Implementation Statement, covering the Plan Year from 1 January 2021 to 31 December 2021

The Trustee of the Threadneedle Pension Plan (the "Plan") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Plan Year, as well as details of any review of the SIP during the Plan Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-11 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 12 below.

This Statement is based on the Plan's latest SIP which was put in place during the Plan Year - dated June 2021. This Statement should be read in conjunction with the SIP which can be found here: https://www.columbiathreadneedle.com/en/disclosures.

1. Introduction

The SIP was reviewed and updated during the Plan Year in June 2021 to reflect:

- the Trustee's decision (taken before the start of the Plan Year) to increase the allocation to the Matching Portfolio from 17% to 30% for the DB Section; and
- fund changes in the AVC section, following the closure of the three Threadneedle pathway funds and the removal from the Prudential platform of two Threadneedle equity funds used by the Plan.

As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed the policies in the Plan's SIP during the Plan Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

2.1 Defined Benefit ("DB") Section

Progress against the long-term journey plan is reviewed as part of the quarterly performance monitoring reports. As at 31 December 2021 the Plan was approximately 98% funded on the 2017 technical provisions basis.

2.2 Additional Voluntary Contributions and Annual Employer Contributions (collectively "AVC") Section

As part of the performance and strategy review of the AVC arrangements in November 2021 the Trustee reviewed the AVC Section provider, the suitability of the fund range and fund performance.

Further work on this review will be carried out in 2022 although based on the analysis carried out, the Trustee concluded that it provides members with access to an appropriate range of investment options which are suitable for this purpose and enable appropriate diversification. These options comprise a default lifestyle strategy and self-select fund range covering a variety of major asset classes as set out in the SIP.

3. Investment strategy

3.1 DB Section

The Trustee, with the help of its advisers and in consultation with the sponsoring employer, reviewed the strategy during the Plan Year and concluded that it should put in place a liability-driven investment ("LDI") strategy in order to better hedge the impact of changes in interest rates and inflation expectations on the Plan's funding position. As part of this review, the Trustee made sure the Plan's assets were adequately and appropriately diversified between different asset classes. This change is being implemented in 2022, ie following the end of the Plan Year.

Columbia Threadneedle, the DB Section's sole investment manager during the Plan Year, is instructed to rebalance the asset allocation towards the strategic asset allocation whenever it moves outside of an agreed tolerance band. Consequently, the actual asset allocation did not deviate materially from the strategic allocation over the year.

3.2 AVC Section

In 2020 (ie before the period covered by this Statement), Prudential (the Plan's AVC platform provider) announced that it would be removing five funds from the range available to Plan members. The Trustee agreed to make available five replacement AVC funds, and this came into effect in January 2021.

In 2021, Prudential announced that it would remove a further fund from the range available to Plan members. The Trustee agreed to replace this fund with an alternative fund, in line with Prudential's suggestion. This came into effect in February 2022, after the end of the Plan Year.

As part of the wider performance and strategy review of the AVC arrangements in November 2021, the Trustee reviewed the range of funds available to members (including those in the default lifestyle strategy) and the performance of these funds. The Trustee also made sure that members have a suitably diversified range of asset classes to choose from.

The Trustee reviews member data provided in the administration reports on a quarterly basis to see how members access their benefits.

4. Considerations in setting the investment arrangements

During the Plan Year, the Trustee reviewed the investment strategy of the DB section and undertook a performance and strategy review of the AVC Section. When carrying out these reviews, the Trustee considered the investment risks set out in the SIP. It also considered a range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

5. Implementation of the investment arrangements

Other than the AVC changes mentioned above, the Trustee did not make any changes to its manager arrangements over the Plan Year.

The Plan's investment adviser, LCP, monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustee promptly about any significant updates or events they become aware of with regard to the Plan's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Plan invests in, or any material change in the level of diversification in the fund.

The Trustee was comfortable with its investment manager arrangements over the Plan Year.

The Trustee monitors the performance of the Plan's investment managers on a quarterly basis, using the investment reports provided by the investment managers, AVC platform provider and its investment adviser. The reports show the performance of the funds over the quarter, one year, three years and five years. Performance is considered in the context of the managers' benchmarks and objectives.

The most recent quarterly reports show that the managers have produced performance broadly in line with expectations over the long-term.

The Trustee undertook a value for members' assessment in June 2021 which assessed a range of factors, including the fees payable to managers in respect of the AVC Section which were found to be reasonable when compared against schemes with similar sizes mandates.

Overall the Trustee believes the investment managers provide reasonable value for money.

6. Realisation of investments

The Trustee reviews the Plan's net current and future cashflow requirements on a regular basis. The Trustee's policy is to have access to sufficient liquid assets in order to meet any outflows whilst maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

Within the AVC Section, it is the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the AVC Section funds which the Trustee offered during the Plan Year are daily priced.

7. Financially material considerations, non-financial matters, voting and engagement

As part of its advice on the selection and ongoing review of the investment managers, the Plan's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement.

Additionally, the Trustee receives quarterly updates on ESG and Stewardship related issues from its investment advisers.

8. Investment governance, responsibilities, decision-making and fees

As mentioned in Section 5, the Trustee assesses the performance of the Plan's investments on an ongoing basis as part of the quarterly monitoring reports it receives.

The performance of the professional advisers is considered on an ongoing basis by the Trustee.

The Trustee has put in place formal objectives for its investment adviser and will review the adviser's performance against these objectives on a regular basis.

In response to the challenges of remote and hybrid working, the Trustee reviewed the effectiveness of its decision making and governance processes on an ongoing basis throughout the year, ensuring BAU items could continue to be managed and that the Trustee could continue to function as a Board.

9. Policy towards risk

Risks are monitored on an ongoing basis with the help of the investment adviser.

The Trustee maintains a risk register and this is discussed at quarterly meetings.

Together, the investment and non-investment risks set out in the DB Section of the SIP give rise generally to funding risk. The Trustee formally reviews the Plan's funding position as part of its annual actuarial report to allow for changes in market conditions. On a triennial basis the Trustee reviews the funding position allowing for membership and other experience. The Trustee also informally monitors the funding position more regularly, on a quarterly basis at Trustee meetings.

With regard to covenant risk, the Trustee receives regular updates at Trustee meetings from its advisors and the Plan's sponsoring employer. The Trustee assesses this more formally as part of the triennial actuarial valuation, and in 2021 (as part of the ongoing 2020 valuation process) the Trustee assessed the Plan's overall covenant strength as 'strong'.

With regard to the risk of not meeting members' reasonable expectations in the AVC Section, the Trustee makes available equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used in the growth phase of the default lifestyle option and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term.

The following risks are covered earlier in this Statement: mismatching risk in Section 3, cashflow risk in Section 6, manager risk in Section 5, the risk of lack of diversification in Section 3, operational risk in Section 8 and the risk of the funds in the default AVC strategy being unsuitable for members in Section 2.

10. Description of voting behaviour during the Plan Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Plan Year.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, on two of the Plan's funds that hold equities as follows:

- Threadneedle Dynamic Real Return Fund (DB Section)
- Prudential Dynamic Global Equity Passive Fund (AVC Section)

Voting data for the other funds held in the AVC Section have been omitted on materiality grounds, as the assets held within each of these funds represent only a small proportion of the Plan’s total assets.

10.1 Description of the voting processes

10.1.1 Threadneedle Dynamic Real Return Fund

In response to the Trustee’s questions, Columbia Threadneedle provided the following wording to describe its voting practices.

<u>What is your policy on consulting with clients before voting?</u>

We vote on all our funds and those of clients who delegate the authority to us, voting in all countries/markets in accordance with our publicly available Corporate Governance and Proxy Voting Principles and our separate Proxy Voting Policy. We exercise voting rights on behalf of clients in shareholder meetings across 73 countries using a custom voting policy and leveraging our dedicated, in-house proxy team.

<u>Please provide an overview of your process for deciding how to vote.</u>

Proxy voting decisions are made in accordance with the principles established in the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles (Principles) document, and our proxy voting practices are implemented through our Proxy Voting Policy.

For those proposals not covered by the Principles, or those proposals set to be considered on a case by case basis (i.e., mergers and acquisitions, share issuances, proxy contests, etc.), the analyst covering the company or the portfolio manager that owns the company will make the voting decision. We utilise the proxy voting research of ISS and Glass Lewis & Co., which is made available to our investment professionals, and our RI team will also consult on many voting decisions.

The administration of our proxy voting process is handled by a central point of administration at our firm (the Global Proxy Team). Among other duties, the Global Proxy Team coordinates with our third-party proxy voting and research providers.

Columbia Threadneedle Investments utilises the proxy voting platform of Institutional Shareholder Services, Inc. (ISS) to cast votes for client securities and to provide recordkeeping and vote disclosure services. We have retained both Glass, Lewis & Co. and ISS to provide proxy research services to ensure quality and objectivity in connection with voting client securities.

In voting proxies on behalf of our clients, we vote in consideration of all relevant factors to support the best economic outcome in the long-run. As an organisation, our approach is driven by a focus on promoting and protecting our clients’ long-term interests; while we are generally supportive of company management, we can and do frequently take dissenting voting positions. While final voting decisions are made under a process informed by the RI team working in collaboration with portfolio managers and analysts, our Global Proxy Team serves as the central point of proxy administration with oversight over all votes cast and ultimate responsibility for the implementation of our Proxy Voting Policy. Our voting is conducted in a controlled environment to protect against undue influence from individuals or outside groups.

<u>How, if at all, have you made use of proxy voting services?</u>

"As active investors, well informed investment research and stewardship of our clients’ investments are important aspects of our responsible investment activities. Our approach to this is framed in the relevant Responsible Investment Policies we maintain and publish. These policy documents provide an overview of our approach in practice (e.g., around the integration of environmental, social and governance (ESG) and sustainability research and analysis).

As part of this, acting on behalf of our clients and as shareholders of a company, we are charged with responsibility for exercising the voting rights associated with that share ownership. Unless clients decide otherwise, that forms part of the stewardship duty we owe our clients in managing their assets. Subject to practical limitations, we therefore aim to exercise all voting rights for which we are responsible, although exceptions do nevertheless arise (for example, due to technical or administrative issues, including those related to Powers of Attorney, share blocking, related option rights or the presence of other exceptional or market-specific issues). This provides us with the opportunity to use those voting rights to express our preferences on relevant aspects of the business of a company, to highlight concerns to the board, to promote good practice and, when appropriate, to exercise related rights. In doing so we have an obligation to ensure that we do that in the best interests of our clients and in keeping with the mandate we have from them.

Corporate governance has particular importance to us in this context, which reflects our view that well governed companies are better positioned to manage the risks and challenges inherent in business, capture opportunities that help deliver sustainable growth and returns for our clients. Governance is a term used to describe the arrangements and practices that frame how directors and management of a company organise and operate in leading and directing a business on behalf of the shareholders of the company. Such arrangements and practices give effect to the mechanisms through which companies facilitate the exercise of shareholders' rights and define the extent to which these are equitable for all shareholders.

We recognise that companies are not homogeneous and some variation in governance structures and practice is to be expected. In formulating our approach, we are also mindful of best practice standards and codes that help frame good practice, including international frameworks and investment industry guidance. While we are mindful of company and industry specific issues, as well as normal market practice, in considering the approach and proposals of a company we are guided solely by the best interests of our clients and will consider any issues and related disclosures or explanations in that context. While analysing meeting agendas and making voting decisions, we use a range of research sources and consider various ESG issues, including companies' risk management practices and evidence of any controversies. Our final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations such as ISS, IVIS and Glass Lewis as well as MSCI ESG Research. Proxy voting is effected via ISS.

<u>What process did you follow for determining the "most significant" votes?</u>

We consider a significant vote to be any dissenting vote i.e. where a vote is cast against (or where we abstain/withhold from voting) a management-tabled proposal, or where we support a shareholder-tabled proposal not endorsed by management. We report annually on our reasons for applying dissenting votes via our website.

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

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.

Columbia Threadneedle Investments is the global asset management arm of Ameriprise Financial, Inc (the Group), a leading U.S.-based financial services provider. With more than 2,000 people including over 450 investment professionals around the world, we manage of client assets across developed and emerging market equities, fixed income, asset allocation solutions and alternatives.

As a result of this and other aspects of our business, conflicts of interest may arise among our different clients and among us, our affiliates and our clients. We must act solely in the best interest of its clients and make full and fair disclosure of all material facts, including those where the adviser's interests may conflict with the client's. Clients' portfolios are managed in accordance with established investment objectives, client guidelines and regulatory requirements. As conflicts of interest affecting clients could undermine the integrity and professionalism of our business, we seek to identify any conflict situations as early as possible. Such conflicts might arise:

- *between companies within the Group;*
- *between the Group and suppliers;*
- *between the Group and client(s);*
- *between employees/agents/directors of, or within, the Group and client(s);*
- *between client(s) and client(s); and*
- *between an employee and his or her employing Company and the Group.*

Appropriate governance and oversight arrangements, including designated responsibilities, policies, procedures, conflict registers, monitoring and reporting, governance committee meetings, staff training and 'whistleblowing' arrangements are maintained. Where a conflict situation arises, we seek to mitigate and manage that equitably and in the clients' interest with appropriate systems and controls. In addition, a compliance program is in place that is *intended to identify, mitigate and, in some instances, prevent actual and potential conflicts of interest, as well as to ensure compliance with legal and regulatory requirements and ensure compliance with client investment guidelines and restrictions.*

Where potential conflicts of interest may arise, for instance where we are invested on behalf of clients in a listed company that is associated with a client (e.g. the company's pension plan trustees), we adhere to the following approach and escalation procedure:

- *As part of the Group wide conflicts policy, arrangements and procedures are maintained to monitor potential conflicts of interest.*
- *In line with our normal practice, engagement and proxy voting decisions are agreed between the RI team and relevant portfolio managers, in line with our standard policies and procedures.*
- *Where decisions involve the pragmatic application of or a deviation from our headline policy, this is documented, and the explanation and rationale recorded.*
- *In the event of a controversial issue, this is escalated, initially to the relevant team heads, or committee. Where required, the final arbiter in such cases would be the Head of Equities, Global CIO (or their deputies) or another member of the relevant investment department's senior executive group (the Investment Oversight Committee (U.S.) or Investment Management Committee (EMEA)).*
- *Where issues require escalation, our legal and compliance teams are consulted as appropriate.*

The overriding test at each stage of this process is that the approach and actions taken must be in the interests of those clients on whose behalf they are being taken. In an EMEA context this includes our TCF (treating customers fairly) obligations.

10.1.2 Prudential Dynamic Global Equity Passive Fund

This fund invests in six underlying pooled equity funds, managed by BlackRock. As such, voting on the underlying equity holdings is carried out by BlackRock. In response to the Trustee's questions, Prudential provided the following wording which BlackRock had provided to describe its own voting practices.

<u>What is your policy on consulting with clients before voting?</u>

BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. We believe that there are certain fundamental rights attached to shareholding. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. Shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws.

Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given us authority, through voting proxies in the best long-term economic interests of our clients. We also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with our clients' interests as long-term shareholders.

BlackRock looks to companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG issues. This allows shareholders to appropriately understand and assess how relevant risks and opportunities are being effectively identified and managed. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with our view of what supports sustainable long-term value creation, we will engage with a company and/or use our vote to encourage a change in practice.

BlackRock views engagement as an important activity; engagement provides us with the opportunity to improve our understanding of the business and ESG risks and opportunities that are material to the companies in which our clients invest. As long-term investors on behalf of clients, we seek to have regular and continuing dialogue with executives and board directors to advance sound governance and sustainable business practices, as well as to understand the effectiveness of the company's management and oversight of material issues. Engagement is an important mechanism for providing feedback on company practices and disclosures, particularly where we believe they could be enhanced. We primarily engage through direct dialogue but may use other tools such as written correspondence to share our perspectives. Engagement also informs our voting decisions.

BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. These high-level Principles are the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe our philosophy on stewardship (including how we monitor and engage with companies), our policy on voting, our integrated approach to stewardship matters and how we deal with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews our Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year.

How, if at all, have you made use of proxy voting services?

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations

- *BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed*
- *We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial*
- *We do not follow any single proxy research firm's voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company's own disclosures, in our voting and engagement analysis*
- *We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision*
- *The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting*

What process did you follow for determining the "most significant" votes?

BlackRock Investment Stewardship prioritizes its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance. Our year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes. The themes we have identified in turn shape our Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which we look at the sustainable long-term financial performance of investee companies.

We periodically publish "vote bulletins" setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that we consider, based on our Global Principles and Engagement Priorities, material to a company's sustainable long-term financial performance. These bulletins are intended to explain our vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to our clients and other stakeholders, and potentially represent a material risk to the investment we undertake on behalf of clients. We make this information public shortly after the shareholder meeting, so clients and others can be aware of our vote determination when it is most relevant to them. We consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

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

As an investment manager, BlackRock has a duty of care to its clients. BlackRock's duty extends to all of its employees and is critical to our reputation and business relationships, and to meeting the requirements of our various regulators worldwide. Employees are held responsible by BlackRock to seek to avoid any activity that might create potential or actual conflicts with the interests of clients.

BlackRock maintains a compliance program for identifying, escalating, avoiding and/or managing potential or actual conflicts of interest. The program is carried out through our employees' adherence to relevant policies and procedures, a governance and oversight structure and employee training.

Among the various policies and procedures that address conflicts of interest is BlackRock's Global Conflicts of Interest Policy. This policy governs the responsibility of BlackRock and its employees to place our clients' interests first and to identify and manage any conflicts of interest that may arise in the course of our business. In order to mitigate potential and actual conflicts of interest, each BlackRock employee must, among other things:

- *Identify potential or actual conflicts of interest both in relation to existing arrangements and when considering changes to, or making new, business arrangements;*
- *Report any conflicts of interest promptly to his/her supervisor and Legal & Compliance;*
- *Avoid (where possible) or otherwise take appropriate steps to mitigate a conflict to protect our clients' interests; and*
- *Where appropriate, disclose conflicts of interest to clients prior to proceeding with a proposed arrangement*

BlackRock Legal & Compliance conducts mandatory annual compliance training, which includes a discussion of the Global Conflicts of Interest Policy.

Please include here any additional comments which you believe are relevant to your voting activities or processes

On behalf of our clients, we intend to vote at all shareholder meetings of companies in which our clients are invested. In certain markets, there might be regulatory constraints or operational issues which can affect BlackRock's ability to vote certain proxies, as well as the desirability of doing so. We do not support impediments to the exercise of voting rights and will engage regulators and companies about the need to remedy the constraint. Where we experience impediments in relation to a specific shareholder meeting, we will review the resolutions to assess whether the business under consideration warrants voting despite the complications caused by the impediment. For example, we currently do not vote at shareholder meetings that require share blocking: the restriction that is imposed when a vote is cast represents a liquidity constraint on the portfolio managers and increases the risk of failed trades, which can be costly to clients. BlackRock may in its discretion determine that the value of voting outweighs the costs of blocking shares from trading, and thus cast the vote and block the shares in that instance.

With regards to US assets, we have approximately a 100% success rate in voting our funds' assets, with the exception of certain portfolios that utilize a long/short strategy whereby the funds leverage may prevent us from voting.

With regards to non-U.S. assets generally, we have approximately a 90% success rate in voting our funds' assets. Of the remaining: 8% were uninstructed due to share blocking, and 2% of the votes go unexecuted result from either the fund's leverage or market-based impediments such as ballots received post cut-off date or post meeting date, meeting specific power of attorney requirements, special documentation, etc.

10.2 Summary of voting behaviour over the Plan Year

A summary of voting behaviour over the Plan Year is provided in the table below.

	Threadneedle Dynamic Real Return Fund	Prudential Dynamic Global Equity Passive Fund
Total size of fund at end of the Plan Year	£2,497m	£111m
Value of Plan assets at end of the Plan Year (£ / % of total assets)	£104.4m (68.6% of DB assets)	£5.1m (34.6% of AVC assets)
Number of equity holdings at end of the Plan Year	1,074	6,162
Number of meetings eligible to vote	368	5,274
Number of resolutions eligible to vote	4,694	56,001
% of resolutions voted	100.0%	99.9%
Of the resolutions on which voted, % voted with management	90.9%	92.1%
Of the resolutions on which voted, % voted against management	2.6%	7.3%
Of the resolutions on which voted, % abstained from voting	6.6%	0.6%
Of the meetings in which the manager voted, % with at least one vote against management	53.5%	33.9%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	N/A*	0.2%

* Threadneedle does not take direct recommendations from proxy advisors

10.3 Most significant votes over the Plan Year

Commentary on the most significant votes over the period, from the Threadneedle Dynamic Real Return Fund and the Prudential Dynamic Global Equity Passive Fund, is set out below. The Trustee has interpreted "most significant votes" to mean those that the manager deemed to be the most significant. For reasons of practicality, the Trustee has included in this Statement three of the votes deemed each manager as significant, with the aim of including a broad range of companies and voting topics (including votes related to environmental, social and governance issues).

10.3.1 Threadneedle Dynamic Real Return Fund

Royal Dutch Shell, 18 May 2021

<u>Summary of resolution, vote and outcome</u>

Columbia Threadneedle abstained on a resolution to request Shell to set and publish targets for greenhouse gas emissions. The resolution did not pass.

<u>Columbia Threadneedle rationale</u>

Not in shareholders' best interest.

Caterpillar, 9 June 2021

<u>Summary of resolutions, votes and outcomes</u>

Columbia Threadneedle voted in favour of two shareholder proposals. One proposal called for additional disclosure of Caterpillar's climate activity, and the other proposal asked the board of directors to publish an annual report assessing the company's diversity and inclusion. The resolutions did not pass.

<u>Columbia Threadneedle rationale</u>

Supporting better ESG risk management disclosures.

Chalice Mining, 24 November 2021

Summary of resolution, vote and outcome

Columbia Threadneedle voted against a resolution to approve the issuance of options to Stephen McIntosh, a non-executive director on Chalice Mining's board. The resolution passed.

Columbia Threadneedle rationale

Remuneration concerns.

10.3.2 Prudential Dynamic Global Equity Passive Fund

Pfizer, 22 April 2021

Summary of resolution, vote and outcome

BlackRock voted against a resolution to report on access to COVID-19 products. The resolution did not pass.

BlackRock rationale

The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures

AT&T, 30 April 2021

Summary of resolution, vote and outcome

BlackRock voted against the re-election of five directors. All of the directors were re-elected.

BlackRock rationale

Vote against compensation committee member because pay is not properly aligned with performance and/or peers.

BP, 12 May 2021

Summary of resolution, vote and outcome

BlackRock voted for a shareholder resolution on climate change targets. The resolution did not pass.

BlackRock rationale

We recognize the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.