

Implementation Statement

Pioneer GB Limited Pension and Life Assurance Scheme

Scheme year ended 31 March 2023

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 2023; and,
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 March 2023.

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.

At this time, the Trustee has not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

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 with Legal & General Investment Management (“LGIM”), Columbia Threadneedle, Invesco, Alcentra and CBRE, 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.

**Prepared by the Trustees of the Pioneer GB Limited Pension and Life Assurance Scheme
27 September 2023**

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 2023**. 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 voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

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. Note that the LGIM Future World Global Equity Index holdings were fully disinvested in October 2022, but the data below reports the activity of the funds over the year to 31 March 2023.

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	294	272	5,067
Number of resolutions the manager was eligible to vote on over the year	4,207	4,026	54,368
Percentage of resolutions the manager voted on	98.8%	98.8%	99.9%
Percentage of resolutions the manager abstained from	2.1%	0.1%	1.0%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	90.4%	94.0%	80.4%

Manager	Columbia Threadneedle	Invesco	LGIM
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	7.5%	6.1%	18.6%
Percentage of meetings with at least one vote against management, as a percentage of the total number of meetings voted in	57.5%	39.9%	63.3%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	n/a	3.8%	10.5%

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. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities / themes for the Scheme, but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

Columbia Threadneedle, Invesco and LGIM have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected three votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme.

Columbia Threadneedle Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	General Motors Company	Alphabet Inc.	Uber Technologies, Inc.
Date of vote	13 June 2022	1 June 2022	9 May 2022
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	Report on the Use of Child Labour in Connection with Electric Vehicles	Commission Third Party Assessment of Company’s Management of Misinformation and Disinformation Across Platforms	Report on Lobbying Payments and Policy
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

	Vote 1	Vote 2	Vote 3
How the manager voted	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Supporting better ESG risk management disclosures		
Rationale for the voting decision	The resolutions did not pass.		
Outcome of the vote	Active stewardship (engagement and voting) continues to form an integral part of their research and investment process.		
Implications of the outcome	Threadneedle voted against management on certain environmental or social topics which received over 20% dissent.		
Criteria on which the vote is considered "significant"	Supporting better ESG risk management disclosures		

Invesco Global Targeted Returns Pension Fund

	Vote 1	Vote 2	Vote 3
Company name	Suofeiya Home Collection Co., Ltd.	QBE Insurance Group Limited	Barclays Plc
Date of vote	3 May 2022	25 April 2022	25 April 2022
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 Cash Management	Approve the Amendments to the Company's Constitution	Authorise Issue of Equity in Relation to the Issuance of Contingent Equity Conversion Notes.
How the manager voted	Against (Against 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	A vote AGAINST is warranted because the proposed investment could expose the company to unnecessary risks.	A vote AGAINST this resolution is warranted, as the request to amend the company's constitution is potentially broad with no regulatory framework to oversee shareholder proposals. The Board has confirmed its willingness to consult with shareholders and address their requirements through its comprehensive investor relations engagement program, institutional shareholder engagements and allowing shareholders to raise questions at company meetings.	A vote FOR these resolutions is warranted, although this is not without concern: If the Company were to issue Equity Conversion Notes (ECNs) and a trigger event were to occur, causing them to convert into ordinary shares, this would result in significant dilution to non-participating shareholders. The main reasons for support are: 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 CET1 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.		

	Vote 1	Vote 2	Vote 3
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	Amazon.com, Inc.	NVIDIA Corporation	Alphabet Inc.
Date of vote	25 May 2022	2 June 2022	1 June 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.7%	1.2%	0.9%
Summary of the resolution	Resolution 1f: Elect Director Daniel P. Huttenlocher	Resolution 1g: Elect Director Harvey C. Jones	Resolution 7: Report on Physical Risks of Climate Change
How the manager voted	Against	Against	For
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	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.	Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
Outcome of the vote	93.3% of shareholders supported the resolution	83.8% of shareholders supported the resolution	17.7% 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	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor

	Vote 1	Vote 2	Vote 3
	company and market-level progress.	company and market-level progress.	company and market-level progress.
Criteria on which the vote is considered "significant"	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.	LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder 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	44	147 (for European Direct Lending)	Not Provided. <i>At the very least CBRE will engage with all underlying managers at least once per year.</i>	720
Number of engagements undertaken at a firm level in the year	177*	267	436	Not Provided. <i>At the very least CBRE will engage with all underlying managers at least once per year.</i>	1,088

*Threadneedle provided engagement statistics over the 12-month period to 31 December 2022.

Examples of engagements undertaken with holdings in the fund

Columbia Threadneedle:

Threadneedle engaged with NextEra Energy to gain further insight on the impact of the US Inflation Reduction Act (IRA), as well as the implementation of forced labour rules on the solar supply chain in the US.

Threadneedle engaged with the CEO of Air Liquide to gain insight on the investment and growth plans surrounding hydrogen and energy transition technologies. The manager was given comfort that the company is continuing to make improvements in its climate targets without having a negative impact on their financials.

Invesco:

Reposol SA ("REP")

REP reached out to Invesco to discuss their upcoming AGM proxy proposals, including its first "Say on Climate" vote. Regarding board composition, REP explained that they are reconsidering whether the proprietary director (Manuel Manrique) should be upheld, as Sacyr has lowered its stake in the company. Following the passing of a board member (Rene Dahan), they employed an executive search firm to find a replacement with similar levels of energy expertise, and will appoint Ivan Marten.

On CEO remuneration, REP explained that, whilst the CEO's variable remuneration is normally capped at 100% of fixed remuneration, the remuneration committee felt that; due to the firm's exceptional performance 2021, he merited 113% of fixed remuneration, in line with adjustments applied to all employees across the companies. They use a multiplier to the bonus, based on a number of factors (past years adjusted net income has been used). In 2020, this multiplier was 0.8, the minimum, due to poor performance. In 2021, the company recorded its best performance since 2008, this went to 1.2, the maximum. Notably, although the firm reached its target for "Accident rate and Process Safety". the final weighting was reduced to take into account the oil spill in Peru, even though this occurred in 2022. They have not made any specific public disclosures over this adjustment, so as not to impact the ongoing investigation, and not imply an admission of guilt. Regarding updates on the spill, they estimate that the oil spill is 95% cleared up (noting previous commitments to have completed cleanup by end of March) and explained that the damaged pipeline has been recovered and is now held under custody of the courts. They maintain that the incident was caused by a sudden movement of the vessel, but what remains to be established is whether the responsibility lies with the vessel or the company, if at all (previous claims from REP argue it is related to the Tongan volcano). In the long-run, REP maintain that their license to operate in Peru, in which they have been operating since 1996, isn't in question.

Repsol then explained their approach to assessing the Paris alignment of their investment decisions, including their Carbon Intensity Indication and CAPEX alignment tool. The manager will continue to assess these developments going forward.

LGIM:

Capricorn

The actions of Capricorn's board in 2022 in seeking to merge with other energy companies raised some concerns for LGIM about the company's governance and decision-making process, given the potential negative impact such decisions would have on Capricorn's shareholders.

The first proposed merger with Tullow Oil, an Africa-based oil company, was announced in June 2022. LGIM's Investment Stewardship and Climate Solutions teams spoke directly with Capricorn's management team and

directors to voice their concerns about the proposed transaction, as it didn't seem to advance the energy transition strategy for Capricorn's shareholders, in light of the increased exposure to oil prices and geographical risks. Additionally, LGIM believed that such a merger would have resulted in increased financial leverage and dramatically elevate climate transition risks. In further conversations with Capricorn, they asked detailed questions about the process they had gone through in terms of deciding on this merger and whether other alternatives were considered. Nevertheless, despite mounting opposition from LGIM and other shareholders, Capricorn and Tullow initially proceeded with the merger before a decision was taken by Capricorn to abandon it, citing concerns about market conditions and external factors as the reason.

The second merger proposal with NewMed, an Israeli-based natural gas producer, was met with rising suspicion and even less support than the first and LGIM met again with Capricorn to voice their concerns. LGIM were not the only shareholder to have questioned the Capricorn board's actions, and one of its largest shareholders, Palliser Capital, became more vocal about its objections to the proposed NewMed deal, which has also begun to attract attention and criticism in the press. As a result of these unpopular proposals, Palliser Capital called for an Extraordinary General Meeting, held in January 2023, where shareholders voted on a complete overhaul of the board while requesting the deposition of seven directors, including the CEO, and the appointment of six new members instead.

Alcentra:

Internet of Things (IoT) provider

Alcentra supported the business as it was carved out of a wider group and held a board observer position with the business. The business didn't have strong ESG infrastructure at the outset as the associated resources were left with the historic parent company. Prior to the scheduled board meeting an additional meeting was arranged between the Alcentra Investment team and the CEO and CFO to discuss ESG Strategy with the Group. The Company has set up an ESG Committee which consists of the CFO and, additional members of the business who have volunteered to act on the committee. The next step is to see what initiatives are to be implemented by the committee. Discussions are ongoing about local volunteering initiatives. Additionally, Alcentra is engaging with the Group about implementing an ESG margin ratchet.

CBRE:

CBRE engaged with MBKA US Medical Office Venture to discuss a lower GRESB (environmental) score than that which was recorded the previous year. They explained that the assets were more intensively used after the COVID-19 pandemic resulting in more energy consumption and GHG emission compared to the year before. After the discussion, the manager is focusing on data collection and certifications as part of the submission as it is the largest opportunity for GRESB points. The manager is focused on tenant outreach and engagement in order to collect utility bills from self-managed buildings. In addition, the manager plans to engage in third party data validation. As data is increasingly collected and verified, it will position more buildings to attain energy certifications.