

Fergusson Wild Group Pension & Assurance Scheme (the "Scheme")

Implementation Statement for year ended 5 April 2023

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustee's policies in relation to the exercising of rights (including voting rights) attached to the Scheme's investments, and engagement activities have been followed during the year ended 5 April 2023 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

The Trustee's updated policy

The Trustee continues to follow its policy on Environmental, Social and Governance ("ESG") and voting issues, documented in the updated Statement of Investment Principles ("the SIP") dated December 2021. Post accounting year end, the SIP was updated in May 2023 following the decision to de-risk the investment strategy during the reporting year.

The Trustee believes that there can be financially material risks relating to ESG issues. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustee requires the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters, including those deemed to include a material ESG and/or climate change risk in relation to those investments. Furthermore, the Trustee reverts to the investment manager's approach when determining vote significance unless stated otherwise.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection: the Trustee seeks advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

Ongoing governance

The Trustee, with the assistance of XPS, monitors the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this statement.

Beyond the governance work currently undertaken, the Trustee believes that its approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually.

Adherence to the Statement of Investment Principles

During the reporting year the Trustee is satisfied that it followed its policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. Investments in equities will form part of the strategy for the diversified growth funds in which the Scheme invests. A summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations used by the Scheme is provided in this statement.

The Scheme currently has exposure to equities through two multi asset funds; Schroders Diversified Growth Fund and Fidelity Multi Asset Income Fund. In addition, the Scheme has exposure to private equity through the Partners Group Partners Fund. The Scheme had additional exposure to equities during the year through its investment in the LGIM Dynamic Diversified Fund of which the Scheme has now fully disinvested from.

In this statement we have only disclosed voting information with regards to the equities, in line with current regulatory requirements. However, whilst the non-equity funds held within the Scheme's investment strategy do not carry voting rights, levels of engagement and stewardship are considered when appointing managers and are monitored by the Trustee.

Manager Voting

LGIM Dynamic Diversified Fund

The manager voted on 99.8% of resolutions of which they were eligible out of 99,647 eligible votes.

Investment Manager Client Consultation Policy on Voting

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

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as they continue to develop their voting and engagement policies and define strategic priorities in the years ahead. They also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with their 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 their 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.

How does this manager determine what constitutes a 'Significant' Vote?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM want to ensure they continue to help their clients in fulfilling their reporting obligations. They also believe public transparency of their vote activity is critical for their clients and interested parties to hold them to account.

For many years, LGIM have regularly produced case studies and/or summaries of LGIM's vote positions to clients for what they deemed were 'material votes'. They are evolving their approach in line with the new regulation and are committed to provide their clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team considers the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where they note a significant increase in requests from clients on a particular vote;
 - Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

They provide information on significant votes in the format of detailed case studies in their quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. They also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

Please note that LGIM publicly discloses its vote instructions on their website at:

<https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

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 they do not outsource any part of the strategic decisions. Their use of ISS recommendations is purely to augment their 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 they receive from ISS for UK companies when making specific voting decisions. For more information on how they use the services of proxy providers, please refer to the following document available on their website: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf

To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what they consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.

They retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows them to apply a qualitative overlay to their voting judgement. They have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.

Top 5 Significant Votes during the Period

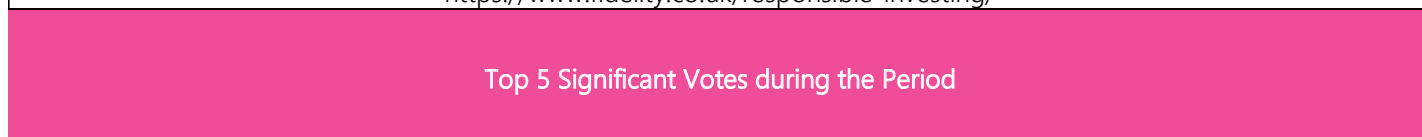
Company	Voting Subject	How did the Investment Manager Vote?	Result
Royal Dutch Shell Plc	Resolution 20 - Approve the Shell Energy Transition Progress Update	Against	79.9% voted in favour
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			
Rio Tinto Plc	Resolution 17 - Approve Climate Action Plan	Against	84.3% voted in favour
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			
Prologis, Inc.	Resolution 1a - Elect Director Hamid R. Moghadam	Against	92.9% voted in favour
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			
Consolidated Edison, Inc.	Resolution 1.9 - Elect Director Michael W. Ranger	Against	89.2% voted in favour

LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			
VINCI SA	Resolution 4 - Re-elect Xavier Huillard as Director	Against	90.8% voted in favour
LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			



Fidelity Multi Asset Income Fund

The manager voted on 96% of resolutions of which they were eligible out of 5,834 eligible votes. Fidelity provided information on significant votes cast during the period but no information on their process and how the manager determines a significant vote. Fidelity's responsible investing page provides some additional detail on their approach: <https://www.fidelity.co.uk/responsible-investing/>



Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Rio Tinto Plc	Approve Climate Action Plan	Abstain	The resolution was approved, though with substantial dissent: c.15% of votes were cast against.
Fidelity plan to continue engaging with the company on their climate strategy and practices.			
BP plc	Approve Net Zero - From Ambition to Action Report	Abstain	The climate report was approved at the AGM by a majority of c.89%. The shareholder resolution was defeated.
Fidelity will continue to monitor and scrutinise the company's climate strategy, targets, and progress.			
Yangzijiang Shipbuilding (Holdings) Ltd.	Elect Teo Yi-dar (Zhang Yida) as Director	Against management	All resolutions were approved at the meeting. However, 19% of votes cast were against the proposal related to the board election they did not support.
Fidelity aim to continue monitor and engage with company on director independence.			
Akzo Nobel NV	Approve Remuneration Report	Against management	The resolution was voted down at the AGM, with 57% of participating shares cast against the

			resolution.
Fidelity will continue to monitor and scrutinise the company's remuneration practices.			
GlaxoSmithKline Plc	Approve Remuneration Policy	Against management	The resolution was approved at the AGM, though with substantial dissent: c.38% of participating votes were cast against the resolution.
As per the UK Governance Code, the board will be expected to engage with shareholders on the AGM result since the level of dissent exceeded 20%. Fidelity intend to continue engaging with the company on the director remuneration policy.			

Schroders Diversified Growth Fund

The manager voted on 95.3% of resolutions of which they were eligible out of 15,662 eligible votes.

Investment Manager Client Consultation Policy on Voting

The corporate governance analysts input votes based on their proprietary research in line with Schroders' house voting policy and do not take voting instruction from their clients. They report transparently on their voting decisions with rationales on their website.

Investment Manager Process to determine how to Vote

As active owners, they recognise their responsibility to make considered use of voting rights. They therefore vote on all resolutions at all AGMs/EGMs globally unless they are restricted from doing so (e.g. as a result of share blocking). They aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with their published ESG policy. The overriding principle governing their voting is to act in the best interests of their clients. Where proposals are not consistent with the interests of shareholders and their clients, they are not afraid to vote against resolutions. They may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues.

Schroders evaluate voting resolutions arising at their investee companies and, where they have the authority to do so, vote on them in line with their fiduciary responsibilities in what they deem to be the interests of their clients. Their Corporate Governance specialists assess each proposal, applying their voting policy and guidelines (as outlined in our Environmental, Social and Governance Policy) to each agenda item. In applying the policy, they consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Their specialists will draw on external research, such as the Investment Association's Institutional Voting Information Services and ISS, and public reporting. Their own research is also integral to their process; this will be conducted by both their financial and Sustainable Investment analysts. For contentious issues, their Corporate Governance specialists consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

They also engage with companies throughout the year via regular face-to-face meetings, written correspondence, emails, phone calls and discussions with company advisors and stakeholders. In 2022, they voted on approximately 7600 meetings and 96% of total resolutions, and instructed a vote against the board at over 50% of meetings.

Institutional Shareholder Services (ISS) act as their one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with their own bespoke guidelines, in addition, they receive ISS's Benchmark research. This is complemented with analysis by their in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. ISS automatically votes all their holdings of which they own less than 0.5% (voting rights) excluding merger, acquisition and shareholder resolutions. This ensures consistency in their voting decisions as well as creating a more formalised approach to their voting process.

How does this manager determine what constitutes a 'Significant' Vote?

Schroders believe that all resolutions when they vote against the board's recommendations on how to vote should be classified as a significant vote, for example, votes against the re-election of directors, on executive remuneration, on material changes to the business (such as capital structure or M&A), on climate matters and on other environmental or social issues may all be more or less significant to different client stakeholders

Does the manager utilise a Proxy Voting System? If so, please detail

Institutional Shareholder Services (ISS) act as their one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with their own bespoke guidelines, in addition, they receive ISS's Benchmark research. This is complemented with analysis by their in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
LONGi Green Energy Technology Co., Ltd.	Approve Change in Raised Funds Investment Project	For	Not provided
No rationale provided by Schroders.			
Orbia Advance Corporation SAB de CV	Accept CEO's Report and Board's Report on Operations and Results	For	Not provided
No rationale provided by Schroders.			
UBS Group AG	Approve Climate Action Plan	For	Not provided
No rationale provided by Schroders.			
Rio Tinto Plc	Approve Climate Action Plan	Against	Not provided
Schroders are concerned that they are unable to ascertain whether the company is engaging sufficiently with its customers and other stakeholders on its scope 3 emissions to support its climate action plan.			
		For	Not provided

Vestas Wind Systems A/S	Accept Financial Statements and Statutory Reports		
No rationale provided by Schroders.			

Partners Group Partners Fund

The manager voted on 100% of resolutions of which they were eligible out of 853 eligible votes.

Investment Manager Client Consultation Policy on Voting

Partners do not consult with clients before voting.

Investment Manager Process to determine how to Vote

Partner's voting is based on the internal Proxy Voting Directive.

How does this manager determine what constitutes a 'Significant' Vote?

The size of the holding in the fund determines whether the vote is deemed significant.

Does the manager utilise a Proxy Voting System? If so, please detail

Partners hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with their Proxy Voting Directive. Wherever the recommendations for Glass Lewis, their proxy voting directive, and the company's management differ, they vote manually on those proposals.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Confluent Health	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A
Confluent has also expanded its stakeholder benefits program. For instance, in 2022, the company launched stock options			

for all physical therapists and made significant investments in benefits, including reduced Eligible Employee premiums and increased communication around its wellness programs.			
EyeCare Partners	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A
<p>Several initiatives have been implemented to improve stakeholder benefits. For instance, significant investment in benefits were made in 2021 and 2022. In addition, the company increased communication around its ECP Cares Foundation, a non-profit organisation dedicated to giving back to ECP team members in need. Meanwhile, Incident Frequency Rate (IFR) measures were established and are being captured to drive root-cause analysis and drive prevention strategies. This has engaged employees and helped to increase employee retention to 31% (exceeding the target of 27%).</p> <p>Lastly, baselines and specific initiatives were established based on the doctor and employee engagement surveys conducted during the first half of 2022.</p>			
Pharmathen	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A
The company has a strong ESG culture as reflected in its core mission of making a positive impact on the lives of people by ensuring that they enjoy better health.			
PremiStar	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A
Premistar has engaged a third party ESG consultant to identify material sustainability topics and craft a longer term ESG journey and strategy. Premistar is looking to hire an ESG manager and sales strategy employee, as the company aims to launch an energy efficiency sales strategy with customers.			
Rovensa	As Partners control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A
<p>Health and Safety (H&S) remains a top priority for Rovensa, as illustrated by the roll out of its 'STAR Program' across all manufacturing plants globally to achieve a zero-harm culture adoption worldwide.</p> <p>The board and management are aligned on the importance of H&S and have been working with the H&S team on the STAR Program to reduce the company's lost time injury frequency rate (LTIFR). In 2022, Rovensa has reduced its LTIFR by around 40% compared to the prior-year period.</p>			

Please note, Partners Fund only produce voting information as at 31 December and 30 June each year. Therefore, the above information covers the period 31 December 2021 – 31 December 2022.

Signed: _____, Chair of Trustees

25 October 2023
Date: _____