WITHHELD
Following the tragic shootings in Christchurch New Zealand in March 2019, River & Mercantile are supporting a collaborative engagement initiative with social media companies led by the New Zealand Super Fund. This has involved our name being added to the names of institutions on whose behalf letters have been sent to Facebook, Alphabet (Google) and Twitter. The aim of the initiative is to make the social media platforms a safe place for all by taking action to prevent the live streaming and distribution of objectionable content. RAMAM has also supported shareholder resolutions on this issue. After engagement the collaborative group of shareholders have not been able to gain sufficient clarity on the leadership taken by the Facebook board or the ultimate lines of accountability for directors and other relevant senior executives when serious content breaches occur, such as that of the live-streaming and dissemination of the Christchurch shootings. We and the collaborative shareholders continue to have concerns that the Facebook platform is open to abuse, and we have no way of knowing that the issue is being managed with the appropriate proportionality to the scale of the problem. On this basis, we withheld votes for any directors who have been at Facebook for more than 12 months and who are on the Audit and Risk Oversight Committee, namely Marc Andreessen and Peggy Alford.

Outcome: 16% withheld – 45% of independent vote against (withheld)
Mark Zuckerberg's friends on the Board of Directors – Marc Andreesen and Peter Thiel – received the lowest vote count of any of the directors, with Andreesen getting only 54.8% of the independent vote and Thiel getting 62.6%. Other directors received between 86.25% and 98.6% support from independent shareholders.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Most significant vote – Vote 2: Facebook
Resolution: All shareholder proposals

Approximate size of the fund's holding as at the date of the vote: 1.6%

Action: For
We supported all the shareholder proposals which in some way drive progress towards meeting the objective of our collaboration. In our view, these are proposals five where having an independent Board Chair may improve the ability of the board to address the concerns of a broader group of shareholder; eight which specifically mentions the Christchurch terror attack; nine which, amongst other things, seeks board level oversight regarding human rights issues impacting Facebook's community of global users; and ten which asks the board to assess the risk of increased sexual exploitation of children but also to assess the impact of limits to detection technologies and strategies – which would specifically help our objective.

Outcome:
The shareholder proposal calling for one share/one vote – which would do away with Zuckerberg's special class of stock – won 88% of the independent vote; a proposal calling for an Independent Chair – which would require Zuckerberg to surrender the title of Board Chair – won 63.7% of the independent shareholder vote; a proposal challenging the company's position on Political Advertising won 41.8% of the independent vote.

B) Defined Benefit
INSIGHT – BROAD OPPORTUNITIES FUND

Voting Activities:
- There were 154 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 100% of its votes over the year
- 0.00% of votes were against management and 0.00% were abstained

What is Insight's policy on consulting with clients before voting?
Insight does not consult clients prior to voting on resolutions. However, Insight is committed to voting all proxies where it is deemed appropriate and responsible to do so. Insight takes its responsibility to vote very seriously and votes in the best interest of clients.

Please describe whether Insight has made use of any proxy voter services
Insight utilise Minerva Analytics to analyse resolutions against Insight-specific voting policy templates to determine the direction of the vote, where applicable.

Please provide an overview of Insight's process undertaken for deciding how to vote
Insight retains the services of Minerva Analytics (Minerva) for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from thousands of market, national and international legal and best practice provisions from jurisdictions around the world. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Is Insight currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?
Effective stewardship requires protecting their clients against any potential conflicts of interest and managing them with appropriate governance. To comply with applicable legal and regulatory requirements, Insight believes managing perceived conflicts is as important as managing actual conflicts.

In the course of normal business, Insight and its personnel may encounter situations where it faces a conflict of interest or a conflict of interest could be perceived. A conflict of interest occurs whenever the interests of Insight or its personnel diverge from those of a client or when Insight or its personnel have obligations to more than one party whose interests are different.

Insight ensures it manages conflicts of interest fairly and in accordance with the Securities and Exchange Commission (US), Financial Conduct Authority (UK), Central Bank of Ireland (Ireland) and other principal bodies that oversee our activities. Where potential conflicts arise, Insight will not enter into a transaction until it has ensured the fair treatment for all clients.

Insight have a conflicts of interest policy that details the processes to reduce conflicts from arising and the guiding principles used in their resolution. This policy sets out what constitutes a conflict of interest, the key conflict categories that exist within Insight, and the responsibilities of various internal groups. Identified conflicts within Insight are recorded centrally by Insight's compliance function. These conflicts are regularly reviewed with relevant business areas to ensure appropriate controls are maintained to manage and oversee these conflicts.

Please include here any additional comments which are relevant to Insight's voting activities or processes
No response provided.

Most significant votes: Insight did not provide any significant votes.

LEGAL & GENERAL INVESTMENT MANAGEMENT (LGIM) – WORLD DEVELOPED EQUITY INDEX FUND, WORLD DEVELOPED EQUITY INDEX FUND GBP HEDGED

Voting Activities:
- There were 35,043 eligible votes for the fund over the 12 months to 31 March 2021
- The manager exercised 99.82% of its votes over the year
- 18.69% of votes were against management and 0.19% were abstained

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

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

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

Please describe whether LGIM has made use of any proxy voter services

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

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

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

Please provide an overview of LGIM's process undertaken for deciding how to vote

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

Is LGIM currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?

Please refer to the LGIM investment stewardship conflict of interest document here.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Please include here any additional comments which are relevant to LGIM's voting activities or processes

It is vital that the proxy voting service is regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out their expectations, an analysis of any issues they have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of LGIM's formal RMS processes, the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations.

Most significant vote – Vote 1: The Procter & Gamble Company ("P&G")

Resolution: Report on effort to eliminate deforestation.

Approximate size of the fund's holding as at the date of the vote: Not provided.

Action: For

P&G uses both forest pulp and palm oil as raw materials within its household goods products. The company has only obtained certification from the Roundtable on Sustainable Palm Oil for one third of its palm oil supply, despite setting a goal for 100% certification by 2020. Two of their Tier 1 suppliers of palm oil were linked to illegal deforestation. Finally, the company uses mainly Programme for the Endorsement of Forest Certification (PEFC) wood pulp rather than Forestry Stewardship Council (FSC) certified wood pulp. Palm oil and Forest Pulp are both considered leading drivers of deforestation and forest degradation, which is responsible for approximately 12.5% of greenhouse gas emissions that contribute to climate change. The fact that Tier 1 suppliers have been found to have links with deforestation calls into question due diligence and supplier audits. Only FSC certification offers guidance on land tenure, workers', communities and indigenous people's rights and the maintenance of high conservation value forests.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

LGIM engaged with P&G to hear its response to the concerns raised and the requests raised in the resolution. LGIM spoke to representatives from the proponent of the resolution, Green Century. In addition, they engaged with the Natural Resource Defence Counsel to fully understand the issues and concerns. Following a round of extensive engagement on the issue, LGIM decided to support the resolution. Although P&G has introduced a number of objectives and targets to ensure their business does not impact deforestation, we felt it was not doing as much as it could. The company has not responded to CDP Forest disclosure; this was a red flag to LGIM in terms of its level of commitment. Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for LGIM is to ensure that companies they invest their clients' assets in are not contributing to deforestation. LGIM has asked P&G to respond to the CDP Forests Disclosure and continue to engage on the topic and push other companies to ensure more of their pulp and wood is from FSC certified sources.

Outcome: Pass
LGIM will continue to engage with P&G on the issue and will monitor its CDP disclosure for improvement.

Most significant vote – Vote 2: Olympus Corporation
Resolution: Elect Director Takeuchi, Yasuo

Approximate size of the fund's holding as at the date of the vote: Not provided.

Action: Against
Japanese companies in general have trailed behind European and US companies, in ensuring more women are appointed to their boards. The lack of women is also a concern below board level. LGIM have for many years promoted and supported an increase of women on boards, at the executive level and below. On a global level LGIM consider that every board should have at least one female director. LGIM deem this a de minimis standard. Globally, they aspire to all boards comprising 30% women. Last year in February LGIM sent letters to the largest companies in the MSCI Japan Index that did not have any women on their boards or at executive level, indicating that they expect to see at least one woman on the board. One of the companies targeted was Olympus Corporation. In the beginning of 2020, LGIM announced that they would commence voting against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for those companies included in the TOPIX100. LGIM opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board to signal that the company needed to take action on this issue.

Outcome: Pass
LGIM will continue to engage with and require increased diversity on all Japanese company boards.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

SCHRODERS – DYNAMIC DIVERSIFIED GROWTH FUND

Voting Activities:
- The manager exercised 20,062 votes over the year
- 7.73% of votes were against management and 0.26% were abstained

What is Schroders' policy on consulting with clients before voting?
To maintain the necessary flexibility to meet client needs, local offices of Schroders may determine a voting policy regarding the securities for which they are responsible, subject to agreement with clients as appropriate, and/or addressing local market issues. Clients in the UK will need to contact their usual client services person(s) on whether or not this is available for the type of investment(s) they hold with Schroders.

Please describe whether Schroders has made use of any proxy voter services
Schroders receive research from both ISS and the Investment Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into their voting decisions. In addition to relying on their policies, Schroders will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts.

It is important to highlight that Schroders' own research is also integral to their final voting decision; this will be conducted by both their financial and ESG analysts. For contentious issues, their Corporate Governance specialists will be in dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

Schroders continue to review their voting practices and policies during ongoing dialogue with their portfolio managers. This has led Schroders to raise the bar on what they consider good governance practice.

Please provide an overview of Schroders' process undertaken for deciding how to vote
Schroders evaluate voting issues arising at their investee companies and, where they have the authority to do so, vote on them in line with their fiduciary responsibilities in what they deem to be the interests of their clients. Schroders utilise company engagement, internal research, investor views and governance expertise to confirm their intention.

Is Schroders currently affected by any of the five conflicts listed by the PLSA (see notes) or any other conflicts across any of its holdings?
Schroders accepts that conflicts of interest arise in the normal course of business. They have a documented Group wide policy, covering such occasions, to which all employees are expected to adhere, on which they receive training and which is reviewed annually. There are also supplementary local policies that apply the Group policy in a local context. More specifically, conflicts or perceived conflicts of interest can arise when voting on motions at company meetings which require further guidance on how they are handled. Outlined below are the specific policies that cover engagement and voting.

Schroders' Corporate Governance specialists are responsible for monitoring and identifying situations that could give rise to a conflict of interest when voting in company meetings.

Appendix D: Annual Implementation Statement (forming part of the Trustee Report) Scheme year ended 31 March 2021 continued

Where Schroders itself has a conflict of interest with the fund, the client, or the company being voted on, they will follow the voting recommendations of a third party (which will be the supplier of their proxy voting processing and research service). Examples of conflicts of interest include (but are not limited to):

- where the company being voted on is a significant client of Schroders,
- where the Schroders employee making the voting decision is a director of, significant shareholder of or has a position of influence at the company being voted on;
- where Schroders or an affiliate is a shareholder of the company being voted on;
- where there is a conflict of interest between one client and another;
- where the director of a company being voted on is also a director of Schroders plc;
- where Schroders plc is the company being voted on.

Separation of processes and management between Schroder Investment Management and their Wealth Management division helps to ensure that individuals who are clients or have a business relationship with the latter are not able to influence corporate governance decisions made by the former.

If Schroders believes it should override the recommendations of the third party in the interests of the fund/client and vote in a way that may also benefit, or be perceived to benefit, its own interests, then Schroders will obtain the approval of the decision from the Schroders' Global Head of Equities with the rationale of such vote being recorded in writing. If the third-party recommendation is unavailable, Schroders will vote as they see is in the interests of the fund. If however this vote is in a way that might benefit, or be perceived to benefit, Schroders' interests, they will obtain approval and record the rationale in the same way as described above.

In the situation where a fund holds investments on more than one side of the transaction being voted on, Schroders will always act in the interests of the specific fund. There may also be instances where different funds, managed by the same or different fund managers, hold stocks on either side of a transaction. In these cases the fund managers will vote in the best interest of their specific funds.

Where Schroders has a conflict of interest that is identified, it is recorded in writing, whether or not it results in an override by the Global Head of Equities.

Please include here any additional comments which are relevant to Schroders' voting activities or processes

Schroders fully supports the UK Stewardship Code and complies with all its principles. Although the Code is focused on the UK, it sets a standard for stewardship and engagement for non-UK equity investments and they seek to apply the same principles globally, taking into account local practice and law.

Most significant votes

Schroders did not provide any significant votes.