

Ansa Logistics Pension Plan

Implementation Statement covering the year ending 31 December 2020

This is the Implementation Statement prepared by the Trustee of the Ansa Logistics Pension Plan (“the Plan”) and sets out:

- How the Trustee’s policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 December 2020.

How voting and engagement policies have been followed

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

The Trustee undertook an initial review of the stewardship and engagement activities of the current managers during the year to 31 December 2020, and is satisfied that their policies were reasonable and no remedial action was required at that time.

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.

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

How the SIP has been followed over the year

In the Trustee’s opinion, the Statement of Investment Principles has been followed over the year in the following ways:

- The Trustee monitors the performance of the manager funds quarterly to ensure that the funds are meeting their stated objectives. Our Investment Consultants and managers provide quarterly reports for review.
- The Trustee initially considered the ESG capabilities of the Plan’s managers at the meeting in April 2020 and subsequently agreed that the managers’ policies are reasonable. No action was taken as a result of this exercise.
- The Trustee regularly reviews the ESG capabilities of the managers as part of the monitoring process and a rating for the ESG capabilities of each manager is included in the quarterly reports.
- The Trustee has made no new manager appointments over the year.

Voting Data

Voting only applies to equities held in the portfolio. The Plan's equity investments are held through pooled funds, and as such the investment managers of these funds vote on behalf of the Trustee.

The table below provides a summary of the voting activity undertaken by each manager during the year to 31 December 2020, together with information on any key priorities and information on the use of proxy voting advisors by the managers.

Manager	State Street Global Advisors	Aviva Investors	Columbia Threadneedle Investments
Fund name	State Street MPF Global Equity (50/50) Index Fund	Aviva Investors Multi-Strategy Target Return Fund	Threadneedle Dynamic Real Return Fund
Structure	Pooled	Pooled	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	2,890	598	347
Number of resolutions the manager was eligible to vote on over the year	37,347	6,754	4,565
Percentage of resolutions the manager voted on	99.8%	98%	98%
Percentage of resolutions the manager abstained from	0.5%	2%	2%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	90%	63%	91%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	10%	37%	6%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	<i>Data not provided</i>	29%	<i>Data not provided</i>

Significant votes

The Trustees have delegated the process of defining what a “significant vote” is to the investment managers. A summary of the data provided is set out below. State Street Global Advisors did not provide a useable list of significant votes and thus no information has been provided for this manager.

Columbia Threadneedle Investments, Threadneedle Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Amazon.com, Inc.	Alphabet Inc.	Facebook, Inc.	Adobe Inc.	Comcast Corporation
Date of vote	27/05/2020	03/06/2020	27/05/2020	09/04/2020	03/06/2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.89%	0.84%	0.43%	0.28%	0.36%
Summary of the resolution	Elect Director Thomas O. Ryder	Elect Director L. John Doerr	Report on Median Gender/Racial Pay Gap	Elect Director Frank A. Calderoni	Report on Risks Posed by Failing to Prevent Sexual Harassment
How the manager voted	Against	Withhold	For	Abstain	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No	No	No
Rationale for the voting decision	Director is an affiliate serving on a key committee.	Compensation committee chair; concerns around compensation.	Material social risk for business; in shareholders' interests.	Combined chairman/CEO	Material social risk for business; in shareholders' interests.
Outcome of the vote	Pass	Pass	Fail	Pass	Fail
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.				
Criteria on which the vote is considered “significant”	Vote against management	Vote against management	Vote against management	Vote against management	Vote against management

Columbia Threadneedle Investments, Dynamic Real Return Fund (cont.)

	Vote 6	Vote 7	Vote 8	Vote 9
Company name	Knorr-Bremse AG	Eurofins Scientific SE	DS Smith Plc	Tesco Plc
Date of vote	30/06/2020	26/06/2020	08/09/2020	26/06/2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.12%	0.03%	0.44%	0.04%
Summary of the resolution	Elect Heinz Thiele to the Supervisory Board	Re-elect Valerie Hanote as Director	Re-elect Gareth Davis as Director	Approve Remuneration Report
How the manager voted	Abstain	Against	Abstain	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No	No
Rationale for the voting decision	Corporate governance concerns	Low attendance	The nominee serves as chairman of the nominating committee and an executive director sits on the committee.	Ex post adjustment to long-term performance metrics
Outcome of the vote	Pass	Pass	Pass	Check
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.			
Criteria on which the vote is considered "significant"	Vote against management			

Aviva Investors, Multi-Strategy Target Return Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Hyundai Motor Company	Apple Inc.	Bangkok Bank Public Company Limited	Amazon.com, Inc.	Facebook, Inc.
Date of vote	19/03/2020	26/02/2020	05/03/2020	27/05/2020	27/05/2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.016%	0.003%	0.014%	0.419%	0.281%
Summary of the resolution	Resolution 3.2. Elect Kim Sang-hyeon as Inside Director	Resolution 6. Report on Freedom of Expression and Access to Information Policies	Resolution 1. Approve Acquisition of All Shares in PT Bank Permata Tbk	Shareholder resolution (15) requiring to Company to produce a human rights risk assessment	Shareholder Resolution (5) requesting an Independent Board Chair
How the manager voted	We voted against their re-election	We supported the shareholder resolution	We voted against	We supported the shareholder resolution	We supported the shareholder resolution
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	No	No	Yes	No
Rationale for the voting decision	The board is less than majority independent. Where large companies such as this one fail to meet regulatory independence requirement stipulated under the	In its statement supporting the proposal, the proponent suggests that Apple faces human rights risks because it does business in countries where the government does not allow free speech or free	Our vote against reflects that Permata Return on Equity (ROE) is low. Astra has the best distribution in the country, Standard Chartered knows how to run a bank, but they still failed to make the	We have engaged with Amazon on human rights risks management over the past year. Whilst we have observed improvements, with the publication of its Global Human Rights Principles, we	Support for the shareholder resolution requesting an independent Chair was warranted as there should be a clear division between the head of the company (running of the company's

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
	<p>Commercial Act, we typically vote against all non-independent director nominees, including executive directors. Independent challenge on the Board is particularly important since the Elliott activist campaign in 2019.</p>	<p>access to information. The proponent asserts that Apple has cooperated in the past with requests from the Chinese government to restrict free speech and free access to information. The statement says the company has removed virtual private network (VPN) applications from its Chinese App Store, has taken off the New York Times application after a request from the Chinese government, and has removed other apps without explanation of why they were removed. The report criticized Apple for a lack of transparency on policies and practices related to freedom of expression. As such this resolution was considered important, and in the best interest of shareholders. Additional information regarding the company's policies and processes regarding freedom of expression and access to information would help shareholders gauge the company's management of related reputational risk.</p>	<p>business to earn a decent return. 1.77x PB is only reasonable if they can improve the ROE significantly. There is not enough information from the company how they can turn around the bank. Secondly, the Thai economy is severely affected by the Covid-19 virus. The economy is very dependent on export and tourism. We expect asset quality to deteriorate. As such, we would prefer the business uses it excess capital to get through this difficult period. The stock is trading 0.56x PB. So if it was forced to raise capital at this level it would be detrimental to shareholders - the dilution would be enormous. As such, the transaction will expose the company to too many risks in our view, a concern compounded by the lack of independent oversight on the board (and therefore on the due diligence of the acquisition.</p>	<p>find current reporting falls short of expectations. The assessment (and public disclosure) of the company's actual and potential impacts of its products will benefit shareholders as it will help understand the policies the company has implemented to address human rights impacts in its operations and supply chain. We look forward to see the expanded risk assessment approach and further details as discussed with the company.</p>	<p>business), and the chair / running of the board. Both roles are performed by Mark Zuckerberg. When there is no clear division between the two, then poor executive and/or board actions often go unchecked to the ultimate detriment of shareholders. The need for an independent Chair is even more critical at Facebook given the numerous governance issues that need addressing including the need to strengthen controls around responsible content management. Shareholder resolutions calling for the company to address content controls and human rights assessments were also proposed at this meeting which are equally important but in our view they are likely to get more focus from the Board if there is an improvement in Board composition.</p>
Outcome of the vote	The resolution was approved.	Over 40% of the votes cast were in support of the resolution	The resolution was approved by shareholders	30% of shareholders supported the resolution	19.5% of shareholders supported the resolution

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Implications of the outcome	<p>The Company's response to our concerns / questions will be one of the many issues we consider for the investment case, and as detailed in the rationale this is particularly important given the issues raised by investors (including us) in 2019 regarding the lack of oversight on the Board and concerns over shareholder returns.</p>	<p>In Sept 2020, the Company announced a new Human Rights policy after growing pressure from shareholders and protest from activists. It's early days as to whether this will result in an improvement in practices.</p>	<p>Our views over the acquisition will mean our view on the stock has changed and whilst we still hold some shares, we will be watching very closely. In April 2020, Fitch Ratings has downgraded Bangkok Bank Public Company Limited's. The downgrade reflects BBL's challenging operating environment and large-scale economic disruptions from the coronavirus but also because its capital position will also weaken as a result of its pending acquisition.</p>	<p>We have discussed human rights with Amazon and other investors and more specifically the Company's response to the COVID-19 crisis and the health and safety measures they have rolled out across operations. Amazon showed a strong commitment to these issues and we continue to regularly monitor this issue. The fact that so many shareholders supported the resolution means that the company needs to demonstrate progress in this area.</p>	<p>Whilst shareholders have limited powers to change practices at the company (given Mark Zuckerberg effectively has control of the company with 58% of the total voting shares), there is increasing pressure on the company to improve Content control. Since the AGM we have engaged with the company over these issues and if the company fails to speed up progress it is likely that there will be increasing calls for Mark Zuckerberg to separate the roles.</p>
Criteria on which the vote is considered "significant"	<p>This vote was deemed significant given the governance issues that have impacted the valuation of the business and therefore the value of the shares held.</p>	<p>This vote was deemed significant given the materiality of human rights issues for the Brand if not handled properly and in turn, on the valuation of the stock.</p>	<p>This vote was deemed significant given its financial impact (and as it is not often we take a different view to management on M&A deals). The company was a relatively large holding for the fund and Aviva Investors in the Asia region.</p>	<p>This vote was selected given the materiality of the shareholder resolution (i.e. the impact on the brand reputation if the issue is not adequately addressed) and the high level of support the proposal received. Investors will also be scrutinised about what they done to challenge and change practices at the company, particularly if employee practices and human rights are found to be below expectations. Amazon is an active position for Aviva Investors.</p>	<p>This vote was selected given the materiality of the shareholder resolution (i.e. the increasing pressure on the Company to improve corporate governance and content management controls) and the impact on the brand reputation if the issues are not adequately addressed).</p>

Aviva Investors, Multi-Strategy Target Return Fund (cont.)

	Vote 6	Vote 7	Vote 8	Vote 9
Company name	BP plc	Carnival plc	Alphabet Inc.	Equifax Inc.
Date of vote	27/05/2020	06/04/2020	03/06/2020	07/05/2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.093%	0.089%	0.440%	0.338%
Summary of the resolution	Resolution 1. The approval of the Financial Statements and Statutory Reports	Resolution 9. The re-election of Stuart Subotnick as a non-executive director (and Chair of the Nomination committee)	Resolution 7. Establish Human Rights Risk Oversight Committee	Resolution 1b. Elect Director Mark L. Feidler
How the manager voted	We 'exceptionally' supported the resolution	We voted against his re-election	We supported the shareholder resolution	We supported the resolution
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Yes	N/A
Rationale for the voting decision	Under normal circumstances we would have voted against the Report & Accounts as the company has not (or not committed to) set a science based emissions target. We expect large emitters to report on climate risks according to the TCFD	Our vote against the Nomination committee Chair reflects our concerns over him having served on the Board for over 30 years and as there is a lack of proper oversight (the independence of a number of the other non-executives is also	As one of the co-filers of this resolution our view is that human rights are embedded in Alphabet's business model. The lack of a clear human rights programme that is comprehensive, company-wide, with policies, processes and due diligence	Under normal circumstances we would have voted against the re-election of the non-independent Chairman (having served on the board for a significant amount of time) and independent directors represent less than two-thirds of the

	Vote 6	Vote 7	Vote 8	Vote 9
	<p>framework and to define an emissions reduction target aligned with the Paris Agreement. However, we have exceptionally supported to reflect that On 12 February the Company announced an ambition to become a net zero company by 2050 or sooner, and to help the world get to net zero, an ambition supported by ten specific aims. It also announced that it will set out its strategy and near-term plans at the capital markets day in September. Hence, we will assess the transition pathway then and further commitments and progress ahead of the next AGM.</p>	<p>comprised due to their tenure on the Board). This concern is compounded as the Chair is an Executive director and there is also lack of diversity on the Board. We also voted against all other non-independent directors but this vote is particularly important as it is ultimately his responsibility to address the board composition issues (together with the Senior Independent Director) in the absence of an independent Chair.</p>	<p>systems is considered a business risk. Board-level oversight is considered necessary to sufficiently address the human rights risks associated with the Company's technologies. Further, continued controversies call into question the extent to which the existing structures provide adequate oversight on risks the company's technologies present to human rights, which, in turn, creates risks for the company in terms of retaining management and employees and retaining a good reputation in the eyes of users and advertisers.</p>	<p>Board (our guideline for US companies). This Director also sits on key board committees which should comprise independent directors only. However, we have exceptionally supported his re-election as at the roles of CEO and Chair are not combined, and we are mindful that there has been significant board change (and improvement) over the last couple of years so it is helpful to have some longer serving directors. Although as there are three long-serving directors we would like to see further board refreshment and changes to key committees ahead of the 2021 AGM.</p>
Outcome of the vote	98.8% of shareholders supported the resolution	His re-election was approved by shareholders (detailed results not available)	Approximately 45% of the independent votes supported the resolution.	The resolution was approved
Implications of the outcome	<p>BP committed to provide more details at its capital markets days in Sep/Oct where we will get a better idea of the progress they are making in their efforts to address climate change and in repositioning the company to make the energy transition. At this event, the company laid out three possible future scenarios for oil demand and supported the idea that demand for fossil fuels has reached its limit. Before the capital markets day we met with BP's leadership team as part of the continuing engagement</p>	<p>A few weeks after the AGM the Company announced the appointment of a new, independent director (Jeff Gearhart) to the Board. Whilst this wasn't a result of our recent engagement, we have raised similar concerns in recent years and the appointment has partly addressed our concern over Board composition. In addition, the new director's strong ethics experience will help the Board improve its Health, Environmental and Safety performance. However, the improvement is limited as so far,</p>	<p>"Human rights-related issues were the overarching theme of the meeting and a clear thread connecting the voices of investors heard at the AGM. The company insists they are progressing but that does not mean they are doing it well or at a scale large enough for the scope of the problem. It was clear from the AGM that the board lacks accountability to its investors and potentially lacks independence from management.</p> <p>We will continue to work on engaging with the company on</p>	<p>Whilst our support for the resolution reflected special circumstances of the company, this will not be our default stance and we have recently engaged with the company encouraging it to continue to improve board independence and diversity.</p>

	Vote 6	Vote 7	Vote 8	Vote 9
	<p>process through the Climate Action 100+ initiative. We asked BP to use the existing capex framework and apply it to remaining hydrocarbon assets to prove Paris goals-consistency and to strengthen its investment criteria.</p>	<p>none of the long serving directors have stood down and the recent appointment is another male director. We had a follow up meeting with the company to discuss these issues and how the company has been responding to Covid-19. Given the huge challenges the company is facing, and despite the company's view of the importance in retaining experienced directors, we will continue to push for further change on the Board to bring in fresh perspectives.</p>	<p>human rights impact and proper oversight of such risks."</p>	
<p>Criteria on which the vote is considered "significant"</p>	<p>This vote was selected as the Company's disclosures and assessments around its energy transition will have a significant impact on the future valuation of the business. BP is also a relatively large holding in the fund and also for Aviva Investors (therefore increasing our ability to affect change).</p>	<p>This vote was deemed significant given the potential risk posed by the lack of independent oversight and diversity on the board and as the company is a significant holding for the fund and Aviva Investors.</p>	<p>This vote was selected given the materiality of the shareholder resolution (i.e. lack of a clear human rights programme) and the high level of support the proposal received. Investors will also be scrutinised about what they done to challenge and change practices at the company, particularly if employee practices and human rights are found to be below expectations. Alphabet is an active position for Aviva Investors.</p>	<p>This vote was selected given it's a relatively large shareholding and the company's corporate governance has been problematic in recent years.</p>

Fund level engagement

It should be noted that State Street have provided the following information at a firm level and only for the year to 31 March 2020. We are working with State Street to obtain consistent, up to date fund level engagement data in future.

Manager	State Street Global Advisors	State Street Global Advisors	Aviva Investors	Columbia Threadneedle Investments
Fund name	State Street MPF Global Equity (50/50) Index Fund	State Street MPF UK Index Linked Gilts All Stocks Index Fund State Street MPF Sterling Non-Gilts Bond Over 15 Years Index Fund State Street MPF UK Index Linked Gilt Nov 2055 Index Sub-Fund State Street MPF UK Index Linked Gilt Nov 2037 Index Sub-Fund State Street MPF UK Index Linked Gilt Nov 2037 Index Sub-Fund	Aviva Investors Multi-Strategy Target Return Fund	Threadneedle Dynamic Real Return Fund
Does the manager perform engagement on behalf of the holdings of the fund	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
Number of engagements undertaken on behalf of the holdings in this fund in the year	The investment manager did not provide this information.	The investment manager did not provide this information.	684	The investment manager did not provide this information.
Number of engagements undertaken at a firm level in the year	1,950	1,950	3,408	278
Current strategic engagement topics	Corporate Culture Board Accountability Gender Diversity Human Capital Climate-related Reporting	Corporate Culture Board Accountability Gender Diversity Human Capital Climate-related Reporting	Climate Change Long-term ESG Issues	Climate Change Energy & Climate Transition Health, Wellbeing & Food Security