

Implementation Statement

Pioneer GB Limited Pension and Life Assurance Scheme

Scheme year ended 31 March 2022

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 2022; and,
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 March 2022.

How voting and engagement policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- 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 Trustees undertook an initial review of the stewardship and engagement activities of the current managers at their **June 2019** meeting, and were satisfied that their policies were reasonable and no remedial action was required at that time.
- The Trustee obtained training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments.
- Annually the Trustee receives and reviews voting information and engagement policies from the asset managers, which it reviews to ensure alignment with its own policies. The Trustee believes that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members’ best interests.
- As part of ongoing monitoring of the Scheme’s investment managers, the Trustee uses ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Scheme’s investment managers take account of ESG issues.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund manager is 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, Alcentra and CBRE, 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 Absolute Return Bond Fund), the Alcentra Clareant European Direct Lending Fund, or the CBRE Global Alpha 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. The LGIM Future World Global Equity Index holdings also carry voting rights.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2022 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in November 2021 and has been made available online here: https://www.pioneer-car.eu/eur/sites/pioneer.eu/files/statement_of_funding_principles.pdf.

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

**Prepared by the Trustees of the Pioneer GB Limited Pension and Life Assurance Scheme
13 October 2022**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustee over the year to **31 March 2022**. Voting is not applicable to the Scheme's LDI holdings (i.e. the LGIM Matching Core Funds and the LGIM Absolute return Bond Fund), CBRE Global Property 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 and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	Columbia Threadneedle	Invesco	LGIM
Fund name	Dynamic Real Return Fund	Global Targeted Returns Pension Fund	Future World Global Equity Index Fund
Structure	Pooled		
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.		
Number of company meetings the manager was eligible to vote at over the year	389	329	4,465
Number of resolutions the manager was eligible to vote on over the year	4,939	4,942	47,851
Percentage of resolutions the manager voted on	100.0%	98.1%	99.9%
Percentage of resolutions the manager abstained from	1.6%	0.2%	0.8%

Manager	Columbia Threadneedle	Invesco	LGIM
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	93.0%	92.1%	81.7%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	5.4%	7.9%	17.4%
Percentage of meetings with at least one vote against management, as a percentage of the total number of meetings voted in	35.7%	43.3%	61.9%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	n/a	4.9%	10.7%

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote, so for this Implementation Statement the Trustee has asked the investment managers to determine what they believe to be a "significant vote". In the interest of concise reporting the tables below show a small selection of the votes they felt were significant for each fund.

Columbia Threadneedle Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Caterpillar Inc.	Eli Lilly and Company	Royal Dutch Shell Plc
Date of vote	9 June 2021	3 May 2021	18 May 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.03%	0.04%	0.15%
Summary of the resolution	Report on Climate Policy	Report on Lobbying Payments and Policy	Request Shell to set and publish Targets for Greenhouse Gas (GHG) Emissions
How the manager voted	For	For	Abstain
If the vote was against management, did the manager communicate their	n/a	n/a	n/a

	Vote 1	Vote 2	Vote 3
intent to the company ahead of the vote?			
Rationale for the voting decision	Supporting better ESG risk management disclosures	Supporting better ESG risk management disclosures	Not in shareholders' best interest
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of their research and investment process.		
Criteria on which the vote is considered "significant"	Vote against management		

Invesco Global Targeted Returns Pension Fund

	Vote 1	Vote 2	Vote 3
Company name	Suofeiya Home Collection Co., Ltd.	Barclays Plc	Legal & General Group Plc
Date of vote	7 May 2021	26 April 2021	10 May 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Over 1%	Over 1%	Over 1%
Summary of the resolution	Approve Use of Own Funds to Purchase Capital Protected Bank Financial Products	Approve Market Forces Requisitioned Resolution	Authorise Issue of Equity without Pre-emptive Rights in Connection with the Issue of Contingent Convertible Securities
How the manager voted	For (In Line With Management)	Against (In Line With Management)	For (In Line With Management)
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	The company has demonstrated a lack of progress or weak reporting on environmental issues.	In November 2020, the Company followed up on its commitment to come back to shareholders with further development of its climate strategy, including targets. Despite some apparent current gaps in the Company's approach to climate change, Barclays' continued commitment to evolving its climate strategy over time is recognised as a sufficient and appropriate response to the matters raised in the resolution at this time.	If the Company were to issue such securities and a trigger event were to occur, causing them to convert into ordinary shares, this would result in significant dilution to non-participating shareholders. Such authorities are common proposals at UK banks and are intended to apply in extreme circumstances only; and the conversion into ordinary shares would require the Common Equity Tier 1 ratio to fall to a level which would denote significant capital weakness well beyond the Company's current position and minimum regulatory requirements.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	The outcome of the vote meets Invesco's voting intention. Therefore Invesco did not take further action beyond their continuous engagement with the companies, as appropriate.		
Criteria on which the vote is considered "significant"	Over 1% Ownership and Includes Key ESG proposal		

LGIM Future World Global Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Microsoft Corporation	Amazon.com, Inc.
Date of vote	4 March 2022	30 November 2021	26 May 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.3%	5.2%	2.3%
Summary of the resolution	Resolution 9: Report on Civil Rights Audit	Resolution: Elect Director Satya Nadella	Resolution 1a: Elect Director Jeffrey P. Bezos
How the manager voted	Resolution 9: For	Resolution: Against	Resolution 1a: Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with a rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as LGIM's engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on their website), and they have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.
Outcome of the vote	Resolution 9: 53.6% of shareholders supported the resolution	Resolution: 94.7% of shareholders supported the resolution	Resolution 1a: 95.1% of shareholders supported the resolution
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.	A vote linked to an LGIM engagement campaign, in line with the Investment Stewardship team's five-year ESG priority engagement themes	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	Columbia Threadneedle	Invesco	Alcentra	CBRE	LGIM
Fund name	Dynamic Real Return Fund	Global Targeted Returns Pension Fund	Clareant European Direct Lending Fund II (GBP)	Global Alpha Fund	Future World Global Equity Index Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	Not provided	Not provided	91 (for European Direct Lending)	Not Provided. At the very least CBRE will engage with all underlying managers at least once per year.	Not Provided
Number of engagements undertaken at a firm level in the year	238	3,000	196	Not Provided. At the very least CBRE will engage with all underlying managers at least once per year.	696

Examples of engagements undertaken with holdings in the fund

Columbia Threadneedle:

Threadneedle wanted to better understand Tesco's sustainability strategy, specifically relating to nutrition and plant-based proteins. Members of the investment team joined the company's investor roundtable discussion with the Group Quality Director. As a result of this, Tesco has set new goals for the proportion of sales that are healthy, alongside plant-based protein sales goals. This is a step up in focus on consumer health and based on current disclosures appears ambitious relative to peers, which may position the company well as the UK's obesity strategy is implemented and as consumer trends evolve post-pandemic. The underlying strategy appears to be based on extensive customer research and is segmented by customer profile.

Invesco:

The Southern Company was identified as an engagement target mainly due to its position on net zero, nuclear and recent controversy over its retired coal plants. The Southern Company said its disposal of nuclear waste is highly regulated and two of its board members also serve on the US nuclear commission. Moreover the Southern Company plans to retire all but two of its coal plants by 2028, with the remaining coal plans expected to be retired by 2035. This timeline is primarily due to state regulations that prevent de-commissioning economically viable energy sources. The Southern Company hasn't applied to become a member of the Science Based Target Initiative (STBI) because it claims that STBI doesn't approve of its climate transition plans, largely due to its coal plants. Invesco plans to re-engage with The Southern Company in 2023 to ensure it has become a member to STBI.

LGIM:

LGIM, together with ShareAction, other asset owners and asset managers, has co-filed a shareholder resolution calling on Sainsbury's to become a living-wage accredited employer by its AGM in 2023. With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury's is one of the largest supermarkets in the UK. Although Sainsbury's is currently paying higher wages than many other listed supermarkets, the company has been selected because it is more likely than many of its peers to be able to meet the requirements to become living-wage accredited.

LGIM decided to co-file this resolution because of Sainsbury's decision to split its London employees into 'inner' and 'outer' London, with those in 'outer' London paid less than the real living wage of £11.05 per hour ('outer' London employees were offered £10.50 per hour). Although the hourly rate differential appears small, when multiplied by the total hours worked, this would make a material impact on affected employees' ability to meet the demands of the cost-of-living crisis as inflation costs soar and the economy struggles to recover from the effects of the COVID-19 pandemic.

Alcentra:

The name of the entity has been redacted by Alcentra, so they have provided us information calling the entity 'Company A'.

Alcentra has held a Seat on Company A's Board since original investment in 2013. Through this they attend quarterly board meetings and receive detailed board briefings in addition to the monthly management information. Given the length of Alcentra's history with the company, they have a good relationship with the management team, and having open dialogue with the CEO and CFO gives Alcentra a degree of influence on topics discussed and approved at Board level.

For example, at the September 2021 Board meeting the firm raised that it wanted to strengthen its ESG strategy, and Alcentra offered a subsequent follow up call with the company Head of ESG to discuss. At the ESG call in October 2021 the following was discussed:

- The relevance of SASB materiality matrix for assessing key focus areas for the Group;
- How the company was currently viewed on an ESG perspective by Alcentra (near the mean for Alcentra's portfolio according to our ESG questionnaire) ;
- How a starting point to improve on our ESG assessment might be to conduct an employee survey to gain more insight/data into the group;
- Alcentra has subsequently shared their internal employee survey with the company, and this is being used as a base for the company to conduct their own internal survey (Alcentra's materials were viewed as preferable to resources available on the internet providing guidance) ;
- Follow up will be on the next Board meeting or on an ad-hoc ESG call with the company, as an ESG specific communication channel has been opened.

CBRE:

CBRE encouraged the Charter Hall Australian Industrial Fund manager to obtain building certification for existing and new buildings. Their team is now working with the Green Building Council of Australia ("GBCA") to redefine their industrial asset rating system for tenant power consumption, over which the landlord has no control. Taking onboard CBRE's encouragement, the manager started renewing certifications as well as installing smart meters. This resulted in two of three development projects achieving a 4-star Green Star Design & As Built Rating and one warehouse achieving a 5-star rating.