



**RETIREMENT BENEFITS PLAN
IMPLEMENTATION STATEMENT FOR YEAR ENDED 31 JULY 2023**

Introduction

Under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (Northern Ireland), the Trustees are 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 July 2023. In preparing this statement, the Trustees have taken advice from their professional advisers.

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

Policies

The Trustees’ 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. The SIP will be updated from time-to-time as required.

The Trustees have appointed BlackRock as the adviser and Fiduciary Manager (“the Manager”) to the Plan. The Trustees delegate the day-to-day investment decisions and asset allocation to the Manager. The Trustees retain responsibility for the strategic investment objective and oversight of the Manager.

During the year to 31 July 2023 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 Trustees note the “Guidance issued by the DWP relating to Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement” in July 2022. Going forwards, the Trustees plan to develop their policies and build more elements of this guidance into future iterations of this statement.

Scope of this statement

The Trustees acknowledge 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 Driven Investment (“LDI”) portfolio is limited. Nonetheless, the Trustees and the Manager expect all investment managers to take an active role in the stewardship of investments where relevant.

Plan activity over the year

The SIP includes the Trustees’ policy on Environmental, Social and Governance (“ESG”) factors and stewardship. This policy sets out the Trustees’ beliefs on ESG and the processes followed by the Trustees in relation to voting rights and stewardship.

The Trustees recognise that the Manager is engaging with the underlying managers to ensure they work to further improve their ESG policies and actions over time. As part of the Trustees’ ESG policy, the Manager is required to request the underlying managers’ policies and their adherence to them. The Manager reviews the policies of each underlying manager to ensure that these are appropriate.

The Trustees expect the Manager to continue 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 Trustees will be closely monitoring developments over the coming years.

Voting and Engagement

The Trustees have delegated to the Manager the responsibility of collecting the stewardship and engagement reports of the underlying managers and assessing the suitability. The Trustees also expect the Manager to monitor the underlying manager’s activity to ensure compliance and confirm that it

remains a suitable investment for the Plan. The Trustees are 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.

The Manager has noted that there is variability between managers in the extent of their engagement and voting policies, with equity managers generally having made more progress than fixed income. This Implementation Statement focuses on the Plan’s equities managers. It is intended that in future years there will be greater focus on other asset classes, in particular the fixed income managers.

The section below details the investment managers’ approach to voting and engagement as well as some examples of significant engagements these managers have made over the 12 months in respect to the funds in which the Plan is invested.

In addition, summary voting statistics in respect of the Plan’s equities funds over the year to 30 June 2023 have been included. Voting statistics have been reported over the one-year period to 30 June 2023 as this likely to result in greater coverage across investment managers and therefore also provide greater comparability and consistency going forwards.

BlackRock

The Plan has a 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 Trustees recognise the importance of ensuring that the Manager’s own policies and actions are appropriate for the Plan. The Manager publicises its own policies as well as quarterly updates online (which can be accessed <https://www.blackrock.com/corporate/insights/investment-stewardship>) which the Trustees have 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 Trustees are 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 Trustees by the Manager on a more granular level.

With the exception of the BlackRock European Equities fund, BlackRock Factor Equities and BlackRock Thematic Equities, the Plan’s BlackRock equities funds are 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 will be 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. Examples of significant votes in respect of the BlackRock holdings are included below. The summary voting statistics below illustrate that the voting rights attached to 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.

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| <p>Approach to voting</p> | <p>BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty and as a way to 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.</p> <p>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.</p> <p>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 within 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.</p> <p>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</p> |
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| | <p>on how to vote. BlackRock does not follow any single proxy research firm's voting recommendations. It subscribes to two research providers and uses several other inputs in its voting and engagement analysis, including a company's own disclosures, public information and ESG research.</p> <p>BlackRock uses Institutional Shareholder Services' (ISS) electronic platform to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, BlackRock works with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.</p> |
| <p>BE Semiconductor Industries N.V (Besi) (Dutch manufacturer)</p> | <p>Besi is a Dutch multinational company that designs and manufacturers semiconductor equipment. BIS has regularly engaged with Besi due to poor remuneration practices.</p> <p>In 2022, BIS voted against Besi's remuneration for generous discretionary rewards to the CEO that had no compelling rationale. The proposed rewards included an additional 103,000 shares worth 5.7m euros. As a result, BIS believed the CEO's overall pay package was excessive and almost 9 times above the company's peer group.</p> <p>In addition, the company did not submit a new remuneration policy after the former was rejected in 2021. Questions have also been raised on the appropriateness of some of the company's performance metrics where there is double counting of the same performance.</p> <p>However, following a constant dialogue with the company, BIS and BlackRock's European Equity team have noted significant improvements in the remuneration practices, including:</p> <ul style="list-style-type: none"> • Transparency on the approach used when determining pay • Introducing a cap that is applicable as a percentage of base salary • Introducing share ownership requirements <p>BIS look forward to seeing the result of the changes to remuneration practices at the 2023 AGM.</p> |
| <p>YUM! Brands, Inc. (Yum!) (US restaurant company)</p> | <p>YUM! Brands, Inc. (Yum!) is a restaurant company that owns and operates the KFC, Pizza Hut, Taco Bell, and The Habit Burger Grill restaurant franchises.</p> <p>BIS' engagement history with Yum!'s management has centered on the corporate governance topics that, in their assessment, are important for long-term financial value creation for investors. BIS have engaged with Yum! to understand their approach to human capital management as well as the board's oversight of, and management's approach to, climate-related risks and opportunities in the context of Yum!'s franchised business model and their markets of operation.</p> <p>At the May 2023 AGM there were five shareholder proposals. One shareholder proposal addressed the company's plans to reduce single-use plastic packaging. This shareholder proposal requested that Yum!'s board issue a report "...describing how the Company will reduce its plastics use by shifting away from single-use packaging..." in response to recent regulatory trends in certain jurisdictions which have levied taxes on and/or banned the use of single-use plastic products. The proposal further clarified that such a report should explicitly "evaluate dramatically reducing the amount of plastic" used in the company's packaging.</p> <p>In July 2022, Yum! updated their sustainable packaging policy, outlining the actions they have taken and those that they plan to take to address the issue of plastic-based packaging. Among other things, the company set goals to eliminate unnecessary plastics use, reduce virgin plastic content by 10%, and move consumer-facing plastic packaging to be reusable, recyclable, or compostable by 2025 across all brands. BIS notes that there are areas where, in their assessment, Yum! could improve their disclosure, particularly in setting targets for reusable packaging. However, Yum!'s existing disclosures and commitments are sufficiently comprehensive for investors to understand their approach.</p> <p>BIS, therefore, does not consider it is necessary for shareholders to direct management to undertake a review of them less than a year after the release of the new policy and targets. As a result, BIS did not believe it was in the financial interests of their clients to support this shareholder proposal and voted against the proposal.</p> |

The tables below outline the summary voting statistics in respect of the Manager's equities funds over the year to 30 June 2023. Voting statistics have been reported over the one-year period to 30 June 2023 as this likely to result in greater coverage across investment managers and therefore also provide greater comparability and consistency going forward.

| | | Year to 30 June 2023 |
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| BlackRock Europe Equities (Active) | Votable proposals | 818 |
| | % of resolutions voted | 82% |
| | % of resolutions voted against management | 6% |
| | % of resolutions abstained | 1% |

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| BlackRock US Equities (Index) | | Year to 30 June 2023 |
| | Votable proposals | 7,390 |
| | % of resolutions voted | 99% |
| | % of resolutions voted against management | 2% |
| | % of resolutions abstained | 0% |
| BlackRock UK Equities (Index) | | Year to 30 June 2023 |
| | Votable proposals | 15,046 |
| | % of resolutions voted | 97% |
| | % of resolutions voted against management | 3% |
| | % of resolutions abstained | 1% |
| BlackRock Asia Pacific Equities (Index) | | Year to 30 June 2023 |
| | Votable proposals | 3,157 |
| | % of resolutions voted | 100% |
| | % of resolutions voted against management | 11% |
| | % of resolutions abstained | 0% |
| BlackRock Japan Equities (Index) | | Year to 30 June 2023 |
| | Votable proposals | 5,983 |
| | % of resolutions voted | 99% |
| | % of resolutions voted against management | 3% |
| | % of resolutions abstained | 0% |
| iShares Edge MSCI USA Value Factor ETF (Index) <i>(Bought in February 2023)</i> | | Year to 30 June 2023 |
| | Votable proposals | 2,075 |
| | % of resolutions voted | 100% |
| | % of resolutions voted against management | 1% |
| | % of resolutions abstained | 0% |
| iShares S&P 500 ETF (Index) <i>(Sold in February 2023)</i> | | Year to 30 June 2023 |
| | Votable proposals | 7,180 |
| | % of resolutions voted | 100% |
| | % of resolutions voted against management | 2% |
| | % of resolutions abstained | 0% |
| BlackRock Factor Equities (Active) | | Year to 30 June 2023 |
| | Votable proposals | 2,832 |
| | % of resolutions voted | 94% |
| | % of resolutions voted against management | 2% |
| | % of resolutions abstained | 0% |
| BlackRock Thematic Equities (Active) | | Year to 30 June 2023 |
| | Votable proposals | 3,426 |
| | % of resolutions voted | 91% |
| | % of resolutions voted against management | 4% |
| | % of resolutions abstained | 0% |

Other investment managers

The approach to voting and engagement of the Plan's other two equities managers, Schroders, Wellington and JP Morgan, are detailed below. These managers are appointed in relation to the Plan's equity holdings.

Schroders (Active)

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| <p>Approach</p> | <p>The overriding principle governing Schroders' approach to voting is to act in the best interests of its clients. Schroders' voting policy and guidelines are outlined in its publicly available Environmental, Social and Governance Policy. Schroders evaluates voting issues arising and, where it has the authority to do so, votes on them in line with its fiduciary responsibilities in what it deems to be the interests of its clients. In applying the policy, Schroders considers a range of factors, including the circumstances of each company, performance, governance, strategy and personnel.</p> <p>It is Schroders' policy to vote all shares at all meetings globally, except where there are onerous restrictions – for example, shareblocking. Schroders utilises the services of ISS and the Investment Association's Institutional Voting Information Services ('IVIS') in conjunction with its own research and policies when formulating voting decisions. With regards to abstaining from votes, Schroders' preference is to support or oppose management and only use an abstention sparingly. Schroders may abstain where mitigating circumstances apply, for example where a company has taken some steps to address shareholder issues.</p> <p>For certain holdings of less than 0.5% of share capital in the USA, Australia, New Zealand, Japan, and Hong Kong, Schroders has implemented a custom policy that reflects the views of its ESG policy and is administered by Schroders' proxy voting provider, ISS. Schroders votes on both shareholder and management resolutions.</p> |
| <p>Bank Mandiri (BMRI) (Indonesian Bank)</p> | <p>The Schroders investment team contacted BMRI to discuss the bank's approach to deforestation risk. This example is from Q4 2022. Schroders discussed the company's large exposure to palm oil within their lending book, which accounts for 11% of the loan book. BMRI responded that since it is the largest bank in Indonesia, it is difficult to not have lending exposure to palm oil. However, BMRI has adopted a No Deforestation Policy to address deforestation risk.</p> <p>This policy requires that all new palm oil related borrowers be ISPO and/ or RSPO certified, and BMRI encourages existing borrowers to become certified. As a result, there has been an overall increasing in the trend of certification. In 2019, 60% of borrowers were certified, that has now increased to 93% of corporate borrowers and 87% of commercial borrowers in 2022. BMRI confirmed they have a target of 100% of borrowers being certified by 2025 or 2026. Schroders acknowledges BMRI's efforts to increase the certification percentage and continues to monitor the progress against their deforestation targets.</p> |
| <p>Grupo Mexico (Mexican mining, transportation, infrastructure company)</p> | <p>As part of Schroders' ongoing engagement efforts with Grupo Mexico, the investment team engaged on ESG topics including gender diversity in the board. This example is from Q4 2022. Grupo Mexico did not respond to Schroders' Q1 2022 survey on board gender diversity in emerging markets. The company has no female board members and Schroders has encouraged the company to consider gender balance since Schroders have been voting against companies in Latin America without female board representation.</p> <p>Grupo Mexico is behind in most aspects of ESG but in recent years it has been making several improvements. Improvement in areas include:</p> <ul style="list-style-type: none"> • ESG oversight • Engagement with third party agencies • Community relations and relations with the Mexican government • Communications on ESG topics with some progress toward sustainability reporting <p>Grupo Mexico is at the start of their ESG journey however Schroders are confident that the with a gender balanced Board structure, it will bring their journey to be in line with international best practice.</p> <p>In addition, Schroders has continued to further their climate change campaign efforts and has written to multiple emerging market companies setting out their Net Zero expectations, asking them to decarbonise business models and set targets covering Scope 1, 2, and 3 emissions. Schroders asked companies to report their climate-related risks annually and report on how companies expect to manage the risks.</p> |
| <p>Banco de Chile SA (Chilean bank and financial services company)</p> | <p>Banco de Chile is a Chilean bank and financial services company. At the March 2023 AGM, the re-election of 9 Board Directors was up for a vote. The current board composition doesn't meet best practices in terms of independence and gender diversity. Schroders engaged with the company to address these issues through a formal letter and a follow up meeting. To escalate their concerns, Schroders voted against the re-elections of the 9 Board Directors. Despite their votes, the Directors were re-elected. Schroders will continue to engage with the company on these issues.</p> |

| Schroders EM Equities | Year to 30 June 2023 |
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| Votable proposals | 2,169 |
| % of resolutions voted | 95% |
| % of resolutions voted against management | 10% |
| % of resolutions abstained | 5% |

Wellington (Active)

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| Approach | Wellington votes according to its Global Proxy Voting Guidelines and employs a third-party vendor, Glass Lewis, to perform administrative tasks related to proxy voting. Wellington does not automatically vote proxies either with management or in accordance with the recommendations of third-party proxy providers, ISS and Glass Lewis. Wellington has its own ESG Research Team, which provides voting recommendations. Based on these resources and in conjunction with Wellington's Global Proxy Voting Guidelines, individual portfolio managers have authority to make final decisions on voting. There is no "house vote". Wellington's proxy voting system allows different votes to be submitted for the same security. Various portfolio managers holding the same securities may arrive at different voting conclusions for their clients' proxies. |
| Wix.com Ltd (An Israeli software company) | Wix.com Ltd, together with its subsidiaries, develops and markets a cloud-based platform that enables anyone to create a website or web application in North America, Europe, Latin America, Asia, and internationally. At the December 2022 annual general meeting, the company put its executives compensation policy to a shareholder vote. The compensation policy was an update from their 2019 plan, and while the new plan included positive changes, such as reducing their options overhang, other concerns remained. The discretionary nature of the award, as well as an unclear board review process were two outstanding issues. Wellington voted against the policy to encourage the company to provide clarification of these issues. The compensation policy is also not put to annual vote, so Wellington thought it was important to use their vote now to communicate their dissatisfaction to the company. |

Wellington Small Cap Equities

Year to 30 June 2023

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| Votable proposals | 1,459 |
| % of resolutions voted | 99% |
| % of resolutions voted against management | 4% |
| % of resolutions abstained | 0% |

JP Morgan

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| Approach | <p>JP Morgan has an explicitly stated investment stewardship philosophy, believing that the companies they engage with will produce better long-term financial results, while simultaneously contributing to an improved society. JP Morgan's stewardship activities are based on proprietary environmental, social and governance research, driven by both their broad investment teams in addition to a dedicated Sustainable Investing team.</p> <p>JP Morgan subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS), GES International (Sustainalytics) and Glass Lewis.</p> <p>JP Morgan's Sustainable Investing Oversight Committee is made up of chief investment officers and leaders from its sustainable investing and control functions, and serves as a single point of strategic oversight, decision-making, review and assurance. The business employs regional heads of stewardship to work with local teams, while the Global Head of Sustainable Investing, Jennifer Wu, oversees the global stewardship effort. With regards to engagement, JP Morgan conducts approximately 500 dedicated ESG engagement meetings per year.</p> |
| Ping An Bank Co., Ltd (A Chinese commercial bank) | Ping An Bank is a Chinese commercial bank offering services in retail and corporate banking. In November 2022, the re-election of four directors and an audit committee was up for a vote. JPM decided to withhold support for the four directors and audit committee because of their concerns about inadequate board and audit committee independence. While these resolutions were passed, JPM will continue to engage with the company on better corporate governance practices. JPM expects at least a majority independence for Ping An Bank's board, which fell from 38% to 33%, after the shareholder meeting. |

JPM China Equities

Year to 30 June 2023

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| Votable proposals | 746 |
| % of resolutions voted | 100% |
| % of resolutions voted against management | 12% |
| % of resolutions abstained | 0% |

Concluding Remarks

The Trustees are comfortable that the policies in the SIP have been followed over the year to 31 July 2023. The Trustees expect that the format and content will continue to evolve over time, in line with guidance and to reflect any future changes in the SIP.

The Trustees recognise the responsibility that institutional investors have or 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.