

Implementation Statement

Britannia Refined Metals Retirement Plan

Plan year ended 5 April 2023

Purpose of this statement

This implementation statement has been produced by the Trustee of the Britannia Refined Metals Retirement Plan ("the Plan") to set out the following information over the year to 5 April 2023:

- How the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- The voting activity undertaken by the Plan's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes; and
- A summary of any changes to the Statement of Investment Principles (SIP) over the period;
- A description of how the Trustee's policies, included in their SIP, have been followed over the year.

The voting behaviour is not given over the year to 5 April 2023 (the Plan's year end) because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2023.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at September 2021 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in September 2021 and has been made available online here:

<https://www.psgovernance.com/uploads/documents/Chairs%20Statement/2021%20Britannia%20Refined%20Metals%20Retirement%20Plan%20DC%20SIP%20v1.0.pdf>

At this time, the Trustee has not set stewardship priorities / themes for the Plan but will be considering the extent that they wish to do this in due course, in line with other Plan risks.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Plan's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- At the Plan year-end, the investment managers appointed to manage assets on behalf of the Plan were: Legal & General Investment Management (LGIM) Limited, Columbia Threadneedle Investments, Baillie Gifford & Co., CBRE Global Investors, Insight Investment, M&G Investments and Aviva Life & Pensions UK Limited. The Trustee regularly considers the performance of the funds held with each investment manager and any significant developments that arise.

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- The Plan invests entirely in pooled funds, and as such delegate's responsibility for carrying out voting and engagement activities to the Plan's investment managers. Investment rights (including voting rights) have been exercised by the managers in line with the managers' general policies on corporate governance. The Trustee also expects the managers to have engaged with the companies in which they invest in relation to ESG matters.
- The Trustee is comfortable with the managers' strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor. The Trustee annually receives and reviews voting data and engagement policies based on information provided by the managers in the production of the implementation statement to ensure alignment with the Trustee's policies.
- The Trustee has not set stewardship priorities / themes for the Plan but will be considering their approach in due course.
- Having reviewed the above in accordance with the Trustee's policies, the Trustee is comfortable the actions of the Plan's investment managers are in alignment with the Plan's ESG and Stewardship policies.

Changes to the Statement of Investment Principles

During the year, there has been no changes to the Plan's DC Section offering, or the SIP, which was last updated in September 2021.

How the SIP has been followed over the year

In the Trustee's opinion, the Statement of Investment Principles has been followed over the year in the following ways:

- The Plan offers a suitable default strategy for members (DC Section). This was reviewed in October 2020 and appropriate changes made based on the membership profile of the Plan. The Trustee will be reviewing the default strategy in 2023.
- The Plan offers a range of self-select fund options which give members a reasonable choice from which to select their own strategy. The self-select fund range was reviewed in October 2020 and changes made accordingly.
- The Trustee monitors the performance of the manager funds quarterly to ensure that the funds are meeting their stated objectives.
- The Trustee considered whether their investment strategy (DB Section) continues to incorporate their views on ESG/Climate Change at the 17 October 2022 meeting. As part of this they considered the ESG ratings assigned to the managers by their investment consultant. The Trustee was satisfied that it did.
- The Trustee has made no new manager appointments over the year.
- The DB section of the Plan was de-risked in January and February 2022. Before updating the SIP to reflect this the Trustee intended on updating the Liability Driven Investment ("LDI") portfolio to reflect information from the 5 April 2021 Actuarial Valuation. Work on this was commenced however the extreme gilt market volatility in September and October 2022 and the resulting impact on the LDI market delayed this work. As a result of rising yields the Trustee reviewed the Plan's investment strategy and agreed to further de-risk the Plan. This de-risking and the updated to the LDI portfolio were implemented after 5 April 2023 and the Trustee will update the SIP to reflect these changes.

**Prepared by the Trustee of the Britannia Refined Metals Retirement Plan
22 September 2023**

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DB Section

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the DB section of the Plan's Growth Portfolio on behalf of the Trustee over the year to 31 March 2023.

The voting data provided by all managers is specific for the pooled version of the funds in which the Plan invests. We have only shown the voting data for the un-hedged version of the LGIM funds, as the hedged and un-hedged funds have the same holdings the voting data will be the same for both funds.

The LDI funds with Insight have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	Legal & General					
Fund name	UK Equity Index Fund	North America Equity Index Fund	Europe (ex UK) Equity Index Fund	Japan Equity Index Fund	Asia Pac (ex – Japan) Developed Equity Index Fund	Global Emerging Markets Equity Index Fund
Structure	Pooled					
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.					
No. of eligible meetings	733	676	618	505	677	5086
No. of eligible votes	10,870	8,543	10,391	6,267	5,153	42,279
% of resolutions voted	99.9%	99.4%	99.9%	100.0%	99.9%	99.9%
% of resolutions abstained ¹	0.0%	0.1%	0.5%	0.0%	0.0%	2.1%
% of resolutions voted with management ¹	94.5%	65.4%	81.0%	88.8%	75.7%	78.2%
% of resolutions voted against management ¹	5.5%	34.5%	18.5%	11.2%	24.3%	19.7%
Proxy voting advisor employed ¹	Institutional Shareholder Service	Institutional Shareholder Service	Institutional Shareholder Service	Institutional Shareholder Service	Institutional Shareholder Service	Institutional Shareholder Service
% of resolutions voted against proxy voter recommendation	4.2%	26.6%	9.7%	9.2%	14.2%	8.1%

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Manager	Baillie Gifford & Co	Columbia Threadneedle Investments
Fund name	Baillie Gifford Multi Asset Growth Fund	Columbia Threadneedle Dynamic Real Return Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	
No. of eligible meetings	84	48
No. of eligible votes	885	696
% of resolutions voted	97.1%	100.0%

¹ As a percentage of the total number of resolutions voted on

Manager	Baillie Gifford & Co	Columbia Threadneedle Investments
% of resolutions abstained ¹	1.2%	3.0%
% of resolutions voted with management ¹	95.2%	86.8%
% of resolutions voted against management ¹	3.6%	10.2%
Proxy voting advisor employed ¹	All client voting decisions are made in-house, in line with their in-house policy and not with the proxy voting providers' policies. Baillie Gifford are aware of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any stewardship activities or rely upon their recommendations when deciding how to vote on clients' shares.	
	ISS and Glass Lewis	
% of resolutions voted against proxy voter recommendation	Data not provided	

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Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a Plan's stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities / themes for the Plan but will be considering the extent that they wish to do this in due course, in line with other Plan risks. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

In the absence of agreed Stewardship priorities / themes, the Trustee has selected 1 vote from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Plan.

Columbia Threadneedle have provided a selection of 10 votes which they believe to be significant, Baillie Gifford have provided 10 significant votes and LGIM providing between 43 and 349 for their various funds.

In determining significant votes, LGIM's investment stewardship team take into account the criteria provided by the Pensions & Lifetime Savings Association ("PLSA"). This guidance dictates significant votes include, but are not limited to:

- A 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 Stakeholder roundtable event, or where LGIM notes there has been a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- A vote linked to an LGIM engagement campaign.

Columbia Threadneedle and Baillie Gifford & Co. have not confirmed the criteria they utilise to determine significant votes, however the information provided by both managers has been made available in the same format of that recommended by the PLSA.

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Please note that for funds marked with an asterisk (*), the Plan invests in both GBP currency hedged and non-currency hedged share classes. The full list of significant votes are available for viewing upon request.

Fund	LGIM UK Equity Index Fund	LGIM North America Equity Index Fund*	LGIM Europe (ex UK) Equity Index Fund*
Company name	Royal Dutch Shell Plc	Alphabet Inc.	LVMH Moët Hennessy Louis Vuitton SE
Date of vote	24 May 2022	1 June 2022	21 April 2022
Summary of the resolution(s)	Approve the Shell Energy Transition Progress Update	Report on Physical Risks of Climate Change	Re-elect Bernard Arnault as Director
How the manager voted	Against	For	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes, LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management.		
Rationale for the voting decision	A vote against was applied, though not without reservations. LGIM acknowledged the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030. However, LGIM remained concerned of the disclosed plans for oil and gas production and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	LGIM voted in favour of this resolution as LGIM expects companies to be taking sufficient action on the key issue of climate change.	A vote against was applied as LGIM expects companies not to combine the roles of Board Chair and CEO
Outcome of the vote	79.9% of shareholders supported the resolution.	17.7% of shareholders supported the resolution.	92.0% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate our position on this issue and monitor company and market-level progress.		
Fund	LGIM UK Equity Index Fund	LGIM North America Equity Index Fund*	LGIM Europe (ex UK) Equity Index Fund*
Criteria on which the vote is considered "significant"	LGIM views climate change as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. LGIM views climate change as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.		LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.

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Fund	LGIM Japan Equity Index Fund*	LGIM Asia Pacific (ex Japan) Developed Equity Index Fund*	LGIM Global Emerging Markets Equity Index Fund
Company name	Mitsubishi Corp.	CK Hutchison Holdings Limited	Meituan
Date of vote	24 June 2022	31 May 2022	18 May 2022
Summary of the resolution(s)	Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement	Elect Li Tzar Kuoi, Victor as Director	Elect Wang Xing as Director
How the manager voted	For	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes, LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management.		
Rationale for the voting decision	LGIM expects companies to be taking sufficient action on the key issue of climate change.	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair.	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. LGIM also expects a company to have at least one female on the board.
Outcome of the vote	20.2% of shareholders supported the resolution.	86.9% of shareholders supported the resolution.	91.8% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	LGIM views climate change as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf. This was also a high-profile proposal in Japan, where climate-related shareholder proposals are still rare.	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.	LGIM considers diversity as a financially material issue for their clients. They also consider it significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

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Fund	Baillie Gifford & Co	Columbia Threadneedle Investments
Company name	Greggs PLC	General Motors Company
Date of vote	17 May 2022	13 June 2022
Summary of the resolution(s)	Approve Remuneration Report	Report on the Use of Child Labour in Connection with Electric Vehicles
How the manager voted	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No
Rationale for the voting decision	Baillie Gifford opposed the remuneration report due to concerns over executive pay increases and misalignment of pension rates.	Supporting better ESG risk management disclosures
Outcome of the vote	Pass	Fail
Implications of the outcome	Following casting a vote, Baillie Gifford reached out to the Company to provide reasons for their opposition on the remuneration report and ask for clarification on pay setting for the CEO. The Company acknowledged their feedback on pensions and pay increases for one executive and explained how the new CEO's salary was set.	Active stewardship (engagement and voting) continues to form an integral part of their research and investment process.
Criteria on which the vote is considered "significant"	This resolution is significant because Baillie Gifford opposed remuneration, in line with the criteria for significant votes given above.	The manager considers this vote to be significant because it was against management on a certain environmental proposal.

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Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Plan's LDI and cash funds due to the nature of the underlying holdings, so fund level engagement information for these assets have not been shown.

Manager	LGIM	Columbia Threadneedle	Baillie Gifford
Fund name	UK Equity Index Fund North America Equity Index Fund Europe (ex UK) Equity Index Fund Japan Equity Index Fund Asia Pac (ex-Japan) Developed Equity Index Fund Global Emerging Markets Equity Index Fund	Dynamic Real Return Fund	Multi Asset Growth Fund*
Number of engagements undertaken on behalf of the holdings in this fund in the year	Not provided	Not Provided	29
Number of engagements undertaken at a firm level in the year	1685	286 companies (357 individual engagements within these companies)	1255
Examples of engagements undertaken at a firm level in the year	<p>Sainsbury's – An example is LGIM's engagement regarding Sainsbury's coming under scrutiny for not paying a real living wage. LGIM engaged with them in 2016 and by 2021, Sainsbury's was paying a real living wage to all employees besides those in outer London. LGIM then joined forces with ShareAction, and together filed a shareholder resolution for Sainsbury's to become a living wage accredited employer. The escalation succeeded, and by April 2022, Sainsbury's moved all its London-based employees to the real living wage.</p>	<p>NextrEra Energy: Threadneedle wanted more insight regarding the impact of the US Inflation Reduction Act (IRA), as well as the implementation of forced labour rules on the solar supply chain in the US.</p> <p>Threadneedles' utilities industry equity analyst organised a series of calls with US solar companies on the topic. The call with NextEra was joined by the RI analyst as well as portfolio managers.</p> <p>The outcome of the engagement was that company saw the potential for a US supply chain to form in next two to four years given manufacturing incentives from the IRA. In particular, community solar is likely to play a</p>	<p>MP Materials Corporation: MP Materials Corporation engages in the ownership and operation of rare earth mining and processing facilities, delivering roughly 15% of all global rare earth supply. Miners can prove divisive on sustainability grounds but given MP Materials' role in a greener future, Baillie Gifford continually engage them to ensure all is on track.</p> <p>They engaged through a meeting attended by lead fund managers and ESG personnel. Baillie Gifford were happy with the progress on the company's inaugural sustainability report with the help from an external consultant. Aillie Gifford left the meeting with a good impression on the firms'</p>

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Manager	LGIM	Columbia Threadneedle	Baillie Gifford
		<p>more significant role than rooftop solar in the evolution of the electric grid given its scale advantages and increasing popularity. The company also saw bright prospects for the adoption of renewables in the US with tax incentives facilitating the addition of significant extra renewable capacity. NextEra expects that as a result of IRA the energy transition could happen twice as fast over the next decade.</p> <p>The call provided valuable insight on the broader developments impacting the US solar industry and NextEra's position within this. Threadneedle concluded that the company is relatively insulated from the forced labour rules and very well positioned to seize the expansion and growth within solar energy in the US.</p>	<p>willingness to learn and improve existing sustainability credentials.</p> <p>Following the meeting, Baillie Gifford updated their proprietary ESG materiality assessment of the company and identified a number of ESG milestones to monitor. Following the publishing of the report, Baillie Gifford made further contact to encourage greater disclosure of scope 3 emissions and make explicit any ambitions for future targets.</p>
Manager	CBRE Global Investors	M&G Investors	Insight Investment
			<p>Enhance Selection Shorter Real</p> <p>Enhance Selection Longer Real</p>
Fund name	Europe (ex-UK) Alpha Fund	Illiquid Credit Opportunities VII	<p>Enhance Selection Shorter Nominal</p> <p>Enhance Selection Longer Nominal</p> <p>Liquidity Plus Fund</p>
Number of engagements undertaken on behalf of the holdings in this fund in the year	Data not provided	13	n/a
Number of engagements undertaken at a firm level in the year	Data not provided	150	1178

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DC section

The DC Section of the Plan's funds are all invested and administered via Aviva. Many of these funds are managed by Aviva Investors, but in some cases Aviva gives access to a fund managed by an external manager.

The investment funds used for the Plan together with the underlying managers as at 5 April 2023 are set out in the table below.

Manager	Fund
Aviva Investors	My Future Focus Growth
	My Future Focus Consolidation
	My Future Focus Drawdown FP
	My Future Focus Cash Lump Sum
	My Future Focus Annuity
BlackRock Investment Management	BlackRock (40:60) Global Equity Index Tracker
	BlackRock UK Equity Index Tracker
	BlackRock World ex UK Equity Index Tracker
	BlackRock Over 15 Year Corporate Bond Index Tracker FP
	BlackRock Over 15 Year Gilt Index Tracker FP
	BlackRock Over 5 Year Index-Linked Gilt Index Tracker FP
	BlackRock Institutional Sterling Liquidity FP

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Voting Data

The underlying managers responsible for a vast majority of the Plan's assets are Blackrock Investment Management and Aviva Investors. Voting data over the year to 31 March 2023 is therefore displayed for these funds which hold more than 5% of the Plan's assets on the grounds of materiality.

This includes: Aviva My Future Focus Growth, BlackRock (40:60) Global Equity Index Tracker and BlackRock World ex UK Equity Index Tracker.

Manager	BlackRock Investment Management		Aviva Investors
Fund name	BlackRock 40:60 Global Equity Index Fund	BlackRock Developed World Ex UK Equity Index Fund	My Future Focus Growth
Structure	Pooled		
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.		
No. of eligible meetings	3,177	2,235	4,478
No. of eligible votes	40,517	27,694	47,319
% of resolutions voted	94.3%	92.2%	98.13
% of resolutions abstained ¹	0.9%	0.5%	2
% of resolutions voted with management ¹	93.6%	93.0%	73
% of resolutions voted against management ¹	6.4%	7.0%	25
Proxy voting advisor employed	ISS and IVIS		
% of resolutions voted against proxy voter recommendation	0.3%	0.1%	17

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Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a Plan's stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities / themes for the Plan but will be considering the extent that they wish to do this in due course, in line with other Plan risks. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

Aviva looked at a number of criteria for the list of votes undertaken for the funds including:

- Whether the vote is high-profile or controversial, which may include a significant level of public, media or political interest
- The commercial impact of a vote e.g. the approval of a large merger or acquisition
- The potential impact on stewardship outcomes from our key areas of focus, e.g. if their voting decisions seeks/has achieved an improvement in the diversity of the board or more broadly across the organisation
- Shareholder resolutions deemed material, e.g. even if they don't obtain majority support, they are likely to encourage the board to address ESG issues that are creating unnecessary risks for the company
- How significant the holdings are in relation to the fund and to Aviva Investors' aggregate holding – the larger the holding, the more ability we have in driving change.

BlackRock have not provided us with their criteria for determining if a vote is significant, however, they periodically publish detailed explanations of what they believe to be significant votes in "vote bulletins". These bulletins are intended to explain their voting decision, including the analysis underpinning it and relevant engagement history when applicable. These vote bulletins detail certain high-profile proposals at company shareholder meetings. BlackRock make this information public shortly after the shareholder meeting, so investors can be aware of their vote determination when it is most relevant to them. This information can be found at the following website: <https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history>.

Blackrock Investment Management and Aviva Investors have provided a selection of 10 votes which they believe to be significant, and in the interest of concise reporting the tables below show 1 of these votes for each fund.

A summary of the significant votes provided is set out below:

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Fund Manager	BlackRock Investment Management	
Fund	BlackRock 40:60 Global Equity Index Fund	BlackRock Developed World Ex UK Equity Index Fund
Company name	Bank of Montreal	Netflix, Inc.
Date of vote	13 April 2022	2 June 2022
Summary of the resolution(s)	Adopt policy to ensure financing is consistent with IEA's Net Zero Emissions by 2050 Scenario	Report on lobbying payments and policy
How the manager voted	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	N/A
Rationale for the voting decision	The request was either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.	Blackrock recognise the Company's efforts to date, but believe that supporting the proposal may accelerate the company's progress on material political activities/lobbying issues.
Outcome of the vote	Resolution failed	Resolution approved
Implications of the outcome	It is Blackrock's view that engagement is not one conversation but an ongoing direct dialogue with companies to explain their views and how they evaluate the actions on relevant ESG issues over time. Blackrock may continue to vote against management if issues are continually unaddressed.	BIS are engaging with the company on related shareholder proposals and will continue to support shareholder resolutions that are in the best interest of shareholders.
Criteria on which the vote is considered "significant"	The company is a relatively large part of the fund and the issue was deemed sufficiently material by Blackrock.	Blackrock consider this a significant vote proposal based on their focus to promote sound corporate governance and improve board quality and effectiveness.

Fund Manager	BlackRock Investment Management	Aviva Investors
Fund	BlackRock UK Equity Index Fund	My Future Focus Funds
Company name	Ocado Group Plc	Home Depot Inc
Date of vote	4 May 2022	19 May 2022
Summary of the resolution(s)	Re-elect Julie Southern as director.	Report on efforts to eliminate deforestation in supply chain
How the manager voted	Against	For
If the vote was against management, did the manager communicate their intent to the	Yes	No

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Fund Manager	BlackRock Investment Management	Aviva Investors
company ahead of the vote?		
Rationale for the voting decision	Blackrock voted against the proposal since the firms' remuneration arrangements were poorly structured. A vote against was applied also because of the directors' insufficient progress with respect to sustainability-related reporting.	They supported this resolution as it asked management to assess, report on and reduce key impacts and dependencies on nature for high impact sectors.
Outcome of the vote	Resolution approved	Resolution approved
Implications of the outcome	BIS are engaging with the company on related shareholder proposals and will continue to support shareholder resolutions that are in the best interest of shareholders.	The passing of this resolution is expected to conjure the company to form a definitive blueprint of actions that it may take to remove deforestation from its supply chain.
Criteria on which the vote is considered "significant"	Blackrock consider this a significant vote proposal based on its views to encourage a high calibre, effective board responsible for overseeing and advising management and being accountable to shareholders. Board composition and the management's approach to risk management come under this bracket. .	This vote was selected given the materiality of the subject of deforestation to the company, which is known to be one of the largest wood importers. The company in fact is featured in the Forest 500, which marks it as one of the most influential companies that utilises natural capital.

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Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Manager	BlackRock Investment Management	Aviva Investors
Fund name	BlackRock (40:60) Global Equity Index Tracker	
	BlackRock UK Equity Index Tracker	My Future Focus Growth
	BlackRock World ex UK Equity Index Tracker	My Future Focus Consolidation
	BlackRock Over 15 Year Corporate Bond Index Tracker FP	My Future Focus Drawdown FP
	BlackRock Over 15 Year Gilt Index Tracker FP	My Future Focus Cash Lump Sum
	BlackRock Over 5 Year Index-Linked Gilt Index Tracker FP	My Future Focus Annuity
	BlackRock Institutional Sterling Liquidity FP	
Number of engagements undertaken on behalf of the holdings in this fund in the year	8,167**	No data provided
Number of engagements undertaken at a firm level in the year	3,886*	3,328*

*This figure is correct for the year to 31 December 2022. Information was not available for the year to 5 April 2023.

**Combined engagement across the (40:60) Global Equity Index Tracker, UK Equity Index Fund and World ex UK Equity Index Tracker. No engagement data was provided by Blackrock for the Over 15 Year Corporate Bond Index Tracker FP. Engagement is not relevant to the holdings in the gilt and liquidity funds.

Manager	Examples of engagement
BlackRock Investment Management	<p>Company: Pearson Plc</p> <p>BIS engaged with the company over 2022 on material governance-related issues, including on the firm's remuneration policy. They operate in the US and UK, where remuneration practices differ, particularly in the base salary and variable pay for executive officers. BIS assessed that the pay policy was unbalanced across markets and misaligned with long-term shareholders' economic interests. When the company paid their CEO a high base pay award in 2020, BIS saw the performance metrics underlying it to not be sufficiently rigorous. To signal their concerns, BIS did not support either the election of directors to the remuneration committee in April 2021 and in April 2022 to show their continued concerns that that the remuneration issue had not been resolved. After the 2022 AGM, Blackrock continued to engage with the firm about the issue. The approval of the 2022 report received 77% shareholder support, but BIS noted that there was less support than in 2021.</p> <p>Further examples can be found at: https://www.blackrock.com/corporate/insights/investment-stewardship</p>

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Aviva Investors

Company: Procter & Gamble

P&G, a market leader in the toilet paper segment in the US sources pulp from Canadian forests, which are facing increasing threat of degradation. P&G had not been mitigating the impacts of their supply chain, furthermore, was providing limited disclosure on sourcing standards and impacts. Aviva met with P&G on a few occasions to share best practices with regard to forest degradation with collaboration from the Natural Resources Defence Council. Aviva asked for a time-bound commitment for no deforestation, alongside the implementation of prior, informed consent of local/indigenous communities, as well as an increase in the use of alternative/recycled materials.

The outcome of the engagement was that in August 2022, P&G announced steps to reduce impacts on forests, demonstrating some progress to mitigate the risks. But Aviva felt more could be done, and escalated their concerns by voting against three board members at the 2022 AGM as the members failed to provide the leadership needed to align P&G's pulp sourcing with the urgency of the climate and biodiversity cases, exposing the firm to significant risk.

Further examples can be found at: <https://www.avivainvestors.com/en-gb/about/responsible-investment/>
