



EMRLPLAS

November 2021

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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 2020 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 2021 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

- Following the potentially mandatory requirement for the Trustees to put their investment mandate with Goldman Sachs out to tender, the Trustees considered their wider investment strategy framework options. Following discussions, the Trustees agreed in principle to adopt a Fiduciary Manager approach.
- Following reaching a decision on the above, the Trustees engaged in wider discussions with the Sponsoring Employer (the "Company") on the long-term options for the Scheme. As such, a Fiduciary Manager tender exercise was put on hold by the Trustees until the matter would be concluded.

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.	No changes during the year.
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).	No changes during the year.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified.	No changes during the year.
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.	No changes during the year.
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.	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.	No changes during the year.
		The Trustees have so far made adjustments to parts of the portfolio deemed appropriate and will keep the matter under review.	

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).	No changes during the year.
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.	No changes during the year.

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. The Trustees have previously agreed to establish their own set of ESG beliefs at some point in the future.

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.

ESG summary and actions with the investment managers

The Trustees have previously 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 2021.

Manager, fund	Engagement summary	Commentary
Goldman Sachs Fixed Income Account	Total engagements: 17 Environmental: 9 Social: 4 Governance: 4	Goldman Sachs provided examples of the key ESG themes discussed during the engagements, however no further qualitative commentary was provided.
BlueBay Global High Yield Bond Fund	Total engagements: 45 Environmental: 24 Social: 29 Governance: 37 Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.	Examples of engagements at fund level include: Country Garden Holdings Co Ltd: BlueBay engaged with the company to discuss target setting across E, S and G areas and the company's objective to improve its MSCI score. A number of other ESG matters were discussed, including anti-corruption, health and safety and targets around green certification and green building designs. Overall, the company feel they have made progress in terms of improving their MSCI score (whilst acknowledging there are other areas where they can continue to improve) and are looking into how to communicate this to MSCI. Barclays PLC: BlueBay engaged with Barclays regarding their risk management framework and also their approach to climate sensitive sectors such as energy and utilities. It was discussed how Barclays being a founding member of the TCFD and Principles for Responsible Banking has pushed them to best in class ESG disclosures. As a result of the engagement, BlueBay noted that whilst Barclays' ESG strategy should be credited there is scope for more ambition (for example, the firm's commitments to sustainable finance should be monitored).
Lord Abbett High Yield Fund	Total engagements: 164	Lord Abbett did not provide any further commentary on the engagements undertaken over the period.

Deutsche Invest ('DWS') Global Infrastructure Fund	DWS did not provide any engagement data at fund level.	DWS did not provide any engagement details for the purposes of this document, instead providing their related policies on voting and engagement. These polices are also available online.
BlackRock iShares Developed Markets Property Yield (removed from portfolio on 22 September 2021)	<p>Total company engagements: 59</p> <p>Number of individual companies engaged: 44</p> <p>Environmental: 26</p> <p>Social: 12</p> <p>Governance: 55</p> <p>Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.</p>	BlackRock did not provide any further commentary on the engagements undertaken over the period.
BlackRock iShares Pacific Ex-Japan Equity Index Fund	<p>Total company engagements: 105</p> <p>Number of individual companies engaged: 66</p> <p>Environmental: 68</p> <p>Social: 69</p> <p>Governance: 101</p> <p>Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.</p>	<p>Examples of engagements at fund level include:</p> <p>Woodside Petroleum Ltd: BlackRock regularly engage with the company on ESG topics, in particular on the company's governance practices and risk profile. In their most recent engagement BlackRock discussed a range of ESG topics including the company's approach to TCFD, board composition and diversity.</p> <p>Australia & New Zealand Banking Group Ltd.: BlackRock engage with the company to regularly review its governance structures. They provide regular feedback on governance and business practices and have discussed issues such as board composition and effectiveness, remuneration, business oversight, climate risk management and corporate strategy and culture. In November 2020, following engagement with BlackRock, the company released an updated climate change statement outlining how it will facilitate the transition to net zero emissions by 2050.</p>
BlackRock iShares MSCI Japan Fund	<p>Total company engagements: 415</p> <p>Number of individual companies engaged: 256</p> <p>Environmental: 191</p> <p>Social: 88</p> <p>Governance: 400</p> <p>Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.</p>	BlackRock did not provide any further commentary on the engagements undertaken over the period.

Vanguard S&P 500 ETF	Vanguard did not provide any engagement data at fund level.	Vanguard did not provide any engagement details for the purposes of this document.
Vanguard FTSE Developed Europe Index Fund		
Fiera Part of the North American Equity Portfolio	Total engagements: 4 Fiera were unable to categorise their engagements by ESG theme.	Examples of engagements at fund level include: Rotork plc: Fiera engaged with the company to better understand its actions in relation to decarbonisation. Fiera were satisfied by the company's response and their ability to demonstrate how products and technologies can help customers manage resources efficiently in the context of decarbonisation and renewable energy. Middleby Corp: Over recent years Fiera have continued to engage with the company around the executive compensation structure in place as well as social and environment disclosures. As a result of these continued engagements, the company presented a new compensation structure which was implemented in 2021 and is better aligned with the interests of long-term shareholders.
Diamond Hill Part of the North American Equity Portfolio	Diamond Hill did not provide any engagement data at fund level.	Diamond Hill did not provide any engagement details for the purposes of this document.
Westfield Part of the North American Equity Portfolio	Total engagements: 4 ESG: 2 Governance: 2	Examples of engagements at fund level include: Ametek – Westfield engaged with the company to discuss how they can improve their overall ESG disclosure. In response, the company committed to continuing the dialogue around ESG and shared their ideas to produce their first Sustainability Report. The company also confirmed that they are also researching sustainability-linked revolving credit lines based on suggestions made by Westfield. Zendesk – Westfield held a virtual meeting with the company's CFO to discuss how they could enhance the use of various ESG reporting frameworks. The company discussed their plans to evolve their ESG disclosure and reporting, noting that it is an important tool for talent attraction and internal retention.
Brown Advisory Part of the North American Equity (US Small Cap) Portfolio	Total engagements: 2 Social: 1 Governance: 1	Examples of engagements at fund level include: Optical retailer – Brown Advisory engaged with the company to further understand their ESG profile. They discussed people management, diversity and inclusion, compensation, and who is directly responsible for ESG-related efforts at the firm. Brown Advisory are encouraged by the progress the company has made in relation to ESG (including conducting a recent greenhouse gas inventory initiative), and intend to continue alongside other investors engaging on this topic to promote further progress. Landscape supply distributor – Brown Advisory engaged with the company to discuss the environmental impacts of

		their products and also their wider focus on ESG. Brown Advisory used the engagement to offer suggestions on a number of ways for the company to boost their ESG profile. As a result, the company has taken a number of steps to improve its ESG profile in response to engagements with shareholders, including the issuance of its first sustainability report and the enhancement of the current social and environmental policies in place.
Boston Partners Part of the North American Equity (US Small Cap) Portfolio	Total engagements: 20 Environmental: 14 Social: 15 Governance: 14 Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.	Examples of engagements at fund level include: Air Lease Corporation – Boston Partners engaged with the company to discuss their environmental disclosures, which Boston Partners felt were lacking, as although the company had added information to its website it was not substantial. Boston Partners recommended providing data on the environmental profile of the fleet owned by the company, as well as gender diversity statistics. Subsequently the company produced a 2021 Sustainability Report which was in line with GRI standards, and Boston Partners feel the level of disclosure has improved. FirstCrash Inc – Boston Partners engaged with the company regarding its governance structures after voting against various director nominees due to a lack of gender diversity. In response, the company committed to increasing gender diversity and a female director was appointed in January 2021. However, Boston Partners expect further progress from the company in relation to diversity.
Quantitative Management Part of the North American Equity (US Small Cap) Portfolio	Quantitative Management did not provide any engagement data at fund level.	Quantitative Management did not provide any engagement details for the purposes of this document.
Victory Capital Management Part of the North American Equity (US Small Cap) Portfolio	Victory Capital Management did not provide any engagement data at fund level.	Victory Capital Management did not provide any engagement details for the purposes of this document.
Eleva Part of the European Equity Portfolio	Total engagements: 28 Environmental: 4 Social: 2 Governance: 22	Examples of engagements at fund level include: Ocado Group PLC : Eleva engaged with the company on supply chain risk management control. Eleva encouraged the company to disclose more on the internal and external controls applied to suppliers and their interactions with suppliers. They also discussed the company's climate strategy and climate reporting. JDE Peet's : Eleva discussed a variety of governance topics with the company, including remuneration of executives, anti-takeover mechanisms and the composition of the Supervisory Board.
Mandarine Part of the European Equity Portfolio	Total engagements: 15 Environmental: 15 Human Capital: 5	Examples of engagements at fund level include: Henkel : Mandarine met with the company's Sustainability Director to address climate change targets. A target was set for Henkel to "become a company with a positive impact on the climate" by 2040, and the company also announced a

	<p>Governance: 6</p> <p>Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.</p>	<p>series of intermediate targets for 2025 and 2030 relating to its packaging.</p> <p>Allianz: Mandarine engaged with the company to challenge its carbon emissions targets, although it was noted that the company had made reductions to its overall carbon emissions. Governance topics were also discussed as part of the engagement, and Mandarine are comfortable that sustainability is now firmly represented in the company's governance structure of senior executives.</p>
Wellington Part of the European Equity Portfolio	<p>Total engagements: 228</p> <p>Environmental: 1</p> <p>Social: 1</p> <p>Governance: 226</p>	Wellington did not provide any detailed examples of engagement activities at Fund level.
Axiom Part of the Emerging Markets Equity Portfolio	<p>Total engagements: 9</p> <p>Environmental: 1</p> <p>Social: 8</p> <p>Governance: 1</p> <p>Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.</p>	<p>Examples of engagements at fund level include:</p> <p>Hyundai Motor Co.: Axiom engaged with the company to encourage more gender diversity at the board and management level. As a result, the company's first female board member was proposed. Axiom also highlighted their concerns around product quality and safety, and in response the company presented their plans to form a product quality management team.</p> <p>Trip.com: Axiom engaged with the company to create more awareness around the environmental impact of leisure activities. The company's management indicated that they plan to focus on offering consumers products which support the growth of the sustainable travel industry.</p>
Wellington Part of the Emerging Markets Equity Portfolio	<p>Total engagements: 12</p> <p>Environmental: 8</p> <p>Governance: 7</p>	Wellington provided the key themes of each engagement, however no further qualitative commentary on the discussions and outcomes of the engagements were provided.
JO Hambro Part of the Emerging Markets Equity Portfolio	<p>Total engagements: 8</p> <p>Environmental: 2</p> <p>Social: 3</p> <p>Governance: 5</p> <p>Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.</p>	<p>Examples of engagements at fund level include:</p> <p>Barrick Gold: JO Hambro engaged with the mining company on remuneration and senior management targets, and discussed the company increasing its emphasis on sustainable earnings. JO Hambro have also continued to monitor the company's ESG improvements, and noted positively that the company is due to implement an ESG scorecard. JO Hambro also discussed board diversity, and were encouraged by the company appointing their second female director during 2020.</p> <p>SK Telecom: JO Hambro met with the Senior Executive of the company to discuss governance, and in particular the treatment of minority shareholders within the company's corporate structure. JO Hambro indicated their preference for higher dividends and how any changes in the corporate structure should be equally beneficial to minority as well as majority shareholders. The company plans to increase its dividend pay-out ratio over the course of 2021 and 2022 and will hold further conversations about how to ensure the corporate structure is favourable to minority interests.</p>

PGIM Global Real Estate Secondaries	Total engagements: 15 Environmental: 13 Social: 10 Governance: 2 Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.	Examples of engagements at fund level include: New Senior Investment Group: PGIM met with the company's CEO to discuss plans to expand the company's board diversity and independence. It was noted by the company that there had been a recent independent board member addition and that they plan to continue to improve board composition. American Campus Communities Inc.: PGIM engaged with the company on the topic of the company's ESG rankings. The company acknowledged where ESG improvements were required but noted that they plan to hire an ESG specialist and expand their ESG disclosures. PGIM intend to continue to monitor their progress in this area.
Invesco S&P 500 ETF	Total engagements: 19 Environmental: 10 Social: 8 Governance: 10 Please note that the sum of the above categories is greater than the number of total engagements, as some engagements covered more than one ESG area.	Examples of engagements at fund level include: Volkswagen: Invesco engaged with the company to discuss corporate governance, noting that whilst the company often performs well in terms of the environmental and social aspects of ESG, the governance aspect requires improvements. The company has identified a series of smaller, more specific governance reforms which they believe are feasible and intend to action over the next year. Invesco intend to continue to apply pressure on this issue going forwards. Morgan Stanley: Invesco engaged with Morgan Stanley to discuss a range of ESG topics. Invesco noted positively that the company has set up the Institute for Inclusion to develop diversity efforts. The board of directors have also been actively engaged with human capital management and the wider diversity effort and are overseeing a new Diversity and Inclusion Report.

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 2021.

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
Lord Abbett High Yield Fund	Votable proposals: 3 Proposals voted: 3 Votes with management: 3 Votes against management: 0 Votes abstained: 0	Lord Abbett did not provide any examples of significant votes over the period.
Deutsche Invest ('DWS') Global Infrastructure Fund	DWS did not provide any voting statistics at fund level.	Examples of significant votes include: Vinci SA: DWS voted against a proposal to ratify named Executive Officers' compensation, noting that there was no system in place which entitled the company to recover any sums already paid. Cheniere Energy Inc: DWS voted in favour of a proposal to produce a report on plans to address stranded carbon assets risks, explaining that they expect management to assess risks and impacts resulting from environmental developments and develop a robust understanding on how to mitigate these risks.
BlackRock iShares Developed Markets Property Yield (removed from portfolio on 22 September 2021)	Votable proposals: 3,257 Proposals voted: 3,256 Votes with management: 3,105 Votes against management: 151 Votes abstained: 15 Note: Data provided covers the period 01/04/20 to 31/03/21	BlackRock did not provide any examples of significant votes over the period

BlackRock iShares Pacific Ex-Japan Equity Index Fund	Votable proposals: 1,144 Proposals voted: 1,144 Votes with management: 1,032 Votes against management: 112 Votes abstained: 1 Note: Data provided covers the period 01/04/20 to 31/03/21	Examples of significant votes include: Santos APR: BlackRock voted against a resolution on climate-related lobbying. Shareholders requested that the company conduct a review of its lobbying activities relating to climate resources and energy. BlackRock noted that based on their own analysis, the company's public positions and lobbying efforts are aligned, however they will continue to engage with management on a range of governance issues. Origin Energy: BlackRock voted against a proposal requesting the company commissioned a review of the process used to obtain consent from Aboriginal owners who may be affected by the company's fracking activities in the Northern Territory. BlackRock believe that the company has demonstrated adequate business practices related to its fracking operations and noted that the major opponents of the fracking project do not have rights over the land. BlackRock also believed the proposal was overly prescriptive and therefore voted against it.
BlackRock iShares MSCI Japan Fund	Votable proposals: 13,820 Proposals voted: 13,820 Votes with management: 13,239 Votes against management: 581 Votes abstained: 2 Note: Data provided covers the period 01/04/20 to 31/03/21.	BlackRock provided the following example of a significant vote at fund level: Mizuho Financial Group Inc: BlackRock voted against a proposal to disclose a plan outlining the company's business strategy to align investments with the goals of the Paris Agreement. Black Rock's rationale was that the company already has policies in place to address these issues.
Vanguard S&P 500 ETF	Votable proposals: 6,611 Proposals voted: 6,608 Votes with management: 6,487 Votes against management: 121 Votes abstained: 0 Note: Data provided covers the period 31/03/20 to 31/03/21.	Examples of significant votes include: Johnson & Johnson: Vanguard voted in favour of a proposal for the company to produce a report on governance measures implemented related to opioids. Vanguard believed the proposal to be reasonable and concluded that it addresses a material financial risk. It was also noted that the additional level of disclosure will benefit shareholders. Snap-on Incorporated: Vanguard voted against a resolution to ratify named Executive Officers' compensation. Vanguard outlined their concerns with pay for performance alignment, structure, and disclosure.
Vanguard FTSE Developed Europe Index Fund	Votable proposals: 12,225 Proposals voted: 12,063 Votes with management: 11,591 Votes against management: 472 Votes abstained: 15	Examples of significant votes include: Aena S.M.E SA - Vanguard voted for a proposal for the board to present the Climate Action Plan at its 2021 AGM, to present its updated Climate Action Report at the 2022 AGM, and to submit these to a consultative vote as a separate agenda item. Vanguard are of the view that adopting the proposal would improve the company's existing disclosure and policies.

	Note: Data provided covers the period 31/03/20 to 31/03/21. Figures may not total 100%.	Atlantia SpA: Vanguard voted against a resolution to approve a section of the company's remuneration report over concerns with excessive severance payments to the company's outgoing CEO.
Fiera Part of the North American Equity Portfolio	Votable proposals: 370 Proposals voted: 370 Votes with management: 336 Votes against management: 34 Votes abstained: 0	Examples of significant votes at fund level include: Moody's Corporation – Fiera voted against the election of a director due to their long tenure of 23 years impairing their independence. They discussed these concerns with the company in writing. NIKE Inc – Fiera voted against a proposal to ratify named Executive Officers' compensation, noting that they are against the fact that NIKE are providing discretionary bonuses in response to the impact of COVID-19 on their financial results.
Diamond Hill Part of the North American Equity Portfolio	Votable proposals: 743 Proposals voted: 726 Votes with management: 702 Votes against management: 24 Votes abstained: 2	Examples of significant votes include: The Procter and Gamble Company: Diamond Hill voted for a resolution proposing the firm produce an annual diversity report. Diamond Hill believe this disclosure would benefit shareholders and can be provided at a reasonable expense without disadvantaging the company. Chevron Corporation (CVX): Diamond Hill voted in favour of a resolution proposing the firm produce a report on climate lobbying, as they are in favour of greater disclosure around the company's lobbying activities and environmental impact.
Westfield Part of the North American Equity Portfolio	Votable proposals: 569 Proposals voted: 569 Votes with management: 508 Votes against management: 61 Votes abstained: 0	Examples of significant votes at fund level include: Boston Scientific Corporation – Westfield voted against a proposal suggesting the company produce a report on non-management employee representation on the Board of Directors. Westfield are comfortable that the current board framework in place is providing the company with adequate oversight of workforce issues. In addition, Westfield felt it was not clear how the report would address company workforce risks. PayPal Holdings Inc. – Westfield voted against a resolution suggesting the company adopt a Human and Indigenous People's Rights Policy. Westfield explained that a vote against was warranted given the company has formalised board and management oversight responsibilities for its ESG strategy, and the risk management policies in place are currently sufficient.
Brown IA Part of the North American Equity (US Small Cap) Portfolio	Votable proposals: 511 Proposals voted: 511 Votes with management: 459 Votes against management: 52 Votes abstained: 0	Brown IA did not provide any examples of significant votes over the period, noting that they consider all votes to be meaningful and do not wish to categorise any as being the 'most significant'.

Boston Partners Part of the North American Equity (US Small Cap) Portfolio	Votable proposals: 1,095 Proposals voted: 1,095 Votes with management: 999 Votes against management: 96 Votes abstained: 0	Examples of significant votes at fund level include: First Hawaiian, Inc.: Boston Partners voted against a proposal to ratify named Executive Officers' compensation. Their reasoning behind that was concerns surrounding the pay structure in place, particularly in regard to the long-term incentives comprising a significant amount of CEO pay (and the fact the CEO pay increased whilst overall long-term returns lagged). Although the resolution passed, Boston Partners engaged with the company on the matter and intend to continue doing so. The Timken Company: Boston Partners voted against a proposal to reduce the ownership threshold for shareholders to call a special meeting from 25% to 10%. Boston Partners explained that this resolution would enhance shareholder rights.
Quantitative Management Part of the North American Equity (US Small Cap) Portfolio	Quantitative Management did not provide any voting statistics at fund level.	Quantitative Management did not provide any examples of significant votes over the period.
Victory Capital Management Part of the North American Equity (US Small Cap) Portfolio	Votable proposals: 50 Proposals voted: 50 Votes with management: 37 Votes against management: 13 Votes abstained: 0	Examples of significant votes at fund level include: Opthea Limited.: Victory Capital voted against a resolution approving the issuance of options for a non-executive Director. Victory Capital noted that a vote against was warranted because in the Australian market the issuance of performance-based remuneration to non-executive Directors is not considered to be good corporate governance. Twist Bioscience Corporation: Victory Capital withheld their vote on a proposal to elect a Director. This was due to the board's failure to remove the supermajority vote requirement to enact certain changes to the governing documents and the classified board, both of which adversely impacts shareholder rights.
Eleva Part of the European Equity Portfolio	Votable proposals: 1,097 Proposals voted: 1,079 Votes with management: 1,009 Votes against management: 70 Votes abstained: 0	Examples of significant votes at fund level include: Delivery Hero SE: Eleva voted against the appointment of a Director to the Supervisory Board as a Shareholder Representative based on the fact they were non-independent and also currently chair of the firm's audit committee. boohoo group Plc: Eleva voted against a proposal to ratify named Executive Officers' compensation. Eleva noted a vote against was warranted given that a large award was paid to the CEO during the relevant financial year with no explanation provided by the company for its size. In addition, no explanation has been provided with regards to the salary increase of the Executive Directors for the 2020 financial year.

Mandarine Part of the European Equity Portfolio	Votable proposals: 365 Proposals voted: 219 Votes with management: 186 Votes against management: 33 Votes abstained: 0	Examples of significant votes at fund level include: Atos: Mandarine voted against the renewal of one of the company's board directors given they were a non-independent director, and board independence is a key element of their voting policy. BNP: Mandarine voted against the remuneration of the company's executives, citing that the remuneration was not in line with their voting policy. Given that the company is a large holding in the portfolio, remuneration is an important consideration, and Mandarine plan to engage with the company further ahead of the next AGM.
Wellington Part of the European Equity Portfolio	Votable proposals: 971 Proposals voted: 867 Votes with management: 834 Votes against management: 33 Votes abstained: 0	Examples of significant votes at fund level include: Hannover Ruck SE: Wellington voted against a proposal outlining the allocation of the company's profits/dividends, citing that this was against regulatory guidance. Wellington intend to enhance company engagement on this issue. Qiagen NV: Wellington voted against the company's remuneration report given that it was not in the interest of minority shareholders, and intend to continue engaging with the company on this matter.
Wellington Part of the Emerging Markets Equity Portfolio	Votable proposals: 2,662 Proposals voted: 2,662 Votes with management: 2,257 Votes against management: 405 Votes abstained: 0	Examples of significant votes at fund level include: Tencent Holdings Ltd: Wellington voted against a proposal regarding the authority for the company to issue shares without pre-emptive rights. Wellington believed this was not in the interest of minority shareholders and therefore voted against the proposal. Kia Motors: Wellington voted against the company's financial statements and the allocation of profits/dividends. Their reasoning behind the vote was that the company had not provided sufficient information, and Wellington intend to enhance company engagement as a result.
Axiom Part of the Emerging Markets Equity Portfolio	Votable proposals: 1,1131 Proposals voted: 1,067 Votes with management: 906 Votes against management: 161 Votes abstained: 55	Examples of significant votes at fund level include: China Mobile: Axiom voted against a proposal for the company to adopt a share option scheme. Axiom explained that the company could be considered mature and that the limit under the proposed share option scheme would exceed 5% of the company's issued capital. It was also felt that the company did not disclose sufficient information on the performance conditions associated with the scheme. Metropolitan Bank & Trust Company: Axiom voted against a proposal regarding the election of Directors, due to the fact that the company has not disclosed the Directors' attendance on board and committee meetings held during the year. Axiom intend to hold the company accountable in terms of the expectations of its Directors.

JO Hambro Part of the Emerging Markets Equity Portfolio	Votable proposals: 184 Proposals voted: 180 Votes with management: 165 Votes against management: 15 Votes abstained: 0	Examples of significant votes at fund level include: BIM ES: JO Hambro voted in favour of a proposal outlining a change in the shareholder return policy which involved returning cash to shareholders after a long period of low dividends. JO Hambro felt that the company's attractive valuation was due to the build-up of cash on the balance sheet and that this shareholder return policy would benefit shareholders. Samsung Electronics: Axiom voted against a proposal regarding the re-election of three non-Executive Directors due to their failure to remove Lee Jae-Yong from the Board (following his conviction for corruption in 2017). Although JO Hambro believe the shareholder return policy of the company has improved over recent years, they feel that retaining individuals in leadership positions with criminal convictions does not conform to high governance standards. JO Hambro did vote in favour of the re-election of the Executive Directors, as they felt that removing the executive leadership would not be in shareholders' interests.
PGIM Global Real Estate Secondaries	Votable proposals: 784 Proposals voted: 784 Votes with management: 756 Votes against management: 28 Votes abstained: 0	Examples of significant votes at fund level include: JBG Smith: PGIM voted against the election of a board member and held a call with management to explain that they did not feel the board was sufficiently independent, therefore this board member's input may not maximise shareholder value. This board member was subsequently voted off the board by shareholders and resigned. Prologis: PGIM voted against the company's 2020 Long Term Incentive Plan, citing that a vote against was warranted given the non-employee directors are eligible to receive awards under the plan. Although the proposal was passed by shareholders, PGIM intend to continue voting in line with their internal policies on such matters and communicate their preferences to the company.
Invesco S&P 500 ETF	Votable proposals: 702 Proposals voted: 524 Votes with management: 486 Votes against management: 38 Votes abstained: 2	Examples of significant votes at fund level include: MACOM Technology Solutions Holdings, Inc.: Invesco withheld their vote on a proposal regarding the election of a Director to the board, due to the fact that the Director was not independent, and the board is comprised of less than 50.1% independent Directors. Applied Materials, Inc: Invesco voted for a proposal to amend the qualified employee stock purchase plan for the company. Invesco felt that the purchase price and number of shares received was reasonable, and that the offering period is within regulatory guidelines.

Note: Goldman Sachs did not provide voting or engagement data for the Scheme's Hedge Fund holdings due to the nature of the investments and the strategies that the managers follow. This also applies to the Goldman Sachs Tactical Tilt Fund as the Fund does not invest in individual bonds or equities and therefore do not have engagement/voting records. The Fund uses derivatives and ETFs to express macro views and trade ideas.

