

RoSPA Retirement and Death Benefits Plan – Implementation Statement for the year ended 5 April 2023

1. Purpose

This Implementation Statement reports on how, and the extent to which, the policies as set out in the RoSPA Retirement and Death Benefits Plan's (the "Plan") Statement of Investment Principles ("SIP") have been complied with during the year ending 5 April 2023 (the year-end date). This has been reviewed with respect to the whole SIP and the relevant procedures. These include the exercise of rights (including voting) and undertaking of engagement activities in respect of the Plan's investments. In addition, this Statement also provides a summary of the voting behaviour and most significant votes cast during the reporting year.

2. Background

Under the regulations in force, Atkin Trustees Limited (the "Trustee" of the Plan) is required to prepare an Implementation Statement that reports on compliance with the Plan's SIP, including the exercise of the rights attaching to the investments, and on undertaking engagement activities in respect of the investments.

This statement has been produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 as amended and the guidance published by the Pensions Regulator.

This Statement has been prepared by the Trustee, with the assistance of its Investment Adviser (Quantum Advisory).

References herein to the actions, review work or determinations of the Trustee refer to activity that has been carried out by either the Trustee, or the Investment Adviser on the Trustee's behalf.

3. Executive summary

Over the Plan year, the Trustee:

- Through its Investment Adviser, reviewed the voting and engagement activity of the funds that invest in equities. The Trustee is generally content that the Plan's investment managers have appropriately carried out their stewardship duties.
- Is of the opinion that it has complied with the relevant policies and procedures as identified in the SIP.
- Has remained aware of the relevant policies and procedures as identified in the SIP and received input from its Investment Adviser to aid ongoing compliance.

Further details on each of these matters is presented in the pages that follow.

4. Reviews of the SIP over the Plan year

The SIP was last reviewed in September 2020.

The Trustee confirms that:

- There have been no amendments to the SIP over the year.
- The SIP will be reviewed in future, to ensure that any amendments to investment policy resulting from an investment strategy review are reflected. The Trustee will seek advice from the Investment Adviser on the SIP and the suitability of the investments.

5. Voting and stewardship policies and activity

Trustee's voting and stewardship policies

The Trustee acknowledges the constraints it faces in terms of influencing change due to the size and nature of the Plan's investments. It does, however, acknowledge the need to be responsible stewards and exercise the rights associated with its investments in a responsible manner and will inform its investment managers of its opinions, where deemed appropriate.

The Trustee also notes that the investment strategy and decisions of the fund managers cannot be tailored to the Trustee's policies and the managers are not remunerated directly on this basis.

The Trustee considers how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring their existing investment managers. The Trustee has provided the appointed investment managers with full discretion concerning the stewardship of their investments. The Trustee will continue to ensure that the stewardship policies of the Plan's investment managers are embedded in their investment processes.

The Trustee, with the help of its Investment Adviser, reviews its investment managers' policies on the exercise of voting rights and monitors their engagement practice and proxy voting activity periodically as it believes this can improve long term performance. As part of this exercise, the Trustee has sought to review the voting activity of the investment managers where they can improve underlying companies' practices (namely in on equity funds).

Over the Plan year, the voting activity of the Schroders Life Intermediated Diversified Growth Fund has been reviewed.

Manager's voting and stewardship policies and procedures

Details of the manager's voting and stewardship policies can be found in Appendix 1. In this Statement, the extent to which the investment managers make use of any proxy advisory and voting services was reviewed. The Trustee is satisfied with the voting and policies/procedures of the investment managers. The Trustee plans to undertake a review of the Plan's stewardship priorities over the coming Plan year and will aim to review how the investment manager's stewardship activities are aligned with these.

Voting statistics

The table below sets out the key statistics on voting eligibility and action over the year to 31 March 2023.

Statistic	Schroders Life Intermediated Diversified Growth Fund
Number of equity holdings	590
Meetings eligible to vote at	1,290
Resolutions eligible to vote on	15,823
Proportion of eligible resolutions voted on (%)	95
Votes with management (%)	89
Votes against management (%)	10
Votes abstained from (%)	<1
Meetings where at least one vote was against management (%)	51
Votes contrary to the recommendation of the proxy adviser (%)	2

Source: Schroders.

The Trustee is generally satisfied with the level of voting activity that has been undertaken.

Significant votes over the reporting year

The Trustee has reviewed the significant votes cast by the investment manager and are generally satisfied with their voting behaviour.

A cross section of the most significant votes cast is contained in Appendix 2. The Trustee has interpreted “most significant votes” to mean its choice of two significant votes from an extended list of “most significant votes” provided by the investment manager, with a tilt towards the largest positions (where disclosed by the fund manager) and covering various stewardship themes.

6. Conflicts of interest

This section reviews whether the manager is affected by the following conflicts of interest, and how these are managed.

1. The asset management firm overall having an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding;
2. Senior staff at the asset management firm holding roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings;
3. The asset management firm's stewardship staff having a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding;
4. A situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer; and
5. Differences between the stewardship policies of managers and their clients.

Schroders

Schroders accepts that conflicts of interest arise in the normal course of business. They have a documented Group wide policy, covering such occasions, to which all employees are expected to adhere, on which they receive training and which is reviewed annually. This framework is hosted on the Schroders website: <https://www.schroders.com/en/global/individual/footer/identification-and-management-of-conflicts-of-interest/>

There are also supplementary local policies that apply the Group policy in a local context. More specifically, conflicts or perceived conflicts of interest can arise when voting on motions at company meetings which require further guidance on how they are handled.

Schroders' Corporate Governance specialists are responsible for monitoring and identifying situations that could give rise to a conflict of interest when voting in company meetings. They are guided by Schroders' conflicts of interest policy and processes.

Where Schroders itself has a conflict of interest with the fund, the client, or the company being voted on, they will follow the voting recommendations of a third party (which will be the supplier of their proxy voting processing and research service). Examples of conflicts of interest include (but are not limited to):

- Where the company being voted on is a client of Schroders,
- Where the Schroders employee making the voting, decision is a director of, significant shareholder of or has a position of influence at the company being voted on;
- Where Schroders or an affiliate is a shareholder of the company being voted on;
- Where there is a conflict of interest between one client and another;
- Where the director of a company being voted on is also a director of Schroders plc;
- Where Schroders plc is the company being voted on.

Separation of processes and management between Schroders Investment Management and their Wealth Management division helps to ensure that individuals who are clients or have a business relationship with the latter are not able to influence corporate governance decisions made by the former.

If Schroders believes it should override the recommendations of the third party in the interests of the fund/client and vote in a way that may also benefit, or be perceived to benefit, its own interests, then Schroders will obtain the approval of the decision from the Schroders' Global Head of Equities with the rationale of such vote being recorded in writing. If the third-party recommendation is unavailable, Schroders will vote as it sees is in the interests of the fund. If, however this vote is in a way that might

benefit, or be perceived to benefit, Schroders' interests, Schroders will obtain approval and record the rationale in the same way as described above.

In the situation where a fund holds investments on more than one side of the transaction being voted on, Schroders will always act in the interests of the specific fund. There may also be instances where different funds, managed by the same or different fund managers, hold securities on either side of a transaction. In these cases, the fund managers will vote in the best interest of their specific funds.

Where Schroders has a conflict of interest that is identified, it is recorded in writing, whether or not it results in an override by the Global Head of Equities.

Appendix 1 – Investment manager voting policies and procedures

Schroders voting policies and process

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. Schroders report transparently on their voting decisions with rationales provided on their website.

As active owners, Schroders recognise their responsibility to make considered use of voting rights. Schroders therefore vote on all resolutions at all AGMs/EGMs globally unless restricted from doing so (e.g. as a result of share blocking).

Schroders aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with their published ESG policy.

Schroders' overriding principle governing voting is to act in the best interests of clients. Where proposals are not consistent with the interests of shareholders and clients, Schroders can vote against resolutions. Schroders may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues.

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

Schroders 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, Schroders voted on approximately 7600 meetings and 96% of total resolutions, and instructed a vote against the board at over 50% of meetings.

ISS acts as the service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through their Internet-based platform Proxy Exchange. Schroders' receives ISS's research on resolutions. This is complemented with analysis by in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. For the smallest ISS implements a custom Schroders voting policy, with only a few resolutions referred to Schroders for a final decision.

ISS automatically votes on all resolutions of which Schroders holds less than 0.5% (voting rights) excluding merger, acquisition, and shareholder resolutions. This ensures consistency in voting decisions as well as creating a more formalised approach to the voting process.

Appendix 2 – Most significant votes

The tables below set out a cross section of significant votes undertaken by the investment manager of the funds held by the Plan. Information on further significant votes undertaken by the Plan’s investment manager has been reviewed by the Trustee through its Investment Adviser.

Schroders Life Intermediated Diversified Growth Fund

Company Name	Microsoft Corporation	Apple Inc.
Date of vote	13 December 2022	10 March 2023
Summary of the resolution	Report on Government Use of Microsoft Technology	Report on Median Gender/Racial Pay Gap
Stewardship theme	Social	Social
Size of the holding (% of portfolio)	0.25	0.16
How the firm voted	For	For
Was the vote against management and was this communicated beforehand?	Yes, the vote was against management. No, the vote intention was not pre-declared.	Yes, the vote was against management. Yes, the vote intention was pre-declared.
On which criteria has the vote been deemed as ‘significant’?	This vote has been deemed significant because it was a shareholder proposal and the vote was against the management.	This vote has been deemed significant because it was a shareholder proposal and the vote was against the management.
Outcome of the vote	The vote did not pass.	The vote did not pass.
Does the trustee/ asset manager intend to escalate stewardship efforts?	The escalation action is to be confirmed. Schroders will continue to engage with the company on their human rights policies.	This resolution received 34% support. Schroders will continue to engage with the company on their diversity and inclusion disclosures.

Source: Schroders