

Annual Implementation Statement

Associated Press Defined Contribution Retirement Plan (the “Plan”)

Introduction

This statement sets out how, and the extent to which, the policies in the Trustees’ Statement of Investment Principles (“SIP”) have been followed during the year to 31 December 2020. Most notably, the Trustees developed their voting and engagement policies during the year, and how investment managers are expected to work within those policies. We confirm all policies in the SIP have been followed in the year to 31 December 2020.

This statement has been produced in accordance with The Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator.

Investment objectives of the Plan

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Plan included in the SIP are shown in the Appendix A. The policies set out in the SIP are intended to help meet the overall investment objectives of the Plan.

Review of the SIP

Following a review, a revised SIP was signed on 22 September 2020 in order to reflect new regulatory requirements, particularly relating to how investment managers are incentivised, portfolio turnover and the duration of the arrangement with investment managers. The voting rights and engagement policies were expanded and the SIP was also amended to remove reference to the Standard Life With Profits Fund, which is no longer part of the Plan’s fund range for new contributions. The latest version of the SIP is available on a publicly available website: <https://vfm.aviva.co.uk/associated-press/>

Summary of the year’s activities

The main area of change during the year was an updated SIP to include or expand on voting and engagement policies, as described above. Fund performance and ratings were reviewed quarterly, and no funds were deemed to be unsuitable. A formal investment strategy review relating to the default strategy commenced in November 2020 and is due to conclude in June 2021; its conclusions will be included in next year’s implementation statement. A review of the fund range is due to be completed in 2021, with conclusions also in next year’s implementation statement.

Assessment of how the policies in the SIP have been followed for the year

The following table shows each of the Trustees’ policies as set out in the SIP (summarised) and how these policies were implemented during the year. As this is the first implementation statement, we feel it is relevant to look at implementation over the longer term or more generally (including the last year). However, we anticipate that future statements will only focus on what happened in the previous year.

	Requirement	Policy (summarised)	How the policy was implemented
1	Compliance with the legal requirements about choosing investments	<p><i>Under legislation, it is a requirement for trustees to prepare a statement of the principles that govern their investment decisions.</i></p> <p><i>The Trustees will review this SIP regularly.</i></p> <p><i>The Trustees obtain advice from their investment adviser, who can provide expert advice enabling the Trustees to choose investment vehicles that can fulfil the investment objectives.</i></p>	<p>A SIP was in place during the year. In September 2020 the Trustees reviewed and signed a revised SIP to comply with new regulations, as well as reflect the latest fund choices. As required under the Pensions Act, the Trustees consulted a suitably qualified person and obtained written advice from Mercer Limited (“Mercer”).</p> <p>In preparing the SIP, the Trustees gave due consideration to the reasons why the Plan uses an insurance policy and their policy for securing compliance with the requirements of section 36 of the Act (choosing investments), and in addition the Trustees consulted Associated Press Television News Limited and Associated Press Limited.</p> <p>When considering where members’ funds should be invested the Trustees take advice from their Investment Consultant and receive formal written advice.</p>
2	Kinds of investments to be held	<p><i>The Trustees regard their duty as making available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs. The Trustees also recognise that members may not believe themselves qualified to take investment decisions.</i></p> <p><i>As such the Trustees undertake to make available a Default Lifestyle Strategy (the “default”). More detailed policies in relation to the default are in the subsequent section.</i></p> <p><i>The Trustees also make available investment strategy options (self-select options) that allow members to plan for specific retirement objectives and/or serve to meet the varying investment needs and risk tolerances of members.</i></p>	<p>The Plan's Investment Platform is provided under agreement with Mercer Workplace Savings (MWS) and Aviva. MWS combines a corporate investment platform offered by Aviva with Mercer governance and access to funds highly rated by Mercer and Mercer's own Risk Profiled Funds. The Mercer Funds comprise a single or a combination of external underlying investment managers that are highly rated by Mercer.</p> <p>The funds offered fall into two groups:</p> <ul style="list-style-type: none"> • Lifestyle strategies; • Self-Select options. <p>The three lifestyle options available include the Lifestyle Strategy Targeting Drawdown (which is the default), the Lifestyle Strategy Targeting Annuity and the Lifestyle Strategy Targeting Cash. These are designed to target specific retirement objectives.</p> <p>The self-select option funds are for members who want to tailor their investments to suit their own characteristics. To cater for the different risk appetites of members, the Trustees offer three lifestyle strategies and a range of actively managed and passively managed building block and risk profiled funds. These funds cover the main asset classes, without being overwhelming,</p>

		<i>The total range of investment options should balance choice and flexibility, as well as simplicity and cost control.</i>	<p>balancing choice, flexibility and simplicity. Funds at different fee levels are available.</p> <p>No major modification was made to the fund range made available to members, apart from the addition of a self-select passive Sustainable Global Equity Fund. The continued suitability of the range of self-select investment options is due to be reviewed in 2021 following completion of the default review. It was last reviewed in 2018.</p>
3	Default arrangement	<i>Having considered a number of factors (set out in the SIP), the Trustees believe that the default should provide some allocation to growth assets, be cognisant of the increasing importance of investment risk and target a final at-retirement position appropriate for members taking a 25% cash lump sum and entering into income drawdown with the remaining 75%. This final position is to be kept under review.</i>	<p>The lifestyle strategy targeting drawdown is comprised of multi asset funds which include a number of asset classes (both traditional and alternative), which over the last 8 years to retirement gradually de-risks.</p> <p>The at-retirement allocation of the default is 25% cash and 75% in the Mercer Diversified Retirement Fund. The 25% cash allocation aims to provide capital preservation and certainty around the amount which can be taken as cash. The 75% within the Diversified Retirement Fund provides some growth but with risk management, deemed suitable for those continuing to invest into retirement.</p> <p>No changes were made to the default strategy over the year. A formal review of the default investment options was started in November 2020 and is due to conclude H1 2021. As part of this review the Trustees considered member data and industry trends as well as assessing the likelihood that member outcomes at retirement are met. The default arrangements will be reviewed by the Trustees at least every three years and changes made as required. The previous review took place in 2018.</p>
4	The balance between different kinds of investments	<p><i>Within the lifestyle strategies and self-select options are a number of different investment funds from different investment managers. In choosing these, it is the policy of the Trustees to consider:</i></p> <ul style="list-style-type: none"> • <i>A full range of asset classes, including alternative asset classes;</i> • <i>The suitability of different styles of investment management and the need for investment manager diversification;</i> 	<p>The Trustees are responsible for the range of DC funds available for members to invest in, as well as the platform from which the funds are accessed.</p> <p>Day to day management of the investment options is delegated to a range of professional investment managers. The Plan's arrangements are offered through Aviva MyM Mercer Workplace Savings, a platform based arrangement facilitated by Aviva. Asset allocation and fund manager selection within the lifestyle strategies and self-select options has been delegated by the Trustees to MWS.</p> <p>During the year, MWS made some changes to the short-term allocations within some of the</p>

		<ul style="list-style-type: none"> • <i>The suitability of each asset class for a defined contribution scheme;</i> • <i>The need for appropriate diversification.</i> <p><i>The default lifestyle strategy manages investment and other risks through a diversified strategic asset allocation consisting of traditional and alternative assets.</i></p>	<p>funds as a result of COVID-19 as well as some other changes to improve member outcomes.</p> <p>The Trustees monitor the performance of all funds on a quarterly basis via quarterly investment performance report including the risk and return of options within the Plan against their assigned benchmarks.</p> <p>The Trustees will review the continued suitability of the funds over time, at least triennially, or after significant changes to the Plan's demographic, if sooner. Following the last review of the default arrangements (in 2018) and taking into account the demographics of the Plan's membership and the Trustees' views of how the membership will behave at retirement, the Trustees concluded that a default option targeting drawdown was appropriate.</p> <p>A formal review of the default investment option was started in November 2020 and is due to conclude in H1 2021. The next formal review of the self-select range is due to take place in 2021.</p>
5	Risks, including the ways in which risks are to be measured and managed	<p><i>The Trustees have considered risk from a number of perspectives.</i></p> <p><i>Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. Any investment in derivative instruments contributes to risk reduction, or efficient portfolio management.</i></p> <p><i>Details of the risks and how they are managed monitored are set out in the SIP.</i></p>	<p>The Trustees monitor and manage the risks as set out in section 4 of the SIP, by keeping the investment arrangements of the Plan under regular review.</p> <p>They achieve this through monitoring the quarterly investment reports (which includes consideration of the volatility of the default growth phase and ESG ratings), the annual reporting produced by the Mercer Workplace Savings (MWS) team and the Mercer Smarthpath UK Stewardship Code Monitoring report. In addition, the Trustees take advice from their investment advisors on the continuing suitability of the Plan's investments options.</p>
6	Expected return on investments	<p><i>In deciding the default lifestyle strategy, the Trustees have explicitly considered the trade-off between risk and expected returns.</i></p> <p><i>The Trustees offer a range of self-select investment options with different levels of risk and return.</i></p>	<p>Investment performance, over various short term and long-term horizons, is monitored by the Trustees on a quarterly basis. This includes the return characteristics of the default arrangements and self-select options, as well as the risk characteristics for funds where relevant.</p> <p>The quarterly investment report includes how each investment manager is delivering against their specific mandates.</p> <p>As well as monitoring whether expected returns have been met, the Trustees regularly (at least</p>

		<p><i>The Trustees expect (but do not guarantee):</i></p> <ul style="list-style-type: none"> • <i>The long-term return on investment options that invest predominantly in equities and other growth-seeking asset classes (e.g. Diversified Growth Funds) to exceed price inflation and general salary growth.</i> • <i>The long-term returns on the bond and cash options to be lower than the equity options.</i> • <i>Money market funds to provide protection against changes in short-term capital values.</i> 	<p>triennially) review whether the default strategy target returns are suitable in meeting member objectives. The last such review was in 2018 and the next review is underway, scheduled to conclude in H1 2021.</p>
7	Realisation of investments	<p><i>The Trustees access pooled funds via an investment platform, which is expected to provide daily pricing and liquidity.</i></p>	<p>All DC funds available to members are daily dealt pooled investment vehicles, accessed through an insurance contract.</p> <p>The Trustees typically receive an administration report on a quarterly basis to confirm that core financial transactions (including realisation of investments) are processed within agreed timescales.</p> <p>The Trustees have agreed minimum timescales with Aviva for processing requests, including core financial functions, which are well within any applicable statutory timescales. From 1 January 2020 to 31 December 2020 an overall service level of over 99% was achieved by Aviva.</p>
8	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and	<p><i>Underlying investment managers are appointed by the Trustees in the case of non-delegated funds and by MWS for delegated funds based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.</i></p> <p><i>The underlying investment managers are made aware</i></p>	<p>The investment reports are reviewed by the Trustees on a quarterly basis, these include ratings (both general and specific ESG) from their investment advisers. All of the underlying investment managers remained generally highly rated during the year.</p> <p>The Trustees are comfortable with the ratings applied and continue to closely monitor the ratings and any significant developments for each of the investment managers, details of which are included and reviewed in the quarterly investment reports.</p>

	realisation of investments	<p><i>that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustees or MWS (where applicable) are dissatisfied, then they will look to replace the manager. If the investment objective for a particular manager's fund changes, the Trustees and MWS (where applicable) will review the fund appointment to ensure it remains consistent with the Trustees' wider investment objectives and policies.</i></p>	<p>When implementing a new fund(s) the Trustees consider the ESG rating of the manager(s).</p> <p>The SIP includes the Trustees' policy on Environmental, Social and Governance ("ESG") factors, stewardship and climate change. This sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in order to monitor ESG related risks and opportunities.</p> <p>The Trustees revised the SIP in September 2020 to reconfirm their Trustees' ESG beliefs and expand on the Trustees' policies in this area, specifically in relation to voting rights, engagement and manager incentivisation (each covered in more detail in subsequent policies below).</p> <p>As the Plan only invests in pooled vehicles, the Trustees recognise that the investment managers have full discretion when evaluating ESG issues, exercising rights and stewardship obligations attached to the Plan's investments. The Trustees are satisfied this corresponds with their responsibilities to the beneficiaries but will assess the extent to which they adhere to their stated policies on a triennial basis.</p>
9	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<p><i>The Trustees may take into account member views in the selection, retention and realisation of ESG investments, where there is no risk of significant financial detriment to the fund.</i></p>	<p>While the Trustee may take non-financial matters into account, they are not compelled to do so.</p> <p>Non-financial matters were not explicitly taken into account during the year.</p>
10	The exercise of the rights (including voting rights) attaching to the investments	<p><i>The Trustees consider the investment consultant's assessment of how each underlying investment manager embeds ESG into its investment process. This includes the underlying investment managers' policy on voting.</i></p> <p><i>The Trustees will seek to use this assessment in decisions around selection, retention and realisation of manager appointments.</i></p>	<p>The Trustees revised the SIP in September 2020 to expand on their voting policy.</p> <p>The Trustees have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations. Similarly, the Plan's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.</p> <p>The Trustees expect all underlying investment managers to incorporate the consideration of longer term factors, such as ESG, into their</p>

			<p>decision making process where appropriate. The extent to which this is so will be considered during the selection, retention and realisation of manager appointments. Voting and engagement activity should be used by investment managers to discuss the performance of an issuer of debt or equity.</p> <p>Underlying investment managers are appointed by the Trustees in the case of non-delegated funds and by MWS for delegated funds, however investment managers are expected to provide voting summary reporting on a regular basis, at least annually, and the Trustees review this activity in conjunction with its investment advisor as part of preparing this statement.</p> <p>If the Trustee was unhappy with the exercise of voting rights or the reporting of this activity, it would discuss the continued suitability of that manager with MWS. This was not necessary during the year.</p> <p>The voting records of the investment managers are summarised in Appendix B.</p>
11	<p>Undertaking engagement activities in respect of the investments</p>	<p><i>The Trustees consider the investment consultant's assessment of how each underlying investment manager embeds ESG into its investment process. This includes the underlying investment managers' policy on engagement.</i></p> <p><i>The Trustee also expects investment managers to be signatories to the United Nations-supported Principles for Responsible Investment (UN PRI), unless a suitable reason is provided for not being so.</i></p> <p><i>The Trustees will seek to use this assessment in decisions around selection, retention and realisation of manager appointments.</i></p>	<p>The Trustees revised the SIP in September 2020 to expand on their engagement policy.</p> <p>Underlying investment managers are appointed by the Trustees in the case of non-delegated funds and by MWS for delegated funds, however in a similar manner to voting rights, investment managers are expected to provide summary reporting on a regular basis regarding their engagement. If the Trustee was unhappy with the engagement levels or the reporting of this activity, it would discuss the continued suitability of that manager with MWS. This was not necessary during the year.</p> <p>There has been no change in this policy during the year and the policy reflects current practice. The Trustees have reviewed voting behavior undertaken on their behalf by the investment managers. This is detailed in Appendix B.</p> <p>The Trustees expect their professional investment managers to discharge their responsibilities in respect of investee companies in accordance with relevant legislation and codes.</p> <p>Where the Plan invests in pooled funds, the Trustees require its investment managers to engage with the investee companies on the Trustees' behalf, although the Trustees note it is</p>

			not possible to apply any specific Trustee beliefs to an investment manager's engagement with investee companies where funds are pooled, as other investors may have their own views. The Trustee is comfortable this is an acceptable arrangement given the benefits of pooled funds.
12	Alignment of Investment Managers' investment strategy and decisions with the Trustees' policies	<p>It is the Trustees' policy to ensure that the following is understood is monitored:</p> <p>How asset manager arrangements incentivise asset managers to align their strategy and decisions with the Trustees' policies.</p>	<p>The Trustees revised the SIP in September 2020 to include a policy on how managers are incentivised.</p> <p>The underlying investment managers are made aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage and continued implementation of ESG and other financial factors.</p> <p>Underlying investment managers are appointed by the Trustees in the case of non-delegated funds and by MWS for delegated funds based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.</p> <p>If the Trustees or MWS (where applicable) are dissatisfied, then they will look to replace the manager. If the investment objective for a particular manager's fund changes, the Trustees and MWS (where applicable) will review the fund appointment to ensure it remains consistent with the Trustees' wider investment objectives and policies. This was not necessary during the year.</p>
13	Ensuring Investment Managers focus on medium and long term performance	<p>It is the Trustees' policy to ensure that the following is understood and monitored:</p> <p>How asset manager arrangements incentivise 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.</p>	<p>The Trustees revised the SIP in September 2020 to include a policy on how managers are incentivised to focus on medium and long-term performance, rather than short-term gain.</p> <p>The underlying investment managers are made aware that their continued appointment is based on their success in delivering their mandate and implementing ESG and other financial factors over the medium to long term.</p> <p>The Trustees' focus is on longer-term performance but shorter-term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustees review performance of the investment managers products (or funds) on a quarterly basis, including assessments of both shorter and longer time horizons.</p> <p>If the Trustees or MWS (where applicable) are dissatisfied, then they will look to replace the</p>

			manager. This was not necessary during the year.
14	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 trustee' policies.	<p><i>The Trustees receive performance reports on a quarterly basis, which present performance information over three months, one year, three years, five years, and since inception. The Trustees review the absolute performance, relative performance against a suitable index or target used as the benchmark, and against the underlying manager's stated target performance.</i></p> <p><i>Where funds are delegated to MWS it is expected that MWS will review and monitor this on behalf of the Trustees.</i></p>	<p>The Trustees revised the SIP in September 2020 to include a policy on how managers are remunerated based on adherence to the Trustees' policies.</p> <p>The Trustees' focus is on longer-term performance but shorter-term performance is monitored. The Trustees also rely upon Mercer's manager research capabilities.</p> <p>The levels of fees are reviewed annually as part of the annual value for money assessment to ensure they continue to represent value for members. The 2020 value for members assessment concluded that all funds provide value for members.</p> <p>The underlying investment managers are made aware that their continued appointment and therefore continued remuneration is based on their success in delivering their mandate.</p> <p>If the investment managers' performance is not satisfactory, the Trustees will request an explanation of performance and process from the relevant investment manager. If not satisfied with this, the Trustees may request further action be taken, including a review of fees. This was not necessary during the year.</p>
15	Portfolio turnover	<p><i>The Trustees consider portfolio turnover costs indirectly through consideration of transaction cost data as part of the annual Value for Members assessment. Though the Trustees do not currently define target portfolio turnover ranges for funds, they will engage with managers if the portfolio turnover is higher than expected as a result of the monitoring undertaken.</i></p> <p><i>Where funds are delegated to MWS it is expected that MWS set these ranges and will do this on behalf of the Trustees.</i></p>	<p>The Trustees revised the SIP in September 2020 to include a policy related to portfolio turnover. The Trustees do not currently define target portfolio turnover ranges for investment managers, particularly as the Trustees use pooled fund structures which may limit the ability to do so.</p> <p>The Trustees have obtained transaction costs related to turnover for each fund used in the investment strategy. Transaction costs are disclosed in the annual Chair's Statement (the latest Statement is available: https://vfm.aviva.co.uk/associated-press/).</p> <p>While the transaction costs reviewed during the year appear to be reflective of costs expected of the various asset classes and markets that the Plan invests in, there is not as yet any "industry standard" or universe to compare these to. As such any comments around transaction costs at this stage can only be viewed as speculative.</p>

16	The duration of the arrangement with the asset manager	<p><i>All funds are open-ended with no set end date for the arrangement. The Fund Range and Default investment option are reviewed on at least a triennial basis.</i></p> <p><i>An underlying manager appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment option or general fund range. These decisions will be made by MWS for all delegated funds.</i></p>	<p>The Trustees revised the SIP in September 2020 to include a policy related to the length of appointment. The Trustees are long-term investors and are not looking to change the investment arrangements on a frequent basis.</p> <p>Performance is a key driver of whether the Trustees consider a fund to be suitable, and this is assessed quarterly through performance reports. The Trustees also rely on Mercer manager ratings to assess the forward looking likelihood of each fund achieving its objective. The suitability of the fund range as a whole is reviewed at least triennially. The last such review was in 2018 and the next reviewed is due to take place in 2021.</p>
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Appendix A – Investment Objectives as set out in the SIP

The Trustees recognise that members have differing investment needs and that these may change during the course of members' working lives. The Trustees also recognise that members have different attitudes to risk. The Trustees believe that members should make their own investment decisions based on their individual circumstances. The Trustees regard their duty as making available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs. The Trustees also recognise that members may not believe themselves qualified to take investment decisions. As such, the Trustees make available a Default Lifestyle Strategy.

These objectives translate to the following principles:

- a) Offering members a 'Lifestyle' approach for the default investment option in which the investments are managed over the course of their working life;*
- b) Ensuring that the other investment strategy options allow members to plan for their specific retirement objectives;*
- c) Making available a range of pooled investment funds which serve to meet the varying investment needs and risk tolerances of Plan members. This includes offering both passively and actively managed investment funds;*
- d) Adopting a framework which provides flexibility to change investment managers proactively and which allows efficient fund switching (e.g. without out-of-market risk) as required;*
- e) Providing general guidance as to the purpose of each investment option;*
- f) Encouraging members to seek independent financial advice from an appropriate party in determining the most suitable option for their individual circumstances;*
- g) In determining an appropriate balance between providing flexibility and choice, as well as simplicity and cost control, the Trustees aim to make available a range of options which satisfy the needs of the majority of members.*

The Trustees regularly review the suitability of the options provided and from time to time will change or introduce additional investment funds as part of the self-select fund range as appropriate. Given their fiduciary duties, MWS will review the suitability of the lifestyle options provided and from time to time will change or introduce additional underlying investment funds.

Appendix B – Voting Activity during the Plan year

The Trustees have delegated their voting rights to the investment managers. The SIP states *“The Trustees have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations. Similarly, the Plan’s voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code”*.

The Plan invests in the following daily dealt and daily priced pooled funds:

Mercer Building Blocks	
Mercer Growth / Balanced Risk	Mercer Passive UK Equity
	Mercer Passive Overseas Equity
Mercer Moderate Growth/Moderate Risk	Mercer Passive Shariah
Mercer Diversified Retirement	Mercer Passive Index-Linked Gilt
Mercer Cash Retirement	Mercer Passive UK Corporate Bond
Mercer Annuity Retirement	Mercer Passive Fixed Interest Gilt
Mercer Diversified Growth	Mercer Cash
Mercer Target Drawdown Funds	Mercer Target Annuity Funds
Externally Managed Funds	
L&G UK Ethical Fund	

Overview of use of proxy services

Aviva subscribe to proxy advisory services for independent research and recommendations including recommendations based on Mercer’s own policy (where certain resolutions will be referred to Mercer for further consideration). These providers include the IVIS service, ISS-Ethix and MSCI. It uses research for data analysis only as they have its own robust voting policy, which is applied to all their holdings. Aviva also take into consideration the views of the fund manager and the conversations with the company through Mercer’s voting specific engagement.

HSBC use the voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their own bespoke voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines.

BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team (BIS). Voting decisions are made by members of the BIS team with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Corporate Governance and Engagement Principles and custom market-specific voting guidelines.

BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, as one among many inputs into their vote analysis process. Other sources of information include the company’s own reporting, engagement and voting history with the company, and the views of its active investors, public information and ESG research.

An overview on the use of any additional proxy voting services by sub-investment managers will be provided by Mercer on an annual basis going forward.

Overview of voting activity, on behalf of the Trustees, for the funds available to members containing equity where available at the time of writing.

Fund	How many meetings were you eligible to vote at?	How many resolutions were you eligible to vote on?	What % of resolutions did you vote on for which you were eligible?	Of the resolutions on which you voted, what % did you vote with management?	Of the resolutions on which you voted, what % did you vote against management?	Of the resolutions on which you voted, what % did you abstain from voting?
Mercer Passive Shariah	108	1,605	97.0%	87.4%	12.6%	0.0%
Mercer Passive Overseas Equity*	2,207	27,008	94.0%	93.9%	6.1%	0.4%
Mercer Diversified Growth	8,223	87,558	95.7%	82.1%	17.1%	0.9%
Mercer Growth	8,223	87,558	95.7%	82.1%	17.1%	0.9%
Mercer Moderate Growth	8,223	87,558	95.7%	82.1%	17.1%	0.9%
Mercer Defensive	2,421	25,647	98.0%	84.6%	13.6%	1.8%
Mercer High Growth	8,223	87,558	95.7%	82.1%	17.1%	0.9%
Mercer Diversified Retirement	9,391	103,180	96.4%	83.8%	15.2%	1.0%
L&G UK Ethical Fund	347	5,427	100.0%	93.4%	6.6%	0.0%
Mercer Passive UK Equity*	1,168	15,622	97.1%	94.4%	5.6%	1.8%

Note: voting actions may not sum to 100.0% due to rounding.

* The last three columns should add up to 100% and the discrepancy for these funds is being queried with the underlying investment manager.

In determining what constitutes the “most significant” votes for the Plan, the Trustees have considered the top 5 funds with equity holdings based on total invested assets as at 31 December 2020, and the votes considered most significant for each fund disclosed by the investment managers. Instances where shareholders were voted against in relation to proposals that related to climate change have been disclosed (the rationale being that it is more significant when the investment managers have voted against shareholders in respect of resolutions relating to climate change). In the absence of these, the votes in relation to alignment with the Paris Agreement have been included as these relates to demonstrable targets have been disclosed.

The top 5 funds are managed by Mercer (Mercer Growth, Diversified Growth, Diversified Retirement) and BlackRock (Mercer Passive Overseas Equity and Mercer Passive UK Equity – BlackRock is the sole underlying fund manager in both cases).

Mercer

Process followed for determining the “most significant” votes

MGIE determines significant votes based on its Engagement Priorities, as set out in their Beliefs, Materiality and Impact (BMI) Framework in the MGIE Sustainable Investment Policy. The significant votes outlined below are votes relating to shareholder resolutions with a specific focus on Climate Change, Modern Slavery and Diversity (i.e. the engagement priority areas in the BMI framework). When there are a large number of votes in any one fund relating to these priority areas the size of the holding within the fund was considered.

Mercer Growth and Mercer Diversified Growth Fund

The Mercer Growth Fund and Mercer Diversified Growth Fund contain the same underlying equity funds (albeit in different proportions), therefore the voting activity was identical.

Significant vote #1	
Company	RIO Tinto Ltd.
Summary of the resolution	Shareholder Proposal Regarding Paris-Aligned Greenhouse Gas Emissions Reduction Targets
Date	21 April 2020
Criteria for assessing as significant	Shareholder Resolution - climate change
Vote decision	For Shareholders

Significant vote #2	
Company	Delta Airlines Inc.
Summary of the resolution	Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement
Date	6 May 2020
Criteria for assessing as significant	Shareholder Resolution - climate change
Vote decision	For Shareholders

Significant vote #3	
Company	JPMorgan Chase & Co.
Summary of the resolution	Shareholder Proposal Regarding Aligning GHG Reductions with Paris Agreement
Date	7 May 2020
Criteria for assessing as significant	Shareholder Resolution – climate change
Vote decision	For Shareholders

Mercer Diversified Retirement Fund

This fund contains the same underlying equity funds as the Mercer Growth and Mercer Diversified Growth Fund in addition to the BlackRock UK Equity fund (voting information for which is described below). [BlackRock](#)

Overview of BlackRock's voting process for deciding how to vote

Voting guidelines are market-specific to ensure BlackRock take into account a company's unique circumstances by market, where relevant. They inform vote decisions through research and engage as necessary. Engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. They may also update their regional engagement priorities based on issues that they believe could impact the long-term sustainable financial performance of companies in those markets.

As outlined in their Global Corporate Governance and Engagement Principles, BlackRock determines which companies to engage directly based on their assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of their engagement being productive. Voting guidelines are intended to help clients and companies understand BlackRock's thinking on key governance matters. They are the benchmark against which BlackRock assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting.

Mercer Passive Overseas Equity Fund (BlackRock are sole underlying manager)

Significant vote #1	
Company	Mizuho Financial Group
Summary of the resolution	Shareholder Proposal: Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement
Date	25 June 2020
Criteria for assessing as significant	Shareholder resolution - Climate Change
Vote Decision	Against Shareholders

Significant vote #2	
Company	Woodside Petroleum Ltd
Summary of the resolution	Shareholder Proposal: on Paris Goals and Targets Shareholder Proposal: Climate-Related Lobbying
Date	30 April 2020
Criteria for assessing as significant	Shareholder Resolution - climate change
Vote Decision	Against Shareholders

Mercer Passive UK Equity Fund (BlackRock are sole underlying manager)

Significant vote #1	
Company	Woodside Petroleum Ltd
Summary of the resolution	Shareholder Proposal: on Paris Goals and Targets Shareholder Proposal: Climate-Related Lobbying
Date	30 April 2020
Criteria for assessing as significant	Shareholder Resolution - climate change
Vote Decision	Against Shareholders

Significant vote #2	
Company	Royal Dutch Shell plc
Summary of the resolution	Shareholder Proposal: Request Shell to Set and Publish Targets for Greenhouse (GHG) Emissions
Date	19 May 2020
Criteria for assessing as significant	Shareholder resolution - Climate Change
Vote Decision	Against Shareholders

Significant vote #3	
Company	Barclays Bank
Summary of the resolution	Management Proposal: Approve Barclays' Commitment to tackling Climate Change Shareholder Proposal: Approve ShareAction Requisitioned Resolution
Date	7 May 2020
Criteria for assessing as significant	Shareholder resolution- Climate Change
Vote Decision	Against Shareholders and For Management

Significant vote #4	
Company	Mizuho Financial Group
Summary of the resolution	Shareholder Proposal: Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement
Date	25 June 2020
Criteria for assessing as significant	Shareholder resolution- Climate Change
Vote Decision	Against Shareholders