

Implementation Statement

Pioneer GB Limited Pension and Life Assurance Scheme

Scheme year ended 31 March 2021

This is the Implementation Statement prepared by the Trustee of the Pioneer GB Limited Pension and Life Assurance Scheme (“the Scheme”) and sets out:

- How the Trustee’s policies on exercising rights (including voting rights) and engagement policies have been followed over the year to 31 March 2021; and,
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 March 2021.

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.

The Trustee undertook an initial review of the stewardship and engagement activities of the current managers following their June 2019 meeting, and was satisfied that their policies were reasonable and no remedial action was required at that time.

Each year the Trustee receives and reviews voting information and engagement policies from the fund managers, which it reviews to ensure alignment with its own policies.

Having reviewed the above in accordance with its policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Scheme’s stewardship policies.

Voting Data

The Scheme invests in pooled funds with Legal & General Investment Management (“LGIM”), Columbia Threadneedle, Invesco and Alcentra, and therefore the Scheme’s investment managers vote on behalf of the Scheme’s holdings in respect of these mandates.

Voting is not applicable to the Scheme’s LDI holdings (i.e. the LGIM Matching Core Funds and the LGIM Sterling Liquidity Fund), LGIM Synthetic Equity Funds, LGIM US Dollar Liquidity Fund or the Alcentra Clareant European Direct Lending Fund as these funds have no exposure to physical equities, which means they have no voting rights. The Invesco Global Targeted Returns Pension Fund and the Columbia Threadneedle Dynamic Real Return Fund invest across a diverse range of asset classes and are therefore included below as their equity holdings carry voting rights.

Voting Data

Manager	Columbia Threadneedle	Invesco
Fund name	Dynamic Real Return Fund	Global Targeted Returns Pension Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
Number of company meetings the manager was eligible to vote at over the year	358	365
Number of resolutions the manager was eligible to vote on over the year	4,659	5,332
Percentage of resolutions the manager voted on	98.8%	98.35%
Percentage of resolutions the manager abstained from	2.4%	0.53%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	91.3%	94.45%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	6.3%	5.55%
Percentage of resolutions voted <i>contrary</i> to the recommendation of the proxy advisor	n/a	3.45%

Significant votes

For the first year of implementation statements we have delegated to the investment managers to define what a “significant vote” is. A small selection of the votes they felt were significant are given below.

Columbia Threadneedle Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Facebook, Inc.	Comcast Corporation	Tesco Plc
Date of vote	27 May 2020	3 June 2020	26 June 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.83%	0.62%	0.09%
Summary of the resolution	It was proposed that a report on Median Gender/Racial Pay Gap is produced	It was proposed that a report on Risks Posed by Failing to Prevent Sexual Harassment is produced	Approve Remuneration Report
How the manager voted	For	For	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	Material social risk for business; in shareholders' interests.	Material social risk for business; in shareholders' interests.	Ex post adjustment to long-term performance metrics.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of the manager's research and investment process.		
Criteria on which the vote is considered “significant”	Vote against management (management wished to vote against this report)	Vote against management (management wished to vote against this report)	Vote against management

Invesco Global Targeted Returns Pension Fund

	Vote 1	Vote 2	Vote 3
Company name	Citigroup Inc.	AerCap Holdings NV	AMP Ltd.
Date of vote	April 2020	April 2020	May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided	Not provided	Not provided
Summary of the resolution	Report on Lobbying Payments and Policy	Authorize Board to Exclude Preemptive Rights from Share Issuances	Ratify Past Issuance of Shares to Existing and New Institutional Investors
How the manager voted	Against the resolution, in line with management recommendations	For the resolution, in line with management recommendations	For the resolution, in line with management recommendations
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	n/a	n/a	n/a
Rationale for the voting decision	Invesco felt that the company was already disclosing adequate information for shareholders to be able to assess its engagement in the political process and its management of related risks.	Invesco were in favour of the resolution as it was in line with commonly-used safeguards regarding volume and duration.	Invesco supported the resolution as the issuance was put towards the immediate implementation of the company's new strategy and to provide balance sheet strength to complete the sale of AMP Life.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	n/a	n/a	n/a
Criteria on which the vote is considered "significant"	Includes a "key ESG proposal"	Includes a "key ESG proposal"	Includes a "key ESG proposal"

Fund level engagement

The Trustees consider it a part of their investment managers' role to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme. The engagement data for the Scheme's applicable funds is shown in the table below.

Manager	Columbia Threadneedle	Invesco	Alcentra
Fund name	Dynamic Real Return Fund	Global Targeted Returns Pension Fund	Clareant European Direct Lending Fund II (GBP)
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	Not provided	Not provided	The manager uses an ESG questionnaire to engage with borrowers. The questionnaire gathers information regarding the borrowers' approach to managing ESG risks. The response rate for the manager's Q1 2021 questionnaire was over 90%.
Number of engagements undertaken at a firm level in the year	c. 300	2,250	Not provided
Examples of engagements undertaken with holdings in the fund	<p>Rio Tinto's destruction of Juukan Gorge in Australia raised many questions around the company's conduct, governance mechanisms and management of relationships with local communities and traditional owners. The RI Team led virtual meetings with the company's chairman and Investor Relations Team during the second half of 2020, attended by representatives from multiple investment desks.</p> <p>Uber Technologies, Inc. The assessment of our RI ratings model suggested enhanced</p>	<p>Woodside Petroleum. Invesco had engaged with Woodside prior to their 2021 AGM, and supported a shareholder proposal which requested that the company set scope 1, 2 and 3 carbon emissions reduction targets to align with the Paris Agreement. Since then, the company has notably set no scope 3 emission reduction targets, and plans to significantly ramp up their production of natural gas. Invesco made clear that it is important that energy companies are able to give a good justification for any significant increases in fossil fuel production. While the</p>	Not provided

Manager	Columbia Threadneedle	Invesco	Alcentra
	<p>ESG risk, plus impending California legislation on employee classification threatened to upend the company's business model. The RI Team organised and led four video conferences alongside fundamental analysts and portfolio managers with company management, plus the chair of the board of directors, each with a different primary focus and objective.</p>	<p>company's current philosophy of 'gas as a transition fuel' is not without merit, Invesco made clear that the company needed to go further in terms of their ambition on climate, for example by investing more into hydrogen or carbon capture technology. Invesco suggested that the upcoming CEO transition was a good opportunity to rethink their current strategy, and make commitments similar to energy majors BP and Shell.</p>	