

Implementation Statement – Associated Independent Stores Ltd Pension and Life Assurance Scheme

Year ending 31/03/21

The Trustees of the Associated Independent Stores Ltd Pension and Life Assurance Scheme have prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. Its purpose is to demonstrate how the Scheme has followed the policy on voting, stewardship and engagement as set out in the Scheme's Statement of Investment Principles (SIP) dated 28 September 2020. This statement covers the period 1 April 2020 to 31 March 2021.

The policy as set out in the SIP in respect of voting, stewardship and engagement is in summary as follows:

The Trustees have delegated to Charles Stanley, in their role as Fiduciary Manager, the exercise of corporate governance issues, including the exercise of voting rights to investments:

- i. The Trustees believe that, where appropriate, the voting rights pertaining to the scheme's investments should be deployed in order to seek to improve the medium and long-term performance of companies, in particular where the scheme is a debt or equity shareholder.
- ii. The Trustees acknowledge that stewardship can also include direct engagement with an investee or debtor company, indirect engagement via an investment manager, 'peer-to-peer' engagement with fellow shareholders of an investee company, and any engagement with other stakeholders, on any relevant matters such as matters concerning the investee or debtor entity, including performance, strategy, risks, social and environmental impact, corporate governance, capital structure and management of actual or potential conflicts of interest.
- iii. The Trustees believe that, where appropriate, such engagement activity has the potential to improve the medium and long-term performance of underlying investments.
- iv. Decisions regarding the specific exercise of rights (including voting rights) are delegated to the fiduciary manager. The fiduciary manager's policy states that "We believe voting is an effective method of engagement. We use the services of proxy voting service provider Institutional Shareholder Services (ISS) to advise us on corporate governance issues and provide voting recommendations on our top 100 holdings of equity and fund securities."
- v. The Trustees expect that the majority of investments will be deployed via pooled funds. As a result, the Trustees expect the fiduciary manager to be mindful of the engagement and voting policy of underlying pooled fund managers when selecting them and to report these policies to the trustees upon request.
- vii. Where voting rights are held directly, the Trustees delegate the exercise of voting right to the fiduciary manager and expect a report on any voting or engagement activity to be provided at least annually or upon request.

The Trustees are of the opinion that this policy has been followed during the year, and set out below details on this.

1) Stewardship Policy and Implementation:

- During the period voting and engagement decisions were delegated to the Fiduciary Manager (Charles Stanley). Charles Stanley's policy on voting and engagement is as follows *"We believe voting is an effective method of engagement. We use the services of proxy voting service provider Institutional Shareholder Services (ISS) to advise us on corporate governance issues and provide voting recommendations on our top 100 holdings of equity and fund securities. The advice of our proxy voting service provider is based on the UK Corporate Governance Code and its own set of voting principles built on a collection of industry best practice guidelines, which are designed to protect and enhance shareholders' interests. ISS has a long-standing relationship with many of the UK-listed issuers within its coverage universe and regularly engages with the senior management teams of such issuers. With in-depth knowledge of the UK Corporate Governance Code and a long history of corporate engagement, we believe the provision of voting advice from our proxy service provider enhances our engagement with investee companies. However, we are not bound to follow the advice of ISS and retain the ultimate say on which way to vote on each item raised at general and extraordinary shareholders meetings, based on what we believe is in the best interests of our clients. Where we believe it would assist shareholder interests, we may inform the company in advance of our voting intentions. We do not engage in securities lending with client holdings."*
- During the period the voting activity was carried out by Charles Stanley on the following Investment Trusts. In all cases Charles Stanley voted with management on all resolutions.
 - International Public Partnerships Ltd
 - HICL Infrastructure PLC
 - Greencoat UK Wind PLC
 - The Renewables Infrastructure Group PLC
- During the period voting and engagement activity was carried out by underlying fund managers. Through its underlying fund managers the scheme is exposed to c.6,000 underlying companies. Pro-active engagement and voting activity was carried out by the scheme's underlying fund managers as part of their routine management of funds. A record of the voting and engagement activity undertaken by these investment managers on the top 10 underlying companies has been provided to the trustees and is appended to this statement.
- Charles Stanley evaluates the engagement and reporting policies of all third-party managers and is responsible for monitoring their activity on an ongoing basis

2) Monitoring of Environmental, Social, Governance (ESG) and Climate Change risks:

- Exposure to ESG (including Climate Change) risk was monitored through dashboard reports provided by Charles Stanley at Trustee meetings on 3/2/21 and 24/9/20. Any additional ESG and Climate Change activity as pertains to the overall asset allocation of the portfolio or individual funds or securities held was reported to the trustees at these meetings.

Agreed by the Trustees of the Associated Independent Stores Ltd Pension and Life Assurance Scheme, 27 September 2021

Voting and Engagement Record (Top Underlying Holdings) - AIS Pension and Life Assurance Scheme - Year to 31 March 2021

Holding	Approx. Exposure	Investment Manager	Significant Voting Record	Engagement Issues
1. International Public Partnerships Ltd.	c. £315k (1.8% of Scheme Assets)	Charles Stanley	% votes in which Charles Stanley Voted: 100% % voted in line with management recommendation: 100% % voted against management recommendation: 0%	None Reported
2. HICL Infrastructure PLC	c. £305k (1.8% of Scheme Assets)	Charles Stanley	% votes in which Charles Stanley Voted: 100% % voted in line with management recommendation: 100% % voted against management recommendation: 0%	None Reported
3. Greencoat UK Wind PLC	c. £305k (1.8% of Scheme Assets)	Charles Stanley	% votes in which Charles Stanley Voted: 100% % voted in line with management recommendation: 100% % voted against management recommendation: 0%	None Reported
4. The Renewables Infrastructure Group PLC	c. £290k (1.7% of Scheme Assets)	Charles Stanley	% votes in which Charles Stanley Voted: 100% % voted in line with management recommendation: 100% % voted against management recommendation: 0%	None Reported
5. Apple Inc.	c. £185k (1.1% of Scheme Assets)	iShares/BlackRock X-Trackers/DWS	% votes in which BlackRock Voted: 100% % voted in line with management recommendation: 100% % voted against management recommendation: 0% % votes in which X-Trackers/DWS Voted: 100% % voted in line with management recommendation: 50% % voted against management recommendation: 50% (Proxy Access Amendments, Improve Principles of Exec Compensation Program Elect Directors; Al Gore, Andrew Jung, Art Levinson, Ron Sugar)	BlackRock/iShares: Board Compensation, Governance Structure, Remuneration
6. Microsoft Corporation	c. £165k (1.0% of Scheme Assets)	iShares/BlackRock X-Trackers/DWS	% votes in which BlackRock Voted: 100% % voted in line with management recommendation: 100% % voted against management recommendation: 0% % votes in which X-Trackers/DWS Voted: 100% % voted in line with management recommendation: 100% % voted against management recommendation: 0%	BlackRock/iShares - Board Composition & Effectiveness, Business Oversight/Risk Management, Corporate Strategy
7. Taiwan Semiconductor Manufacturing Company Ltd	c. £145k (0.8% of Scheme Assets)	iShares/BlackRock HSBC State Street Global Advisors Baillie Gifford	% votes in which BlackRock, SSGA & HSBC Voted: 100% % voted in line with management recommendation: 100% % voted against management recommendation: 0%	BlackRock/iShares - Board Composition & Effectiveness, Corporate Strategy, Climate Risk Management, Operational Sustainability

Voting and Engagement Record (Top Underlying Holdings) - AIS Pension and Life Assurance Scheme - Year to 31 March 2021

Holding	Approx. Exposure	Investment Manager	Significant Voting Record	Engagement Issues
8. Alphabet Inc. (Class A & C)	c. £130k (0.8% of Scheme Assets)	iShares/BlackRock X-Trackers/DWS Baillie Gifford	<p style="text-align: center;">% votes in which BlackRock Voted: 100%</p> <p style="text-align: center;">% voted in line with management recommendation: 96%</p> <p style="text-align: center;">% voted against management recommendation: 4%</p> <p style="text-align: center;">Approve Recapitalization Plan for all Stock to Have One-vote per Share (3/6/21)</p> <p style="text-align: center;">Notes from BlackRock: We believe that one vote per share is in the best interest of long term shareholders</p> <p style="text-align: center;">% votes in which DWS Voted: 100%</p> <p style="text-align: center;">% voted in line with management recommendation: 0%</p> <p style="text-align: center;">% voted against management recommendation: 100%</p> <p>The company is facing severe ESG controversies. DWS GUIDELINES 1.1 Appointment or Reappointment of Directors AGAINST, if one of the following applies: 1.1.1. The candidate is not sufficiently qualified or unsuitable for the position, i.e. due to the following: - There are clear concerns over questionable finances or restatements of accounting figures. - There have been questionable transactions with conflicts of interest. - There have been abuses against minority shareholder interests. More details: https://www.dws.de/das-unternehmen/corporate-governance/</p>	<p style="text-align: center;">BlackRock/iShares - 3 meetings; Board Composition & Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Governance Structure, Remuneration, Climate Risk Management, Operational Sustainability, Human Capital Management, Social Risks and Opportunities</p> <p style="text-align: center;">Baillie Gifford - Environmental / Social</p>
9. Amazon.com Inc.	c. £130k (0.8% of Scheme Assets)	iShares/BlackRock X-Trackers/DWS	<p style="text-align: center;">% votes in which BlackRock Voted: 100%</p> <p style="text-align: center;">% voted in line with management recommendation: 100%</p> <p style="text-align: center;">% voted against management recommendation: 0%</p> <p style="text-align: center;">% votes in which DWS Voted: 100%</p> <p style="text-align: center;">% voted in line with management recommendation: 4%</p> <p style="text-align: center;">% voted against management recommendation: 96%</p> <p>Elect all directors except K Alexander, Ratify auditors, Report on range of ESG issues. Rationale: The company is involved in severe ESG controversies. Amazon. com reportedly failed to respect union rights in several countries, including Germany and the United States. The company allegedly failed to respect the right to just and favorable working conditions in several countries, including Italy, Spain, Austria, Brazil, and the United Kingdom. The firm reportedly failed to pay its fair share of taxes in Luxembourg, to respect consumers' right to privacy in France, and to prevent bribery in China. Amazon. com also allegedly failed to assess its environmental impacts and to respect the freedom of expression in the United States. The company reportedly failed to respect the right to safe and healthy working conditions in several countries, including Guatemala and the Philippines. The firm allegedly failed to prevent forced labor in China and Turkmenistan. Amazon. com reportedly failed to respect consumers' rights in several countries. Furthermore, the company allegedly failed to prevent anti-competitive behavior in several countries.</p>	<p style="text-align: center;">BlackRock/iShares - 3 meetings; Board Composition & Effectiveness, Business Oversight/Risk Management, Governance Structure, Remuneration, Climate Risk Management, Operational Sustainability, Human Capital Management, Social Risks and Opportunities</p>

Voting and Engagement Record (Top Underlying Holdings) - AIS Pension and Life Assurance Scheme - Year to 31 March 2021

Holding	Approx. Exposure	Investment Manager	Significant Voting Record	Engagement Issues
10. Samsung Electronics Co Ltd	c. £125k (0.7% of Scheme Assets)	iShares/BlackRock Vanguard HSBC State Street Global Advisors	<p>% votes in which BlackRock & HSBC Voted: 100%</p> <p>% voted in line with management recommendation: 100%</p> <p>% voted against management recommendation: 0%</p> <p>% votes in which Vanguard Voted: 100%</p> <p>% voted in line with management recommendation: 62%</p> <p>% voted against management recommendation: 38%</p> <p>Voting against election independent directors and against approval of remuneration limit</p> <p>% votes in which SSGA Voted: 100%</p> <p>% voted in line with management recommendation: 62%</p> <p>% voted against management recommendation: 38%</p> <p>Voting against election of variety of directors</p>	<p>BlackRock/iShares - Climate Risk Management, Environmental Impact Management, Operational Sustainability</p> <p>Vanguard - Board composition, oversight of strategy and risk</p>