

IMPLEMENTATION STATEMENT

CIPD Staff Retirement Scheme

The Trustees of the CIPD Staff Retirement 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 3rd September 2020. This statement covers the period 1st October 2020 to 30th September 2021.

A. Voting and Engagement Policy

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

- i. Voting decisions on stocks are delegated to the investment manager of the pooled funds held by the Scheme.
- ii. SEI, the Fund's Fiduciary Manager, or the investment manager of a third party pooled fund, has full discretion for undertaking engagement activities in respect of the investments.
- iii. Where the investment manager is SEI, they have pooled their holdings in their funds with other investors and employed a specialist ESG provider for voting and engagement services.
- iv. SEI will report on voting and engagement activity to the Trustees on a periodic basis together with its adherence to the UK Stewardship Code. The Trustees will consider whether the approach taken was appropriate or whether an alternative approach is necessary.

The Trustees have implemented this policy as described and in particular:

- Have received quarterly reports from SEI regarding voting and engagement and reviewed these formally in the meeting 09 November 2021.
- In light of such reports and otherwise, considered their policy in regard to voting and stewardship and concluded that the current policy is appropriate.

B. Voting Record

All underlying securities in pooled funds that have voting rights are managed by SEI with SEI having the legal right to the underlying votes. SEI in turn use a Specialist ESG Provider as a proxy for voting and provide the Specialist provider with the holdings across all SEI's pooled funds. During the period from 1st October 2020 to 30th September 2021, across the Scheme's holdings¹ SEI voted as follows:

¹ SEI has shown voting data for the relevant quarters the fund was invested in.

Fund Name	Global Managed Volatility	Global Select Equity	Dynamic Asset Allocation	US Small Cap
ISIN	IE00B19H3542	IE00B8FH1426	IE00B5NNKL10	IE0034296800
Number of Votable Meetings	517	524	783	381
Number of Votable Items	5941	9029	14813	3527
% of Items Voted	93%	96%	94%	100%
For	90%	92%	92%	95%
Against	9%	7%	7%	3%
Abstain/ Withheld/ Other	1%	1%	1%	2%
% of votes with management	90%	92%	92%	94%
% of votes against management	10%	8%	8%	6%
Voting Against/Abstain by Category				
Capital Related	7%	4%	6%	1%
Board/Directors/Governance	53%	39%	38%	38%
Remuneration Related	17%	24%	25%	45%
Shareholder Proposals	17%	23%	21%	7%
Other	6%	11%	10%	9%

Fund Name	Pan Euro Small Cap	UK Equity	Global Factor Equity
ISIN	IE0034296248	IE00B3KF4Q98 & IE00B3KF5229	IE00BDD7WJ18
Number of Votable Meetings	249	289	624
Number of Votable Items	3920	4881	9208
% of Items Voted	87%	98%	95%
For	94%	98%	90%
Against	5%	2%	9%
Abstain/ Withheld/ Other	1%	0%	1%
% of votes with management	94%	98%	90%
% of votes against management	6%	2%	10%
Voting Against/Abstain by Category			
Capital Related	12%	0%	15%
Board/Directors/Governance	30%	30%	44%
Remuneration Related	38%	45%	18%
Shareholder Proposals	7%	8%	14%
Other	13%	18%	9%

C. Significant Votes

A highlight of some of the significant votes during the period are shown in the table below. Whilst many votes may have significant impact on the financial or non-financial performance of a company, the ones below have been drawn out as they are part of wider engagement that SEI has been conducting with the particular company and hence reflect the achievement of an engagement milestone.

Company Name	Held in Fund(s)	Theme	Description
Boeing Co	Dynamic Asset Allocation	Governance	Boeing supplied the aircraft for the Lion Air Flight 610 and the Ethiopian Airlines Flight 302, which both fatally crashed in October 2018 and March 2019. The investigations and hearings which followed these crashes have indicated that it was due to poor oversight by many parties including the board, the firm's executives and U.S. Federal Aviation Administration's aircraft certification process. SEI therefore voted Against the re-election of Edmund Giambastiani and Lawrence Kellner who are the longest serving members on the board and were on the audit committee when the planes were being developed and the certification of them. Therefore, they had a significant role in the decisions regarding these planes. This vote is considered high profile as it addresses concerns over passenger safety and helps to hold the board accountable for the fatal consequences of the Boeing crashes. Boeing also has a high ESG risk rating and is part of the Climate Action 100+ initiative.
DuPont de Nemours Inc	Dynamic Asset Allocation	Environmental	Voted For the proposal for a 'Report on Plastic Pollution'. Although DuPont have made commitments to reducing its environmental footprint by plastic pollution e.g. zero discharge of plastics to marine and freshwaters it has not provided much disclosure on how it is going to meet these commitments. Therefore, this report will provide better oversight of this. This vote is considered significant as it addresses important environmental issues and DuPont is part of the United Nations Global Compact as well as having a high ESG risk rating.
General Electric Company	Dynamic Asset Allocation	Governance	Voted Against the proposal on 'Advisory Vote on Executive Compensation'. This vote decision was mainly driven by the CEO's updated inducement award to 9.3 million shares from 5 million and its lower performance goals. Despite this increase being due to the drop in value of the award (pandemic impact to the share value) and a need to retain top executives, SEI believe that this award and its targets misalign long-

			term performance and pay outcomes. This vote is considered significant due to the high executive pay and the impact this has on governance of a high profile company. General Electric Company has a severe risk rating and is part of multiple watch lists including Climate Action 100+ and United Nations Global Compact.
Glencore	UK Equity UK Quantitative Equity Dynamic Asset Allocation	Climate Change	Voted For the 'Advisory Vote on Climate Action Transition Plan'. Glencore's plan which will be updated every 3 years and targets to become net total emissions by 2050. This proposal would encourage the engagement between the company and the shareholders to ensure the company is producing strong reporting on climate related issues. The company have also clarified that the Board would remain responsible for the management and oversight of all risks and opportunities relating to climate change and the vote would not be a way for the Board to defer issues of strategy to shareholders. This vote is deemed high profile due to the nature of Glencore's business, which has a high exposure to ESG issues. Therefore, this vote will help to address its environmental impact on the wider society. Glencore has a high ESG risk rating and is part of Climate Action 100+ and United Nations Global Compact.
Imperial Oil Ltd	Dynamic Asset Allocation	Climate Change	Voted For the 'Shareholder Proposal Regarding Net Zero by 2050 Ambition'. Many companies, particularly energy companies are adopting net zero emission goals to align their operations with the goals of the Paris Agreements. This proposal was flagged as a Climate Action 100+ shareholder proposal and requests an ambition to achieve net zero carbon emissions at or before 2050 on Scope 1 and 2 emissions. Considering the market and regulatory momentum towards cutting carbon emissions this proposal is important since this company is one of Canada's largest integrated oil companies. This vote is deemed high profile due to the nature of Imperial Oil Ltd.'s business, which has a high exposure to ESG issues. Therefore, this vote will help to address its environmental impact on the wider society. Imperial Oil Ltd. has a high ESG risk rating and is part of Climate Action 100+.
Indivior Plc	UK Equity UK Quantitative Equity	Governance	Voted Against the 'Remuneration Report' proposal. In June 2020 the former CEO pleaded guilty for charges related to the marketing of the drug Suboxone. Despite being sentenced to six months in federal prison and a fine of \$100,000 he was treated

			as a 'good leaver' and eligible for his incentive-based pay. Therefore, given his involvement in this marketing scandal SEI cannot support this report on remuneration. This vote is considered significant to hold the CEO accountable for misleading users of Suboxone as well as Indivior Plc having a severe ESG risk rating.
Johnson & Johnson	Global Equity Global Managed Volatility Global Select Factor Allocation Global Equity Dynamic Asset Allocation	Community Relations	Voted For the 'Shareholder Proposal Regarding Racial Impact Audit'. Johnson & Johnson have faced many legal challenges on the safety of its talc-based baby powder where patients alleged it caused cancer. It has also been accused of marketing the product to minority women even after concerns about potential carcinogens in the product were raised. Although the legal battle continues, this report will require a third party audit to assess the racial impact of its policies, products and services. This vote is deemed high profile because of the concerns of product safety and its impact on society. This issue disproportionately impacted women of colour due to the focused marketing therefore the report will help to identify and mitigate potential risks. Johnson & Johnson has a high ESG rating and is part of SEI's United Nations Global Compact watch list.
Phillips 66	Dynamic Asset Allocation	Climate Change	Voted For the 'Shareholder Proposal Regarding Greenhouse Gas Reduction Targets'. The proposal implicitly requests the company to set Scope 1, 2 and 3 emissions reduction targets on its operations and energy products. Although the company has raised that it is working towards setting attainable targets that are tied to projects, SEI believes that they should do more given the regulatory momentum in US which could make Phillips 66 and others in the industry significantly reduce their emission levels. Scope 3 targets can require significant operational changes but for a company that has not set scope 1 or 2 emission reductions it is lagging behind oil and gas industry peers. This vote is deemed high profile due to the nature of Phillips 66 business, which has a high exposure to ESG issues. Therefore, this vote will help to address its environmental impact on the wider society. Phillips 66 has a high ESG risk rating and is part of Climate Action 100+.
Rio Tinto Ltd	Factor Allocation Global Equity	Governance	Voted Against the proposal 'Remuneration Report'. SEI is hesitant to support the remuneration report due to the size of the awards for the former CEO. In May 2020 in Western Australia as part of an iron-ore mine

	Dynamic Asset Allocation		expansion, the company blasted two ancient rock shelters in the Juukan Gorge. This caused permanent damage to an Aboriginal cultural heritage site. Despite knowing the cultural significance of them before blasting, it went ahead and also later admitted they did not advise the traditional owners of other options available, which would not have involved destruction of the shelters. As CEO at the time, they would have had a significant role in this decision and therefore SEI does not support the high Long Term Incentive Plan of the CEO as part of the remuneration report. This vote is deemed high profile as the destruction of the Gorge sparked a public outcry and therefore, it seeks to address poor corporate behaviour by not compensating those responsible. Rio Tinto has a high ESG risk rating and is part of Climate Action 100+.
Santos Ltd	Dynamic Asset Allocation	Climate Change	Voted For 'Shareholder Proposal Regarding Disclosure of Paris-aligned Capital Expenditure and Operations'. As one of the largest oil and gas producers in Australia, additional reporting on how the Company's capital expenditures is consistent with the climate goals of the Paris Agreement would benefit shareholders and provide insight into how the Company manages an important issue and wider climate goals. This vote is deemed high profile due to the nature of Santos Ltd's business, which has a high exposure to ESG issues. Therefore, this vote will help to address its environmental impact on the wider society. Santos Ltd has a high ESG risk rating and is part of Climate Action 100+.
Alibaba	Factor Allocation Global Equity	Governance	Voted Against the proposal 'elect Joseph Tsai Chung'. SEI believes shareholders are best served if the board has basic standards of independence for its board leadership and committees. Chung is executive vice chair of the Company and is a member of the compensation committee. SEI does not believe it is appropriate for an executive to serve on their own company's compensation committee, as they would be in charge of setting their own compensation. Additionally, he also serves as chair of the nominating and corporate governance committee which SEI believes should consist of solely independent directors. Finally, the board has no independent chair or lead director since both roles are held by company insiders. An independent chair is better able to oversee the executives of the company without conflicts. Alibaba has a high ESG risk rating and the company is deemed high profile

			after recent investigations by the Chinese regulatory body overseeing business.
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