

Slack & Parr Limited Group Pension Scheme Implementation Statement (forming part of the Trustees' Report) for the year ended 5 April 2022

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Slack & Parr Limited Group Pension Scheme ("the Scheme") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme's investments, and engagement activities during the year ended 5 April 2022 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

During the reporting year, the Scheme's SIP dated September 2020 remained unchanged. The latest version of the SIP remained in effect throughout this reporting year.

The Trustees' policy

The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require 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 Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and encourage 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.

Manager selection exercises

One of the main ways in which this policy is expressed is via manager selection exercises: the Trustees seek 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.

During the reporting year, there have been no such manager selection exercises.

Ongoing governance

The Trustees, with the assistance of XPS, periodically monitor the processes and operational behaviour of the investment managers, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Further, the Trustees will seek advice from XPS to ensure that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

Beyond the governance work currently undertaken, the Trustees believe that their 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 Trustees are satisfied that they followed their 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 have voting rights on behalf of the scheme is equities. The Scheme has specific allocations to both public and private equities, and investments in equities will also form part of the strategy for the diversified growth funds in which the Scheme invests. The investment

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managers carried voting rights on behalf of the Scheme through its allocation to the Baillie Gifford Diversified Growth Fund, the Partners Group Partners Fund and the LGIM Dynamic Diversified Fund. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below.

Voting Information
Baillie Gifford Diversified Growth Fund
The manager voted on 88.1% of resolutions of which they were eligible out of 1537 eligible votes.
Investment Manager Client Consultation Policy on Voting
All voting decisions are made by Baillie Gifford's Governance & Sustainability team in conjunction with investment managers. Baillie Gifford do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then they will engage with them on this. If a vote is particularly contentious, Baillie Gifford may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.
Investment Manager Process to determine how to Vote
Thoughtful voting of Baillie Gifford's clients' holdings is an integral part of Baillie Gifford's commitment to stewardship. The manager believes that voting should be investment led, because how they vote is an important part of the long-term investment process, which is why Baillie Gifford's strong preference is to be given this responsibility by their clients. The ability to vote their clients' shares also strengthens Baillie Gifford's position when engaging with investee companies. Baillie Gifford's Governance and Sustainability team oversees their voting analysis and execution in conjunction with their investment managers. Unlike many of Baillie Gifford's peers, they do not outsource any part of the responsibility for voting to third-party suppliers. Baillie Gifford utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with their Governance & Sustainability Principles and Guidelines and the manager endeavours to vote every one of their clients' holdings in all markets.
How does this manager determine what constitutes a 'Significant' Vote?
The list below is not exhaustive, but exemplifies potentially significant voting situations: <ul style="list-style-type: none"> — Baillie Gifford's holding had a material impact on the outcome of the meeting — The resolution received 20% or more opposition and Baillie Gifford opposed — Egregious remuneration — Controversial equity issuance — Shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders — Where there has been a significant audit failing — Where Baillie Gifford have opposed mergers and acquisitions — Where Baillie Gifford have opposed the financial statements/annual report — Where Baillie Gifford have opposed the election of directors and executives.
Does the manager utilise a Proxy Voting System? If so, please detail
Whilst Baillie Gifford are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon their recommendations when deciding how to vote on Baillie Gifford's clients' shares. All client voting decisions are made in-house. Baillie Gifford vote in line with their in-house policy and not with the proxy voting providers' policies. Baillie

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Gifford also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
RIO TINTO PLC	Remuneration - Report	Against	Pass
Following the submission of votes the manager engaged with the company to communicate their concerns. Whilst Baillie Gifford did not support the backwards looking remuneration report, they took the decision to support the forward looking remuneration policy. The manager continues to be focussed on having good open communication with the leadership team which they believe is valuable as long-term investors.			
VONOVIA SE	Amendment of Share Capital	Against	Pass
In advance of the AGM the manager contacted the company to see if they could provide an assurance they would not issue shares below Net Tangible Asset (NTA). The company were not able to provide that assurance therefore Baillie Gifford did not feel it was in their clients' interest to support the two equity issuance resolutions. Baillie Gifford encourages the company to provide this additional assurance so they could consider supporting in future.			
SIX FLAGS ENTERTAINMENT CORPORATION	Remuneration – Say on Pay	Against	Pass
Baillie Gifford opposed executive compensation for a multitude of reasons however their primary concern was the size of the long-term incentive award paid to the CEO. In light of COVID-19, when reviewing proposals relating to executive compensation the manager assesses whether executive pay is aligned with the experience of employees and shareholders. They could not justify supporting a sizeable long-term incentive award for the CEO, which was equal to the previous year, when framed against a background of company-wide salary reductions and employee lay-offs. Baillie Gifford communicated their concerns to the company following the submission of manager's votes and will continue to engage on concerns. Although this proposal was passed, 41% of shareholders opposed it.			
GALAXY ENTERTAINMENT GROUP LTD	Incentive Plan	Against	Pass
Baillie Gifford's principle concern was with the poor disclosure of how performance is calculated and awards granted under the Share Option Scheme. The resolution received a significant dissent with a 22% opposition. Following the AGM the manager contacted the company to encourage improved disclosure in this area.			
GREGGS PLC	Remuneration - Report	Against	Pass
In line with the Investment Association's guidance, the manager expects companies to align the pension contributions of their executive team with that of the wider workforce by the stated deadline - end of 2022. Greggs stated in their annual report that the pensions of their current executives would not be aligned until the end of 2026 which they do not believe to be acceptable. Following the submission of votes Baillie Gifford communicated their concerns to the company who acknowledged concerns and stated that they would review pension alignment at their next remuneration policy review, ahead of the 2023 AGM. The manager looks to continue to engage on this issue.			

Voting Information

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Legal and General Investment Management Dynamic Diversified Fund
The manager voted on 99.8% of resolutions of which they were eligible out of 71658 eligible votes.
Investment Manager Client Consultation Policy on Voting
<p>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. LGIM's voting policies are reviewed annually and take into account feedback from clients.</p> <p>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 LGIM continue to develop their voting and engagement policies and define strategic priorities in the years ahead. LGIM also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.</p>
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 LGIM's 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?
<p>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 wants to ensure they continue to help their clients in fulfilling their reporting obligations. LGIM also believe that public transparency of their vote activity is critical for their clients and interested parties to hold them to account.</p> <p>For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what they deemed were 'material votes'. LGIM are evolving their approach in line with the new regulation and are committed to provide their clients access to 'significant vote' information.</p> <p>In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA). This includes but is not limited to:</p> <ul style="list-style-type: none">• 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. <p>LGIM will 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. LGIM also provides the rationale for all votes cast against management, including votes of support to shareholder resolutions.</p>
Does the manager utilise a Proxy Voting System? If so, please detail

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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

To ensure LGIM's 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 LGIM consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.

LGIM 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 LGIM to apply a qualitative overlay to their voting judgement. LGIM 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 LGIM of rejected votes which require further action.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Microsoft Corporation	Elect Director Satya Nadella	Against	94.7%
LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.			
Apple Inc.	Resolution 9 - Report on Civil Rights Audit	For	53.6%
Barrick Gold Corporation	Resolution 1.2 Elect Director Gustavo A. Cisneros	Withhold	93.0% of shareholders supported the resolution.
Wheaton Precious Metals Corp.	Resolution a1 Elect Director George L. Brack	Withhold	87.6% of shareholders supported the resolution.
Duke Energy Corporation	Resolution 1.1 Elect Director Michael G. Browning	Withhold	88.1% of shareholders supported the resolution.
LGIM will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress.			

* Baillie Gifford and Legal and General Investment Management provide voting information on a quarterly basis and could only provide the significant votes during the 12-month period to 31 March 2022.

Voting Information

Partners Group Partners Fund

The manager voted on 91.7% of resolutions of which they were eligible out of 811 eligible votes.

Investment Manager Client Consultation Policy on Voting

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Partners Group does not consult with clients before voting.

Investment Manager Process to determine how to Vote

Partners Group's voting process is outlined in the Proxy Voting Directive. These are a set of principles that are not intended to provide a strict guide to how Partners Group votes, but rather how Partners Group typically approaches core aspects of corporate governance. This applies only to the listed portion of the Fund and is not applicable for private market investments, which make up the bulk of this Fund. In certain circumstance Partners Group may receive proxy requests for publicly traded securities within a private markets portfolio. Typically when this occurs it will be evaluated by Transaction Services together with the relevant investment team and/or the relevant Investment Committee.

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

Size of the holding in the fund

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

Partners Group 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 Partners Group's Proxy Voting Directive. Wherever the recommendations for Glass Lewis, Partners Group's proxy voting directive, and the company's management differ, the manager votes manually on those proposals.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
VSB Renewables Platform	As Partners Group controls the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not provided
VSB completed a detailed assessment of its IT and cyber security setup across offices with an external consultant. VSB will make the necessary improvements based on the outcome of this engagement.			
Techem Metering GmbH	As Partners Group controls the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not provided
After successfully completing a detailed materiality assessment, Techem published its first Corporate Sustainability Report in June 2021, which highlights key ESG achievements and lays out a detailed sustainability roadmap for the company. In the roadmap, the company commits to the development of a carbon neutrality target by 2022 and to increase the number of women in management from 17% in 2020 to 35% in 2025.			
Civica	As Partners Group controls the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not provided
The focus on employees also includes managing the environmental impact of their offices. In September 2021, Civica formalized its first carbon plan.			
		Control of board	Not provided

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International Schools Partnership	As Partners Group controls the Board, please see below the ESG efforts of the portfolio company.		
On the environmental side, ISP has ramped up their efforts on tracking their energy consumption, and now has information to inform its carbon footprint exercise. The company is also working on reducing it, for instance by assessing the feasibility of installing solar panels in all its Spanish schools. In addition, ISP planted one tree in India for each staff member.			
Foncia	As Partners Group controls the Board, please see below the ESG efforts of the portfolio company.	Control of board	Not provided
Foncia made a commitment to improve the diversity of its employee base. The core operations of the company (the "UES Foncia") scores 83 points in the French "Index d'égalité professionnelle entre les femmes et les hommes" (gender professional equality index), 8 points above the minimum required by the French government. The company is targeting a score of 90 within the next three years. In addition, Foncia's subsidiaries aim to reach or exceed 75 points within the next three years.			

**Partners provide voting information on a semi-annual basis, therefore voting information provided in this implementation statement covers the 12-month period to 31 December 2021.*

Based on this summary, the Trustees conclude that the investment managers have exercised their delegated voting rights on behalf of the Trustees in a way that aligns with the Trustees' relevant policies in this regard.

Adopted on behalf of the Trustees



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MR R A HENNES