

## Implementation Statement

### Airsprung Retirement & Death Benefits Plan for year ending 31 March 2022

#### Introduction

This statement has been prepared by the Trustees of the Airsprung Retirement & Death Benefits Plan (the 'Trustees' and the 'Plan' respectively), with input from their Investment Consultants, to demonstrate how the Trustees have acted on certain policies within their Statement of Investment Principles ('SIP').

Each year, the Trustees must produce an Implementation Statement that demonstrates how they have followed certain policies within their SIP over the Plan year. This Implementation Statement covers the Plan year from 1 April 2021 to 31 March 2022.

This Implementation Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) Regulations 2005 Amendments and is in respect of the Defined Benefit ('DB') investments held by the Plan. Note that this excludes any Additional Voluntary Contribution investments held by the Plan.

Trustees of DB pension schemes are required to provide details of how, and the extent to which, their SIP policies on engagement with investee companies have been followed over the year, including a description of their voting behaviour, the most significant votes cast and any use of a proxy voter on their behalf over the year.

#### SIP policies

This implementation statement should be read in conjunction with the Plan's SIPs covering the year under review, which gives details of the Plan's investment policies along with details of the Plan's governance structure and objectives. The SIP was formally reviewed in June 2021, with the Trustees stating the following policies on the exercise of voting rights and engagement activities related to their investments:

- The Trustees' policy is to invest in pooled investment vehicles. It is the Investment Managers that are responsible for the policy on taking environmental, social and governance ('ESG') considerations into account in the selection, retention and realisation of investments within the pooled investment vehicles and for the exercise of rights (including voting rights) attaching to these investments.
- In relation to those investment vehicles which are index tracking, the Trustees recognise that the investment objective for the manager is to track the specified index and that the extent to which ESG factors are considered by the manager when selecting, retaining and realising investments will depend on the specified index. However, the Trustees expect the Investment Managers to use the voting rights and to actively engage with the senior management of the companies in which it invests in order to encourage positive ESG change.
- The Trustees' policy in relation to any rights (including voting rights) attaching to its investments is to exercise those rights to protect the value of the Plan's interests in the investments, having regard to appropriate advice.
- The Trustees expect the Plan's Investment Managers to integrate ESG factors into the decision making process when selecting, retaining and realising investments and for this to be reported to the Trustees. The Trustees also expect the Plan's Investment Managers to provide regular updates on how it exercises voting rights and actively engages with the companies in which it invests, including how often it votes against company proposals.
- The Trustees expect the investment manager to use its voting rights and to actively engage with the senior management of the companies in which it invests on aspects including firm performance, strategy, capital structure, management of actual and potential conflicts of interest, risks and ESG issues. The Trustees also expect the investment manager to engage with other relevant persons including issuers and holders of debt and equity and other stakeholders. The Trustees believe that such engagement will protect and enhance the long-term value of its investments.
- A policy on monitoring the Plan's asset managers, particularly concerning financial arrangements and ESG factors, including meeting the Plan's fund managers as frequently as is appropriate in order to review performance including with

respect to performance, remuneration and compliance against their ESG policy and using the Plan’s monitoring framework.

- A policy on the duration of the Plan’s arrangement with the investment managers, which includes that if the Investment Manager is no longer in accordance with the Trustee’s policies, including ESG and engagement with investee organisations, or if the Investment Manager’s performance net of fees or ESG practices are also not in line with the Trustee’s expectations or views then they may be reviewed and replaced.

These changes were previously made to reflect new legislative requirements over the Plan year to 31 March 2021, with no further changes made to the policies over the current Plan year to 31 March 2022. The Plan’s SIP was updated in June 2021 to reflect the new investment strategy, which included disinvestment from the Aviva Lime Property Fund on 13 June 2021, the BlackRock UK Property Fund on 7 July 2021, the Fidelity UK Real Estate Fund on 25 October 2021, the LGIM All World Equity Index Fund – GBP Currency Hedged on 22 July 2021 and from the Plan’s holding in the abrdn Global Absolute Return Strategies Fund on 15 July 2021; the proceeds of which were invested into new allocations to the LGIM Single-Stock Index Linked Gilt Funds to form an updated LDI portfolio, the LGIM Buy and Maintain Credit Fund and the Partners Group Generations Fund, largely carried out on 22 July 2021 with a further top-up investment in October 2021.

This Implementation Statement reviews the voting and engagement activities covering the 12-month period to the Plan year-end and the extent to which the Trustee believes the policies within the SIP have been followed.

Over the year to 31 March 2022, The Plan invested in pooled funds managed by abrdn, BlackRock, Fidelity, Aviva Investors, Legal & General Investment Management (‘LGIM’) and Partners Group (together, the ‘Investment Managers’).

### Description of voting behaviour

The Plan is invested in pooled funds, which means that the responsibility for exercising the voting rights on the shares held by the Plan sits with the Investment Managers. The votes made on behalf of the Trustees over the Plan year are summarised below.

Over the year to 31 March 2022 the Plan held the following pooled fund investments:

- an absolute return fund managed by abrdn from 1 April 2021 to 15 July 2021;
- three property funds managed by BlackRock (from 1 April 2021 to 7 July 2021), Fidelity (1 April 2021 to 25 October 2021) and Aviva Investors (from 1 April 2021 to 13 June 2021) respectively;
- a passive equity fund managed by LGIM from 1 April 2021 to 22 July 2021;
- a buy and hold credit fund managed by LGIM from 22 July 2021 to 31 March 2022;
- a cash fund and leveraged liability driven investment funds managed by LGIM over the entirety of the Plan year; and
- a private markets fund managed by Partners Group from 22 July 2021 to 31 March 2022.

The Plan therefore had indirect company investments which carried voting rights within the absolute return fund managed by abrdn, the passive equity fund managed by LGIM and private markets fund managed by Partners Group.

The tables below show the voting summaries for each of the Plan’s investments in which voting took place during the Plan year. The Investment Managers are developing their reporting but are currently only able to provide voting statistics for 12-month periods to standard quarter-ends (or standard half-years in the case of Partners Group), rather than the actual periods invested. Therefore, we have included voting information covering the most relevant 12-month period for each fund, taking account of the period that the Plan held that investment.

#### *LGIM All World Equity Index Fund – GBP Currency Hedged*

The following table shows LGIM’s voting summary covering the Plan’s investment in the LGIM All World Equity Index Fund – GBP Currency Hedged, in which the Plan was invested between 1 April 2021 and 22 July 2021. We have included voting information covering the most relevant 12-month period from 1 July 2020 to 30 June 2021.

<b>LGIM All World Equity Index Fund – GBP Currency Hedged</b>	<b>1 July 2020 – 30 June 2021</b>
Number of meetings LGIM was eligible to vote at over the year to 30/06/2021	6,192
Number of resolutions LGIM was eligible to vote on over the year to 30/06/2021	64,750

Of the eligible resolutions, percentage that LGIM voted on	99.9%
Of the resolutions voted, percentage that LGIM voted <b>with</b> management	82.7%
Of the resolutions voted, percentage that LGIM voted <b>against</b> management	16.2%
Of the resolutions voted, percentage where LGIM <b>abstained</b>	1.1%
Percentage of eligible meetings where LGIM voted at least once against management	59.0%
Percentage of voted resolutions where LGIM voted contrary to the recommendation of their proxy adviser	8.9%

#### *abrdn Global Absolute Return Strategies Fund*

The following table shows a summary of the voting activity carried out on behalf of the Trustees in respect of the Plan's investment in the abrdn Global Absolute Return Strategies Fund, in which the Plan was invested between 1 April 2021 and 15 July 2021. We have included voting information covering the most relevant 12-month period from 1 July 2020 to 30 June 2021.

<b>abrdn Global Absolute Return Strategies Fund</b>	<b>1 July 2020 – 30 June 2021</b>
Number of companies whose meetings abrdn was eligible to vote at over the year to 30/06/2021	200
Number of resolutions abrdn was eligible to vote on over the year to 30/06/2021	2,416
Of the eligible resolutions, percentage that abrdn voted on	99.6%
Of the resolutions voted, percentage that abrdn voted <b>with</b> management	87.7%
Of the resolutions voted, percentage that abrdn voted <b>against</b> management	12.2%
Of the resolutions voted, percentage where abrdn <b>abstained</b>	0.1%
Percentage of eligible meetings where abrdn voted at least once against management	56.5% <sup>1</sup>
Percentage of voted resolutions where abrdn voted contrary to the recommendation of their proxy adviser	4.1%

<sup>1</sup>Includes at least 1 vote against, withheld or abstained at meeting

#### *Partners Group Generation Fund*

The following table below shows Partners Group's voting summary covering the Plan's investment in the Partners Group Generation's Fund, which the Trustees were invested in from 22 July 2021 to 31 March 2022. We have included voting information covering the most relevant 12-month period from 1 January 2021 to 31 December 2021.

<b>Partners Group Generation Fund</b>	<b>1 January 2021 – 31 December 2021</b>
Number of meetings Partners Group was eligible to vote at over the year to 31/12/2021	68
Number of resolutions Partners Group was eligible to vote on over the year to 31/12/2021	931
Of the eligible resolutions, percentage that Partners Group voted on.	100.0%
Of the resolutions voted, percentage that Partners Group voted <b>with</b> management.	94.0%

Of the resolutions voted, percentage that Partners Group voted <b>against</b> management.	4.0%
Of the resolutions voted, percentage where Partners Group <b>abstained</b> .	2.0%
Percentage of voted resolutions where Partners Group voted contrary to the recommendation of their proxy adviser.	1.0%

#### Other investments

Regarding the Plan's property investments managed by Fidelity, Aviva Investors and BlackRock, these funds did not invest in any Real Estate Investment Trusts (REITs) and therefore held no investments that carried voting rights.

The remainder of the Plan's assets are invested in leveraged and single-stock nominal and index-linked government bonds with the purpose of reducing risk by hedging the exposure to interest rate and inflation inherent in the Plan's liabilities and a cash fund for liquidity purposes. LGIM has governance practices in place to capture key regulatory developments which might influence the future management and performance of these hedging assets.

#### Proxy voting

The Trustees did not employ a proxy-voting service during the year to 31 March 2022.

LGIM votes by proxy through the Institutional Shareholder Services' ('ISS') electronic voting platform as, given the scale of its holdings, the manager cannot be present at shareholder meetings to cast votes. It should be noted that all voting decisions are made by LGIM using its individual market specific voting policies, with LGIM's own research only supplemented by ISS recommendations and research reports produced by the Institutional Voting Information Service.

abrdn also uses ISS to process voting execution. abrdn receives recommendations on how to vote but has a customised voting policy that ISS apply and, where that is not relevant, abrdn reviews and decides on all votes.

Partners Group also votes by proxy through Glass Lewis, a proxy advising firm who undertake research on each ballot item and recommends votes in line with best practice, including local market standards. Glass Lewis has been instructed to vote in-line with Partners Group's bespoke Proxy Voting Directive, which contains specific ESG and Sustainability corporate governance considerations that arise frequently. In circumstances where Glass Lewis's recommendation is different to that from the Proxy Voting Directive and the company's management, Partners Group will vote manually on the proposal.

#### How engagement policies have been followed

The Trustees' Investment Consultants have provided information to the Trustees on the voting and engagement activity taken on their behalf and have discussed it with the Trustees. The Trustees have agreed that, in future, summaries would be provided to enable key metrics and trends to be reviewed. The information published by the Investment Managers on their voting policies has provided the Trustees with comfort that their voting and engagement policies have been followed during the Plan year.

As set out in the SIP, the Trustees expect the Investment Managers to engage with investee companies on aspects such as firm performance, strategy, capital structure, management of actual and potential conflicts of interest, risks and ESG issues concerning the Trustees' investments.

Details of specific voting and engagement topics are shown in the following table.

Voting and engagement topic	Policy followed in the opinion of Trustees?	Comments
Performance of debt or equity issuer	✓	Partners Group and LGIM's voting and engagement policies do not cover the past financial performance of investee companies. However, the voting and engagement which has been undertaken aims to improve the long-term future performance of the investee companies.  Similarly, abrdn believes that companies should be run to generate long term sustainable business success and that this will be reflected in positive returns for shareholders.

Strategy	✓	<p>Partners Group, LGIM and abrdn all believe that board independence, diversity and remuneration can have a financially material impact on the assets it invests within, with the Board ultimately responsible for the strategy for any company that is invested in or held as a counterparty. Partners Group, LGIM and abrdn have clear voting policies covering each of these topics and have acted on them throughout the Plan year on behalf of the Trustees.</p> <p>For example, LGIM voted against the election of male chairmen due to a lack of gender diversity at a number of companies, including Atlas Copco AB, NVIDIA Corporation, and The Boeing Company; and abrdn voted against management and the proxy voting service over the same issue at Kainos Group.</p>
Risks	✓	<p>LGIM and Partners Group have clear voting policies on ensuring that companies manage risk effectively and have robust internal controls.</p> <p>LGIM believes that increased transparency and disclosure can allow for financially material risks to be identified. In 2021, LGIM engaged with Moderna over increasing publicly available information on the how much government financial support it had received in developing and manufacturing Covid-19 vaccines and whether this had affected decision making on products including setting prices. Following in-depth engagement, Moderna released a press note covering this topic, which allowed LGIM to assess the viability of continued investment in the company.</p> <p>To ensure that employees at Partners Group are acting within the regulatory and legal environment that is associated with their investments, Partners Group has clear policies on business ethics, whistleblowing, anti-bribery, anti-money laundering and prevention of market abuse which all employers comply with. In scenarios where risks and concerns are raised, Partners Group also has processes in place to ensure that that these can be resolved in an appropriate manner.</p> <p>abrdn has clear voting policies on companies managing key opportunities and risks actively and effectively. As an example of reducing risk, abrdn reviews the tenure of company auditors for investee companies to ensure independence is not impeded.</p>
Social and environmental impact	✓	<p>LGIM has engaged with companies that have poor climate scores relative to their size and for those that don't meet minimum standards and if these minimum standards are not met over time, LGIM may look to divest until progress is shown.</p> <p>LGIM has also introduced a policy to vote against the chair of the board of UK companies which fall short on LGIM's ethnic diversity expectations. In relation with this policy, LGIM has engaged with Amazon five times over the past year to discuss the company's human rights policies. LGIM supported Amazon shareholders at the 2021 AGM asking for an audit report of civil rights, equity, diversity and inclusion within the company.</p> <p>abrdn has clear voting policies on environment and social impact and uses the UN Global Compact's four areas of focus to assess how companies are performing.</p> <p>For example, abrdn voted in favour of a report on racial equality at The Goldman Sachs Group, Inc. noting that, although impressed by the steps that the company is taking to address this challenging area, the introduction of this report would allow the success of these to be measured.</p> <p>As a direct lead investor, Partners Group is able to exert its control at a board level to integrate a range of ESG policies and initiatives. For instance, for VSB, Partners Group was able to assess scope 1 and scope 2 emissions with help from an external advisor in an attempt to reduce carbon footprint. Similarly, a climate change initiative was carried out for Techem with an external advisor to give a detailed greenhouse gas inventory of scope 1, scope 2 and scope 3 emissions with reduction opportunities identified which will form part of the carbon neutrality target.</p>

Conflict of interest	✓	<p>Remuneration of personnel can lead to conflicts of interest between the principal (shareholder) and agent (management). Over the period under review, LGIM voted against incentive awards which did not have performance conditions, as these awards would not align remuneration with company performance.</p> <p>For example, LGIM voted against AT &amp; T ratifying named executive officers' compensation. There were concerns around a lack of performance criteria and the magnitude of awards and payments suggested.</p> <p>Over the period under review, abrdn voted against management remuneration resolutions for Future Plc noting that the proposed remuneration plan including a valuation creation element that should link long-term performance with challenging targets across the workforce.</p> <p>Partners Group has policies relating to conflicts of interest, namely within their whistleblowing and prevention of market abuse policies that apply to all employees, which extend to the underlying investments of the Generations Fund.</p>
Corporate governance	✓	<p>LGIM's policy from 2021 is to vote against all elections which combine the roles of CEO and Chair. LGIM voted against electing directors of International Business Machines Corporation, JPMorgan Chase &amp; Co., and Johnson &amp; Johnson, alongside several others, in line with this policy.</p> <p>To ensure that each board is operating at an appropriate level, Partners Group use a 'board maturity' assessment to evaluate effectiveness covering areas such as performance and company strategy. Additionally, Partners Group aim to appoint a board member or executive at the leadership level to become responsible for developing a meaningful ESG journey plan within 100 days of investment.</p> <p>Over Q2 2021, abrdn engaged with Credit Suisse following failures related to exposures to Archegos and Greensill Capital to understand oversight, compliance and escalation mechanisms including to understand key leadership changes within the investment banking, risk and compliance. At the 2022 AGM abrdn chose to vote against the Chair of the Risk Committee given their accountability for risk oversight during these failures.</p>
Capital structure	✓	<p>LGIM, Partners Group and abrdn have policies on voting in respect of resolutions regarding changes to company capital structure such as share repurchase proposals and new share issuance.</p> <p>For example, LGIM and Partners Group have policies that newly issued shares should not expose minority shareholders to excessive dilution.</p> <p>LGIM also has policies that protect minority shareholder rights including "one share, one vote" to avoid weakening of corporate governance as investors ability to influence and hold directors accountable would be reduced. As such LGIM decided against participating in the IPOs of Deliveroo and The HUT Group in 2021.</p> <p>abrdn noted a number of significant votes in favour of mergers or acquisitions at Alstom SA, Aveva Group Plc, Tryg A/S and Future Plc.</p>

### Significant votes

LGIM has provided examples of what it believes to be the most significant votes cast on the Trustee's behalf during the period. A number of the most significant votes over the Plan year related to the separation of CEO and board chair roles. LGIM has a long-standing policy advocating for the separation and independence of the roles of CEO and chair, due to the different nature of these positions. Dividing these responsibilities ensures a single individual does not hold unbalanced powers of decision and creates equal authority on the board. From 2020 LGIM took a stronger stance on combined roles and will vote against individuals being elected or re-elected into both positions. During the Plan's investment in the LGIM All World Equity Index Fund – GBP Currency Hedged, the manager participated in a number of related votes, including withholding from a vote electing Mark Zuckerberg as Director of Facebook, Inc. due to his role as Chair and CEO of the company, and also against electing Jeffrey P. Bezos as Chair of Amazon.com, Inc. due to his previous role as CEO.

Generally, abrdn does not take a view on which votes cast on the Trustees' behalf are most significant, deeming all votes as significant. abrdn will vote on all shares globally for which it has voting authority. For the abrdn GARS Fund, one of the significant votes highlighted by the Investment Manager was for a report on the lobbying payments and policy at The Boeing Company with

the view of improving transparency to understand the company’s political stance and associated risks. abrdn noted that Boeing had experienced controversy over its influence over the Federal Aviation Association which may have contributed to fatal crashes on the 737 Max passenger planes. Overall, abrdn voted against management on the vote.

Due to the private markets nature of the Partners Group fund, voting is only relevant for a small proportion of the portfolio. As such, Partners Group provided no examples of significant votes over the year to 31 December 2021, but noted that due to their control of the Board were able to implement a range of ESG policies and initiatives including carbon emission monitoring at Civica and Hearthside Food Solutions and commitments to improved diversity of workforce at Foncia.

### Engagement with investee companies

Exercising voting rights is not the only method of influencing behaviours of investee companies and is not directly applicable for the Plan’s fixed income investments within the abrdn Global Absolute Return Strategies Fund, the LGIM Buy and Maintain Credit Fund or the Partners Group Generations Fund as these investments do not always carry voting rights.

LGIM actively engages with the investee companies via direct messages and meetings with management and engagements via email to influence positive ESG practice. It is also noted that there is substantial overlap between the companies in which LGIM holds debt and equity and so, while the corporate bonds mandate does not hold voting rights, LGIM’s position as the equity holder elsewhere will likely result in them having voting rights to compound the impact and influence that LGIM has on each company’s practices.

LGIM manage over £1.4 trillion in assets, and use their resulting influence, focussing their engagement activities on climate change, income equality, diversity, and ESG integration. LGIM’s engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for clients. LGIM’s policies are reviewed annually and take into account client feedback.

Over the year, LGIM began to release fund specific engagement statistics, with the following table summarising the engagements undertaken on a fund-by-fund basis. The All World Equity Index Fund – GBP Currency Hedged statistics below relate to the year period to 30 June 2021, as this data coincides best with the period of investment by the Plan. The Buy and Maintain Credit Fund statistics below relate to the year to 31 December 2021, as LGIM are yet to publish updated reports.

	Total engagements	No. unique companies engaged	Environmental topics	Social topics	Governance topics	Other topics
All World Equity Index Fund – GBP Currency Hedged	820	n/a	426	235	329	231
Buy and Maintain Credit Fund	178	95	92	63	96	34

The Trustees have requested information on engagement activities on behalf of the Plan’s investment in the abrdn Global Absolute Return Strategies Fund, but this information is only available at the company level, rather than the fund level. Over Q2 2021, abrdn noted that over 500 company meetings where ESG topics had been discussed had been carried out including notable examples being Tesco on labour management and Centamin Plc on human rights.

Similarly, Partners Group were unable to provide engagement activity statistics at the Partners Group Generations Fund level. As an example of engagement carried out by the Investment Manager, for Ammega an organisational health index assessment was carried out to assess key practices and outcomes with a resulting health score provided to be used against a benchmark and peers. From this assessment a plan was created to increase this health score.

Partners Group also carried out a review of its 15 suppliers to Vishal Mega Mart with respect to child labour with no adverse findings made.

### Extent to which Trustees’ policies have been followed during the year

Having received information from their Investment Consultants on the actions taken on their behalf by LGIM, Partners Group and abrdn, the Trustees, with input from their Investment Consultants, are satisfied that their policies on voting rights and engagement have been implemented appropriately over the year and in line with their views as stated in the Plan’s SIP. The Trustees will continue to monitor the actions taken on their behalf each year, and, through their Investment Consultants, press for improved information from the Investment Managers, especially in relation to engagement activities relating to the Plan’s private markets investment by Partners Group.

If the Investment Managers deviate substantially from the Trustees' stated policies, the Trustees will initially discuss this with the relevant manager. If in the opinion of the Trustees the difference between the policies and the investment manager's actions is material, the Trustees will consider terminating the mandate.