

Implementation Statement for the Pioneer Technology United Kingdom Limited Pension Plan

Covering 1 April 2020 to 31 March 2021

1. Background

The Trustee of the Pioneer Technology United Kingdom Limited Pension Plan (the “Plan”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the Plan’s Statement of Investment Principles (“SIP”) during the previous Plan year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes. This is the first implementation statement produced by the Trustee.

A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIPs and have been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found at: https://www.pioneer-car.eu/eur/sites/pioneer_eu/files/statement_of_funding_principles.pdf.

2. Investment Objectives and activity

The objective of the Trustee is over the long term, to achieve a return on the Plan’s assets which is consistent with the assumptions made by the Scheme Actuary, to ensure sufficient liquidity to meet benefits as they fall due, and to consider the interests of the Employer in relation to the size and volatility of the Employer’s contribution requirements.

Whilst no formal manager selection or strategy decisions were made during the last Plan year, there were some disinvestments made to meet cash flow requirements.

The Trustee will review its investment strategy during the next Plan year, and plan to implement a new strategy following this.

The SIP was reviewed and updated during the period (September 2020) to incorporate the Trustee’s policy on Environmental, Social and Governance (“ESG”) factors, stewardship and climate change, as required under new regulations.

3. ESG, Stewardship and Climate Change

The Plan’s SIP includes the Trustee’s policy on Environmental, Social and Governance (“ESG”) factors, stewardship and climate change. This policy sets out the Trustee’s belief on ESG and climate change, and the processes followed by the Trustee in relation to voting rights and stewardship.

4. Voting and Engagement

The Trustee is keen that their investment managers are signatories of the UK Stewardship Code, all of which are current signatories.

The Trustee has elected to invest in pooled funds and cannot, therefore, directly influence the ESG policies, including the day-to-day application of voting rights, of the funds in which it invest. However, the Trustee will consider these policies in all future selections and will deepen its understanding of its existing managers' policies.

The Plan held the following funds during the year:

- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM Global Equity Fixed Weights (50:50) Index Fund (£ hedged)
- LGIM World Emerging Markets Equity Index Fund
- Aberdeen Standard Investments Diversified Growth Fund
- Pырford Global Total Return Fund
- Payden & Rygel Absolute Return Bond
- LGIM Over 15 Year Index-Linked Gilts Index Fund
- BMO Real Dynamic LDI
- BMO Nominal Dynamic LDI
- BMO Sterling Liquidity Fund

The underlined funds are predominantly fixed income and do not hold physical equities and hence there are no voting rights and voting data for the Trustee to report on.

5. Description of investment managers' voting processes

a. LGIM

LGIM describe their voting process as follows:

"LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

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 we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

It is vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of our formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations."

b. Aberdeen Standard

Aberdeen Standard describe their voting process as follows:

"In instances where there is a segregated / separate account and the client feels very strongly about voting their own proxies (and for which they have the platform in place to do so), then we do make allowances on this front. But we strongly urge the client to allow us to vote on their behalf, since these decisions are an active part of our engagement and investment decision making process.

ASI has in place a stable process by which the proxy voting team collects general meeting notifications and research and allocates the voting decision through a pre-defined framework to the analyst responsible for making the voting decision for the company in question. The analysts selected will be a member of the ESG Investment or the equity desk analyst responsible for the sector in which the company sits.

The selected ASI analyst will assess the resolutions at general meetings in our active investment portfolios. This analysis will be based on our knowledge of the company, but will also make use of the custom policy recommendations and recommendations provided by ISS as described above. The product of this analysis will be a final voting decision instructed through ISS and applied to all funds for which ASI have been appointed to vote.

We employ ISS as a service provider to deliver our voting decisions efficiently to companies. ISS provides voting recommendations based on our own customised voting policy which reflects ASI's guidelines and expectations. We remain conscious always that all voting decisions are our own on behalf of our clients. We consider ISS's recommendations and those based on our custom policy as input to our voting decisions. In addition to the ISS service for UK company general meetings we also use research provided by the Institutional Voting Information Service (IVIS) which uses the guidelines of the Investment Association (IA) as the basis of their research.

From time to time, we face conflicts of interest in relation to our stewardship work. However, our simple approach is that we will always seek to act in our clients' best interests. More formally, global regulation requires the boards of directors at asset management firms to establish effective frameworks to identify control and regularly review conflicts of interest. As required by regulators, including the Financial Conduct Authority in the UK and the Securities and Exchange Commission in the US, we have in place a documented process for the identification and management of conflicts of interest.

The process is designed to:

- ensure that conflicts between the interests of the firm and its clients, or between clients of different types, are managed appropriately
- ensure that conflicts resulting from the personal activities of our people outside of the firm (e.g. business ventures, outside appointments, involvement in public affairs, personal political donations) are managed appropriately.

We disclose stewardship-specific conflicts, and associated systems & controls, to clients. We also keep a current record of circumstances in which a potential conflict may arise, or has arisen, as a result of the activities carried out by us.

The firm votes on securities where we have a potential conflict of interest, including:

- an investee company that is also a significant client
- an investee company where an executive director or officer of our company is also a director of that company
- an investee company where an employee is a director of that company
- an investee company with which we have a strategic relationship
- a significant distributor of our products
- a significant supplier
- any other companies which may be relevant from time to time.

One specific conflict relates to investment in the shares of our parent company. In order to manage this conflict, the firm does not, as a matter of policy, vote any holdings in our parent company shares.

Systems and controls

- The Stewardship & ESG Investment team have access to senior executives and non-executives who are independent of both our fund management and global client servicing teams
- Rationale for voting in a particular direction is recorded
- Sensitive investee companies are highlighted and proxy voting records outline where possible conflicts have been considered
- The firm reports on voting for these stocks to Risk and Compliance (USA)
- Executive directors or officers of the firm notify the company secretariat about outside appointments
- Investment employees record their outside appointments on the internal compliance system.

The firm’s process for the management of conflicts includes the definition of a Conflicts of Interest Policy and the maintenance of a Conflicts of Interest register. The policy and register are reviewed annually.”

If you would like more information, please see the policy on their website.

c. Pyrford

Pyrford describe their voting process as follows:

“Pyrford’s policy is to consider every resolution individually and to cast a proxy on each issue. The sole criterion for reaching these voting decisions is being in the best interests of the client. This is part of Pyrford’s broader fiduciary responsibility to its clients.

Pyrford have appointed ISS Proxy Voting Services to monitor meetings data and to produce a voting schedule based upon individual client proxy voting guidelines, or Pyrford’s guidelines where a client does not provide their own. While we consider ISS to be providing us a ‘proxy adviser’ service, Pyrford’s portfolio managers have the final authority to decide on how votes are cast in line with the relevant guidelines.”

6. Summary of voting behaviour over the year

a. LGIM

A summary of LGIM's voting behaviour over the period is provided in the tables below:

	Summary Info
Manager name	Legal & General Investment Management
Fund name	Global Equity Fixed Weights (50:50) Index Fund
Approximate value of trustee's assets	c.£3.6m as at 31 March 2021 c.£3.7m as at 31 March 2021 - £ hedged
Number of equity holdings at year end	2,858
Number of meetings eligible to vote	3,641
Number of resolutions eligible to vote	44,680
% of resolutions voted	99.97%
% of resolutions voted with management	83.56%
% of resolutions voted against management	16.29%
% of resolutions abstained	0.15%
% of meetings with at least one vote against managements	5.46%
% of resolutions voted contrary to the proxy adviser recommendation	0.44%

	Summary Info
Manager name	Legal & General Investment Management
Fund name	World Emerging Markets Equity Index Fund
Approximate value of trustee's assets	c.£1.4m as at 31 March 2021
Number of equity holdings at year end	1,882
Number of meetings eligible to vote	3,998
Number of resolutions eligible to vote	36,036
% of resolutions voted	99.89%
% of resolutions voted with management	85.23%
% of resolutions voted against management	13.40%
% of resolutions abstained	1.38%
% of meetings with at least one vote against managements	5.07%
% of resolutions voted contrary to the proxy adviser recommendation	0.02%

b. Aberdeen Standard

A summary of Aberdeen standard's voting behaviour over the period is provided in the table below:

	Summary Info
Manager name	Aberdeen Standard Investments
Fund name	Diversified Growth Fund
Approximate value of trustee's assets	c.£3.0m as at 31 March 2021
Number of meetings eligible to vote	403
Number of resolutions eligible to vote	4,959
% of resolutions voted	98.16%
% of resolutions voted with management	87.08%
% of resolutions voted against management	12.92%
% of resolutions abstained	1.73%
% of meetings with at least one vote against managements	51.36%
% of resolutions voted contrary to the proxy adviser recommendation	2.88%

c. Pyrford

A summary of Pyrford's voting behaviour over the period is provided in the table below:

	Summary Info
Manager name	Pyrford International
Fund name	Global Total Return Fund
Approximate value of trustee's assets	c.£2.9m as at 31 March 2021
Number of equity holdings at year end	60
Number of meetings eligible to vote	62
Number of resolutions eligible to vote	913
% of resolutions voted	100%
% of resolutions voted with management	95.04%
% of resolutions voted against management	4.96%
% of resolutions abstained	0%
% of meetings with at least one vote against managements	43.55%
% of resolutions voted contrary to the proxy adviser recommendation	3.05%

7. Most significant votes over the year

a. LGIM

LGIM define their process for defining “most significant” votes as follows:

“As regulation on vote reporting has recently evolved with the introduction of the concept of ‘significant vote’ by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM’s vote positions to clients for what we deemed were ‘material votes’. We are evolving our approach in line with the new regulation and are committed to provide our clients access to ‘significant vote’ information.

In determining significant votes, LGIM’s Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA). This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM’s annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship’s 5-year ESG priority engagement themes.

We will provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

If you have any additional questions on specific votes, please note that we publicly disclose our votes for the major markets on our website. The reports are published in a timely manner, at the end of each month and can be used by clients for their external reporting requirements. The voting disclosures can be found by selecting ‘Voting Report’ on the following page:

<https://www.lgima.com/investment-capabilities/stewardship/document-library/>”

b. Aberdeen Standard

Aberdeen define their process for defining “most significant” votes as follows:

“At Aberdeen Standard Investment we view all votes as significant and vote all shares globally for which we have voting authority, therefore we are unable to respond directly to this part of the request.

Instead we believe we go beyond guidelines and endeavour to disclose all our voting decisions for all of our active and passive equity holdings. We provide full transparency of our voting activity on our publicly available website and fund specific voting reports on request.

Each individual scheme will have their own views about which are the most significant votes - influenced by their sponsor, industry, membership and many other factors. If there are any voting themes, categories or specific company votes which your scheme is particularly interested in, please contact your relationship team who would be happy to provide more information.”

In addition, their voting policy can also be found on their website:

https://vds.issgovernance.com/repo/2024/policies/Listed_Company_Stewardship_Guidelines.pdf

c. Pyrford

Pyrford define their process for defining “most significant” votes as follows:

“At Pyrford we believe that all proxy votes are important and aim to vote on all ballots received on behalf of our clients. All proxy votes are reviewed by our ESG Forum on a quarterly basis. Those deemed to be “significant” are where we believe the outcome could have a meaningful impact on shareholder returns over our five-year investment horizon and could have a bearing on the decision to continue holding a stock. These could include, but not limited to, management and board appointments and compensation, decisions affecting capital structure as well as company responses to social, environmental or competitive pressures. A sample of those applying to the fund are in the enclosed report, full public disclosure on all votes executed and our policy can be found on our company website.

In the enclosed report, we have provided a sample list at Fund level. In this submission we have only included votes against management, however, for future submissions we may include a wider sample including votes with management on significant issues.”

An example of a significant vote over the period for the LGIM Global Equity Fixed Weights (50:50) Index Fund and £ hedged fund.

Company name	Qantas Airways Limited
Date of vote	23-Oct-20
Summary of the resolution	Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.
How you voted	LGIM voted against resolution 3 and supported resolution 4.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Given our engagement, LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.
Rationale for the voting decision	The COVID crisis has had an impact on the Australian airline company's financials. In light of this, the company raised significant capital to be able to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as we wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package. In collaboration with our Active Equities team, LGIM's Investment Stewardship team engaged with the Head of Investor Relations of the company to express our concerns and understand the company's views. The voting decision ultimately sat with the Investment Stewardship team. We supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, our concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. We voted against resolution 3 to signal our concerns.
Outcome of the vote	About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in our view.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We will continue our engagement with the company.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.

There were no Significant votes for the LGIM World Emerging Markets Equity Index Fund over the period.

An example of a significant vote over the period for the Pyrford Global Total Return Fund.

Company name	Sanofi
Date of vote	28/04/2020
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.56%
Summary of the resolution	Directors Related. Approve Compensation of Olivier Brandicourt, CEO Until Aug. 31, 2019
How you voted	Against Management
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Whilst Pyrford's Portfolio managers do on occasion contact management prior to a vote, usually we will vote without prior dialog with management. Engagement with management will usually follow after a vote if escalation is deemed necessary from management.
Rationale for the voting decision	A vote AGAINST this remuneration report is warranted for a number of reasons including the deemed ten-year service under the defined-benefit pension scheme granted to new CEO upon his arrival at the company was a practice lying well below market standards in France with insufficient information provided for shareholders to enable assessment of the reasonableness of the award.
Outcome of the vote	Not approved. Given the rejection of the 19th resolution and pursuant to the provisions of the second paragraph of Article L. 225-100 III of the French Commercial Code, the variable compensation of Olivier Brandicourt for the period January 1, 2019 to August 31, 2019, set at 1,161,000 euros (amount apportioned on a time basis) after review of the level of attainment of the performance conditions by the Board of Directors in its March 4, 2020 meeting, will not be paid.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	No future steps needed for this outcome.
On which criteria have you assessed this vote to be "most significant"?	At Pyrford we believe that all proxy votes are important and aim to vote all ballots received on behalf of our clients. All proxy votes are reviewed by our ESG Forum on a quarterly basis. Those deemed to be "significant" are where we believe the outcome could have a meaningful impact on shareholder returns over our five-year investment horizon. These could include management and board appointments and compensation, decisions affecting capital structure as well as company responses to social, environmental or competitive pressures.