IMPLEMENTATION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Introduction

Under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Trustee is required to produce an annual Engagement Policy Implementation Statement ("EPIS"). This statement outlines how, and the extent to which, the policies relating to stewardship, voting and engagement as outlined in the Statement of Investment Principles ("SIP") have been followed.

This statement covers the Plan's accounting year to 31 December 2021. It is intended to meet the updated regulations and will be included in the Plan's Report & Accounts. In preparing this statement, the Trustee has taken advice from its professional advisers.

This statement details some of the activities taken by the Trustee, the Manager and the investment managers during the period, including voting statistics, and provides the Trustee's opinion on the stewardship activities over the period.

2. Policies

The Trustee's relevant policies regarding stewardship, voting and engagement are outlined in the SIP. The most recent version of the SIP is publicly available and is published online and will be updated from time-to-time as the SIP is updated.

The Trustee has appointed BlackRock as the adviser and Fiduciary Manager ("the Manager") to the Plan. The Trustee delegates the day-to-day investment decisions and asset allocation to the Manager. The Trustee retains responsibility for the strategic investment objective and oversight of the Manager. A number of underlying investment managers (including the Manager) have been appointed to invest the Plan's assets. The underlying investment managers are ultimately responsible for carrying out the stewardship, voting and engagement activities in respect of the Plan's assets in line with the SIP.

During the year to 31 March 2022 the Trustee did not update the SIP, as such the policies contained in the September 2020 SIP are those which are relevant to this Statement. The relevant excerpts from the SIP are included below.

<u>SIP from September 2020 – present</u>

STEWARDSHIP

2.15 The Trustee understands that stewardship can enhance value over the long term and recognises that it has a responsibility to act as a good steward and protect and grow the long-term value of the Scheme for the benefit of the Scheme's members.

2.16 In order to be a good steward, the Trustee seeks to ensure that the Scheme's respective stakeholders undertake appropriate activities.

2.17 The Trustee expects the Fiduciary Manager to ensure that its objectives are implemented as far as is reasonably practicable. This includes ensuring to the extent possible, that the underlying or external managers exercise on the Trustee's behalf rights and duties as an investor. This should include, where appropriate, voting and engaging with underlying investee companies, as part of an effective stewardship approach that meets the Trustee's expectations. The Trustee expects that voting and engagement activities are carried out in the best financial interests of the assets being managed.

2.18 The Trustee has delegated monitoring of underlying or external managers to the Fiduciary Manager. As part of this responsibility, the Fiduciary Manager is expected to:

- *Request voting and/or stewardship policies of the underlying or external managers.*
- *Enquire about underlying manager's voting activity with respect to their stated policies, where appropriate.*
- *Request that underlying investment managers report on an annual basis a summary of the voting actions which have been taken and any votes cast which differ from the stated voting policy of that manager.*
- *Provide a summary to the Trustee of the overall level of voting activity on an annual basis.*

2.19 The Trustee will engage with the Fiduciary Manager to understand any reports which have been provided and challenge any outcomes which it feels are not in keeping with its stewardship objectives. The Fiduciary Manager is expected to engage with the underlying or external managers as and when required to facilitate this. Where an underlying or external manager is not adhering to this policy in line with the Trustee's expectations, the Trustee would expect the Fiduciary Manager to consider appropriate actions having regard to the long-term financial wellness of the Scheme.

3. Scope of this statement

The Trustee acknowledges that the extent to which the policies in relation to stewardship, voting and engagement can be applied varies across the portfolio. For example, in general, voting rights are not attached to fixed income securities, while the applicability to the liability hedging assets is limited. Nonetheless, the Trustee and the Manager expect all investment managers to take an active role in the stewardship of investments where possible.

During the reporting period, the Plan had a relatively low allocation to equities. All of the Plan's equity allocation was invested in passive equities. The majority of the Plan's assets were invested in assets which do not typically have voting rights attached. The main applicability of voting and engagement was to the BlackRock passive global equities and BlackRock UK credit.

4. Plan activity over the year

The SIP includes the Trustee's policy on Environmental, Social and Governance ("ESG") factors and stewardship. This policy sets out the Trustee's beliefs on ESG and the processes followed in relation to voting rights and stewardship.

The Trustee expected and continues to expect, where relevant, the Manager to work with underlying managers in order to ensure those on the weaker side of voting and engagement take action to make improvements. The Manager has acknowledged that all managers have been taking steps to improve both their voting and engagement and "best in class' continues to evolve. The Trustee will be closely monitoring developments over the coming years.

In November 2021 the majority of the Plan's assets were transferred to Pension Insurance Corporation ("PIC") as part of a Buy-In of the Plan's remaining liabilities. As part of this exercise, the Plan's allocation to pooled funds which invest in equities and credit was sold. As such, as of the end of the period the Plan no longer holds the assets for which the voting activity is outlined in this statement.

5. Voting and Engagement

The Trustee has delegated to the Manager the responsibility of collecting the stewardship and engagement reports of the underlying managers and assessing the suitability. The Trustee also expected the Manager to monitor the underlying manager's activity to ensure compliance and confirm that it remained a suitable investment for the Plan. The Trustee is comfortable that under the governance structure the responsibility sits with the Manager to communicate with the underlying managers and on a regular basis collect information as required.

As noted in section 2, the SIP was amended towards the end of the accounting period (in September 2020) to reflect the Trustee's extended policies regarding the stewardship activities and the exercise of voting rights and engagement practices in respect of the Plan's investment managers. It was intended that the Trustee's extended policies in the SIP, through ongoing monitoring, would provide greater transparency and accountability around voting activities by the Plan's investment managers over time.

Appendix 1 details the investment managers' approach to voting and engagement as well as an example of a significant engagement over the 12 months in respect to the funds in which the Plan was invested. In addition, summary voting statistics in respect of the Plan's equities funds over the year to 31 December 2021 have been included.

6. Concluding remarks

The Trustee is comfortable that the policies in the SIP have been followed over the year to 31 December 2021. The Trustee expects that the format and content will evolve over time, in line with guidance and to reflect any future changes in the SIP.

The September 2020 SIP expanded the Trustee's policy in order to incorporate an updated Stewardship Policy as well as a more comprehensive policy on "Engagements with Asset Managers". The Trustee will continue to receive further training in relation to ESG issues and will evolve policies over time, including more widely across the Plan's assets.

The Trustee recognises the responsibility that institutional investors have to promote high standards of investment stewardship and will continue to use the influence associated with the Plan's assets in order to positively influence the Plan's investment managers, where possible.

Appendix 1: Approach to Voting and Engagement and significant vote

BlackRock:

The Plan had a significant portion of its Growth assets invested in funds managed by the Manager. Given the Manager's appointment as both the fiduciary manager as well one of the investment managers, the Trustee recognises the importance of ensuring that the Manager's own policies and actions were appropriate for the Plan. The Manager publicises its own policies as well as quarterly updates online which the Trustee has visibility of. This includes details of any changes to policies and also reports at an aggregate level the impact of its voting and engagement. The Trustee is comfortable that the transparency of the Manager in publicising reports and developments online ensures alignment with the interests of the Plan.

Whilst it is important to monitor the activities of the Manager at a high level through this publicly available information, it is also important to monitor the voting and engagement activities undertaken on behalf of the Trustee by the Manager on a more granular level.

The Plan's BlackRock equities funds were passive (i.e. index) strategies. In respect of passive strategies, there is a wide universe of underlying companies which may number in the hundreds if not thousands. Where strategies are actively managed, investments are typically more concentrated. As such, ownership is more concentrated for actively managed strategies and therefore there are fewer resolutions in which to vote. In addition, actively managed strategies have the option to sell holdings in companies at its discretion. For these reasons, in the context of passive strategies, it is important that voting and engagement rights are exercised and that this is monitored. An example of a significant vote in respect of the BlackRock equites holdings is included below. The summary voting statistics below illustrate that the voting rights attached the underlying investments in these instances have been exercised to a large extent.

The Manager's approach to voting is described in the table below, along with summary voting statistics for the Manager's equities funds.

Approach to voting	BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed The BlackRock Investment Stewardship team does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance matters and, for those clients who have given BlackRock authority, through voting proxies in the best long-term economic interests of its clients. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

	Whilst BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into its vote analysis process, and it does not blindly follow their recommendations on how to vote. BlackRock does not follow any single proxy research firm's voting recommendations and in most markets. It subscribes to two research providers and uses several other inputs, including a company's own disclosures, in its voting and engagement analysis.
Exxon Mobil Corporation (American multinational oil and gas corporation)	Exxon is an American multinational oil and gas corporation headquartered in Irving, Texas. The company is engaged in the exploration, development, and distribution of oil, gas, and petroleum products and operates through the following segments: Upstream, Downstream and Chemical. BlackRock has had a long history of multiyear, intensive engagements with Exxon on a wide range of nuanced governance issues, including board composition, board shareholder engagement, corporate strategy, and oversight of climate risk, among other topics. Over the last several years, BlackRock has intensified its focus with the company on its long-term strategy and Exxon's underperformance relative to both its peers and the S&P 500 over the last five years. In our vote bulletin explaining our vote at last year's annual meeting, we emphasized our prevailing view that the risks of climate change and the transition to a lower carbon economy present material regulatory, reputational, and legal risks to companies that may significantly impair their financial position and ability to remain competitive going forward. We believe the steps taken, for example In February 2021, the company announced the creation of a new business segment, ExxonMobil Low Carbon Solutions, 4 which will initially focus on advancing carbon capture and storage (CCS) opportunities globally represent progress on issues critical for delivering financial performance, but we believe more needs to be done in Exxon's long-term strategy and short-term actions in relation to the energy transition in order to mitigate the impact of climate risk on long-term shareholder value. We continue to be concerned about Exxon's strategic direction and the anticipated impact on its long-term financial performance and competitiveness. In our view, the Board would benefit from the addition of diverse energy experience to augment existing skillsets. As a result, BIS supported three of the four directors nominated by Engine No. 1. We believe that they, together with Mr. Ubben, bring the fresh perspectives and relevant transformative energy experience to the Board that will help the company position itself competitively in addressing the risks and opportunities presented by the energy transition. At the most recent shareholder meeting, Exxon received a total of seven shareholders proposals covering issues from Corporate strategy, climate risk, board quality and effectiveness, and corporate lobbying activities. Below are examples of how BlackRock voted in the proposals: BlackRock voted against the proposal of an independent board chair because we believe our vote in support of the directors nominated by Engine No. 1 will introduce the necessary balance of independent perspective in the boardroom. Also, we have observed that Mr. Frazier in the role of Lead Independent Director is taking a more prominent position in engaging with shareholders. BlackRock voted against the proposal of reduce ownership threshold for shareholder to call special meeting, as shareholders can call special meetings at a 15% ownership threshold or at a 10% ownership threshold if a court order showing good cause is obtained. BlackRock voted in favour of the proposal of issuing audited report on financial impacts of IEA's Net Zero 2050 Scenario, despite the restrictiveness of the timeline, as we believe shareholders would benefit from greater insight into whether and how the IEA's Net Zero 2050 scenario would affect Exxon's financial position and long-term strategy.

	BlackRock voted against the proposal of report on costs and benefits of environmental relative expenditure, because, on our assessment, the company's existing reporting adequately explains the tangible health and environmental benefits of its current policies and practices.	
		Year to 31 December 2021
BlackRock World ex-UK Equities	Votable proposals	26,821
	% of resolutions voted	91%
	% of resolutions voted against management	9%
	% of resolutions abstained	0%
BlackRock UK Equities		**Year to 31 December 2021**
	Votable proposals	15,457
	% of resolutions voted	98%
	% of resolutions voted against management	6%
	% of resolutions abstained	2%