Implementation Statement - voting and engagement
This implementation statement describes the actions taken on voting and engagement over the past year and how they relate to the intentions we have set out in the Plan's Statement of Investment Principles ('SIP').

The Plan's investments are held in Legal & General Investment Management's (LGIM) pooled investment funds and the day-to-day management of these investments (including the responsibility for voting and engaging with companies) is delegated to LGIM.

As Trustees of the Plan's assets we are responsible for the selection and retention of LGIM. Analysing the voting and engagement activities, which we include details on below, is a useful part in helping us ensure they remain appropriate and we will engage with them should we have any concerns about voting and engagement activities formed on our behalf.

During the past scheme year, the Trustees updated the SIP to ensure it met new regulations which came into effect from 1 October 2019, and since the scheme year end the Trustees have updated the SIP to meet the new regulations which came into effect from 1 October 2020.

In order to produce this statement we have asked LGIM some questions on their policies, actions and examples relating to their voting and engagement activities. We have then reviewed these and summarised LGIMs responses for the purposes of this statement. LGIM have provided information relating to the Global Equity (70:30) Index Fund as this fund holds equities which they have voting rights for. Whilst the Active Corporate Bond Over 10 Years Fund doesn't hold equities and therefore doesn't have voting rights, LGIM's engagement activities are undertaken for all the companies that they hold and so they also engage with the companies whose bonds are held in this fund. The wording below was provided by LGIM and explains their approach to voting and engagement activities.

LGIM's voting and engagement activities are driven by ESG professionals and our assessment of the requirements in these areas seeks to achieve the best outcome for all their clients. Our voting policies are reviewed annually and take into account feedback from our clients.

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account. In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA).

Voting data
LGIM were eligible to vote on 50,425 resolutions. They voted on 99.8% of the resolutions. Votes for: 83%, Against 17%, Abstained: <1%. In 10.5% of occasions LGIM voted against the recommendation provided by a proxy advisor (ISS).

Most significant votes
LGIM have provided three examples when we asked them to provide their most significant votes:

1. **AMAZON**
   Date 27/05/2020
   Of 12 shareholder proposals, we voted to support 10. We looked into the individual merits of each individual proposal, and there are two main areas which drove our decision-making: disclosure to encourage a better understanding of process and performance of material issues and governance structures that benefit long-term shareholders.

   In addition to facing a full slate of proxy proposals, in the two months leading up to the annual meeting, Amazon was on the front lines of a pandemic response. The company was already on the back foot owing to the harsh workplace practices alleged by the author of a seminal article in the New York Times published in 2015, which depicted a bruising culture. The news of a string of workers catching COVID-19, the company's response, and subsequent details, have all become major news and an important topic for our engagements leading up to the proxy vote. Our team has had multiple engagements with Amazon over the past 12 months. The topics of our engagements touched most aspects of ESG, with an emphasis on social topics:

   • Governance: Separation of CEO and board chair roles, plus the desire for directors to participate in engagement meetings

   • Environment: Details about the data transparency committed to in their 'Climate Pledge'

   • Social: Establishment of workplace culture, employee health and safety

   The allegations from current and former employees are worrying. Amazon employees have consistently reported not feeling safe at work, that paid sick leave is not adequate, and that the company only provides an incentive of $2 per hour to work during the pandemic. Also cited is an ongoing culture of retaliation, censorship, and fear. We discussed with Amazon the lengths the company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies. However, some of their responses seemed to have backfired. For example, a policy to inform all workers in a facility if COVID-19 is detected has definitely caused increased media attention.

Despite shareholders not giving majority support to the raft of shareholder proposals, the sheer number and focus on these continues to dominate the landscape for the company. Our engagement with the company continues as we push it to disclose more and to ensure it is adequately managing its broader stakeholders, and most importantly, its human capital.

2. EXXONMOBIL

Date: 27/05/2020
Resolution: Elect Director Darren W. Woods
Vote: Against
In June 2019, under our annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, we announced that we will be removing ExxonMobil from our Future World fund range, and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, we also announced we will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, our voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.

93.2% of shareholders supported the re-election of the combined chair and CEO Darren Woods.

Approximately 30% of shareholders supported the proposals for independence and lobbying.

We believe this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company.

Our voting intentions were the subject of over 40 articles in major news outlets across the world, including Reuters, Bloomberg, Les Échos and Nikkei, with a number of asset owners in Europe and North America also declaring their intentions to vote against the company.

We voted against the chair of the board as part of LGIM's 'Climate Impact Pledge' escalation sanction.

3. BARCLAYS

Date: 07/05/2020
Resolution - Approve Barclays' Commitment in Tackling Climate Change – vote FOR - supported by 99.9% of shareholders

> The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. We are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.
>
> The hard work is just beginning. Our focus will now be to help Barclays on the detail of their plans and targets, more detail of which is to be published this year. We plan to continue to work closely with the Barclays board and management team in the development of their plans and will continue to liaise with ShareAction, Investor Forum, and other large investors, to ensure a consistency of messaging and to continue to drive positive change.

Since the beginning of the year there has been significant client interest in our voting intentions and engagement activities in relation to the 2020 Barclays AGM. We thank our clients for their patience and understanding while we undertook sensitive discussions and negotiations in private. We consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as our clients.

Statement of Trustees' Responsibilities
The Annual Report, which is prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102), is the responsibility of the Trustees. Pension Scheme regulations require, and the Trustees are responsible for ensuring, that the Annual Report:

- shows a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contains the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the Annual Report has been prepared in accordance with the relevant financial reporting framework applicable to occupational pension Schemes.

In discharging the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the Annual Report on a going concern basis unless it is inappropriate to presume that the Plan will not be wound up.

The Trustees are also responsible for making available certain other information about the Plan in the form of an Annual Report.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustees are responsible under pension's legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Plan by or on behalf of the Employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions are made to the Plan by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.