

## **Annual Implementation Statement**

### **Napp Pharmaceutical Group Pension Scheme**

#### **Report to 31 December 2020**

##### Introduction

This statement sets out how and the extent to which, in the opinion of the Trustee of the Napp Pharmaceutical Group Pension Scheme ("the Scheme"), the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year to 31 December 2020. This statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2018 and guidance published by the Pensions Regulator.

During the year, The Trustee decided to transfer the DC Section assets to the L&G WorkSave Pension Master Trust ("L&G Master Trust"). Starting from 1 September, new contributions to the DC section of Scheme started to be paid in to the L&G Master Trust, and on 11 November the bulk transfer from the remaining assets was concluded.

##### Investment Objectives of the Scheme

###### Defined Benefit Section ("DB Section")

The Trustee's objective is to invest the Scheme's assets in the best interest of the members and beneficiaries, and in the case of a potential conflict of interest, in the sole interest of the members and beneficiaries.

To guide them in their strategic management of the assets and control of various risks to which the Scheme is exposed, the Trustee (in consultation with the Company) has adopted the following objectives:

- To make sure that obligations to the beneficiaries of the Scheme are met.
- To pay due regard to Napp Pharmaceutical Holdings Limited's interests in the size and incidence of the employer's contribution payments.

###### Defined Contribution Section ("DC Section")

The Trustee's objectives are:

- To provide a range of investment options which seek to provide access to high real long term returns to maximise the benefit received by the member at retirement, and to consolidate investment gains through a more conservative strategy in the run up to retirement.
- To identify a number of investment vehicles which together aim to:
- maximise the value of members' retirement benefits during the bulk of their working lives by targeting equity investments; and

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- protect the value of investment gains as members approach retirement by investing in cash and bonds.
- To allow Members to tailor their investment choices to meet their own needs.
- To avoid over-complexity in the range of investment options in order to control administration costs and facilitate employee understanding.
- To meet these objectives the Trustee has selected a range of passively invested funds for members to select from. Members are advised to seek independent financial advice if they are unsure as to the appropriate investment strategy for their needs.

### Review of the SIP

During the year to 31 December 2020 the Trustee reviewed the Scheme's SIP and a revised SIP was signed in September 2020. The SIP was updated to reflect new requirements under The Occupational Pension Scheme (Investment and Disclosure) (Amendment) Regulations 2019 relating to the following:

- How arrangements with the asset managers incentivise the asset managers to align their investment strategy and decisions with the Trustee's policies in SIP.
- How those arrangements incentivise the asset managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.
- How the method (and time horizon) of the evaluation of asset managers' performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in the SIP.
- How the Trustee monitors portfolio turnover costs incurred by the asset manager and how they define and monitor targeted portfolio turnover or turnover range.
- The duration of arrangements with the asset managers.

### Assessment of how the policies in the SIP have been followed for the year to 31 December 2020

The information provided in the table below summarises the work undertaken by the Trustee during the year (or over a longer term where relevant) and sets out how this work has followed the Trustee's policies in the SIP. The Trustee considers that it has adhered to all of its policies as set out in the SIP over the course of the year.

Due to the transfer of the DC Section assets to the L&G Master Trust, this statement will focus on detailing how the Trustee complied with the SIP requirements during the Scheme period to 10 November 2020.

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 31 December 2020
1	Securing compliance with the legal requirements about choosing investments	<p>Both Sections The Trustee is responsible for how the Scheme's assets are invested. It takes advice from the Investment Consultant in considering its investments.</p> <p>SIP section 2</p>	<p>Both Sections During the year the Trustee reviewed the Scheme's SIP in September 2020. The revision related to the new requirements for the SIP to include the Trustees' policy in relation to their arrangements with their asset managers.</p> <p>The SIP was updated to comply with the new requirements in relation to their arrangements with their asset managers. The new section 9 was added covering – Investment Manager Appointment, Engagement and Monitoring:</p> <ul style="list-style-type: none"> <li>• Aligning manager appointments with investment strategy;</li> <li>• Evaluating investment manager performance;</li> <li>• Portfolio turnover costs;</li> <li>• Manager Turnover.</li> </ul> <p>DB Section The Trustee received written advice from its investment consultant regarding:</p> <ul style="list-style-type: none"> <li>• The updates made to the Statement of Investment Principles during the Scheme Year (see Section 3); and</li> <li>• The suitability of the new investment made during the Scheme Year in the liability-driven investment ("LDI") portfolio.</li> </ul> <p>The Trustee updated the SIP in order to meet regulatory requirements concerning the disclosure of Trustee fiduciary duties, and invested in LDI to further protect the Scheme's funding level volatility against adverse movements in inflation and interest rates.</p> <p>DC Section No changes have been made to fund choices or the default strategies in the last 12 months. The Trustee believe that they remained appropriate and aligned with the SIP.</p>

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<p>2</p>	<p>Kinds of investments to be held</p>	<p>DB Section The Trustee's objective is to invest the Scheme's assets in the best interest of the members and beneficiaries, and in the case of a potential conflict of interest, in the sole interest of the members and beneficiaries.</p> <p>SIP section 3</p> <p>DC Section To provide a range of investment options which seek to provide access to high real long term returns to maximise the benefit received by the member at retirement, and to consolidate investment gains through a more conservative strategy in the run up to retirement.</p> <p>SIP section 3</p>	<p>DB Section The Trustee monitored its investment strategy over the Scheme Year and agreed to restructure its fixed income holdings into an LDI portfolio to better match the Scheme's liabilities. The Trustee intends for these changes to reduce the volatility of the Scheme's funding position, and to help ensure that the Scheme can meet its liabilities when they become due.</p> <p>DC Section The default investment strategy was designed after careful analysis of the membership demographic and other characteristics in order to offer a suitable approach in so far as is practical, to the needs of the Scheme's members. The Trustee carried out regular assessments of the performance of the default investment strategy and its design to ensure it continued to remain appropriate for the membership.</p> <p>The Trustee recognised that the default investment strategy would not meet the needs of all members and as such, alternative investment options were available for members to choose from – including alternative lifestyle and a range of self-select funds.</p> <p>Over the year, the Trustee received investment performance reports on a quarterly basis from Aegon which monitors the investment performance of the funds within the lifestyle strategies and the self-select funds, looking at the funds' performances against their benchmarks over both short and longer-term periods.</p>
<p>3</p>	<p>The balance between different kinds of investments</p>	<p>DB Section The Trustee will consider the allocation of the assets [shown in Section 5.1 of the SIP] from time-to-time and consider rebalancing towards the targets outlined above if there is a material deviation. There is currently a</p>	<p>DB Section As noted above, the Trustee monitored the investment strategy over the Scheme Year, with support from its investment consultant Mercer, and agreed to implement an LDI portfolio to improve hedging against adverse market movements. The Trustee made these changes in view of the Scheme's maturing membership and improved funding position.</p> <p>Following the Scheme year-end the Trustee was able to further de-risking its investment strategy following</p>

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		<p>policy to not set a minimum allocation to growth assets (see Rebalancing and Cashflow Policy in Section 5) as the long term direction for the investment strategy is expected to involved further de-risking over time.</p> <p>SIP sections 5</p> <p>DC Section The Trustee believes, having taken expert advice from Mercer, that it is appropriate to offer a range of passively managed investment funds in order to meet the Members' investment needs and to reduce the risk of an active manager underperforming its benchmark. The nine funds that are currently available are [shown in Section 5.2 of the SIP].</p> <p>SIP section 5</p>	<p>continued positive progress in the funding position.</p> <p>DC Section</p> <p>The Trustee regularly received investment performance reports from Aegon which monitored returns of the investment options that were available within the Scheme.</p>
4	Risks, including the ways in which risks are to be measured and managed	<p>Both Sections</p> <p>There are various risks to which any pension scheme is exposed. The Trustee has considered separately the risks to which each section of the Scheme is exposed, and has</p>	<p>DB Section</p> <p>The Trustee considered both quantitative and qualitative measures periodically throughout the Scheme Year as part of its risk monitoring and management framework. These include quarterly investment performance reports, manager due diligence updates and ESG reviews provided Mercer.</p>

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		<p>formulated the following policies on risk management [a list of risks is included in the SIP].</p> <p>SIP section 4</p>	<p>As noted above, the Trustee agreed to implement an LDI portfolio to improve hedging against adverse market movements.</p> <p>DC Section The Trustee regularly received investment performance reports from Aegon to assess whether the funds offered to members have met their targets.</p> <p>Both Sections The Trustee maintains a risk register which includes investment risks. This enables the Trustee to continue to review and manage the risks which the Scheme faces.</p>
5	Expected return on investments	<p>DB Section The Trustee expects the Defined Benefit Section to generate returns, over the long term, above that which would have been achieved had no investment risk been taken within the portfolio.</p> <p>SIP section 7</p> <p>DC Section The Trustee recognises the risk that the investment return over Members' working lives may not secure an adequate pension. The Trustee has made available a number of equity based strategies which seek to maximise the real value of each Member's investment when the member has</p>	<p>DB Section On a quarterly basis, the Trustee reviews an investment performance report detailing how each investment manager has delivered against their specific objectives. The report includes a red, amber or green rating for each manager, which is based on a number of considerations including changing capabilities (e.g. staff changes), realised return, etc.</p> <p>Over the year to 31 December 2020, the Trustee's total portfolio return was 13.1% p.a. on a net of fees basis. This meant that the Scheme's investment return slightly underperformed the reference benchmark which returned 13.5% over the same period.</p> <p>DC Section Investment performance was reviewed by the Trustee at each scheduled meeting – this included the risk and return characteristics of the default and additional investment fund choices. The Trustee was satisfied that DC Section investment asset classes continued to meet their investment objectives over the period.</p>

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		<p>a long period to retirement.</p> <p>SIP section 4</p>	
6	Realisation of investments	<p>Both Sections</p> <p>The Trustee has delegated the responsibility for buying and selling investments to the investment managers who have undertaken not to exceed the Trustee's investment powers as set out in the trust deed.</p> <p>SIP section 11</p>	<p>DB Section</p> <p>The Trustee continues to have an agreement in place with BlackRock which instructs the manager to rebalance growth assets periodically. The benchmark allocations in place mean that any disinvestment from the growth assets are taken from the most overweight holding.</p> <p>DC Section</p> <p>Member assets were invested in daily dealt and daily priced pooled funds.</p> <p>The Trustee received an administration report on a quarterly basis to monitor whether financial transactions were processed within the service level agreement and regulatory timelines. The service level agreement covered the accuracy and timeliness of all core financial transactions performed by the DC Section's administrator. The Trustee did not identify or raise any material issues during the Scheme Year.</p>

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<p>7</p>	<p>Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments</p>	<p>Both Sections The Trustee believes that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly require explicit consideration.</p> <p>SIP section 8</p>	<p>DB Section The investment performance report is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG) from the investment adviser.</p> <p>The investment performance report includes how each investment manager is delivering against their specific mandates.</p> <p>The Scheme’s SIP includes the Trustee’s policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustee’s beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. During the selection and appointment of any new manager the Trustee would consider the ESG rating of the manager, their policies, and capacity to implement their responsible investment approach.</p> <p>DC Section The investment performance report was reviewed by the Trustee on a regular basis and it was documented. Where managers were not highly rated from an ESG perspective the Trustee continued to monitor them.</p> <p>When implementing a new manager the Trustee would consider the ESG rating of the manager. The Trustee acknowledged that fixed income managers did not have high ESG ratings assigned to them by the Investment Consultant due to the nature of the asset class (it was harder to engage with the issuers of debt).</p>
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<p>8</p>	<p>The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments</p>	<p>Both Sections                  The Trustee will monitor how ESG, climate change and stewardship is integrated within investment processes.                  The Trustee will consider the investment consultant's assessment of how each investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's responsible investment policy.                   SIP section 8</p>	<p>DB Section                  As noted above, the investment performance report is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG) from the investment adviser. Any deterioration in the ESG ratings would be discussed and any action agreed.                   As noted above, the ESG capabilities of any prospective or existing investment managers would form part of the considerations for any selection process or review of the existing arrangements.                   DC Section                  There were no changes during the period to this policy.</p>
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9	<p>The exercise of the rights (including voting rights) attaching to the investments</p>	<p>Both Sections The Trustee can review the decisions made by their managers, including voting history (in respect of equities) and engagement activity, and can challenge such decisions to try to ensure the best long term performance over the medium to long term.</p> <p>SIP section 8</p>	<p>Both Sections All voting activity is delegated to the investment managers. See the Appendix for summary details.</p>
10	<p>Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the trustee would monitor and</p>	<p>Both Sections The Trustee will consider the investment consultant's assessment of how each investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns</p>	<p>Both Sections All engagement activity is delegated to the investment managers. See the Appendix for summary details.</p> <p>DC Section The Trustee delegated their voting rights to the investment managers.</p> <p>The investment managers were expected to provide voting summary reporting on a regular basis, at least annually.</p>

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	engage with relevant persons about relevant matters)	with the Trustee's responsible investment policy. This includes the investment managers' policies on voting and engagement. The Trustee will use this assessment in decisions around selection, retention and realisation of manager appointments. Monitoring is undertaken on a regular basis and is documented.  SIP section 8	Over the period, the Trustee had equity exposure through the following funds: <ul style="list-style-type: none"> <li>• BlackRock Aquila Life (40:60) Global Equity</li> <li>• BlackRock Aquila Life UK Equity Index</li> <li>• BlackRock Aquila Life World (ex-UK) Index</li> <li>• BlackRock Diversified Growth</li> <li>• Standard Life Global Absolute Return Strategies</li> </ul>
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies mentioned in sub-paragraph (b) of the legislation [Parts 2-8 of this Statement]	Both Sections The investment managers are appointed by the Trustee based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.  SIP section 9	<p>DB Section</p> <p>Over the Scheme Year, the Trustee has monitored the ongoing suitability of the appointed investment managers. Any change in assessment by the Trustee's investment advisor for an investment manager's capabilities would be discussed and any action agreed in a timely manner.</p> <p>The Trustee believes that the appointment of its investment manager is consistent with its long-term objectives and no changes were made over the Scheme Year.</p> <p>DC Section</p> <p>As the Trustee invests in exclusively pooled investment funds, it accepted that it cannot specify the risk profile and return targets for these funds.</p> <p>Over this period, the Trustee remained satisfied that the contractual arrangement in place with Aegon remained appropriate.</p>
12	How the arrangement incentivises the asset	Both Sections The investment managers are aware that their continued	Both Sections The investments held within both the DB and SC sections continued to perform satisfactorily against their respective benchmarks over the Scheme Year. As such,

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	<p>manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.</p>	<p>appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then it will look to replace the manager.</p> <p>SIP section 9</p>	<p>no changes were made to the arrangements. The Trustee also balances short term performance against long term performance in these considerations.</p>
<p>13</p>	<p>How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]</p>	<p>Both Sections As the Trustee is a long-term investor, it does not expect to make investment manager changes on a frequent basis.</p> <p>SIP section 9</p>	<p>DB Section The Trustee focusses on longer-term performance metrics when assessing managers e.g. 3 and 5-year rolling periods.</p> <p>The investment manager is remunerated by way of a fee, calculated as a percentage of assets under management.</p> <p>If the Trustee was not satisfied with the performance of any investment manager, this would be discussed and action would be taken where this was deemed appropriate.</p> <p>DC Section The Trustee focused on performance and risk metrics as part of its monitoring of the pooled funds in which the Scheme invested.</p> <p>The investment managers were remunerated by way of a fee calculated as a percentage of assets under management, and did not use short term performance targets. The Trustee benchmarked these fees against similar funds from other managers.</p>

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14	How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<p>DB Section The Trustee receives MiFID II reporting from their investment managers and investment consultant (where applicable) but does not currently analyse such information</p> <p>DC Section In relation to DC assets, the Trustee reports on transaction costs within the Chair's Statement.</p> <p>SIP section 9</p>	<p>DB Section The Trustee does not currently monitor portfolio turnover costs but may look to do this as part of an annual governance review.</p> <p>DC Section The Trustee considered portfolio turnover costs indirectly through consideration of transaction cost data as part of the annual Value for Members Assessment. Though the Trustee did not define target portfolio turnover ranges for funds, it would engage with the managers if the portfolio turnover was higher than expected as a result of the monitoring undertaken.</p>
15	The duration of the arrangement with the asset manager	<p>DB Section For all funds invested in by the Scheme (which are open-ended vehicles), there is no set duration for the manager appointments. The Trustee will retain an investment manager unless there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager; or the manager appointment has been reviewed and the Trustee has decided to terminate.</p> <p>DC Section In relation to DC assets, all the funds are open-ended with</p>	<p>DB Section No new manager appointments or terminations were made over the period. The Trustee is satisfied that the duration of the Scheme's arrangements remain appropriate and it continues to monitor this periodically.</p> <p>As previously noted, an LDI portfolio was introduced during the year utilising one of the Scheme's existing managers.</p> <p>DC Section No changes were made to the arrangements with the investment managers over the Scheme period.</p>

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		<p>no set end date for the arrangement. The Fund Range and Default Strategy are reviewed on a regular basis. A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or general fund range.</p> <p>SIP section 9</p>	
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## APPENDIX

### Voting Activity

Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 31 December 2020 is summarised in the table below.

The Trustee has delegated their voting rights to their investment managers in their capacity as sole manager of the Scheme's voting assets (equities).

Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The Trustee may look to enhance their reporting on voting activity by reviewing an annual voting and engagement report, which will be produced by the Trustee's investment consultant.

Voting results, sourced from BlackRock and AEGON, covering the year to 31 December 2020 are shown below. Percentages may not sum to 100% due to rounding.

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Fund	How many resolutions were you eligible to vote on?	What % of resolutions did you vote on for which you were eligible?	Of the resolutions on which you voted, what % did you vote with management?	Of the resolutions on which you voted, what % did you vote against management?	Of the resolutions on which you voted, what % did you abstain from voting?
BlackRock Aquila Life European Equity Index	8,674	81.37%	87.73%	12.27%	1.25%
BlackRock Aquila Life Japanese Index	6,290	100%	97.97%	2.03%	0%
BlackRock Aquila Life Pacific Rim Equity Index	3,133	99.62%	90.10%	9.90%	0.13%
BlackRock Aquila Life UK Equity Index	15,622	97.12%	94.42%	5.62%	5.33%
BlackRock Aquila Life US Equity Index	7,588	100%	97.50%	2.50%	0.05%
BlackRock Dynamic Diversified Growth	12,609	96.83%	93.52%	5.64%	0.94%
iShares Emerging Markets Index	22,849	97.05%	91.33%	8.67%	8.03%
Aegon BlackRock UK Equity Index	11,035	100.00%	95.19%	4.81%	0.67%
Aegon BlackRock World (ex-UK) Equity Index	26,839	93.21%	93.92%	6.06%	0.34%
Aegon BlackRock Diversified Growth	11,872	95.78%	94.37%	5.63%	0.95%
Aegon Standard Life GARS	3,364	97.89%	87.94%	12.06%	0.12%

Voting statistics cover period 1 January 2020 to 31 December 2020

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### Examples of Significant Votes (DB Section)

Fund	Company	How you voted	Rationale for the voting decision
BlackRock Aquila Life European Equity Index	Euronext NV	Against Management	The vote against approving the remuneration policy for the management board can be explained by a poor use of remuneration committee discretion regarding increases, poorly structured remuneration arrangements and pay that is not aligned with performance.
BlackRock Aquila Life Japanese Index	Fujitsu General Ltd.	Against Management and ISS	The vote against the election of Director Yamaguchi, Hirohisa, was due to affiliated outsiders as the board lacks independence in the face of major blockholders.
BlackRock Aquila Life Pacific Rim Equity Index	Frasers Property Limited	Against Management	The manager was against the vote to issue equity or equity-linked securities with or without pre-emptive rights. The size of this proposed issuance was deemed to exceed typical market standards without a clearly demonstrated need provided by company.
BlackRock Aquila Life UK Equity Index	EVRAZ Plc	Against Management and ISS	Vote against the re-election of Karl Gruber as director for insufficient progress with respect to climate-related reporting.
BlackRock Aquila Life US Equity Index	Bank of America Corporation	With Management and Against ISS	The manager was against an amendment to proxy access right. Shareholders should have the right to place director nominees directly on the ballot under certain conditions. The manager felt that this proposal was drafted in such a fashion that it will mean it will only applicable limited situations.
BlackRock Dynamic Diversified Growth	AptarGroup, Inc.	Against Management and ISS	Vote against electing Director George L. Fotiades for serving on more than two other public company boards in addition to being a CEO, which the manager believes raises substantial concerns about his ability to exercise sufficient oversight on this board.
iShares Emerging Markets Index	Bank Albilad	Against Management and ISS	Vote against authorizing the share repurchase program up to 5,000,000 shares to be allocated to Employee Share Scheme. The manager finds the report lacking in sufficient detail to provide shareholders with a clear understanding of the company's approach to paying its executives. Insufficiently demanding performance hurdle and poor disclosure.

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Significant votes undertaken by BlackRock and Aberdeen Standard Investment (ASI) to the equity holdings for the 12 months to 31 December 2020 (DC Section)

### BlackRock

Company	Resolution	How you voted and the rationale for the voting decision
Royal Dutch Shell PLC	Item 21: Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	<p>Against: The shareholder proposal (Item 21) requested that Shell set and publish targets across Scope 1, 2 and 3, aligned with the Paris Agreement. The proponent argued that Shell's ambition to reduce its net carbon intensity by 50% by 2050 in a growing energy system would not ultimately lead to the level of absolute emissions reduction necessary to achieve the goals of the Paris Agreement. The proponent asked for more "aspirational" targets.</p> <p>Since the submission of the shareholder proposal, Shell has updated its climate commitments to more aggressively reduce its carbon footprint, and to become a "net-zero emissions energy business" by 2050 or sooner.<sup>4</sup> This commitment now includes:</p> <ul style="list-style-type: none"> <li>• Scope 1&amp;2: net zero on all emissions from the manufacture of all products by 2050;</li> <li>• Scope 3: reducing the Net Carbon Footprint of its energy products by around 65% by 2050 (up from a previous target of around 50%), and by around 30% by 2035 (up from a previous target of around 20%), both now consistent with the Paris Agreement goal to limit the average temperature rise to 1.5 degrees Celsius;</li> <li>• A transition towards serving businesses and sectors that by 2050 are also net-zero emissions.</li> </ul> <p>Given the company's progress towards aligning its reporting with TCFD recommendations, which has been one of BIS' key requests of large carbon emitters, and its responsiveness to shareholder engagement on portfolio resilience and reduction of scope 1, 2, and 3 GHG emissions, we are supportive of management for the time being</p> <p>Date of vote: 19 May 2020</p>

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Exxon Mobil Corporation	<p>Item 1.2: Elect Director Angela F. Braly</p> <p>Item 1.4: Elect Director Kenneth C. Frazier</p> <p>Item 4: Require Independent Board Chair</p>	<p>Against Director Angela F. Braly for insufficient progress on TCFD aligned reporting and related action.</p> <p>Against Director Kenneth C. Frazier for insufficient progress on TCFD aligned reporting and related action, and for failure to provide investors with confidence that the board is composed of the appropriate mix of skillsets and can exercise sufficient independence from the management team to effectively guide the company in assessing material risks to the business.</p> <p>For the Independent Chair proposal on account of our belief that the board would benefit from a more robust independent leadership structure given the concerns noted below.</p> <p>Date of vote: 27 May 2020</p>
Barclays PLC	<p>Item 29: Approve Barclays' Commitment to Tackling Climate Change</p> <p>Item 30: Approve ShareAction Requisitioned Resolution</p>	<p>For: Approval of Barclays' Commitment to Tackling Climate Change</p> <p>Against: Approval of ShareAction Requisitioned Resolution</p> <p>The independent fiduciary reported that it took into consideration several factors when voting to support the company's own climate change resolution (Resolution 29) and against the shareholder resolution (Resolution 30). Support for both resolutions would have been problematic as they are both binding. The independent fiduciary determined that, as outlined in Resolution 29, the company sets a clear ambition to become net-zero and align to the goals of the Paris Agreement, addressing shareholders' concerns for the time being.</p> <p>Date of vote: 7 May 2020</p>

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<p>Chevron Corporation</p>	<p>Item 6: Report on Climate Lobbying Aligned with Paris Agreement Goals</p>	<p>For: As greater transparency into the company's approach to political spending and lobbying as aligned with their stated support for the Paris Agreement will help articulate consistency between private and public messaging in the context of managing climate risk and the transition to a lower-carbon economy.</p> <p>Date of vote: 27 May 2020</p>
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Source: BlackRock

ASI

Company	Resolution	How you voted and the rationale for the voting decision
<p>Johnson &amp; Johnson</p>	<p>Prepare Report on Health Care Reform</p>	<p>Against: ASI have had extensive engagement with Johnson and Johnson (JNJ) regarding its governance measures related to opioids over the past year and ahead of the AGM. ASI feels comfortable to vote against, with the caveat that JNJ continues to engage with IOPA (the proponent) as necessary and continues to expand on its existing disclosures.</p> <p>Although ASI strives to push companies for additional disclosure, ASI do not feel that the publication of a separate report would be beneficial at this time. ASI will follow up with the company to ensure that it continues to develop and apply its governance measures across all of its operations.</p> <p>Date of vote: 24 April 2020</p>
<p>Amazon.com, Inc.</p>	<p>Political Lobbying Disclosure</p>	<p>Against: Additional disclosure is warranted to improve transparency and promote alignment between the company's stated positions and its lobbying activities. Current disclosure lacks consolidated information about political expenditure and lobbying activities and omits disaggregated expenditure on trade association memberships.</p> <p>Greater assurance regarding governance and oversight of lobbying activities would also be welcome. The proposed report would facilitate assessment of whether the company's lobbying activities are an effective use of funds, aligned with corporate strategy, shareholder and stakeholder expectations, and a long-term view.</p> <p>Date of vote: 27 May 2020</p>

**Implementation Statement – Napp Pharmaceutical Group Pension Scheme**

<p>Alphabet Inc.</p>	<p>Improve Human Rights Standards or Policies</p>	<p>Against: Multiple former Alphabet/Google employees have recently spoken out about significant concerns with its corporate culture. This includes providing incomplete information about work contributions to controversial products and retaliatory action for raising concerns. The company has also increased its work in controversial projects and product lines, such as drone AI, smart cities and facial recognition, one of which was abandoned only after the company was challenged on it by the US House Judiciary Committee.</p> <p>An assessment of the effectiveness of whistleblower policies and practices would help ensure that concerns are taken seriously at early stages and that potential reputational and regulatory risks are appropriately mitigated.</p> <p>Date of vote: 3 June 2020</p>
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