

Appendix 1 – Implementation Statement

1. Introduction

The Directors of Arjo Pension Trustees Limited (the “**Trustees**”) are obliged, acting in their capacity as trustee of the Arjo UK Pension Scheme (the “**Scheme**”), to prepare a yearly statement setting out how they have complied with the Statement of Investment Principles (the “SIP”), including:

- Compliance with the investment objectives and strategy implementation outlined in the SIP;
- How the Trustees have demonstrated good stewardship over investments, which includes
 - a description of how, and the extent to which, policies on investment rights (including voting) and engagement described within the SIP have been complied with;
 - a description of voting behaviour made by or on behalf of the Trustees; and
 - a statement on any use of the services of a proxy voter.

This statement relates to the year from 1 April 2021 to 31 March 2022, and has been prepared under legislation set out in regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the ‘Administration Regulations’), as amended by the Occupational Pension Plans (Charges and Governance) Regulations 2015.

This statement is based on the SIP that applied during the year, the latest of which is available at the following link: www.arjopensions.co.uk

2. Implementation of our strategy and investment objectives

The overall objective of the Trustees is to ensure the Scheme should be able to meet benefit payments as they fall due. To do this, the Trustees, in consultation with their professional advisors, has agreed a number of objectives to help guide them in their management of the assets and control the various risks to which the scheme is exposed. These risk and the objectives are described in the SIP, and in light of these objectives, an appropriate investment strategy is required that invests in various asset classes to achieve a return on investments that, over the long term, is expected to be consistent with the objectives.

In a year of volatile market conditions, especially during the first quarter of 2022, the funding position remains on track relative to the funding objective. The Trustees have also complied with the investment controls and principles set out in the SIP, including for implementing the strategy by choosing suitable and diversified investments, and for achieving the right balance between risk and reward, so as to ensure the security, quality, liquidity and profitability of all the scheme’s assets.

3. Stewardship – Kempen monitoring and engagement behaviour

Background

The Trustees recognise their responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments.

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The Trustees do not monitor or engage directly with issuers of, or holders of, debt or equity, but instead delegate these activities to their fiduciary manager, Kempen Capital Management (“**Kempen**”) and to the underlying asset managers appointed by Kempen. The Trustees expect Kempen to undertake regular monitoring and engagement in line with its’ own corporate governance policies, taking account of current best practice including the UK Corporate Governance Code 2018 and the UK Stewardship Code 2020.

Kempen expects the underlying asset managers they select, and who are regulated in the UK, to comply with the UK Stewardship Code 2020, including public disclosure of compliance via an external website. Kempen also expect those managers to exercise rights attached to their investments, including voting rights, and to engage with issuers of debt and equity and other relevant persons about matters such as performance, strategy, management of actual or potential conflicts of interest, and environmental, social and governance (“ESG”) considerations.

ESG criteria are a set of non-financial indicators relating to a company’s operations that are used by investors to evaluate corporate behaviour and to determine how it may impact the future financial performance of companies. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company’s leadership, executive pay, audits, internal controls, and shareholder rights.

There are several levels of engagement at Kempen: they engage with the asset managers they appoint, with companies they invest in directly (e.g. within Kempen products), and via collaborative engagement with industry stakeholders, such as regulators, industry initiatives, benchmark providers, and peers.

Kempen engagement with asset managers

Whilst Kempen has limited influence over an asset managers’ investment practices where assets are held in pooled funds, it has encouraged its chosen managers to improve their own stewardship and engagement practices, and consider ESG factors and their associated risks. Kempen uses the following methodology to engage with the underlying asset managers:

- ESG criteria are assessed based on international conventions and initiatives, such as the UN Global Compact and the Principles for Responsible Investment (PRI);
- All managers are screened against ESG criteria before inclusion in Kempen’s approved manager list. For example:
 - does the manager have a responsible investment policy;
 - is the manager open for a dialogue on ESG criteria; and
 - does the manager have exposure to companies that are on Kempen’s exclusion & avoidance list?
- All managers are reviewed against ESG criteria on an ongoing basis. For example:
 - do responsible investing considerations continue to be integrated into their investment process;
 - is the manager making progress;
 - is the manager well informed and up-to-speed on ESG criteria and initiatives; and
 - is there periodic screening of all the underlying equity and debt securities held by managers within their investment products, to check for exclusion candidates?

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- Kempen encourages its chosen managers to improve their practices where appropriate.

Kempen have created a proprietary scoring framework to help them understand and evaluate how asset managers integrate various ESG factors into their investment processes. Within this framework, asset managers and their products (i.e. pooled funds) are classified into one of different levels: bare minimum (level 1), basic (level 2), responsible (level 3), sustainable (level 4), impact (level 5).

The five levels of the Sustainability spectrum are:



To assess where a manager fits within the Sustainability Spectrum, Kempen have developed assessment criteria based on the six 'pillars' outlined in the graphic below. For each of the pillars there are requirements that managers need to satisfy to qualify for the corresponding level.

For example, to qualify for level 3 (responsible) managers need to have a public commitment to responsible investment and global norms, avoid investing in companies that produce tobacco or controversial weapons, violate or potentially violate the UN Global Compact, OECD Guidelines or UN Guiding Principles for Business and Human Rights. Kempen also expect managers in this level to have a climate change policy and integrate ESG criteria into their investment process.

Furthermore, Kempen expect managers to engage and vote in line with their policies and clearly evidence that their policies and commitments are implemented in their investment portfolios.

To qualify for sustainability level 4, managers should not only meet the requirements of level 3 but also have CO2 reduction targets and a best-in-class or thematic investment approach that shows how they are benefiting stakeholders.

Level 5 is reserved for managers that invest in companies that intentionally contribute positively to solving specific global challenges through their products and services.



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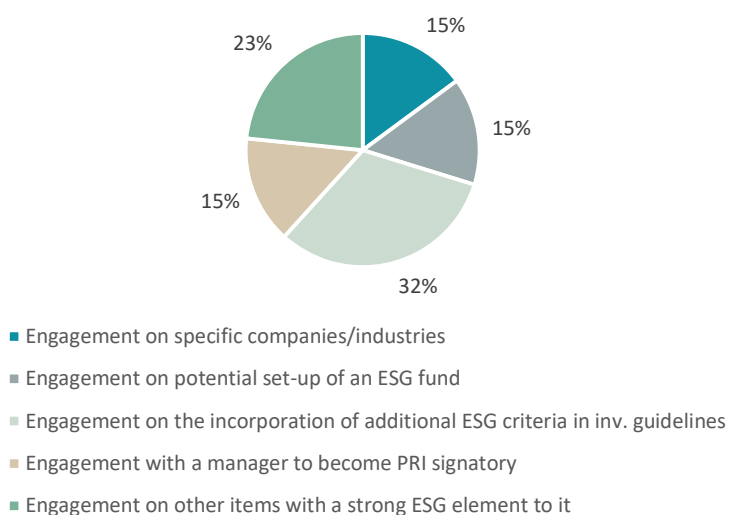
In Kempen’s manager scoring process a distinction is made between ‘listed’, ‘non-listed’ and ‘alternative’ investment funds. The manager scoring methodology is aligned on the pillars across asset classes, but the exact scoring elements vary per asset class.

Kempen assessed over 387 listed funds in 2021, representing around 57% of total assets under management, and their ESG scores ranged between levels 2 and 5 on the sustainability spectrum; 9% of scored ‘Basic’ (score 2); 64% scored ‘Responsible’ (score 3), 25% scored ‘Sustainable’ (score 4) and 2% scored ‘Impact’ (score 5).

During 2021, both the coverage as well as the percentage of Kempen’s assets that can be classified as sustainable and impact has grown materially (amounting to 27%). For the next few years, Kempen have an objective to grow this with 5% points annually. In 2021, the percentage of fund managers on Kempen’s Approved List that met the criteria for responsible, sustainable and impact investments was 76%.

All Kempen approved funds are monitored on a quarterly basis, with one of the monitoring items being ESG. As part of the monitoring, the holdings of all approved funds are screened for compliance with Kempen’s ESG criteria taking into account international standards such as the PRI, UN Global Compact and the UN Guiding Principles. The screening process includes monitoring the funds on a look-through basis, which then encourages structural engagement on any issues identified.

Manager Research Solutions engagement types in 2021



Case Study: Kempen engaged with Arcmont (a Private Debt Manager on Kempen’s Approved List) during 2021 asking that they avoid extending a loan to a Spanish chain of gas stations (Canary Green Stations) which they considered not to be appropriate when taking an ESG view for the lifetime of this investment (up to 5 years) and considering the fact that the loans are not liquid, tradeable securities

Kempen’s engagement with companies

Kempen manage their own equity investment funds, and will therefore engage directly with investee companies on various matters including ESG criteria. While the Scheme is not invested in Kempen’s equity or bond funds, these engagement activities will have an

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indirect impact given the Scheme is invested in the funds of other asset managers who may also invest in the same companies.

In 2021, Kempen engaged directly with 132 companies on environmental, social and governance themes. Of these engagements, 90 were direct engagements by Kempen's portfolio managers and responsible investment team. Kempen also engaged with an additional 204 companies in collaboration with peers.

Dialogue with companies is divided into 'engagements for change' and 'engagements for awareness'. The engagements for change were focused mainly on environmental (42%) and governance issues (39%). Kempen also engaged with 70 companies for awareness on general ESG issues, for the most part on governance and often around AGM agenda items. Overall, Kempen saw good progress in their dialogues with more than half showing a positive direction of travel.

Voting at shareholder meetings of investee companies is a key tool of stewardship and active ownership. Throughout 2021 Kempen voted at 437 distinct company meetings, with 14% of their votes cast against management. They make use of ISS as a voting platform and votes are based on their custom voting policy.

Kempen policies

Kempen maintains several policies to help guide investment decision making, manager selection and engagement. One of these policies is to maintain an exclusion & avoidance list; 43 companies are on the exclusion list due to their involvement with controversial weapons, while 30 companies are avoided due to their involvement in significant controversies. Kempen also avoid 105 tobacco companies. Kempen will monitor the funds of the external asset managers to identify whether any of these companies are included within their portfolios, and will engage with those managers where they do exist. Ultimately, Kempen try to persuade the external managers to adopt the same exclusion and avoidance list, however this is not always possible.

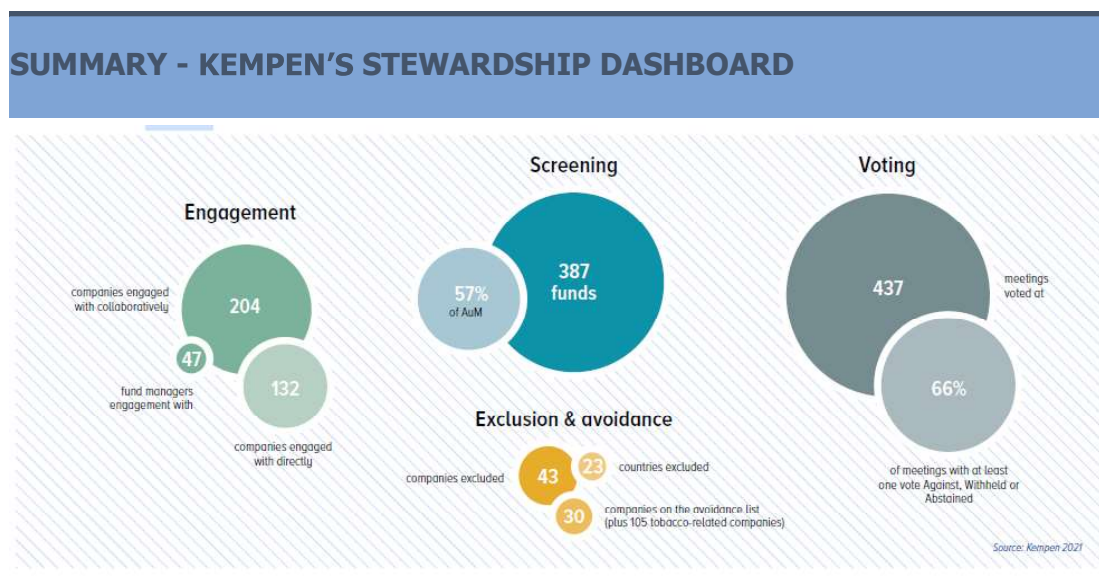
Kempen significantly strengthened their Climate Change Policy in 2021, with a long-term commitment to be a net-zero investor (by 2050), a mid-term ambition (2030) and shorter-term objectives (2025). Kempen's commitment, ambition and objectives are aligned with the Paris Agreement goals, and the 1.5°C scenarios from the IPCC. The objectives for 2025 applies to all external managers on Kempen's Approved List as well as funds managed by Kempen.

- **Commitment to net zero by 2050:** As a long-term investor, Kempen are committed to aligning with the Paris Agreement goals and contributing to the transition to a low carbon economy by 2050.
- **Ambition 2030:** By 2030 Kempen aim to be aligned with a path to achieving the Paris Agreement goals for all 'listed' and 'non-listed' investments.
- **Objective 2025:** By 2025, Kempen aim to be aligned with a path to achieving the Paris Agreement goals for all 'listed' investments. For the more sustainable and impact investments Kempen expect climate aligned pathways in line with the EU Benchmarks or alike.

In order to monitor progress on these objectives, in 2021 they translated their climate objectives into Key Performance Indicators (KPIs) across their organisation for 2022. Along with the net zero commitments in their investments, these KPIs include:

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- Having already been measuring and reducing their own carbon footprint for more than a decade, starting in 2022, they are significantly increasing their carbon reduction target from 2.5% per FTE per year to 7% per FTE per year. This 7% annual reduction applies equally to the absolute emissions for their organisation, balance sheet and investments alike.
- A new KPI is coverage of indirect CO₂e emissions via their asset under management, with coverage growing to 55-60% by end 2022. They expect to add more KPIs relating to other sustainability topics in the future.



4. Stewardship – asset manager voting and engagement behaviour

The Shareholder Rights Directive (SRD II) and The UK Stewardship Code 2020 both emphasise the importance of institutional investors and asset managers engaging with the companies in which they invest, and stress the importance of exercising shareholder voting rights effectively.

Via Kempen's monitoring and engagement activities, the Trustees encourage all its asset managers to be engaged investors, and furthermore encourages the managers to report on these activities and to disclose information about responsible investing on their website and in their reporting.

The scheme is invested in a diverse range of asset classes, however the intention of this section of the statement is to provide specific details of the voting and engagement behaviour of the equity managers who manage equity investments which have voting rights attached, as well as the engagement details of the bond managers.

While managers may have used proxy voters, the Trustees have not used proxy voting services themselves during the last 12 months.

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EQUITY FUND MANAGERS' RESPONSE**State Street Global Advisors – World TPI Climate Transition Index****Equity Fund**

Voting Statistics: April 2021 – March 2022

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	GB00BMV36T24
Question	
How many meetings were you eligible to vote at?	353
How many resolutions were you eligible to vote on?	4,409
What % of resolutions did you vote on for which you were eligible?	99.34%
Of the resolutions on which you voted, what % did you vote with management?	90.14%
Of the resolutions on which you voted, what % did you vote against management?	9.86%
Of the resolutions on which you voted, what % did you abstain from voting?	0.73%
In what % of meetings, for which you did vote, did you vote at least once against management?	56.41%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	ISS
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	7.21%

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Most significant votes: State Street Global Advisors – World TPI Climate Transition Index Equity Fund April 2021 – March 2022

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Royal Bank of Canada	McDonald's Corporation	Alphabet Inc.	Commonwealth Bank of Australia	Tyson Foods, Inc.
Date of vote	08 Apr 2021	20 May 2021	02 Jun 2021	13 Oct 2021	10 Feb 2022
Summary of the resolution	GHG Emissions	Product Toxicity and Safety	Miscellaneous Proposal – Environmental & Social	Report on Climate Change	Recycling
How you voted	Against	Against	For	Against	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	This proposal does not merit support as the company's disclosure and/or practices related to GHG emissions are reasonable.	This proposal does not merit support as the company's disclosure and/or practices pertaining to the item are reasonable.	This proposal merits support as the company's disclosure and/or practices pertaining to the item can be improved.	This item does not merit support due to concerns with the terms of the proposal.	This proposal merits support as the company's disclosure and/or practices related to recycling can be improved.
Outcome of the vote	N/A	N/A	N/A	N/A	N/A
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
On which criteria have you assessed this vote to be the "most significant"?	Vote against management	Vote against management	Vote against management	Vote against management	Vote against management

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UBS Asset Management – Life World Equity Tracker Fund

Voting Statistics: April 2021 – March 2022

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	GB00BKQVG640
Question	
How many meetings were you eligible to vote at?	2,350
How many resolutions were you eligible to vote on?	29,780
What % of resolutions did you vote on for which you were eligible?	96.8%
Of the resolutions on which you voted, what % did you vote with management?	85%
Of the resolutions on which you voted, what % did you vote against management?	14.6%
Of the resolutions on which you voted, what % did you abstain from voting?	0.4%
In what % of meetings, for which you did vote, did you vote at least once against management?	71%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	ISS. Voting recommendations based upon UBS AM bespoke voting policy
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	0.3%

Appendix 1 – Implementation Statement (continued)

Most significant votes: UBS Asset Management – Life World Equity Tracker Fund April 2021 – March 2022

	Vote 1		Vote 2		Vote 3		Vote 4		Vote 5	
Company name	Scentre Group	Rio Tinto Plc	Credit Suisse Group AG	Power Assets Holdings Limited	ATOS SE					
Date of vote	08-Apr-21	09-Apr-21	30-Apr-21	12-May-21	12-May-21					
Summary of the resolution	Approve Remuneration Report	Approve Remuneration Report for UK Law Purposes	Reelect Andreas Gottschling as Director	Elect Wan Chi Tin as Director	Approve Consolidated Financial Statements and Statutory Reports					
How you voted	Against Management	Against Management	Against Management	Against Management	Against Management					
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Company not advised prior to meeting	Company not advised prior to meeting	Yes, company informed	Company not advised prior to meeting date	Company not advised prior to meeting					
Rationale for the voting decision	Executive pay granted/vested during the year is not aligned with performance.	We do not consider the reduction in quantum of the LTIP to be sufficient in reflecting the gravity of the failures of Juukan Gorge.	Mr Gottschling is the incumbent Chair of the Risk Committee. Recent events involving the company can be considered linked to shortcomings in risk management.	The company has not made sufficient progress in regards to its climate change strategy.	The auditors qualified their opinion on the consolidated financial statements as two US entities, relating to internal control weaknesses over financial reporting process, leading to several accounting errors.					
Outcome of the vote	Fail	Fail	Withdrawn	Pass	Fail					
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	The remuneration vote was not carried at the AGM. The company has received a 'strike' against the remuneration report following the significant votes cast against by shareholders. We shall be monitoring the next steps taken by the company before determining future actions.	We have noted that the company have made several board changes following concerns raised by shareholders, and implemented additional clawback measures within the remuneration scheme.	The nominee has stepped down from the Board, and we shall be monitoring further steps being taken by the company.	The company scores less than 10% in the CA100+ Net Zero Benchmark. We will be tracking further actions taken by the company and will vote against the Board Chair at a future date should we regard no progress to be	In the Q1 2021 revenue presentation the Company indicated that it has decided to conduct a full accounting review of the 2 US legal entities and that a strong remediation and prevention plan has been designed under the leadership of Group General Secretary and is being implemented. The outcomes will					

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	Aggregate percentage of votes against management exceeded 50% of votes cast.	Aggregate percentage of votes against management exceeded 60% of votes cast.	Relevance of vote following company engagement.	made against the collaborative objectives set. Relevance of voting action following engagement progress	be reviewed prior to future voting decisions. Aggregate percentage of votes against management exceeded 60% of votes cast.
On which criteria have you assessed this vote to be the "most significant"?	Aggregate percentage of votes against management exceeded 50% of votes cast.	Aggregate percentage of votes against management exceeded 60% of votes cast.	Relevance of vote following company engagement.	made against the collaborative objectives set. Relevance of voting action following engagement progress	be reviewed prior to future voting decisions. Aggregate percentage of votes against management exceeded 60% of votes cast.
Voting Policies: UBS Asset Management – Life World Equity Tracker Fund April 2021 – March 2022					
Overview of process behind deciding how to vote	<p>Our voting decisions are based upon the principles and guidelines outlined in our Proxy Voting Policy, published on our website at https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html. Our service provider will present a voting recommendation to UBS based upon our voting policy and principles. This recommendation is reviewed by our dedicated Stewardship Team, in order for us to validate the recommendation including any additional information arising from engagement, and it is shared with our portfolio managers and investment analysts for further feedback and comment. Any votes which may be proposed that would override the initial recommendation based on additional information are reviewed by our Stewardship Committee, which has the final authority for our voting decisions.</p>				
Use of proxy voting services (if existent)	<p>UBS AM retain the services of Institutional Shareholder Services (ISS) for the physical exercise of voting rights and for supporting voting research. UBS retain full discretion when determining how to vote at shareholder meetings.</p>				
Process for determining "most significant votes"	<p>For the purposes of reporting in accordance with PLSA guidelines, we would regard a significant vote as being where a company received a large vote against a management proposal from all shareholders in aggregate, where we chose not to support management.</p>				

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Northern Trust Company – NT EM ESG Leaders Equity Index Fund

Voting Statistics: April 2021 – March 2022

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BDCLL976
Question	
How many meetings were you eligible to vote at?	423
How many resolutions were you eligible to vote on?	2,734
What % of resolutions did you vote on for which you were eligible?	98% 2,722 proposals
Of the resolutions on which you voted, what % did you vote with management?	88% 2,421 proposals*
Of the resolutions on which you voted, what % did you vote against management?	11% 301 proposals*
Of the resolutions on which you voted, what % did you abstain from voting?	1% 171 proposals*
In what % of meetings, for which you did vote, did you vote at least once against management?	32% 137 meetings
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Institutional Shareholder Service (ISS). A custom bespoke policy is applied to this strategy.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	0% 0 proposals

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Most significant votes: Northern Trust Company – NT EM ESG Leaders Equity Index Fund April 2021 – March 2022

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Havells India Ltd.,	Shree Cement Limited	RUMO SA	Klabin SA	Hua Xia Bank Co., Ltd.
Date of vote	30 Jun 2021	09 Aug 2021	16 Dec 2021	23 Mar 2022	31 Mar 2022
Summary of the resolution	Re-select Surjit Kumar Gupta as Director	Approve Reappointment and Remuneration of Hari Mohan Bangar as Managing Director	Re-Ratify Remuneration of Company's Management for 2021	Election of Directors - Slate 1	Elect Chen Shenghua as Independent Director
How you voted	Against	Against	Against	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	N/A	N/A	N/A	N/A	N/A
Rationale for the voting decision	Northern Trust may vote against the chair of the nominating committee where we have concerns relating to the composition and gender diversity of the board.	A vote AGAINST this resolution is warranted in view of the following concerns in the executive's remuneration:- The proposed remuneration structure is open-ended and the board retains significant discretion in determining his pay outcomes.- His fixed pay quantum is considered highly excessive and aggressively positioned when compared to industry peers.	A vote AGAINST this item is warranted because the company has failed to provide a compelling rationale for the proposed 23-percent increase on the previously approved 2021 global compensation cap.	A vote AGAINST these items is warranted because:- The proposed board's level of independence fails to meet the expectations of institutional investors;- There are significant concerns regarding the majority of the management nominees included in both slates; and- Shareholders have presented an independent dissident nominee (included among the nominees presented under Slate 2) for whom minority shareholders can vote individually under the cumulative voting election.	The nominee is a non-CEO who sits on more than four public boards.
Outcome of the vote	Passed	Passed	Passed	Withdrawn	Passed
Implications of the outcome e.g. were there any lessons learned and what likely	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics

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<p>future steps will you take in response to the outcome?</p>					
<p>On which criteria have you assessed this vote to be the "most significant"?</p>	<p>Vote against management</p>	<p>Vote against management</p>	<p>Vote against management</p>	<p>Vote against management</p>	<p>Vote against management</p>

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JPMorgan AM (Asia Pacific) Limited – JPM China A Shares

Opportunities

Voting Statistics: April 2021 – March 2022

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	LU2339014586
Question	
How many meetings were you eligible to vote at?	231
How many resolutions were you eligible to vote on?	2,169
What % of resolutions did you vote on for which you were eligible?	100% 2,169 proposals
Of the resolutions on which you voted, what % did you vote with management?	90% 1,960 proposals*
Of the resolutions on which you voted, what % did you vote against management?	9% 209 proposals*
Of the resolutions on which you voted, what % did you abstain from voting?	0% 0 proposals*
In what % of meetings, for which you did vote, did you vote at least once against management?	32% 75 meetings
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	Although we use the ISS ProxyExchange platform and see their voting recommendations, this forms only the starting point for our proprietary thinking, and all our voting decisions are made on a case by case basis by in-house specialists in conjunction with the Analyst and/or Fund Manager in reference to the JPMAM Corporate Governance Policy and Voting Guidelines.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	1% 27 proposals

Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

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Most significant votes: JPMorgan AM (Asia Pacific) Limited – JPM China A Shares Opportunities April 2021 – March 2022

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Giadon Co., Ltd.	Guangzhou Automobile Group Co., Ltd.	China Merchants Bank Co., Ltd.	China Merchants Bank Co., Ltd.	Haler Smart Home Co., Ltd.
Date of vote	26 Apr 2021	14 May 2021	25 Jun 2021	25 Jun 2021	25 Jun 2021
Summary of the resolution	Amend Rules and Procedures Regarding Meetings of Board of Directors	Approve Grant of General Mandate to the Board of Directors to Issue Shares	Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights	Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights	Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights for Additional Issuance of H Shares
How you voted	Against	Against	Against	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	J.P. Morgan Asset Management voted against this item because the company has not specified the details and the provisions covered under the proposed amendments.	A vote AGAINST this resolution is warranted for the following: * The share issuance limit is greater than 10 percent of the relevant class of shares. * The company has not specified the discount limit.	J. P. Morgan Asset Management voted against approving the Equity or Equity-Linked Securities without Pre-emptive Rights for H Shares due to concerns over the issuance limits, relating to concerns over dilution.	J. P. Morgan Asset Management voted against the approving the Equity or Equity-Linked Securities without Pre-emptive Rights for H Shares due to concerns over the issuance limits, relating to concerns over dilution.	J.P. Morgan Asset Management voted against this item because the company has not specified the discount limit.
Outcome of the vote	Passed	Passed	Passed	Passed	Passed
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics

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On which criteria have you assessed this vote to be the "most significant"?	Vote against management	Vote against management	Vote against management	Vote against management	Vote against management
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DIVERSIFIED GROWTH FUND MANAGERS' RESPONSE**Legal and General Investment Management – Diversified Fund**

Voting Statistics: April 2021 – March 2022

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	NA
Question	
How many meetings were you eligible to vote at?	9,010
How many resolutions were you eligible to vote on?	90,252
What % of resolutions did you vote on for which you were eligible?	98.76%
Of the resolutions on which you voted, what % did you vote with management?	78.74%
Of the resolutions on which you voted, what % did you vote against management?	20.47%
Of the resolutions on which you voted, what % did you abstain from voting?	0.79%
In what % of meetings, for which you did vote, did you vote at least once against management?	69.84%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	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. 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. For more details, please refer to the Voting Policies section of this document.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	12.47%

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Most significant votes: LGIM Diversified Fund April 2021 – March 2022

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	NextEra Energy, Inc.	Union Pacific Corporation	Apple Inc.	Microsoft Corporation	American Tower Corporation
Date of vote	20 May 2021	13 May 2021	4 Mar 2021	30 Nov 2021	26 May 2021
Summary of the resolution	Resolution 1h Elect Director James L. Robo	Resolution 1d Elect Director Lance M. Fritz	Resolution 9 - Report on Civil Rights Audit	Elect Director Satya Nadella	Resolution 1i Elect Director Pamela D.A. Reeve
How you voted	Against	Against	For	Against	Against
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.	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.	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.	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.	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	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we are voting against all combined board chair/CEO roles. Furthermore, we have published a guide for boards on the	LGIM has a longstanding policy advocating for the separation of the roles of CEO/board chair. Both roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we are voting against all combined board chair/CEO roles. Furthermore, we have	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight	The company is deemed to not meet minimum standards with regards to climate risk management and disclosure.

Appendix 1 – Implementation Statement (continued)

<p>Outcome of the vote</p>	<p>separation of the roles of chair and CEO (available on our website), and we have reinforced our position on leadership structures across our stewardship activities – e.g. via individual corporate engagements and director conferences.</p>	<p>published a guide for boards on the separation of the roles of chair and CEO (available online), and reinforced our position on leadership structures across our stewardship activities – e.g. via individual corporate engagements and director conferences.</p>	<p>99.1% of shareholders supported the resolution. LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>	<p>90.5% of shareholders supported the resolution. LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>	<p>53.6% of shareholders supported the resolution. LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>	<p>94.7% of shareholders supported the resolution. LGIM will continue to engage with the company and monitor progress.</p>	<p>94.7% of shareholders supported the resolution. LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.</p>	<p>94.7% of shareholders supported the resolution. LGIM will continue to engage with the company and monitor progress.</p>	<p>94.7% of shareholders supported the resolution. LGIM will continue to engage with the company and monitor progress.</p>	<p>94.7% of shareholders supported the resolution. LGIM will continue to engage with the company and monitor progress.</p>
<p>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>
<p>On which criteria have you assessed this vote to be the "most significant"?</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>	<p>LGIM considers this vote to be significant as it is in application of an escalation of our policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).</p>

Appendix 1 – Implementation Statement (continued)

Voting Policies LGIM Diversified Fund April 2021 – March 2022	
<p>Policy on consulting with clients before voting</p>	<p>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.</p> <p>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.</p>
<p>Overview of process behind deciding how to vote</p>	<p>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.</p> <p>LGIM's Investment Stewardship team uses ISS's 'Proxy-Exchange' 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.</p> <p>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.</p> <p>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.</p>
<p>Process for determining "most significant votes"</p>	<p>As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.</p> <p>For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.</p> <p>In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:</p> <ul style="list-style-type: none"> • High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny; • Significant client interest for a vote; directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote; • Sanction vote as a result of a direct or collaborative engagement; • Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes. <p>We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.</p>

Appendix 1 – Implementation Statement (continued)

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions. If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website:

Appendix 1 – Implementation Statement (continued)

BOND FUND MANAGERS' RESPONSES**BlackRock Investment Management – iShares Core GBP****Corporate Bond ETF**

Engagement Statistics: 2021

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00B00FV011
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	54
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	34.2
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	N/A
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	N/A
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	153
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	
You participated in a collaborative engagement	N/A

Appendix 1 – Implementation Statement (continued)

Insight Investment Management – Buy and Maintain Bond**Fund 2021-2025**

Engagement Statistics: 2021

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGQW74
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	71
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	66.4
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	66.1
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	17
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	48
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	82
You participated in a collaborative engagement	60

Appendix 1 – Implementation Statement (continued)

Engagement Case Studies Insight Investment Management – Buy and Maintain Bond Fund 2021-2025

<p>Name of entity you engaged</p> <p>Year engagement was initiated</p> <p>Theme of the engagement</p> <p>Your objective(s) from the engagement</p>	<p>Blackstone Property Partners</p> <p>Q4 2021</p> <p>Engaging to fully understand the impact of labelled ESG issuance</p> <p>Background & ESG Ratings:</p> <p>Blackstone Property Partners invest in high-quality, substantially stabilised real estate assets across Europe. Investments are concentrated in the logistics, residential and office sectors, with a focus on major European markets and key gateway cities.</p> <p>Insight Prime ESG Rating: 2</p> <p>Engagement discussion & findings:</p> <p>BPPEH announced a Green Bond Issuance in October 2021</p> <p>Use of proceeds included Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation and Tenant Relationships</p> <p>We joined an investor call and were disappointed with elements of their framework, including:</p> <ul style="list-style-type: none"> Weak minimum standards for Green Buildings Lack of commitment on when full allocation would be achieved
<p>Please describe your engagement method. For example:</p> <ul style="list-style-type: none"> -Who you have typically engaged with (and at what seniority level) -The extent of written communication and meetings -How the engagement approach has evolved over time -Any escalation that has occurred 	<p>Outcome & next steps:</p> <p>Our feedback on areas for improvement in the green bond framework were shared with BPPEH and we will review the framework if and when they update it in future</p> <p>We rated the bond as a fail through our Prime Impact bond assessment, and as a result did not invest in the bond for any of our Impact or Responsible Horizon funds</p>
<p>Please comment on the outcomes from this engagement so far? For example:</p> <ul style="list-style-type: none"> -What was the result of any escalation you employed -Have you met your stated objective? -What actions or changes by the entities have occurred? -Was the outcome purely a financial benefit or is there also a wider societal or environmental benefit? 	

Appendix 1 – Implementation Statement (continued)

Insight Investment Management – Buy and Maintain Bond**Fund 2031-2035**

Engagement Statistics: 2021

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BLN8SY73
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	40
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	57.1
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	58.0
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	9
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	22
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	47
You participated in a collaborative engagement	36

Appendix 1 – Implementation Statement (continued)

Engagement Case Studies Insight Investment Management – Buy and Maintain Bond Fund 2031-2035

<p>Name of entity you engaged</p> <p>Year engagement was initiated</p> <p>Theme of the engagement</p> <p>Your objective(s) from the engagement</p> <p>Please describe your engagement method. For example:</p> <ul style="list-style-type: none"> -Who you have typically engaged with (and at what seniority level) -The extent of written communication and meetings -How the engagement approach has evolved over time -Any escalation that has occurred 	<p>BP PLC</p> <p>Q4 2021</p> <p>Discussing carbon transition in the energy sector</p> <p>Background & ESG Ratings:</p> <p>BP is an oil and petrochemicals company. The Company explores for and produces oil and natural gas, refines, markets, and supplies petroleum products, generates solar energy, and manufactures and markets chemicals.</p> <p>Insight Prime ESG rating: 3</p> <p>E rating: 3, S ratings: 4, G rating: 3</p> <p>Insight Climate Risk Rating: 4</p> <p>Engagement discussion & findings:</p> <p>This was a reverse engagement from BP who were looking to understand Insight Investment's views on the energy sector.</p> <p>We shared our views regarding our approach to investing in the energy sector and our focus on active stewardship.</p> <p>We also informed BP that we see them as 'in the pack' of its peer group of integrated O&G in Europe, but well ahead of its US peers where transition plans are far less developed.</p> <p>We were complimentary of the actions BP has taken addressing transition risk, however advised that SBTi accreditation of targets would be a significant positive.</p>
<p>Please comment on the outcomes from this engagement so far? For example:</p> <ul style="list-style-type: none"> -What was the result of any escalation you employed -Have you met your stated objective? -What actions or changes by the entities have occurred? -Was the outcome purely a financial benefit or is there also a wider societal or environmental benefit? 	<p>Outcome & next steps:</p> <p>Our views were taken well and BP are keen to continue engagement in the future to drive further ESG improvement rather than needing to divest from the sector entirely</p> <p>Insight continue to buy BP in our active non-ESG strategies, but for our strategic portfolios we place a 10 year tenor restriction.</p>

Appendix 1 – Implementation Statement (continued)

Insight Investment Management – Buy and Maintain Bond**Fund 2036-2040**

Engagement Statistics: 2021

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGQX81
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	37
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	60.7
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	62.5
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	8
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	18
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	40
You participated in a collaborative engagement	36

Appendix 1 – Implementation Statement (continued)

Engagement Case Studies [Insight Investment Management – Buy and Maintain Bond Fund 2036-2040](#)

<p>Name of entity you engaged</p>	<p>América Móvil</p>
<p>Year engagement was initiated</p>	<p>Q4 2021</p>
<p>Theme of the engagement</p>	<p>Ensuring our governance concerns are fully understood</p>
<p>Your objective(s) from the engagement</p>	<p>Background & ESG Ratings América Móvil is the leading provider of integrated telecommunications services in Latin America Insight Prime ESG rating: 4 E rating: 2, S ratings: 4, G rating: 5 (worst in class) The company scores particularly poorly on governance issues given controlling shareholder and lack of diversity & skills on the Board</p>
<p>Please describe your engagement method. For example: -Who you have typically engaged with (and at what seniority level) -The extent of written communication and meetings -How the engagement approach has evolved over time -Any escalation that has occurred</p>	<p>Engagement discussion & findings: We engaged on various governance concerns: There are no intentions to remove Carlos Slim's (controlling shareholder's) children from the Board The only female Board member is Carlos' daughter and aged 24 One of the Board members is "overboarded" with 5 board mandates They conducted their first comprehensive Board review in November 2021, with results to be published alongside their Sustainability Report in April 2022</p>
<p>Please comment on the outcomes from this engagement so far? For example: -What was the result of any escalation you employed -Have you met your stated objective? -What actions or changes by the entities have occurred? -Was the outcome purely a financial benefit or is there also a wider societal or environmental benefit?</p>	<p>Outcome & next steps: They have committed to setting and disclosing Environmental, Social and Governance targets within their next report. We will review their disclosures in H1 2022, focussing on their Board review and assessing the quality of their targets Our assessment of these disclosures and the progress on targets will influence our future engagement strategy and our positions in their bonds</p>

Appendix 1 – Implementation Statement (continued)

Insight Investment Management – Buy and Maintain Bond**Fund 2041-2045**

Engagement Statistics: 2021

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGQZ06
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	37
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	60.7
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	58.5
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	7
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	25
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	37
You participated in a collaborative engagement	35

Appendix 1 – Implementation Statement (continued)

Engagement Case Studies Insight Investment Management – Buy and Maintain Bond Fund 2041-2045	
<p>Name of entity you engaged Year engagement was initiated Theme of the engagement Your objective(s) from the engagement</p>	<p>Wells Fargo Q3 2021 Holding companies accountable Background: Governance and controversy are the main culprits for our engagement activity with Wells. Wells suffers from governance risks in relation to accounting & financial reporting practices and high levels of customer complaints. The poor Social score is driven by controversies related to unlawful sales practices, unfair compensation of employees, municipal bond price manipulation and discriminatory lending. Governance frameworks were lacking and the corporate culture was needed a revamp. In February 2020, Wells paid \$3 billion to settle the lawsuit related to allegations of fake client accounts opened by employees to meet aggressive targets. Wells had previously paid out approximately \$4 billion since the scandal broke in 2016. During 2018 the Federal Reserve has placed restrictions on Wells and remediation has proven to be slow, costly, required significant management attention. Discussion: We engaged with Wells senior management to ask about how they would improve governance and change the corporate culture through changes in management and structure. We requested information on what changes they were looking to make to their governance structure. They were unable to reveal detailed information on pending staff changes but gave us assurances that they would be implementing significant governance changes. Wells ultimately made significant changes to senior management. Wells has appointed a new CEO, CFO, COO, risk management chief, created a new Chief Customer office (focused on consumer product appropriateness), and have put in place a new risk management regime. The regulator removed one and money laundering consent order at the end of 2020 and another 9/2021. This is evidence of progress in improving governance and risk structures. That said, progress has been slow and not entirely successful as the OCC has fined Wells again in September 2021 for failing to properly oversee home mortgages. A few days before this fine was announced, Wells appointed a new head of the mortgage servicing department. Result: We have made it clear to Wells senior management we expect to see continued evidence of tightening of improving governance despite the recent setback, we believe Wells are making progress. We remain comfortable that Wells are a suitable counterparty bank overall but we will continue to engage with the company regarding the governance restructuring.</p>
<p>Please describe your engagement method. For example: -Who you have typically engaged with (and at what seniority level) -The extent of written communication and meetings -How the engagement approach has evolved over time -Any escalation that has occurred</p>	<p>Please comment on the outcomes from this engagement so far? For example: -What was the result of any escalation you employed -Have you met your stated objective? -What actions or changes by the entities have occurred?</p>

Appendix 1 – Implementation Statement (continued)

-Was the outcome purely a financial benefit or is there also a wider societal or environmental benefit?	

Appendix 1 – Implementation Statement (continued)

Insight Investment Management – Buy and Maintain Bond**Fund 2046-2050**

Engagement Statistics: 2021

Fund / Mandate Information	Response
What is the Fund's International Securities Identification Number (ISIN) (if applicable)	IE00BHNGQZ06
Question	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	39
What percentage of entities in the portfolio have you engaged with at some point over the 12 months?	63.9
What is the approximate total weight of the entities in the portfolio you have engaged with at some point over the 12 months?	63.5
You proactively raised a specific issue of concern with an entity (initiated by you rather than the entity)	7
You undertook a meeting/call with the board or chair of the board to discuss a matter or matters	0
You undertook a meeting/call with member(s) of C-suite to discuss a matter or matters	26
You undertook a meeting/call with a different individual (not covered in categories above) to discuss a matter or matters	39
You participated in a collaborative engagement	44

Appendix 1 – Implementation Statement (continued)

Engagement Case Studies *Insight Investment Management – Buy and Maintain Bond Fund 2046-2050*

<p>Name of entity you engaged</p> <p>Year engagement was initiated</p> <p>Theme of the engagement</p> <p>Your objective(s) from the engagement</p> <p>Please describe your engagement method. For example:</p> <ul style="list-style-type: none"> -Who you have typically engaged with (and at what seniority level) -The extent of written communication and meetings -How the engagement approach has evolved over time -Any escalation that has occurred <p>Please comment on the outcomes from this engagement so far? For example:</p> <ul style="list-style-type: none"> -What was the result of any escalation you employed -Have you met your stated objective? -What actions or changes by the entities have occurred? -Was the outcome purely a financial benefit or is there also a wider social or environmental benefit? 	<p>HSBC Q3 2021 Holding companies accountable</p> <p>Background: Our engagement with HSBC was primarily focused on their sustainability commitments. Given their global reach there is a lot of potential for them to have an impact it some of the dirtier parts of the global economy. HSBC have recently introduced a target to reach net zero carbon financing by 2050 and net zero of their own scope 1 & 2 and supply chain emissions by 2030. Although this sounds acceptable this is slower than their peer group. A large percent of their real estate is in Hong Kong which is reliant on coal for electricity.</p> <p>Discussion: Although HSBC see reaching net zero by 2050 as a minimum we discussed with them introducing intermediate targets. Gathering quality data is a challenge for them. There are currently no business level targets around emissions but this is something they would like to put in place. We then discussed why they have so few outright lending exclusions. They have not excluded financing fracking, oil sands or arctic oil exploration, only coal is excluded at a certain % of revenue. We challenged the Bank on the coal policies (phase out coal financing in Europe by 2030 but ROW by 2040). Financing coal in 2039 is inconsistent with Paris alignment of 1.5 degrees HSBC is committed to. HSBC are reviewing the policy.</p> <p>Result: We continue to engage with HSBC and await improved emissions disclosure and targets. Given the Senior management have incentives linked to ESG metrics we are expecting to see continued improvement.</p>
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Appendix 1 – Implementation Statement (continued)

LIABILITY DRIVEN INVESTMENTS MANAGERS' RESPONSE

Insight Investment Management

Insight is a corporate bond asset manager used by the Scheme, via investments in their Liability Driven Investment fund range (Kempen ESG score of 3; Responsible). Kempen has reported to the Trustee that Insight participates in a range of associations and collaborative initiatives, including as a founding signatory to the UN-supported Principles for Responsible Investment (PRI), as well as the UK Stewardship code.

During 2021, Insight's solution working group focused on publishing prime ESG risk ratings of clients derivative counterparties in their investment report, sharing engagement statistics and case studies for pension schemes' implementation statements as well as continuing to develop and document processes for responsible investment integration within liability risk management strategies. They have also engaged with the UK DMO and Treasury, and other government issuers where possible, on green bond issuance.

In April 2021 Insight became a signatory of the Net Zero Asset Managers initiative, where they committed to reach net zero emissions by 2050 at the latest. Insight are committed to engaging with the highest emitters within their portfolios on issues such as coal exposure and carbon intensity performance.

Insight continued to avoid tobacco companies within their strategic credit portfolios, while they also continued a range of long-term engagements with different companies on behalf of their fixed income investors. Overall, there were 1,066 instances of engagement over 2021, of which 82% included some form of ESG dialogue. This included companies from 69 countries, including 37 from emerging markets. 31% of the meetings were with Insight exclusively and 61% of the meetings included the company's board or senior management.

Appendix 1 – Implementation Statement (continued)

5. Governance

Monitoring

The Trustees formerly meet every quarter (and more often if required) to consider the progression of the funding position and investment performance. This will include a review of the performance of the assets relative to objectives and underlying risks, the economic outlook, and the manner in which the assets are invested. To aid this review, the Trustees will primarily rely on reports and advice received from Kempen.

The Trustees and Kempen reviewed voting and engagement information relating to the Scheme's investments as part of the process of completing this Statement and no significant concerns were identified. Kempen continue to engage with managers regularly on their processes and forward-looking strategy with respect to ESG integration and stewardship.

Adherence to the SIP

The Trustees will monitor compliance with the SIP annually. In particular they will obtain confirmation from Kempen that they have complied with the SIP insofar as is reasonably practicable and that in exercising any discretion they have done so in accordance with Section 4 of the Occupational Pension Plan (Investment) Regulations 2005.

During the reporting year the Trustee is satisfied that they followed their policies set out in the SIP to an acceptable degree, in particular with respect to engagement and voting behaviour, as described in this statement. This statement was approved by the Trustees and signed on it's behalf by:



Signed Name: Peter Doggett

Date 25/10/2022

for and on behalf of Arjo Pension Trustees Limited, acting in its capacity as trustee of the Arjo UK Pension Scheme.