

Annual Implementation Statement - covering 1 January 2020 to 31 December 2020 (the “Scheme Year”)

Fujifilm UK Limited Pension and Life Assurance Scheme (the “Scheme”).

Introduction

In accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Trustees of the Scheme is required to produce an annual statement to set out:

- how and the extent to which, in the opinion of the Trustees of the Scheme, the Statement of Investment Principles (“SIP”) produced by the Trustees has been followed during the Scheme Year;
- details of any review of the SIP during the Scheme Year;
- subsequent changes made with the reasons for the change; and
- the dates of the last review of the SIP.

The Implementation Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, the Trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is set out in the table below.

This Implementation Statement covers both the Scheme's defined benefit (“DB”) section and the Scheme's defined contribution (“DC”) section. The statement flows directly from and should be read in conjunction with the Scheme's SIP (in place at the Scheme Year end and dated September 2020) which is available here: <https://www.fujifilm.eu/uk/about-us/pension-life-assurance-scheme>.

Investment Objectives of the Scheme

DB Section

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. As set out in the SIP, the Trustees' primary investment objective for the DB Section of the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustees have also received confirmation from the Scheme Actuary during the process of revising the investment strategy that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

DC Section

The Trustees aim to provide suitable investment options that are aligned to the needs of their members.

The Trustees recognise that in a defined contribution arrangement, members assume the investment risks themselves. The Trustees further recognise that members are exposed to different types of risk at different stages of their working lifetimes.

The Trustees have determined their investment policy in such a way as to address the main investment risks faced by members. These risks are outlined in section 5 of the SIP.

The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default lifestyle strategy.

The Trustees will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.

Review of the SIP

During the year to 31 December 2020, the Trustees reviewed the Scheme's SIP and a revised SIP was signed on 29 September 2020. The SIP was updated to reflect new requirements under The Occupational Pension Scheme (Investment and Disclosure) (Amendment) Regulations 2019 relating to the following:

- How arrangements with the asset managers incentivise the asset managers to align their investment strategy and decisions with the Trustees' policies in SIP.
- How those arrangements incentivise the asset managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.
- How the method (and time horizon) of the evaluation of asset manager's performance and the remuneration for asset management services are in line with the Trustees' policies mentioned in the SIP.
- How the Trustees monitor portfolio turnover costs incurred by the asset manager and how they define and monitor targeted portfolio turnover or turnover range.
- The duration of arrangements with the asset managers.

Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in the table below summarises the work undertaken by the Trustees during the year (or over a longer term where relevant) and sets out how this work has followed the Trustees' policies in the SIP (insofar as the SIP relates to the DB section of the Scheme). The Trustees consider that it has generally adhered to all of its policies as set out in the SIP over the course of the year.

DB Section

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the year to 31 December 2020
1	Securing compliance with the legal requirement to obtain and consider proper advice on the question of whether an investment is satisfactory.	<p>An investment consultant has been appointed by the Trustees to provide relevant advice to the Trustees.</p> <p><i>SIP Introduction</i></p>	<p><i>No new investments were implemented over the period with no advice received to make changes.</i></p>
2	The kinds of investments to be held.	<p>The Trustees have adopted investment arrangements to enable benefits to be paid as and when they fall due.</p> <p><i>SIP section 4.3</i></p>	<p><i>The Trustees invest in pooled Diversified Growth Funds ("DGF"), which are actively managed multi-asset funds and invest across a diversified range of assets.</i></p> <p><i>The Trustees also invest in Liability Driven Investment ("LDI") funds which perform in a similar way to the Scheme's liabilities as a result of movements in interest rates and inflation. LDI reduces the volatility of the Scheme's funding level.</i></p> <p><i>The Trustees receive semi-annual investment performance reporting from the investment consultant and uses the reports to monitor the investments and funding level of the Scheme.</i></p> <p><i>The Trustees hold a buy-in policy with PIC, the policy insures the interest rate, inflation and longevity risks associated with the pensioner members covered by the policy.</i></p>
3	The balance between different	Within the DB investments the Trustees have established a	<p><i>As part of the semi-annually performance reporting at each Trustee meeting, the actual allocation has been (and will</i></p>

	kinds of investments.	<p>strategic benchmark for the Scheme assets.</p> <p>The Trustees monitor the asset allocation from time to time and may rebalance the Scheme's investments if necessary to bring them in line with the strategic benchmark.</p> <p><i>SIP section Appendix 1</i></p>	<p><i>continue to be) compared to the strategic benchmark allocation. An under or overweight position acts as a trigger for discussion.</i></p>
4	Risks, including the ways in which risks are to be measured and managed.	<p>The Trustees recognise risk from a number of perspectives. Detail on the risks considered and the approach taken to risk management and measurement is set out in section 5 of the SIP.</p> <p><i>SIP section 5</i></p>	<p><i>As detailed in Section 5 of the SIP, the Trustees consider both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.</i></p> <p><i>On a semi-annual basis, the Trustees review the Scheme's asset allocation compared with target and the portfolio may be rebalanced to ensure that the targeted level of risk and return are maintained.</i></p>
5	Expected return on investments.	<p>The Scheme's assets are expected to provide an investment return commensurate with the level of risk being taken.</p> <p><i>SIP section 2</i></p>	<p><i>The investment monitoring report is reviewed by the Trustees on a semi-annual basis. The monitoring report includes how each investment manager is delivering against their specific mandates.</i></p>
6	Realisation of investments.	<p>Ad hoc cashflow requirements are taken from the Scheme's assets in a manner consistent with the strategic asset allocation.</p> <p>The Trustees consider the liquidity of the investment in the context of the likely needs of members.</p>	<p><i>The Scheme's assets are a combination of daily and weekly dealt pooled investment vehicles.</i></p> <p><i>The disinvestment policy for meeting benefit payments consists of disinvesting in a structured approach to rebalance the actual allocation with the strategic allocation.</i></p>

		<i>SIP section Appendix 3</i>	
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments.	<p>The Trustees consider financially material considerations in the selection, retention and realisation of investments. Within the funds consideration of such factors, including environmental, social and governance factors, is delegated to the investment manager.</p> <p>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</p> <p><i>SIP section 4.6</i></p>	<p><i>The Scheme's SIP includes the Trustees' policy on Environmental, Social and Governance ('ESG') factors, stewardship and Climate Change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship.</i></p> <p><i>The Trustees keep their policies under regular review with the SIP subject to review at least triennially.</i></p> <p><i>The investment performance report is reviewed by the Trustees on a semi-annual basis – this includes ratings (both general and ESG-focused) from the investment consultant. All of the managers remained generally well rated during the year. Where managers were not highly rated from an ESG perspective, the Trustees continue to monitor them.</i></p> <p><i>The Trustees have not set any investment restrictions on the appointed investment manager in relation to particular products or activities, but may consider this in future.</i></p> <p><i>The Trustees acknowledge that the multi-asset fund managers do not typically have a high ESG rating assigned by the investment consultant due to the nature of the underlying asset classes, whereby it is harder to engage with fixed income assets.</i></p>
8	The extent (if at all) to which non-financial matters are taken into	The Trustees do not take account of non-financially material considerations.	<i>Not applicable.</i>

	account in the selection, retention and realisation of investments.		
9	The exercise of the rights (including voting rights) attaching to the investments.	<p>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</p> <p><i>SIP section 4.4</i></p>	<p><i>The Trustees have delegated its voting rights to the investment managers. In the Trustees' opinion the investment managers have appropriate knowledge and experience for exercising voting rights and the managers are carrying out their work competently.</i></p> <p><i>Investment managers are expected to provide voting summary reporting at least annually.</i></p> <p><i>The Trustees do not use the direct services of a proxy voter.</i></p>
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustees would monitor and engage with relevant persons about relevant matters).	<p>The Trustees consider how ESG, climate change and stewardship is integrated within investment processes, in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement.</p> <p>Outside of those exercised by investment managers on behalf of the Trustees, no other engagement activities are undertaken.</p> <p><i>SIP section 4.4</i></p>	<p><i>As the Scheme invests solely in pooled funds, the Trustees require their investment managers to engage with the underlying companies on their behalf.</i></p> <p><i>The Trustees wish to encourage best practice in terms of corporate activism to the extent that it is expected to positively affect financial performance/ risk/ not result in any financial detriment. It encourages its investment managers to discharge their responsibilities in respect of investee companies in accordance with relevant legislation and codes.</i></p> <p><i>Investment managers are expected to provide reporting on a regular basis, at least annually, including stewardship monitoring results.</i></p>

11	<p>How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustees' policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement]</p>	<p>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class or classes they are selected to manage.</p> <p>The Scheme currently invests entirely in pooled investment vehicles, and therefore the Trustees accept that it has no direct ability to specify the risk profile and return targets of the managers, but appropriate mandates can be selected to align with the overall investment strategy.</p> <p><i>SIP section 3.3</i></p>	<p><i>Over the period the Trustees believed that the appointments with its investment managers were consistent with its long-term objectives and no changes were made.</i></p>
12	<p>How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the</p>	<p>The investment manager is aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage.</p> <p><i>SIP sections 3.3 & 6.2</i></p>	<p><i>The Trustees review the performance of each manager with a long-term perspective.</i></p> <p><i>The Trustees are content that the current investment managers maintain a long-term perspective when managing the underlying investments, and are consistent with the Scheme's primary objective; particularly with regard to ESG factors that are considered in the investment processes of the underlying managers.</i></p> <p><i>ESG policies are made available from the investment managers, and are reviewed from time to time by the Trustees.</i></p>

	medium to long-term.		
13	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustees' policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement].	<p>The Trustees are a long term investor and is not looking to change the investment arrangements on a frequent basis.</p> <p>The Trustees receive performance reports from Mercer on a semi-annual basis, which present performance over a variety of periods. Individual investment manager reports are also available to the Trustees on a quarterly basis.</p> <p><i>SIP sections 3.3 & 6.2</i></p>	<i>The Trustees have considered the long term investment performance of the manager as part of the semi-annual monitoring, as well as their investment consultant's views of the investment manager, and is comfortable that the longer term performance and forward-looking capabilities remained suitable.</i>
14	How the Trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<p>For the DB Section, the Trustees have not historically monitored the investment manager's ongoing transaction costs explicitly but measure these implicitly through ongoing performance assessments which are net of these costs. The Trustees seek explicit reporting on ongoing costs for the appointed investment manager.</p> <p><i>SIP section 6.3</i></p>	<i>At present, the Trustees do not monitor portfolio turnover costs in any detail, although that the performance monitoring which they receive is net of all charges, including such costs.</i>

15	The duration of the arrangement with the asset manager.	There is typically no set duration for the manager appointment. However, appointments typically can be terminated at short notice.	<p><i>No action was taken in relation to investment manager appointments during the year.</i></p> <p><i>SIP sections 3.3</i></p>
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DC Section

	Matter	Summary of Trustees' policy / key extracts from policy	Summary description and evaluation of work undertaken in the year to 31 December 2020
1	Securing compliance with the legal requirement to obtain and consider proper advice on the question of whether an investment is satisfactory.	<p>Trustees have obtained and considered written advice from a suitably qualified individual, employed by their Investment Adviser, Mercer, whom they believe to have a degree of knowledge and experience that is appropriate for the management of their investments.</p> <p>In the Trustees' opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.</p> <p><i>SIP Section 1</i></p>	<i>The Trustees confirms that advice was received from its investment advisor where required. There were no changes in the investment strategy during the year.</i>
2	The kinds of investments to be held.	<p>The Trustees have invested in a pooled Target Dated Funds (TDF), whose manager selects and manages allocations across a diversified spectrum of assets based on the target date of the specific fund.</p> <p>The self-select fund range allows the members to invest in the following: UK and Overseas Equities; Emerging Market Equities; Fixed and Inflation-linked UK Government Bonds; Corporate Bonds; Property; Diversified Growth Funds and Cash.</p> <p><i>SIP Section 4.3</i></p>	<p><i>The default investment option was last subject to its formal triennial review in September 2018, with the current strategy implemented with effect in April 2019. No changes to the type of investments used in the default have implemented since this review and the strategy remains consistent with this policy in the SIP.</i></p> <p><i>The default arrangement is invested in Target Date Funds ("TDFs"), a fund which a member is invested in for the entire duration of their career until their Target Retirement Age (TRA) is reached. In the initial years a TDF targets a 'growth phase', which is characterised by investing in riskier assets with a higher expected return profile. As a member approaches retirement, the asset allocation within</i></p>

			<p><i>their respective TDF begins a de-risking phase into lower risk assets.</i></p> <p><i>The Trustees believe the self-select range offered provides a sufficient range of different types of investments for members.</i></p> <p><i>Both the default strategy and self-select range will be reviewed every three years. The use of TDFs ensures that the different types of investment are considered.</i></p>
3	The balance between different kinds of investments.	<p><i>The Trustees have selected TDFs managed by Alliance Bernstein (AB) as the Scheme's default strategy. The manager seeks to ensure that the mix of assets remains appropriate given the TDF's aim.</i></p> <p><i>SIP Appendix 2</i></p> <p><i>The Trustees also offer members a suitable range of self-select funds as an alternative to the default option.</i></p> <p><i>SIP Section 4.1</i></p>	<p><i>The range of investment options cover multiple asset classes and provide appropriate strategic choices for members' different savings objectives, risk profiles and time horizons. Members are able to self-select their own investments from the range offered by LGIM and Newton, giving members the ability to choose the balance between different kinds of investments themselves.</i></p> <p><i>The Trustees will review the investment approach from time to time, and make changes as and when it is considered appropriate. The fund range and default investment strategy are reviewed on at least a triennial basis.</i></p>
4	Risks, including the ways in which risks are to be measured and managed.	<p><i>The Trustees recognise risk from a number of perspectives. Detail on the risks considered and the approach taken to risk management and measurement is set out in section 5 of the SIP.</i></p> <p><i>SIP section 5</i></p>	<p><i>As detailed in Section 5 of the SIP, the Trustees consider both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.</i></p> <p><i>While recognising that DC members assume investment risk themselves, the Trustees provide a risk-managed default arrangement consistent with its stated default investment objectives. The Trustees also provide a range of self-select funds covering a wide range of expected</i></p>

			<p><i>risk and return profiles, giving members the ability to choose to take on different levels of investment risk should they so choose.</i></p> <p><i>The Scheme also maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarise existing mitigations and additional actions.</i></p>
5	Expected return on investments.	<p>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.</p> <p><i>SIP Section 3.3</i></p>	<p><i>The investment monitoring report is reviewed by the Trustees on a semi-annual basis. The monitoring report includes how each investment manager is delivering against their specific mandates and the subsequent impact on member outcomes.</i></p> <p><i>The performance objectives for each fund used by the Scheme can be found in Appendix 3 of the SIP. The majority of funds are expected to keep pace with inflation over the long term.</i></p>
6	Realisation of investments.	<p>The Scheme's assets are invested in pooled funds which are readily realisable.</p> <p><i>SIP Section 5</i></p>	<p><i>The Trustees' administrators will realise assets following member requests on retirement or earlier where required. The Trustees receive administration reports on a quarterly basis to ensure that core financial transactions are processed within SLAs and regulatory timelines.</i></p> <p><i>No investment changes were made over the year covered by this statement; all investments continue to be held in daily dealt pooled investment vehicles with a high degree of liquidity.</i></p>
7	Financially material considerations over the appropriate time horizon of the investments,	<p>The Trustees understand that they must consider all factors that have the ability to impact the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited</p>	<p><i>The Scheme's SIP includes the Trustees' policy on Environmental, Social and Governance ('ESG') factors, stewardship and Climate Change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the</i></p>

	including how those considerations are taken into account in the selection, retention and realisation of investments.	<p>to, environmental, social and governance (ESG) factors.</p> <p>The Trustees recognise that ESG factors, such as climate change, can influence the investment performance of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process.</p> <p><i>SIP Section 4.4</i></p>	<p><i>Trustees in relation to voting rights and stewardship.</i></p> <p><i>The Trustees keep their policies under regular review with the SIP subject to review at least triennially.</i></p> <p><i>The investment performance report is reviewed by the Trustees on a semi-annual basis – this includes ratings (both general and ESG-focused) from the investment consultant. All of the managers remained generally well rated during the year. Where managers were not highly rated from an ESG perspective, the Trustees continue to monitor them.</i></p> <p><i>The Trustees are satisfied that funds in the default and the self-select options take a responsible approach to voting and engaging with investee companies to encourage a responsible approach to ESG</i></p>
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments.	<p>The Trustees' objective is that the financial interests of the Scheme members are its first priority when choosing investments. They have decided not to consider non-financial considerations, when setting the investment strategy.</p> <p><i>SIP Section 4.5</i></p>	<i>Not applicable.</i>
9	The exercise of the rights (including voting rights) attaching to the investments.	<p>The Trustees have concluded that the decision on how to exercise voting rights should be left with their investment managers, who will exercise these rights in accordance with their respective published corporate governance policies.</p>	<p><i>Manager voting policies, which are provided to the Trustees from time to time, take into account the financial interests of shareholders and should be for the Scheme's benefit.</i></p> <p><i>The Trustees have delegated its voting rights to the investment managers. In the Trustees' opinion the investment managers have appropriate knowledge</i></p>

		<i>SIP Section 4.6</i>	<p><i>and experience for exercising voting rights and the managers are carrying out their work competently.</i></p> <p><i>Investment managers are expected to provide voting summary reporting at least annually.</i></p> <p><i>The Trustees have equity exposure through the following funds:</i></p> <ul style="list-style-type: none"> - Alliance Bernstein - TDF - LGIM – UK Equity Index Fund - LGIM – Overseas Equity Consensus Index Fund - LGIM – Global Equity Fixed Weights (50:50) Index Fund (GBP Hedged) - LGIM – World Emerging Markets Equity Index Fund - Newton – Global Equity Fund <p><i>Voting activity information from each of the underlying investment manager (where provided) is summarised in the Appendix of this statement.</i></p>
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustees would monitor and engage with relevant persons about relevant matters).	<p>The Trustees consider how ESG, climate change and stewardship is integrated within investment processes, in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement.</p> <p>The Trustees are satisfied that funds in the default and the self-select options take a responsible approach to voting and engaging with the companies it invests in to</p>	<p><i>As the Scheme invests entirely in pooled funds, the Trustees require its investment fund managers to engage with the investee companies on its behalf.</i></p> <p><i>The Trustees wish to encourage best practice in terms of corporate activism. They therefore encourage their investment fund managers to discharge their responsibilities in respect of investee companies in accordance with relevant legislation and codes.</i></p> <p><i>Investment managers are expected to provide reporting on a regular basis, at least annually, including stewardship monitoring results.</i></p>

		<p>encourage a responsible approach to ESG.</p> <p><i>SIP Section 4.4</i></p>	
11	<p>How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustees' policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005</p>	<p>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.</p> <p><i>SIP Section 3.3</i></p>	<p><i>Over the period the Trustees believed that the appointments with its investment managers were consistent with its long-term objectives and no changes were made.</i></p>
12	<p>How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.</p>	<p>The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis.</p> <p>A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or general fund range.</p> <p><i>SIP Section 3.3</i></p>	<p><i>The Trustees review the performance of each manager with a long-term perspective. The Trustees receive monitoring reports on the performance of the underlying investment managers on a semi-annual basis, which presents performance information over 3 months, 1 year and 3 years.</i></p> <p><i>The Trustees may review a manager's appointment if:</i></p> <ul style="list-style-type: none"> <i>• There are sustained periods of underperformance;</i> <i>• There is a change in the portfolio manager;</i> <i>• There is a change in the underlying objectives of the investment fund manager;</i> <i>• There is a significant change to Mercer's rating of the manager.</i>

13	<p>How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustees' policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement].</p>	<p>The Trustees are a long term investor and is not looking to change the investment arrangements on a frequent basis.</p> <p>Investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme.</p> <p>The Trustees receive performance reports from Mercer on a semi-annual basis, which present performance over a variety of periods. Individual investment manager reports are also available to the Trustees on a quarterly basis.</p> <p><i>SIP sections 3.3 & 6.2</i></p>	<p><i>The Trustees have considered the long term investment performance of the manager as part of the semi-annual monitoring, as well as their investment consultant's views of the investment manager, and is comfortable that the longer term performance and forward-looking capabilities remained suitable.</i></p> <p><i>The Trustees are satisfied that the investment fund managers' short term performance will not impact long-term goals. In particular, none of the funds have performance fees in place, which could encourage managers to make short term investment decisions to hit their short term profit targets at the expense of longer term performance.</i></p>
14	<p>How the Trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.</p>	<p>For the DC Section the Trustees consider portfolio turnover costs as part of the annual value for members assessment and asks investment managers to include portfolio turnover and turnover costs in their presentations and reports to the Trustees.</p> <p>The Trustees are also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.</p> <p><i>SIP section 6.3</i></p>	<p><i>Over the year covered by this statement, the Trustees considered the levels of transaction costs as part of their annual Value for Members assessment and by publishing this information as part of the costs and charges disclosures mandated by regulations governing the Chair's Statement.</i></p> <p><i>The Trustees found that the transaction costs reported were reasonable. However, at present, the Trustees note a number of challenges in assessing these costs:</i></p> <ul style="list-style-type: none"> <i>• No industry-wide benchmarks for transaction costs exist</i> <i>• Explicit elements of the overall transaction costs are already taken into account when investment</i>

			<p><i>returns are reported, so any assessment must also be mindful of the return side of the costs.</i></p> <p><i>Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme.</i></p>
15	The duration of the arrangement with the asset manager.	<p>The Trustees are a long-term investor and is not looking to change investment arrangements on a frequent basis.</p> <p><i>SIP section 3.3</i></p>	<p><i>With regard to the DC Section, all of the invested funds are open-ended with no set end date for the arrangement. The Default Arrangement and fund range are reviewed on at least a triennial basis. A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or general fund range.</i></p> <p><i>The investment performance of all funds is reviewed by the Trustees on a semi-annual basis; this includes how each investment fund manager is delivering against their specific targets.</i></p> <p><i>The Trustees may terminate manager appointments if it is dissatisfied with a manager's ongoing ability to deliver specific targets.</i></p> <p><i>There were no changes to manager appointments over the year. The investment strategy was last reviewed in September 2019 and will be reviewed on a triennial basis.</i></p>

Investment Manager Voting Summary

DB Section

Fund	Proxy voter used?	Votes cast			Most significant votes (description)	Significant vote examples
		Votes in total	Votes against management endorsement	Abstentions		
Baillie Gifford Diversified Growth Fund	Baillie Gifford do not use a proxy voter. However, they are cognisant of the recommendations made by proxy voters (ISS and Glass Lewis).	877	50	13	A dissenting vote, i.e. where a vote is cast against (or abstained from) a management –tabled proposal or where support is given to a shareholder –tabled proposal not supported by management.	<p>Baillie Gifford have provided a number of examples.</p> <p>These were predominantly where Baillie Gifford had voted against election of a director, controversial equity issuance, changes to remuneration benefits or opposing mergers and acquisitions. For example, Covivio REIT, Baillie Gifford voted against the proposed long term incentive scheme because it could lead to rewarding under-performance.</p>
Columbia Threadneedle – Multi Asset Fund	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. Columbia Threadneedle have retained both Glass, Lewis & Co. and ISS to provide proxy research services to ensure quality and objectivity in connection with voting client securities.	587	58	21	Threadneedle defines “significant” votes to be any dissenting vote i.e. where a vote is cast against (or where they abstain/withhold from voting) a management-tabled proposal, or where we support a shareholder-tabled proposal not endorsed by management.	<p>Threadneedle have provided a number of examples. These were predominantly where they had voted against election of a director or changes remuneration benefits.</p> <p>For example, Amazon.com Inc., Threadneedle voted against an election of a director, as there were concerns that the director was not independent.</p>

DC Section

Manager	Fund	Proxy voter used?	Votes cast			Most significant votes (description)	Significant vote examples
			Votes in total	Votes against management endorsement	Abstentions		
Alliance Bernstein (AB)			Voting data has been requested from the platform provider (Mobius Life) but has not been provided in time for inclusion in this statement.				
LGIM	UK Equity Index Fund	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. To ensure their proxy provider votes in accordance with our position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.	13,941	7.0%	0.0%	Not provided	
	Overseas Equity Consensus Index Fund		70,269	16.1%	0.9%		
	Global Equity Fixed Weights (50:50) Index Fund (GBP Hedged)		46,852	15.9%	0.1%		
	World Emerging Markets Equity Index Fund		37,948	12.9%	1.5%		
Newton Global Equity Fund			Voting data has been requested from the manager but has not been provided in time for inclusion in this statement.				