

THE SINGLETON BIRCH RETIREMENT BENEFITS SCHEME

YEAR ENDED 31 MARCH 2022

IMPLEMENTATION STATEMENT

Implementation Statement for the year to 31 March 2022

The Singleton Birch Limited Retirement Benefits Scheme

Introduction

This statement describes the Trustees of the Scheme ('the Trustees') voting and engagement policies along with a summary of voting and engagement behaviour related to the Scheme's investments over the 12 month period to 31 March 2022.

Stewardship, voting and engagement policies

The Trustees have instructed the Scheme's fiduciary manager to exercise their voting and other rights as shareholders in a manner the fiduciary manager believes to be consistent with best practice in relation to Corporate Governance and in accordance with the Institutional Shareholders' Committee's ("ISC") Statement of Principles on the Responsibilities of Institutional Shareholders and Agents.

The Trustees recognise the Scheme's responsibility as a long term institutional investor to support and encourage good corporate governance practices in the companies in which it invests, because this also protects the value of the Scheme's investments while they are held.

The Trustees therefore require their fiduciary manager in their stewardship of the Scheme's assets to pay appropriate regard to the investee companies' performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social, ethical and environmental impact and corporate governance when considering the purchase, retention or sale of investments. The Trustees oversee their fiduciary manager's voting and engagement activities to ensure compliance with this requirement. Reporting on the fiduciary manager's voting and engagement activities and how these activities have had a bearing on the purchase, retention and sale of investments is included in the quarterly investment monitoring reports.

Summary of voting and engagement behaviour

The Trustees invest in pooled funds via their fiduciary manager. By the nature of these vehicles, the Trustees oversee the fiduciary manager's voting and engagement activities and policies, rather than directing how individual votes are exercised. The Trustees deem holdings in equities to be relevant in terms of voting behaviours and holdings in equities and corporate debt to be relevant in terms of engagement activities with investee companies.

The table below summarises the fiduciary manager's voting behaviour over the period. The fiduciary manager's voting policies are described in section 5.

Number of meetings eligible to vote at	1,932 meetings	% of resolutions	
Number of resolutions eligible to vote on	22,236 resolutions		
% of resolutions voted on which we are eligible	95.2%	Voted with management	90.4%
% of meetings, in which we voted, that we voted at least once against management	46.6%	Voted against management	9.0%
Number of equity holdings as of period end	1,394	Abstained from voting	0.6%

Source: Schroders as at 31 March 2022 for the Diversified Growth Fund.

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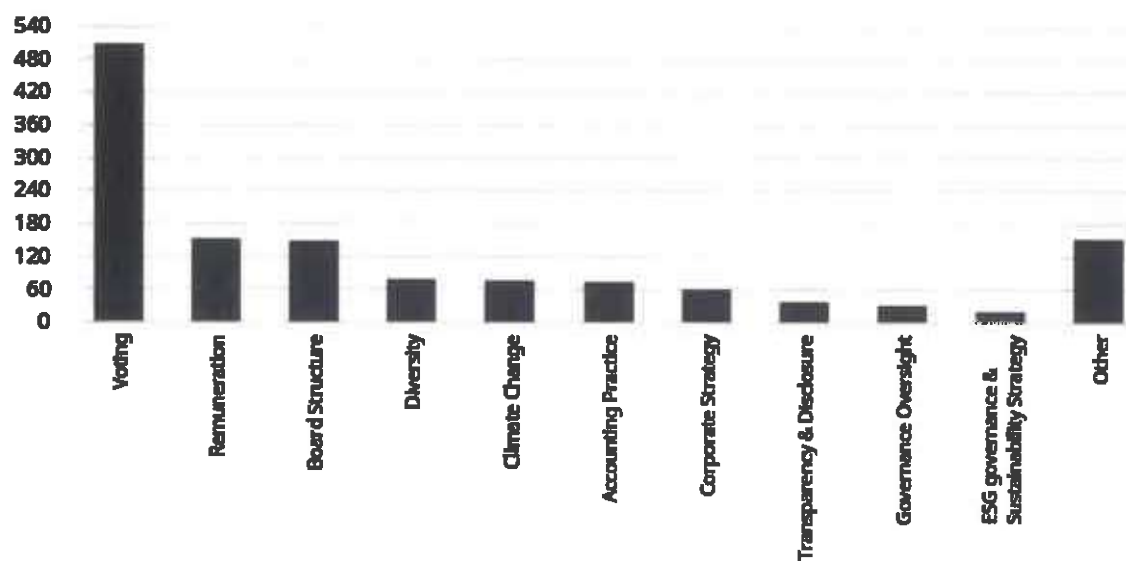
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The fiduciary manager's engagement activities with investee companies include correspondence in writing and by email, phone calls, meetings with company management, collaboration with other investors, participation at events and discussions with other advisers and stakeholders. The following table and chart summarise the number of engagements that have been undertaken in relation to the Scheme's investments over the period.

Engagement summary	
Engagements	1,118
Topics	1,347
Environmental	9%
Social	12%
Governance	79%

Top 10 engagement topics



Source: Schroders as at 31 March 2022 for the Diversified Growth Fund.

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IMPLEMENTATION STATEMENT (CONTINUED)

Active ownership – engagement progress 12 months on

Below are some examples of progress on engagements from Q1 2021 where we encouraged changes within the companies held in the fund. The following table captures detail on the progress of specific requests for change we made 12 months ago. We will continue to review these engagements periodically and escalate where necessary.

Company	Suggestion for change	Result
Consumer discretionary		
Amazon	Requested comparable health and safety statistics, beyond Amazon's own safety leadership index.	Some Change Amazon increased disclosure on their health and safety statistics. Additionally, the company have introduced a few comparable safety statistics. We would like to see more metrics beyond the safety leadership index to mark this engagement as achieved.
Financials		
Bank of America	<p>Asked the bank to develop interim milestones and science-based targets relating to their Paris commitment, plus transparency over methodology.</p> <p>Asked the bank to provide supplementary metrics that would support our analysis of the banking sector - in this case Scope 3 Category 15 emissions relating to its financing activities.</p> <p>Asked them to disclose further information on the engagements they are having with highest-risk clients on the climate transition in the banking side of the business e.g. numbers or % engaged, success rates, case studies, and consider setting climate related targets / goals for banking clients.</p>	<p>Some Change The company published 2030 interim operational targets. The company does not appear to have SBTi targets or specific targets for high risk sectors, however it plans to develop these in the future.</p> <p>Some Change The company has committed to disclosing its financed emissions no later than 2023.</p> <p>Some Change The company has said that they engage with clients in high risk sectors on net zero. We would like to see increased detail surrounding this topic before we can class the objective as achieved.</p>
Information technology		
Ubisoft Entertainment	Expect to see improving trends in percentage of women in workforce, management and board in line with company targets.	Almost Percentage of females in the workforce, management, top management all increased from March 2020 to March 2021. Board gender diversity also increased. Marked as "almost" as we want to see sustained improvement.

Source: Schroders. The companies and sectors mentioned herein are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

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The fiduciary manager's voting policies

As part of their oversight of the Scheme's assets, the Trustees asked the fiduciary manager to address the following questions regarding its voting policies.

Voting policy questions	Fiduciary manager's response
What is your policy on consulting with clients before voting?	In order to maintain the necessary flexibility to meet client needs, local offices of Schroders may determine a voting policy regarding the securities for which they are responsible, subject to agreement with clients as appropriate, and/or addressing local market issues. Clients in the UK will need to contact their usual client services person(s) on whether or not this is available for the type of investment(s) they hold with Schroders.
Please provide an overview of your process for deciding how to vote.	We evaluate voting issues arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. We utilise company engagement, internal research, investor views and governance expertise to confirm our intention. Further information can be found in our Environmental, Social and Governance Policy for Listed Assets policy: https://www.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy.pdf
How, if at all, have you made use of proxy voting services?	We receive research from both Institutional Shareholder Services and the Investment Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into our voting decisions. In addition to relying on our policies we will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts. It is important to stress that our own research is also integral to our final voting decision; this will be conducted by both our financial and ESG analysts. For contentious issues, our Corporate Governance specialists will be in deep dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context. We continue to review our voting practices and policies during our ongoing dialogue with our portfolio managers. This has led us to raise the bar on what we consider 'good governance practice.'
What process did you follow for determining the "most significant" votes?	We consider "most significant" votes as those against company management. We are not afraid to oppose management if we believe that doing so is in the best interests of shareholders and our clients. For example, if we believe a proposal diminishes shareholder rights or if remuneration incentives are not aligned with the company's long term performance and creation of shareholder value. Such votes against will typically follow an engagement and we will inform the company of our intention to vote against before the meeting, along with our rationale. Where there have been ongoing and significant areas of concerns with a company's performance we may choose to vote against individuals on the board. However, as active fund managers we usually look to support the management of the companies that we invest in. Where we do not do this we classify the vote as significant and will disclose the reason behind this to the company and the public.

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The fiduciary manager's voting policies (continued)

Voting policy questions	Fiduciary manager's response
Did any of your "most significant" votes breach the client's voting policy (where relevant)?	It is our policy to disclose our voting activity publicly. On a monthly basis, we produce our voting report which details how votes were cast, including votes against management and abstentions. While we implement an ESG policy, voting is comply or explain and we do not have a tick box approach, we rely on analysis and engagement to determine our vote intention. The reports are publicly available on our website: https://www.schroders.com/en/sustainability/active-ownership/voting/
If 'Y' to the above. Please explain where this happened and the rationale for the action taken.	Not Applicable
Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings? 1) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding; 2) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings; 3) The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding; 4) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer; 5) There are differences between the stewardship policies of managers and their clients.	Schroders accepts that conflicts of interest arise in the normal course of business. We have a documented Group wide policy, covering such occasions, to which all employees are expected to adhere, on which they receive training and which is reviewed annually. There are also supplementary local policies that apply the Group policy in a local context. More specifically, conflicts or perceived conflicts of interest can arise when voting on motions at company meetings which require further guidance on how they are handled. Outlined below are the specific policies that cover engagement and voting. Schroders' Corporate Governance specialists are responsible for monitoring and identifying situations that could give rise to a conflict of interest when voting in company meetings. Where Schroders itself has a conflict of interest with the fund, the client, or the company being voted on, we will follow the voting recommendations of a third party (which will be the supplier of our proxy voting processing and research service). Examples of conflicts of interest include (but are not limited to): <ul style="list-style-type: none"> ▪ where the company being voted on is a significant client of Schroders, ▪ where the Schroders employee making the voting decision is a director of, significant shareholder of or has a position of influence at the company being voted on; ▪ where Schroders or an affiliate is a shareholder of the company being voted on; ▪ where there is a conflict of interest between one client and another; ▪ where the director of a company being voted on is also a director of Schroders plc; ▪ where Schroders plc is the company being voted on. Separation of processes and management between Schroders Investment Management and our Wealth Management division helps to ensure that individuals who are clients or have a business relationship with the latter are not able to influence corporate governance decisions made by the former. If Schroders believes it should override the recommendations of the third party in the interests of the fund/client and vote in a way that may also benefit, or be perceived to benefit, its own interests, then Schroders will obtain the approval of the decision from the Schroders' Global Head of Equities with the rationale of such vote being recorded in writing. If the third-party recommendation is unavailable, we will vote as we see is in the interests of the fund. If however this vote is in a way that might benefit, or be perceived to benefit, Schroders' interests, we will obtain approval and record the rationale in the same way as described above. In the situation where a fund holds investments on more than one side of the transaction being voted on, Schroders will always act in the interests of the specific fund. There may also be instances where different funds, managed by the same or different fund managers, hold stocks on either side of a transaction. In these cases the fund managers will vote in the best interest of their specific funds. Where Schroders has a conflict of interest that is identified, it is recorded in writing, whether or not it results in an override by the Global Head of Equities.

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IMPLEMENTATION STATEMENT (CONTINUED)

The fiduciary manager's voting policies (continued)

Voting policy questions	Fiduciary manager's response
Please include here any additional comments which you believe are relevant to your voting activities or processes	Schroders fully supports the UK Stewardship Code and complies with all its principles. Although the Code is focused on the UK, it sets a standard for stewardship and engagement for non-UK equity investments and we seek to apply the same principles globally, taking into account local practice and law. Further information on including links to our Environmental, Social and Governance Policy can be found at the below address: https://www.schroders.com/en/sustainability/active-ownership/

Source: Schroders