



European Metal Recycling Limited Pension and Life Assurance Scheme

October 2020

Background and Implementation Statement

Background

The Department for Work and Pensions ('DWP') is increasing regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance (ESG) factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that schemes detail their policies in their statement of investment principles (SIP) and demonstrate adherence to these policies in an implementation report.

Statement of Investment Principles (SIP)

The Scheme updated its SIP in response to the DWP regulation to cover:

- policies for managing financially material considerations including ESG factors and climate change
- policies on the stewardship of the investments

The SIP can be found online at the web address: <https://uk.emrgroup.com/how-we-operate/policies-and-documentation/pension-statement>

Changes to the SIP are detailed later in this report.

Implementation Report

This Implementation Report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP. This report details:

- actions the Trustees have taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustees have followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate
- voting behaviour covering the reporting year up to 5 April 2020 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme reporting year

- The Trustees engaged with Goldman Sachs directly to explore which areas of the portfolio they could easily introduce more of an ESG-focus. Following this consultation, the Scheme implemented an ESG-focussed Corporate Bond mandate with Goldman Sachs.
- The Trustees have begun to consider their wider investment strategy options, following the potential mandatory requirement for the Trustees to put their investment mandate with Goldman Sachs out to tender.

Implementation Statement

This report demonstrates that European Metal Recycling Limited Pension and Life Assurance Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed

Position

Date

Managing risks and policy actions DB

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between changes in the value of the Scheme's assets and the present value of its liabilities due to changes in interest rates and inflation expectations.	The Trustees are comfortable that the strength of the covenant of the Company is sufficient to support the decisions not to actively mitigate this risk, and that investment in growth assets is a more appropriate use of funds.	
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members' benefits as they fall due (including transfer values).	
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified.	
Credit	Default on payments due as part of a financial security contract.	When relevant, to appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	<p>The Trustees have held discussions with Goldman Sachs to better understand ESG factors investment and Goldman Sachs' capabilities in this area as well as liaising with the Company on the matter.</p> <p>The Trustees have so far made adjustments to parts of the portfolio deemed appropriate and will keep the matter under review.</p>	<p>The Trustees have agreed to develop their own ESG beliefs at a future meeting. This is expected to take place in 2021.</p> <p><u>Example</u> ESG beliefs are included later in this report.</p>

Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	The Trustees' policy is to limit the currency risk within the portfolio by setting the fund manager a benchmark with limited exposure to non-GBP currencies (c.15% of total assets) against which the manager actively positions the investment portfolio (including currency exposures).
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.

Changes to the SIP

Policies added to the SIP

Date updated: September 2020

How the investment managers are incentivised to align their investment strategy and decisions with the Trustees' policies.

- This depends on whether the Scheme is invested in pooled funds (i.e. where funds are aggregated from many individual investors) or segregated (i.e. bespoke, single-investor) arrangements.
- Where the Scheme invests in pooled funds, alongside multiple other investors, the guidelines under which these mandates operate are set by the fund manager and the Trustees have no control over these.
- Where individual securities are held at the discretion of Goldman Sachs, the Trustees do have flexibility to control the guidelines under which the mandate operates, and securities are selected.

How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.

- The Trustees review the investment manager's performance relative to medium and long-term objectives as documented in the investment management agreements.
- The Trustees monitor the investment managers' engagement and voting activity on an annual basis as part of the Implementation Statement for the Trustee report and accounts. This will first be conducted for the Scheme Accounts dated 5 April 2020. By doing this, it indirectly incentivises the investment managers to make decisions based on non-financial information.

How the method (and time horizon) of the evaluation of the investment manager's performance and the remuneration for their services are in line with the Trustees' policies.

- The Trustees review the performance of all of the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives.
- The Trustees evaluate performance over a rolling 5 year time period.

The method for monitoring portfolio turnover costs incurred by the investment manager and how they define and monitor targeted portfolio turnover or turnover range.

- The Trustees do not directly monitor turnover costs. However, the investment manager is incentivised to minimise costs as they are measured on a net of cost basis.

The duration of the Scheme's arrangements with the investment manager

- The duration of the arrangements is considered in the context of the type of fund the Scheme invests in.
 - For closed ended funds or funds with a lock-in period the Trustees ensure the timeframe of the investment or lock-in is in line with the Trustees' objectives and Scheme's liquidity requirements.
 - For open ended funds, the duration is flexible, and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.
 - At present, responsibility for selecting the Scheme's investments, and hence the above considerations and decisions, has been delegated to Goldman Sachs.
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Implementing the current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG as a financially material risk. This page details how the Scheme's ESG policy is implemented, while the following page outlines Isio's assessment criteria as well as the ESG beliefs used by Isio in evaluating the Scheme's managers' ESG policies and procedures should this be requested by the Trustees.

Current Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity.	<ul style="list-style-type: none">• The Trustees request information from their investment advisers on the investment managers' approaches to engagement.• The Trustees have held discussions with Goldman Sachs to better understand ESG factors investment and Goldman Sachs' capabilities in this area as well as liaising with the Company on the matter.	<ul style="list-style-type: none">• The investment manager has not acted in accordance with their policies and frameworks.• The investment manager's policies are not in line with the Trustees' policies in this area.

Areas of assessment and example ESG beliefs

The below example table provided by Isio outlines areas which the Scheme's investment managers could be assessed on when evaluating their ESG policies and engagements.

Risk Management	1. ESG factors such as climate change are important for risk management and can be financially material. Managing these risks forms part of the fiduciary duty of the Trustees.
Approach / Framework	2. The Trustees believe that ESG integration leads to better risk adjusted outcomes and want a positive ESG tilt to the investment strategy.
	3. The Trustees want to understand how asset managers integrate ESG within their investment process and in their stewardship activities.
	4. The Trustees believe that sectors aiming for positive social and environmental impacts may outperform as countries transition to more sustainable economies. Where possible the investment strategy will seek to allocate to these sectors.
	5. The Trustees consider the ESG values and priority areas of the stakeholders and sponsor and use these to set ESG targets.
Reporting & Monitoring	6. ESG factors are dynamic and continually evolving, therefore the Trustees will receive training as required to develop their knowledge.
	7. The Trustees will seek to monitor key ESG metrics within their investment portfolio to understand the impact of their investments.
Voting & Engagement	8. ESG factors are relevant to all asset classes and, whether equity or debt investments, managers have a responsibility to engage with companies on ESG factors.
	9. The Trustees believe that engaging with managers is more effective to initiate change than divesting and so will seek to communicate key ESG actions to the managers in the first instance.
	10. The Trustees want to understand the impact of voting & engagement activity within their investment mandates.
Collaboration	11. Asset managers should be actively engaging and collaborating with other market participants to raise ESG investment standards and facilitate best practices as well as sign up and comply with common codes such as UNPRI and TCFD.
	12. The Trustees should sign up to a recognised ESG framework to collaborate with other investors on key issues.

The Trustees have agreed to develop their own ESG beliefs at a future meeting. This is expected to take place in 2021.

ESG summary and actions with the investment managers

The Trustees have held discussions with Goldman Sachs to better understand ESG factors investment and Goldman Sachs' capabilities in this area as well as liaising with the Company on the matter. The Trustees have so far made adjustments to parts of the portfolio deemed appropriate (by the Trustees and Goldman Sachs) and will keep the matter under review.

Impact Assessments, which detail how the investment managers' ESG policies align with the Trustees' ESG beliefs, are not currently produced for the Scheme.

Engagement

As the Scheme invests via fund managers, Goldman Sachs provided details on the engagement actions of the underlying portfolio managers, including a summary of engagements for the 12 month period to 5 April 2020.

Manager, fund	Engagement summary	Commentary
Goldman Sachs Corporate Fixed Income Account	<p>Total engagements: 6</p> <p>Environmental: 5</p> <p>Social: 3</p> <p>Governance: 3</p>	<p>Examples of engagements at fund level include:</p> <p>Heathrow Airport Holdings – The coverage credit analyst at Goldman Sachs engaged with the issuer to discuss the impact of building a third runway at Heathrow on the environment and Heathrow's actions to mitigate this. The discussion focused on the active steps being taken to mitigate or lower the impact on surrounding ecology. There is also a strategy to make the construction of the runway energy efficient and improve the efficiency performance of its terminals.</p> <p>HSBC – This engagement took place at a coverage credit analyst meeting at which the social unrest and protests in Hong Kong were discussed, and the bank's activity to mitigate this risk. The engagement also covered an update on leadership and CEO succession. Goldman Sachs believe conduct and culture, as well as geographic risk exposure, are material issues for this bank, and ongoing engagement assesses management of these risks.</p>
Goldman Sachs Sovereign/Agency Fixed Income Account	<p>Goldman Sachs have been unable to provide engagement data for this account.</p>	<p>Goldman Sachs stated:</p> <p><i>"In the sovereign space, engagement is widely acknowledged as more challenging than with companies for a variety of reasons, including that there are fewer direct channels to the official or department accountable. Nonetheless, where possible, our Sovereign team meet with policymakers as such interactions bolster our investment decision-making or provide new insights on a country that lead us to reconsider our views. Our Sovereign team's conversations include environmental topics such as energy policies, sustainable infrastructure investments and climate resilience, together with social factors including structural trends that serve as an impetus for both economic growth and social cohesion. Monitoring factors like inequality and high unemployment – specifically among young people – can provide important signals on the level of social cohesion. For example, high living costs and inequality played a role in the protests that gripped Chile last October (2019) and prompted the central bank in December to slash</i></p>

		forecasts for growth, investment and demand through 2020.”
Goldman Sachs Global High Yield Fund	Goldman Sachs have been unable to provide engagement statistics for this account.	<p>Examples of engagements at fund level include:</p> <p>Albertsons Investor Holdings LLC – Goldman Sachs engaged with the company to discuss waste management, labour practices and employee health and safety, management quality and risk management, supply chain management and materials sourcing</p> <p>Tosca Services LLC – Goldman Sachs engaged with the company to discuss waste management, supply chain management and materials sourcing.</p> <p>Goldman Sachs were unable to provide details on the results of these engagements although they confirmed that they would be able to provide more detailed information on this account for the next reporting period. Given the Scheme no longer holds this asset, this will cease to be relevant in future.</p>
BlueBay Global High Yield Bond Fund	<p>Total engagements: 18</p> <p>Environmental: 5</p> <p>Social: 9</p> <p>Governance: 16</p>	<p>Examples of engagements at fund level include:</p> <p>Aviation Capital SA – BlueBay engaged with the company to discuss the impact of COVID-19 on its airline customers and willingness to extend lease holidays to allow them to keep flying. Corporate governance issues were also discussed, specifically regarding Oceanwood Capital, who own 25% of the company.</p> <p>Talen Energy Corp. – BlueBay engaged with the company to express their view that investors need greater ESG disclosure from Talen, in addition to concerns around keeping coal-fired generation as part of the broader portfolio. Bluebay learned that Talen need to keep some of their coal-fired generation operating or else regional electric reliability will be at risk. Talen is also pursuing ‘greater renewable opportunities’ than the Bluebay engager was aware of, largely at fossil fuel sites that will eventually be retired over time.</p>
Lord Abbett High Yield Fund	Lord Abbett did not provide any engagement reporting at fund level, but expect that further data will be available in future reporting periods.	<p>Lord Abbett stated:</p> <p><i>“The requested ESG engagement information is not available with respect to the Lord Abbett High Yield Fund for the time period requested, but the fund is monitoring ESG developments, including pursuant to the EU Disclosure Regulation. We expect that further data will be available in future reporting periods.”</i></p>
Deutsche Invest ('DWS') Global Infrastructure Fund	DWS declined to provide any engagement data at fund level.	DWS declined to provide voting and engagement details for the purposes of this document, instead providing their related policies on voting and engagement. These policies are also available online.
BlackRock iShares Developed Markets Property Yield	<p>Total company engagements: 54</p> <p>Number of individual companies engaged: 43</p> <p>Environmental: 16</p> <p>Social: 6</p>	BlackRock provided a comprehensive engagement history for each of the iShares funds, however commentary on the topics discussed and outcomes of these individual engagements was not provided.

	Governance: 52	
BlackRock iShares Pacific Ex-Japan Equity Index Fund	<p>Total company engagements: 132</p> <p>Number of individual companies engaged: 72</p> <p>Environmental: 88</p> <p>Social: 86</p> <p>Governance: 110</p>	
BlackRock iShares MSCI Japan Fund	<p>Total company engagements: 447</p> <p>Number of individual companies engaged: 279</p> <p>Environmental: 82</p> <p>Social: 91</p> <p>Governance: 442</p>	
Vanguard S&P 500 ETF	Vanguard were unable to provide any engagement data at fund level.	<p>No examples of engagements over the reporting period were provided. Vanguard stated:</p> <p><i>"currently, Vanguard does not supply information at a fund level on engagements with our portfolio companies. However, our Annual Investment Stewardship Report, attached, provides information on our engagements with portfolio companies at a firm level (please see p.36 onwards). We are currently working towards providing this data at a fund level as part of our regulatory requirements and we expect to produce this at some point next year."</i></p>
Vanguard FTSE Developed Europe Index Fund		
Fiera Part of the North American Equity Portfolio	<p>Total engagements: 2</p> <p>Governance: 2</p>	<p>Examples of engagements at fund level include:</p> <p>US-based healthcare company – Fiera questioned the company on a compensation structure that at first glance seemed overly generous for management should the performance of the stock lag. The team was able to acquire additional information from the company to better understand the pay-out. The team obtained a better understanding of the design of the compensation program that the company thoroughly worked on including selecting an appropriate peer group. Later that year, the company announced that it would implement specific recommendations brought by the team which are aimed at better aligning compensation with long-term shareholders' interests. Such recommendations include reaching a financial performance threshold in order to qualify for pay-out awards instead of relying exclusively on stock performance. The new incentives were voted on and approved by the board as of January 2020.</p> <p>UK-based industrial company – Fiera's Global Equity team engaged with the company regarding the composition of its Board of Directors. The team held a conference call with the Chairman of the Board in order to express their</p>

		<p>discomfort with having four non-independent members on the board, two of which being the company CEO and CFO as it is the case for a number of UK-based companies. The Chairman of the Board agreed with the team's opinions and the company stated that upon retirement of two of the non-independent board members, expected within the next few years, they would be replaced by independent directors. As of May 2019, the company had already acted on these views as one of the non-independent board members was no longer sitting on the nomination committee. This positively influenced the team's perspective on the business as it demonstrated their willingness and openness to take into account investor concerns. Fiera's team was pleased that the company is showing progression and as such the team's conviction in the company remains intact.</p>
Diamond Hill Part of the North American Equity Portfolio	<p>Diamond Hill was not involved in any type of engagement activity with issuers over the time period requested and does not have an engagement policy. If the manager were to do so in the future, they have confirmed they will provide this information.</p>	<p>No examples of engagements over the reporting period were provided.</p>
Westfield Part of the North American Equity Portfolio	<p>Westfield were unable to provide any engagement data at fund level.</p>	<p>No examples of engagements over the reporting period were provided. Westfield stated:</p> <p><i>"We do not have an engagement policy as we do not interact with companies in that manner."</i></p>
Brown Advisory Part of the North American Equity (US Small Cap) Portfolio	<p>Total engagements: 3</p> <p>Environmental: 2</p> <p>Human Capital: 3</p> <p>Governance: 2</p>	<p>Examples of engagements at fund level include:</p> <p>Aspen Technology, Inc. – Brown Advisory's ESG Research team had a call with IR, General Counsel, marketing leadership and the Head of HR to discuss the company's sustainability and human capital management practices. There are no outcomes from this specific engagement, but as a result of many of Brown Advisory's previous engagements with Aspen, the company added a number of quantitative measures to the Sustainability Report they had released in January 2019. Brown Advisory view this engagement as a continuation of the collaborative dialogue their teams share.</p> <p>Etsy, Inc. – Brown Advisory's ESG research team had a call with IR to discuss Etsy's sustainability initiatives, particularly who is responsible and accountable for hitting ESG targets, and how Etsy plans to continue to recruit diverse and world class talent. Brown Advisory state that Etsy has continued to perform well from an ESG perspective, but they do not view any changes in their goals or activities to be a result of direct engagement with Brown Advisory.</p>
Boston Partners Part of the North American Equity (US Small Cap) Portfolio	<p>Total engagements: 68</p> <p>Environmental: 10</p> <p>Social: 16</p> <p>Governance: 56</p>	<p>Examples of engagements at fund level include:</p> <p>Trinseo SA ('TSE')– Boston Partners' team met with representatives of TSE as part of TSE's shareholder outreach regarding the upcoming annual general meeting. TSE informed Boston Partners' team that there were no</p>

	<p>Compensation: 17</p> <p>Disclosure: 34</p>	<p>shareholder proposals and discussed provisions under Luxembourg law regarding the requirement to reauthorize share issuance and also for repurchasing of shares. TSE also described the circumstances of two off-cycle stock grants to two executives for retention during a leadership transition. Boston Partners' team noted that the Board was not very gender diverse with only one woman and that the CRR should provide information regarding supplier audits and substantiated whistleblower claims.</p> <p>Skechers U.S.A Inc – Boston Partners engaged with the company to encourage them to build out their Sustainability webpage to include more information, such as contents of a GRI index. The Team encouraged SKX to disclose whistle-blower data, supplier due diligence data, employee training data, workforce diversity data, and environmental information such as GHG emissions, energy consumption, water use, and water metrics. Boston Partners also encouraged the company to participate in the CDP. Further, Boston Partners noted various corporate governance concerns, such as the executive Chairman, the lack of independent directors, the classified board structure, the dual-class capital structure, shareholder rights, and the lack of diversity on the Board.</p>
<p>Quantitative Management Part of the North American Equity (US Small Cap) Portfolio</p>	<p>Quantitative Management did not provide any engagement data at fund level.</p>	<p>No examples of engagements over the reporting period were provided.</p>
<p>Eleva Part of the European Equity Portfolio</p>	<p>Total engagements: 14</p> <p>Environmental: 3</p> <p>Social Capital: 1</p> <p>Business Model: 1</p> <p>Business Ethics: 1</p> <p>Human Capital: 2</p> <p>Governance: 6</p>	<p>Examples of engagements at fund level include:</p> <p>Teleperformance – Eleva engaged in multiple discussions concerning the 'major issue' of the remuneration practices of the company, which was Excessive LTIP, and provided concrete feedback with potential solutions (changes in the remuneration structure). The company was attentive to Eleva's feedback and the proposed solutions; they committed to remedy to the issue for the next years' voting period (2021). However, given that the company was not very reactive in 2020, Eleva voted against the company's remuneration practices to enhance their engagement action (escalation), and will follow up on the changes in 2021.</p> <p>Solvay – Eleva contacted the company to discuss the wide contamination of soil and water by PFAS in the US and to find possible solutions. Given that the case is an actual legal affair in US (on the local and the federal levels) the company provided some information but refused a detailed dialogue. Eleva followed the company for some time but then decided to exit the position. Eleva consider the engagement as "(almost) unsuccessful".</p>
<p>Mandarine Part of the European Equity Portfolio</p>	<p>Total engagements: 8</p> <p>Broad ESG: 4</p> <p>Environmental: 3</p> <p>Human Capital: 1</p> <p>Governance: 1</p>	<p>Examples of engagements at fund level include:</p> <p>BNP Paribas – Mandarine met with Laurence Pessez, CSR Director and Antoine Sire, Engagement Director to discuss how BNP could improve its environmental impact through its activities. Mandarine have noted better integration of SDGs (sustainability development goals) thanks to a materiality assessment. However, the bank remains a big</p>

		<p>investor in fossil fuels despite some sectorial guidelines. Mandarine commented, "Beware of NGO reports in the future".</p> <p>EssilorLuxottica - Due to governance issues following the merger between Essilor and Luxottica, Mandarine met with Elena Dimichino (Sustainability Director) in order to understand how the group could find a real balance between the governance of the two groups. Ahead of the AGM the two executives settled their dispute and found an agreement, which Mandarine considered very positive. The firm's integration committee also meets every two weeks since 1 October, the creation of EssilorLuxottica. Mandarine state that it is "difficult to say how the governance issue is internally impacting the company".</p>
<p>Wellington Part of the European Equity Portfolio</p>	<p>Total engagements: 15 Environmental: 5 Social: 8 Governance: 13</p>	<p>Examples of ESG engagements at fund level include:</p> <p>ING Groep NV – Wellington engaged with the company to discuss climate change mitigation, business ethics, employee incentives and development, executive compensation and shareholder relations.</p> <p>Smith & Nephew PLC – Wellington engaged with the company to discuss corporate culture, litigation and regulation risk, executive compensation and succession planning.</p> <p>Wellington will continue to work on what further data could be provided in future years.</p>
<p>Axiom Part of the Emerging Markets Equity Portfolio</p>	<p>Axiom were unable to provide any engagement data at fund level.</p>	<p>No examples of engagements over the reporting period were provided. Axiom stated:</p> <p><i>"Our engagement reporting is client specific and takes a lot of preparation to complete. We will have this for next year's reporting."</i></p>
<p>Wellington Part of the Emerging Markets Equity Portfolio</p>	<p>Total engagements: 6 Environmental: 3 Social: 3 Governance: 6</p>	<p>Examples of engagements at fund level include:</p> <p>Telefonica SA – Wellington engaged with the company to discuss employee incentives and development, board structure and composition, and executive compensation.</p> <p>Vale – Wellington engaged with the company to discuss climate change mitigation, other environmental considerations, corporate culture, health and safety management, litigation and regulation risk, board structure and compensation, executive compensation and risk management.</p>

Voting (for equity/multi asset funds only)

As the Scheme invests via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 5 April 2020.

Note: The Trustees have yet to establish their own ESG beliefs. Once these are established, for future Implementation Statements, commentary will be provided in respect of how manager voting is consistent, or otherwise, with these beliefs.

Fund name	Voting summary	Examples of significant votes
BlueBay Global High Yield Bond Fund	Votable proposals: 1 Proposals voted: 0	BlueBay were eligible to vote on four proposals relation to Diamondback Energy Inc. BlueBay held equity on the record date but had sold out of the equity by the vote deadline date. While still eligible to vote, as BlueBay did not hold the equity at the time of the vote deadline they decided to abstain.
Lord Abbett High Yield Fund	Proposals voted: 19 Votes 'For': 18 Votes 'One year': 1	Lord Abbett did not provide any examples of significant votes over the period, noting that the fund is a fixed income strategy and so there were few proxy votes during the reporting period and none that would be considered significant.
Deutsche Invest ('DWS') Global Infrastructure Fund	DWS did not provide any voting information at fund or firm level.	DWS did not provide any examples of significant votes over the period. DWS declined to provide voting and engagement details for the purposes of this document, instead providing their related policies on voting and engagement. These policies are also available online.
BlackRock iShares Developed Markets Property Yield	Votable proposals: 3,661 Proposals voted: 3,399 Votes 'For': 3,244 Votes 'Against': 134 Votes 'Abstain': 16 Votes 'Withhold': 4 Note: Data provided covers the period 01/04/19 to 31/03/20	BlackRock did not provide any examples of significant votes over the period.

BlackRock iShares Pacific Ex-Japan Equity Index Fund	Votable proposals: 1,266 Proposals voted: 1,255 Votes 'For': 1,107 Votes 'Against': 148 Note: Data provided covers the period 01/04/19 to 31/03/20	<p>BlackRock provided the following example of a significant vote at fund level:</p> <p>BHP Group Ltd – BlackRock voted against the shareholder resolution ("Lobbying inconsistent with the goals of the Paris agreement") because they believed:</p> <ol style="list-style-type: none"> 1. BHP is an industry leader on climate-related issues; 2. BHP's track record, and BlackRock's engagements with their management and board, give BlackRock confidence in their judgment on these issues; 3. The ultimate goal of this resolution appears to be more targeted at the industry associations than at driving positive outcomes at BHP.
BlackRock iShares MSCI Japan Fund	Votable proposals: 14,608 Proposals voted: 14,608 Votes 'For': 13,891 Votes 'Against': 717 Note: Data provided covers the period 01/04/19 to 31/03/20	<p>BlackRock provided the following example of a significant vote at fund level:</p> <p>Toshiba Machine co., Ltd – BlackRock voted in favour of a proposal to introduce a shareholder rights plan and to trigger that plan, specifically intended to dilute stakes held by companies tied to an activist investor. BlackRock will only support such a plan when concerns over management entrenchment are fully addressed and the plan would be utilised solely to protect and enhance the interests of minority shareholders.</p>
Vanguard S&P 500 ETF	Proposals voted: 6,555* Votes 'For': 6,108 Votes 'Against': 381 Votes 'Withhold': 49 Votes 'Do Not Vote': 4 Votes 'One Year': 13 *Excludes blank entries in the data provided (e.g. where resolutions have been withdrawn or where there are non-voting elements of a meeting agenda)	<p>Vanguard have asked Isio to state that the information provided is Isio's interpretation of the information required to meet regulatory requirements, and is not Vanguard's public information.</p> <p>Currently, Vanguard does not supply information at a fund level on significant votes. They are currently working towards providing this data at a fund level as part of their regulatory requirements and aim to have this produced at some point next year.</p>
Vanguard FTSE Developed Europe Index Fund	Proposals voted: 11,000* Votes 'For': 10,278 Votes 'Against': 638 Votes 'Abstain': 2 Votes 'Do Not Vote': 81 Votes 'One Year': 1 *Excludes blank entries in the data provided (e.g. where resolutions have been withdrawn or where there are non-voting	

	elements of a meeting agenda)	
Fiera Part of the North American Equity Portfolio	<p>Proposals voted: 387*</p> <p>Votes 'For': 341</p> <p>Votes 'Against': 38</p> <p>Votes 'Withhold': 7</p> <p>Votes 'One Year': 1</p> <p>*Excludes blank entries in the data provided (e.g. where resolutions have been withdrawn or where there are non-voting elements of a meeting agenda)</p>	<p>Examples of significant votes at fund level include:</p> <p>Alphabet Inc – Fiera voted in favour of a proposal for the company to produce a report on sexual harassment policies.</p> <p>Ecolab Inc – Fiera voted for a proposal detailing the company to require an independent Board Chairman, citing that this was in the best interest of shareholders.</p>
Diamond Hill Part of the North American Equity Portfolio	<p>Proposals voted: 394</p> <p>Votes 'For': 347</p> <p>Votes 'Against': 41</p> <p>Votes 'Abstain': 1</p> <p>Votes 'Withheld': 2</p> <p>Votes '1 Year': 2</p> <p>Votes '3 Years': 1</p>	<p>Diamond Hill were unable to provide any examples of significant votes over the period.</p>
Westfield Part of the North American Equity Portfolio	<p>Proposals voted: 574</p> <p>Votes 'For': 509</p> <p>Votes 'Against': 47</p> <p>Votes 'Do Not Vote': 2</p> <p>Votes 'Withhold': 13</p> <p>Votes 'One Year': 3</p>	<p>Examples of significant votes at fund level include:</p> <p>Amazon.com Inc. – Westfield voted for a proposal for the company to produce a report on climate change due to the fact that the company lags its peers in not publicly disclosing its carbon footprint, in not setting science-based, time-bound targets for reducing GHG emissions and in not disclosing information concerning how it is assessing and managing the physical risks related to climate change.</p> <p>Facebook Inc. – Westfield voted for a proposal for the company to report on the global median gender pay gap, as shareholders could benefit from additional information allowing them to measure the progress of the company's diversity and inclusion initiatives.</p>
Brown IA Part of the North American Equity (US Small Cap) Portfolio	<p>Proposals voted: 595*</p> <p>Votes 'For': 513</p> <p>Votes 'Against': 25</p> <p>Votes 'Abstain': 5</p> <p>Votes 'Withhold': 43</p> <p>Votes 'One Year': 9</p> <p>*Excludes blank entries in the data provided (e.g.</p>	<p>Examples of significant votes at fund level include:</p> <p>Waste Connections, Inc. – Brown Advisory voted for a proposal to ratify the compensation of named Executive Officers. Brown Advisory's rationale for their voting instruction included, but was not limited to, the fact that the company's compensation programme has remained relatively consistent over the years, has received broad support from shareholders, and has led to superior shareholder returns while maintaining below median targeted total direct compensation.</p> <p>Guidewire Software, Inc. – Brown Advisory voted against a proposal to require a majority vote for the</p>

	<p>where resolutions have been withdrawn or where there are non-voting elements of a meeting agenda)</p>	<p>election of directors. They believed that, while majority voting is seen as providing some benefits, it does not believe the mandate contained in the stockholder proposal that any director “who receives less than such a majority vote be removed from the board immediately or as soon as a replacement director can be qualified on an expedited basis” is in the best interest of the Company and its stockholders.</p>
<p>Boston Partners Part of the North American Equity (US Small Cap) Portfolio</p>	<p>Proposals voted: 1,038*</p> <p>Votes ‘For’: 941</p> <p>Votes ‘Against’: 34</p> <p>Votes ‘Withhold’: 54</p> <p>Votes ‘One Year’: 9</p> <p>*Excludes blank entries in the data provided (e.g. where resolutions have been withdrawn or where there are non-voting elements of a meeting agenda)</p>	<p>Examples of significant votes at fund level include:</p> <p>Jagged Peak Energy Inc. – Boston Partners withheld their vote regarding a proposal to elect James J. Kleckner as Director. This was due to the fact that the nominee was a non-independent and the full board is less than majority independent. The board also lacks an audit, compensation, or nominating committee. Boston Partners describe the nominee an incumbent and state that there were material failures of governance, stewardship, risk oversight, or fiduciary responsibilities at the company.</p> <p>Tutor Perini Corporation – Boston Partners voted against a proposal to ratify named Executive Officers’ compensation. The compensation committee did not demonstrate sufficient responsiveness to the failed 2018 say-on-pay vote and a pay-for-performance disconnect was again identified for the year in review. The CEO has an overly large base salary and STI award opportunity and received an additional discretionary cash bonus in 2018. Additionally, the CEO was granted a sizable LTI award in 2018 amid sustained TSR underperformance. The company also continues to target NEOs’ (including the CEO’s) total pay in the upper quartile of peers, which Boston Partners say is a problematic practice that is not substantiated by superior company performance.</p>
<p>Quantitative Management Part of the North American Equity (US Small Cap) Portfolio</p>	<p>Proposals voted: 404</p> <p>Votes ‘For’: 375</p> <p>Votes ‘Against’: 15</p> <p>Votes ‘Withhold’: 6</p> <p>Votes ‘Abstain’: 2</p> <p>Votes ‘Take No Action’: 1</p> <p>Votes ‘1 Year’: 5</p>	<p>Examples of significant votes at fund level include:</p> <p>Cision Ltd – Quantitative Management voted against a proposal to elect Kevin Akeroyd on the grounds that the board is not sufficiently independent.</p> <p>Mitek Systems Inc – Quantitative Management voted against approval of the company’s 2020 Incentive Plan, due to the fact that the minimum equity overhang of all plans, including this proposal, as a percentage of outstanding common stock, was excessive.</p>
<p>Eleva Part of the European Equity Portfolio</p>	<p>Proposals voted: 1,039</p> <p>Votes ‘For’: 978</p> <p>Votes ‘Against’: 59</p> <p>Votes ‘Abstain’: 2</p>	<p>Examples of significant votes at fund level include:</p> <p>Iberdrola – Eleva voted for a proposal to approve the company’s Non-Financial Information Statement. The general rule of the ELEVA Voting Policy is to always support an increase of transparency and shareholder dialogue on the subject of Sustainability strategy of the company.</p> <p>Altran Technologies SA – Eleva voted against a proposal to re-elect Dominique Cerutti as Director. At Altran Technologies SA, Dominique Cerutti is both board chairman and CEO. According to generally</p>

		accepted best practices of Sustainable Corporate Governance, combining the roles of chair and CEO may result in concentration of power and blurs the lines between the duties of the CEO versus the duties of the chair, thus posing a potential risk. A vote "against" in such cases is a general rule (any exception (i.e. vote FOR) must be argued (sic)).
Mandarine Part of the European Equity Portfolio	Proposals voted: 293 Votes 'For': 241 Votes 'Against': 52	Mandarine did not highlight any examples of significant votes over the period.
Wellington Part of the European Equity Portfolio	Proposals voted: 1,079 Votes 'For': 881 Votes 'Against': 31 Votes 'Abstain': 2 Votes 'Take No Action': 47 'Unvoted': 118	Wellington's Sustainability Report includes examples of significant votes at firm level, however these were not provided at fund level.
Wellington Part of the Emerging Markets Equity Portfolio	Proposals voted: 511 Votes 'For': 428 Votes 'Against': 67 Votes 'Abstain': 14 'Unvoted': 2	
Axiom Part of the Emerging Markets Equity Portfolio	Proposals voted: 1,330* Votes 'For': 1,020 Votes 'Against': 223 Votes 'Abstain': 48 Votes 'Do Not Vote': 39 *Excludes blank entries in the data provided (e.g. where resolutions have been withdrawn or where there are non-voting elements of a meeting agenda)	Examples of significant votes at fund level include: FirstRand Ltd – Axiom voted for a proposal to approve a report on the company's assessment of its exposure to climate-related risks. Axiom believed the potential implementation of this item appears in line with, and would not be expected to hinder, the Company's own initiative already underway to improve its climate-related risk framework beyond October 2020. The disclosure requested by the resolution is considered reasonable by Axiom and is likely to be useful for shareholders. While the company has provided some public commitments regarding its climate-related reporting in response to this resolution, its proposed timeframe of three to five years for enhanced reporting was considered slow, especially given the company's own commitment and initiatives to implement the recommendations of the TCFD to which the proposal requirements are also aligned. Banco do Brasil SA – Axiom voted against approval of the remuneration of Audit Committee members. Axiom believed the lack of timely disclosure prevented international institutional shareholders from making an informed voting decision regarding this proposal.

Outstanding manager information and other comments

The Scheme was not invested in its holdings with JO Hambro as part of the Goldman Sachs Emerging Markets Equity Portfolio until July 2020, which falls outside of the reporting period for the Statement. The Statement also includes partial engagement examples for the Goldman Sachs Global High Yield Fund, which was sold from the Scheme's portfolio during the reporting period; full engagement statistics over the reporting period were unavailable at the time of request.

In addition, Goldman Sachs did not provide voting or engagement data for the Scheme's Hedge Fund holdings, Absolute Return Tracker Fund or the Tactical Tilt Overlay Portfolio. Goldman Sachs noted that, given the shorter term investment horizon and trading-oriented nature of most hedge fund strategies, they have not yet seen significant integration of ESG factors into the hedge fund strategies, and so would currently designate questions on voting and engagement for these strategies as "N/A".

