Implementation Statement, covering 1 April 2022 to 31 March 2023

The Trustees of the F&C Asset Management Pension Plan (the "Plan") are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in their Statement of Investment Principles ("SIP") during the Plan year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Plan year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustees have had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Plan year. The last time these policies were formally reviewed was March 2022.

The Trustees have, in their opinion, followed the Plan's voting and engagement policies during the Plan year, by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes. The Trustees took steps to review the Plan's existing managers and funds over the period, as described in Section 2 below.

2. Voting and engagement

The Trustees have delegated to their investment managers the exercise of rights attaching to investments, including voting rights, and engagement. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Plan Year. However, the Trustees take ownership of the Plan's stewardship by monitoring and engaging with managers as detailed below.

While the Trustees do not direct how votes are exercised, the investment managers are aware of the Trustees' voting policies and that the Trustees may consider remedial action and replacing the investment manager if they are not compliant with these policies. The Trustees take ownership of the Plan's stewardship by monitoring and engaging with managers as detailed below.

The Trustees also rely on their investment managers to take social, ethical and environmental considerations into account to the extent they believe that these factors impact on financial performance.

As part of its advice on the selection and ongoing review of the investment managers, the Plan's investment adviser, Lane Clark and Peacock ("LCP"), incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

At the Investment Sub committee("ISC") meeting in December 2022, the ISC received training on the new Department for Work and Pensions ("DWP") guidance applicable to the implementation statement and to the SIP. As part of this training, the ISC discussed stewardship, why stewardship is important and what Trustees are expected to do. Following the introduction of DWP's guidance, the Trustees agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific Environmental, Social and Governance ("ESG") factors. At the Trustees' meeting on 8 December 2022, the Trustees discussed and agreed stewardship priorities for the Plan which were: Climate Change and Corporate Transparency. These priorities were selected as Climate Change was considered as one of the most important potential risks. Corporate Transparency was also an important priority where the ISC can influence managers the most.

The Trustees communicated these priorities to their managers in early 2023. All the Plan's investment managers acknowledged the notification and confirmed that these priorities are taken into account in their ongoing stewardship and engagement activities with investee companies.

The Trustees regularly invite the Plan's investment managers to present at Trustees' meetings, seeing each manager approximately once a year. The Trustees ask questions about voting and engagement practices and continue to be satisfied with the answers they receive.

The Trustees also monitor LCP's Responsible Investment scores for the Plan's existing funds as part of the quarterly performance monitoring reports. All of the Plan's investment managers scored strongly. The ISC is satisfied with the scores and no further action has been taken.

The Trustees are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Plan Year

The Trustees have delegated to their investment managers the exercise of any voting rights. Therefore, the Trustees do not direct how votes are exercised and the Trustees themselves have not used proxy voting services over the year. Over the year, one of the Plan's investment managers, Columbia Threadneedle ("CTI"), utilised proxy voting services (Institutional Shareholder Services).

The Trustees have a manager review schedule in which they discuss and question each of their investment managers annually on a number of matters, including voting, engagement and ESG considerations.

Whilst the Pensions and Lifetime Savings Association ("PLSA")'s guidance requires Schemes to focus primarily on listed public equity holdings (in which the Plan doesn't hold any funds), it also recognises that voting opportunities may arise in other asset classes beyond public equities. In these instances, the PLSA recommends that the Trustees ask their managers - at a minimum - for narrative information and explanation from the relevant managers.

Although the Trustees does not hold any equity holding, we have contacted all of the Plan's asset managers to ask if any of the assets held by the Plan had voting opportunities over the period. Commentary provided from these managers is set out below:

- CTI confirmed there were no voting opportunities throughout the period with regards to the Liability Driven Investment and Global Low Duration Credit portfolios.
- CTI confirmed that for the private equity funds (The Aurora Fund LP, Castle Mount LP and F&C European Capital Partners II LP funds) no voting rights or similar were exercised for any of the funds. CTI has the following voting policy on these funds:

  "To ensure tax status we are a silent partner on these investments. We… liaise with the general partners for these investments to receive progress updates on these investments but our involvement with the operation of these underlying companies is limited. We are not involved in the day to day running of the [companies]. We exert influence through the [general partners]."

- Barings confirmed there was one equity holding in the Global Private Loan Fund II. Barings stated that it only votes on items related to debt facilities. Barings confirmed there had been no significant votes over the year. Barings provided the following information regarding its process for voting:

  "Should voting opportunities arise, any voting decisions would be made in line with established investment management structures and decision-making responsibilities for the fund."

- Permira provided the following information regarding voting opportunities and its voting process for the Credit Solutions III Senior GBP L.P. Fund:

  "*As a general matter, in cases where Permira Credit Solutions (PCS) funds do hold board seats, these are predominantly board observer seats as opposed to formal board seats with voting rights.*

  The main exception to the above are cases in which the asset has been restructured and PCS funds have taken equity ownership. This is the case with an asset in the Credit Solutions III Fund that underwent a restructuring in 2020."

  Permira confirmed they do not classify their votes over the year to 31 March 2023, in this one case, as significant.