THE CHATWINS 1978 RETIREMENT AND DEATH BENEFIT SCHEME

Implementation Statement as at 5th April 2022

The Trustees of the Chatwins 1978 Retirement and Death Benefit Scheme ("the Scheme") have prepared this implementation statement in compliance with the governance standards introduced under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. Its purpose is to demonstrate how the Scheme has followed the policy on voting, stewardship and engagement as set out in the Scheme's Statement of Investment Principles ("SoIP"), dated September 2020. This statement covers the period 6th April 2021 to 5th April 2022.

A. Voting and Engagement Policy

The policy as set out in the SoIP in respect of voting, stewardship and engagement is in summary as follows:

- i) During the year the Scheme invested in the Scottish Widows Managed Fund, the management of which is currently delegated to Schroders ("the Investment Manager")
- ii) Voting decisions on stocks are delegated to the Investment Manager.
- iii) The Investment Manager has full discretion for undertaking engagement activities in respect of the investments.
- iv) The Investment Manager will report on voting and engagement activity to the Trustees on a periodic basis together with their adherence to the UK Stewardship Code. The Trustees will consider whether the approach taken was appropriate or whether an alternative approach is necessary.
- v) The Investment Manager is expected to undertake general stewardship and positive engagement in relation to the Scheme's investments. The Trustees consider that the long-term financial risks to the Scheme and ESG factors, including climate risk, are potentially material.

The Trustees have implemented this policy as described and in particular:

- Have received reports from the Investment Manager regarding voting and engagement.
- In light of such reports and otherwise, considered their policy in regard to voting and stewardship and concluded that the current policy is appropriate.

B. Voting Record

As the Scheme invests in a pooled fund, the Trustees do not have the option of applying their own voting policy. All underlying securities in pooled funds which have voting rights are managed by the Investment Manager having the legal right to the underlying votes.

The Investment Manager's response to the Trustees' enquiries about its voting policies during the year ended 5^{th} April 2022 was:

Voting policies	Response
What is your policy on consulting with clients before voting?	In order to maintain the necessary flexibility to meet client needs, local offices of Schroders may determine a voting policy regarding the securities for which they are responsible, subject to agreement with clients as appropriate, and/or addressing local market issues. Clients in the UK will need to contact their usual client services person(s) on whether or not this is available for the type of investment(s) they hold with Schroders.
Please provide an overview of your process	We evaluate voting issues arising at our investee companies
for deciding how to vote.	and, where we have the authority to do so, vote on them in line
	with our fiduciary responsibilities in what we deem to be the

interests of our clients. We utilise company engagement, internal research, investor views and governance expertise to confirm our intention. Further information can be found in our Environmental, Social and Governance Policy for Listed Assets policy: https://www.schroders.com/en/sysglobalassets/globalassets/english/campaign/sustainability/integritydocuments/schroders-esg-policy.pdf How, if at all, have you made use of proxy We receive research from both ISS and the Investment voting services? Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into our voting decisions. In addition to relying on our policies we will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts. It is important to stress that our own research is also integral to our final voting decision; this will be conducted by both our financial and ESG analysts. For contentious issues, our Corporate Governance specialists will be in deep dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context. We continue to review our voting practices and policies during our ongoing dialogue with our portfolio managers. This has led us to raise the bar on what we consider 'good governance practice.' We consider "most significant" votes as those against company What process did you follow for determining the "most significant" votes? management. We are not afraid to oppose management if we believe that doing so is in the best interests of shareholders and our clients. For example, if we believe a proposal diminishes shareholder rights or if remuneration incentives are not aligned with the company's long term performance and creation of shareholder value. Such votes against will typically follow an engagement and we will inform the company of our intention to vote against before the meeting, along with our rationale. Where there have been ongoing and significant areas of concerns with a company's performance we may choose to vote against individuals on the board. However, as active fund managers we usually look to support the management of the companies that we invest in. Where we do not do this we classify the vote as significant and will disclose the reason behind this to the company and the public. Did any of your "most significant" votes It is our policy to disclose our voting activity publicly. On a breach the client's voting policy (where monthly basis, we produce our voting report which details how relevant)? votes were cast, including votes against management and abstentions. While we implement an ESG policy, voting is comply or explain and we do not have a tick box approach, we rely on analysis and engagement to determine our vote intention. The reports are publicly available on our website: https://www.schroders.com/en/about-us/corporateresponsibility/sustainability/influence/.

If 'Y' to the above. Please explain where this happened and the rationale for the action taken.

Not Applicable

Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings?

1) The asset management firm overall has 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 hold 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 have 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) There is 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;
- 5) There are differences between the stewardship policies of managers and their clients.

Schroders accepts that conflicts of interest arise in the normal course of business. We 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. 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. Outlined below are the specific policies that cover engagement and voting.

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.

Where Schroders itself has a conflict of interest with the fund, the client, or the company being voted on, we will follow the voting recommendations of a third party (which will be the supplier of our 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 significant 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 Schroder Investment Management and our 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, we will vote as we see 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, we 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 stocks 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.	
Please include here any additional comments which you believe are relevant to your voting activities or processes	Schroders fully supports the UK Stewardship Code and complies with all its principles. Although the Code is focused on the UK, it sets a standard for stewardship and engagement for non-UK equity investments and we seek to apply the same principles globally, taking into account local practice and law. Further information on including links to our Environmental, Social and Governance Policy can be found at the below address: https://www.schroders.com/en/about-us/corporate-responsibility/sustainability/uk-stewardship-code/	

Voting Statistics (applicable to the Scheme's reporting period

How many meetings were you eligible to vote at?	19
How many resolutions were you eligible to vote on?	
What % of resolutions did you vote on for which you were eligible?	
Of the resolutions on which you voted, what % did you vote with management?	
Of the resolutions on which you voted, what % did you vote against	5%
management?	

C. Significant Votes

Highlights of some of the significant votes in the period are shown in the table below:

Company	Voting subject	How did the Investment Manager vote?	Result
Eura2 plc	Reorganisation and Mergers	For	Voted for management proposals
BHP Group plc	Reorganisation and Mergers, Capitalisation	Against	Voted against management proposals
AJ Bell plc	18 different proposals	For, excepting one proposal on non-salary compensation	Largely voted for management proposals
Britvic plc	20 different proposals	For, excepting one proposal on remuneration	Largely voted for management proposals
Edinburgh Worldwide Investment Trust	15 different proposals	For	Voted for management proposals
Imperial Brands plc	20 proposals, many directors related	For	Voted for management proposals
Sage Group plc	22 proposals	For, excepting re the re- election of one director	Largely voted for management proposals
Tui AG	26 proposals, many directors related	For	Voted for management proposals
Victrex plc	22 proposals	For	Voted for management proposals
Crest Nicholson	18 proposals	For	Voted for management proposals

Beazley plc	20 proposals	For	Voted fo	or manage	ement
			proposals		
MicroFocus	19 proposals	For, except the approval	Largely	voted	for
International plc		of a remuneration report	management proposals		
		and the re-election of one			
		director			

Schroders commented as follows:

"Schroders is aware of the guidance and voting template that the PLSA's has published in respect of the requirements to produce an Implementation Statement. We are fully committed to providing effective and meaningful disclosure to enable pension schemes to fulfil their regulatory and fiduciary responsibilities including the request to complete the voting template. Schroders has published its voting records for many years and these are publicly available on our website."

Details of Schroders' voting policy can be found at https://www.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy-pdf.

D. Conclusion

The Trustees have followed the Scheme's voting and engagement policies during the year by continuing to delegate to the Investment Manager the exercise of rights and engagement activities in relation to the Scheme's investments.