

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

Sun Chemical Pension Scheme Implementation Statement ('IS')

Overview of this statement

In this Statement the Trustees have sought to set out information describing the management of the Scheme's assets and in particular how the management of the assets has reflected the Trustee's policies as set out in the Statement of Investment Policies (the 'SIP') over the period from 6 April 2020 to 5 April 2021.

In the Trustees' opinion, all aspects of the SIP have been followed.

A copy of this statement will be published on a publically available website.

The Trustees have split this Statement into several sections covering the main aspects of the management of the Scheme over the financial year:

1. Summary of changes to the SIP
2. Implementing policies within the SIP
3. Stewardship, Engagement and Voting Details (Defined Benefit assets)
4. Stewardship, Engagement and Voting Details (Defined Contribution assets)

1. Summary of changes to the SIP

In September 2020 the Trustees made several changes to the SIP which are summarised below. These changes were prompted by new requirements to add detail on the following points but also precipitated a more general review of the SIP. Key new requirements were to include details as to:

- how asset managers are incentivised to align their investment strategy and decisions with the Trustees' investment policies, including in relation to ESG matters
- how asset managers are incentivised 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 the asset managers' performance and the remuneration for asset management services are in line with the Trustees' investment policies
- how the Trustees monitor portfolio turnover costs incurred by asset managers, and how they define and monitor targeted portfolio turnover or turnover range
- the duration of the arrangements with the asset managers
- the methods by which they monitor and engage with investee companies and other stakeholders in relation to their capital structure and the management of conflicts of interest.

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1. Summary of changes to the SIP (continued)

As a result of the new requirements the Trustees took advice from Goldman Sachs Asset Management International ('GSAMI'), their Fiduciary Manager, and consulted with the Sponsor in making the following high level changes to the SIP:

- Added clarifying language to reflect the view that ESG factors, while a part of the selection criteria for managers may not be relevant for some manager types e.g. liquid alternatives and Hedge Funds
- Added an "Alignment of Interests" section covering details such as:
 - how GSAMI as Fiduciary Manager selects managers in a way which ensures (where possible) that investment managers are aligned with the SIP and a focus on medium to long-term performance.
 - how the Trustees expect managers to exercise rights associated with investments to driver better long-term financial and non-financial outcomes
 - the high level approach to manager fee structures and how this is aligned with Trustee interests
 - regular fee reporting and MiFID costs and charges reporting provided by GSAMI to the Trustees
 - the manager performance review process
 - expected manager appointment durations
 - the Trustees desire for GSAM to be cognisant of the turnover of the portfolio and associated costs
- Additional detail on the Trustee's expectation that GSAMI considers, amongst other factors, managers' stewardship and ESG policies relative to the Trustees' and GSAM's policies when reviewing manager performance

The SIP was made publically available at the website below:
<https://www.sunchemical.com/europe-resources/>

2. Implementing policies within the SIP

Overall the Trustees are of the opinion that the policies outlined in the SIP were implemented over the Scheme's year. The table below sets out the key sections of the SIP and actions taken over the period to implement key policies within each section. The Trustees retain responsibility for high level investment decisions with many other decisions delegated to GSAMI as the fiduciary manager.

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Sun Chemical Pension Scheme Implementation Statement ('IS') (continued)

2. Implementing policies within the SIP (continued)

SIP Section	SIP Policy Overview	Notes on Implementation over the year
Investment Strategy	Glidepath	As a result of the ongoing 2020 actuarial valuation and associated covenant review, the glidepath was put on hold in December 2020 until these discussions were concluded. In early January 2021 the next de-risking trigger was met. The Investment Sub-Committee met with the fiduciary manager several times and decided to action the trigger in several steps, reducing the growth portfolio allocation and increasing the level of hedging.
Process For Choosing Investments	Delegate the responsibility for investment decision making to the Fiduciary Manager (in line with the agreed guidelines as specified within the IMA)	GSAMI managed the portfolio within the provided investment guidelines over the period including regular rebalancing across the period at month / quarter ends or when deemed opportunistically appropriate to do so. GSAMI also aligned this rebalancing action to raise cash when needed to pay benefits.
	The Fiduciary Manager shall provide the Trustees with regular reports regarding the appointed investment managers to monitor consistency between the expected and experienced levels of risk and return. The Fiduciary Manager shall report quarterly to the Trustees on any breaches to the range guidelines	GSAMI provided regular reporting and updates to the ISC and the Trustees.
	The Defined Benefit Investment Strategy will be reviewed on (at least) an annual basis to ensure that the Glide Path triggers remain appropriate and amended if required. The Trustees review the investment performance of the Defined Contribution providers on a regular basis and take advice as to the provider's continued suitability.	GSAMI provided an annual review in April 2020 including a journey plan review. Additional strategy discussions were held aligned with the valuation process and the implementation of the de-risking trigger. Aon Solutions Limited ('Aon') carried out a formal review of the arrangements holding the Defined Contribution funds on behalf of the Trustees on 7 October 2020.
Day-to-Day Management of the Assets	The Trustees have delegated the day-to-day management of the Scheme's assets to the Fiduciary Manager, who in turn selects externally and internally managed funds in which to invest the Scheme's assets.	Several manager changes were made over the period including: 1) Change in Emerging Market Debt ('EMD') manager to replace a downgraded manager with a new top rated manager. 2) Change in "trend" strategy manager line up following downgrade of an existing manager 3) Allocation to a "Term Asset Loan Facility" manager to capture a short-lived investment opportunity in asset-backed securities following COVID related volatility and central bank support 4) Change in equity manager to implement a more efficient separate account investment

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2. Implementing policies within the SIP (continued)

SIP Section	SIP Policy Overview	Notes on Implementation over the year
Environmental, Social, Governance, Stewardship and Alignment Considerations	Financially material considerations must be taken into account	In selecting investments and managers on the Trustee's behalf, GSAMI took into account appropriate financially material considerations.
	Selection, retention and realisation of investments has been delegated to GSAMI and GSAMI should consider financially material considerations when selecting investments and managers	Several manager changes were made over the period including: 1) Change in EMD manager to replace a downgraded manager with a new top rated manager. 2) Change in "trend" strategy manager line up following downgrade of an existing manager 3) Allocation to a "Term Asset Loan Facility" manager to capture a short-lived investment opportunity in asset-backed securities following COVID related volatility and central bank support
Rebalancing	Rebalancing ranges have been set within the Growth and Matching portfolios to ensure the Scheme's assets remain invested in a manner which is consistent with Strategic Asset Allocation ('SAA'), and the commensurate guidelines within the Investment Management Agreement ('IMA') (and agreed by the Sponsor). In the event of a funding level trigger being breached, the assets will be rebalanced to bring them in line with the reduced Growth portfolio weight, under the new de-risking band (i.e.: the "Glide Path").	GSAMI regularly rebalanced over the period to remain within guidelines. Additionally, as noted above the Glide Path was temporarily put on hold but ultimately implemented in early 2021 when the next de-risking trigger was met.
Alignment of Interests	GSAM reports regularly to the Trustees setting out portfolio costs and charges at a total portfolio level but also for each individual strategy within the portfolio. GSAM also provides regular reporting which includes turnover costs based on calculation assumptions in line with MiFID costs and charges reporting in relation to allocation changes at the overall portfolio level.	Quarterly fee reporting was provided by GSAMI. GSAMI also provided an Ex-Post Costs and Charges Summary covering the period 1/1/2019 to 31/12/2019.
	Investment managers' performance is regularly reviewed and monitored by GSAM and reported to the Trustee monthly with a process in place to identify investment managers that either have underperformed or are at risk of future underperformance with appropriate action taken by GSAM.	Manager performance was reviewed as part of the regular updates and in line with GSAMI's internal processes. Several manager changes as noted above were made.

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3. Stewardship, Engagement and Voting Details (Defined Benefit assets)

The Trustees recognise the importance of their role as stewards of capital and have therefore adopted a policy of delegating voting decisions to GSAMI and to external investment managers which, where appropriate has been followed.

The Scheme holds a set of diversified exposures across multiple asset classes and through various structures. For the purposes of this section the Scheme's holdings have been split into the following categories in respect of the treatment of voting behaviour:

- **Delegated to manager:** Asset classes such as equities with significant voting responsibilities where this has been delegated to the manager to exercise.
- **Delegated to manager – asset class with limited voting exposure:** An asset class where the manager has ownership of the vote but by its nature the asset class has limited or no voting expected, for example fixed income assets or hedge funds. For the purposes of this report the Trustees have not reported on the limited voting activity in these asset classes but expect GSAMI to take into account engagement policies in respect of managers for these asset classes when selecting managers and assessing performance.
- **N/A – no voting exposure:** Asset classes that by their nature have no voting exposure.

The table below sets out at a high level the asset classes and weights with voting applicability:

Asset Class	Weight	Voting Applicability
Equities	20%	Delegated to manager - voting set out below
Fixed Income	65%	Delegated to manager – limited voting exposure
Alternatives	8%	Delegated to manager – limited voting exposure
Passive exposures with no votes	7%	No voting exposure
Total:	100%	

In order to collate voting data GSAMI contacted the managers in the portfolio to request appropriate voting information. For asset classes other than equities, information is generally less available with many managers noting that voting doesn't apply to their asset class / strategy or noting that they have been awaiting additional clarity on industry standards for collating voting information before building capabilities to provide voting information. The information provided therefore represents the best efforts approach to obtain voting information in respect of equity allocations. The Trustees expect that as the industry aligns on standardised disclosures, more information will be forthcoming.

GSAMI will continue to work with managers to seek to ensure appropriate information is being collated and provided and that as industry standards evolve, managers also evolve the information provided. The ability of a manager to provide more granular data may become part of GSAMI's selection criteria. The Trustees believe that for asset classes where voting is a key aspect of ownership (mainly equities) the Stewardship policy, which substantially delegates voting to individual managers, has been followed as set out in the tables set out below.

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Significant Votes

In the tables below the Trustees set out what they believe to be the most significant votes undertaken by managers on their behalf over the period. The Trustees approach to determining what defines "significant votes" was to rely on each manager's definition. Ten equity managers, one listed real estate manager and one listed infrastructure manager provided this information and so the table below sets out details of votes provided by these managers.

The information is set out in the below tables:

- **Table 1:** Managers where voting is delegated to the manager and underlying assets provide ownership of votes
- **Table 2:** Managers where voting is delegated to the manager but for an asset class with limited voting exposure or no voting exposure
- **Table 3:** Details of significant votes by manager

Where the table sets out "For" / "Against" this indicates that the manager voted for / against the company board's recommendations for each item. Additionally, where managers have provided information noting votes for which they have used proxy voting services, this has also been indicated.

Table 1: Managers where voting is delegated to the manager

Manager	Asset Class	Active / Passive	31 March 2021 Portfolio Weight	Total votes	For	Against	Abstain / Do not vote	Proxy Advisor Used
Mondrian Global Equity	Equity	Active	1.5%	80	74	6	0	80
Walter Scott Global Equity	Equity	Active	1.7%	245	223	16	6	245
SSgA All World Developed Equity Index Life Fund	Equity	Passive	9.0%	33,886	26,094	3,382	4,410	33,886
SSgA Smart Beta Equity	Equity	Passive	2.7%	12,709	9,912	1,123	1,674	12,709
Van Berkomp US Small Cap	Equity	Active	0.7%	164	160	4	0	163
Principal International Small Cap Equity	Equity	Active	0.6%	2,910	2,684	193	33	2,910
Baillie Gifford	Equity	Active	0.0%	295	286	2	7	0
GMS Emerging Markets Equity Fund of Funds	Equity	Active	3.3%	1,301	989	203	109	1,301
DWS Global Infrastructure	Infrastructure	Active	0.5%	492	381	90	21	492
Prudential Global Real Estate	Real Estate	Active	0.5%	992	958	26	8	0

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Table 2: Asset classes where voting is delegated to the manager but for an asset class with limited voting exposure or no voting exposure

Asset Class	Number of Managers	Investment Type	31 Mar 2021 Portfolio Weight
Fixed Income	7	Funds / Derivative Positions	10.6%
Alternatives	9 (with additional managers within fund of funds)	Funds / Fund of Funds	7.9%
Liability Hedging	1	Separate Account	54.2%

Table 3: Details of significant votes

Note, the tables below set out all votes that managers deemed to be significant for those managers who provided this information. In addition, we have provided GSAMI's indication as to which votes the Trustees could deem to be most significant reflecting the Stewardship Policy set out in the SIP which expect the highest standards of governance, promotion of corporate responsibility and discussion of ESG factors.

DWS Global Infrastructure Fund:

The manager cast significant votes for the following companies where the manager voted against or withheld support from a number of directors for either not meeting independence criteria and/or being involved in ESG controversies or considered ESG laggards:

Enbridge Inc.
Crown Castle International Corp.
Waste Connections, Inc.
American Tower Corporation
Consolidated Edison, Inc.
Japan Airport Terminal Co., Ltd.

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Wellington Emerging Markets Equity:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
29/04/2020	Elect Director	Tencent Holdings Ltd.	Against	Committee oversight
26/04/2020	Authority to Issue Shares w/o Preemptive Rights	Tencent Holdings Ltd.	Against	Not in the interests of minority shareholders
06/08/2020	Authority to Issue Shares w/o Preemptive Rights	China Mobile Limited	Against	Enhanced disclosure in the interest of shareholders
20/04/2020	Election of Directors; Election of Board Committee Chairs and Members	Grupo Mexico S.A.	Against	Poor disclosure.
06/09/2020	Authority to Issue Shares w/o Preemptive Rights	Meituan Dianping	Against	Excessive dilution
26/05/2020	Elect Director	Country Garden Services Holdings Company Limited	Against	Over boarded director
11/07/2020	Elect Director	Pinduoduo Inc	Against	Diversity concerns
11/07/2020	Elect Director	Pinduoduo Inc	Against	Over boarded director
11/07/2020	Elect Director	Pinduoduo Inc	Against	Insufficient shareholder protections for virtual-only meeting; Diversity concerns
11/07/2020	Elect Director	Pinduoduo Inc	Against	Insufficient shareholder protections for virtual-only meeting; Diversity concerns

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Baillie Gifford Gobal Alpha Fund:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
23/04/2020	Remuneration - Report	CRH PLC	For	We decided to support at the Remuneration Report due to changes made to executive remuneration which incorporated our feedback. The targets attached to the performance metrics in the long-term incentive plan are now much more stringent.
06/05/2020	Remuneration - Policy	SCHIBSTED ASA	Against	We opposed two resolutions regarding remuneration as we have concerns about the stringency of the policy and its alignment with shareholders.
06/05/2020	Remuneration - Policy	SCHIBSTED ASA	Against	We opposed two resolutions regarding remuneration as we have concerns about the stringency of the policy and its alignment with shareholders.
14/05/2020	Amendment of Share Capital	JUST EAT TAKEAWAY.CO M N.V.	For	We usually oppose authority to issue shares without pre-emption rights at the requested amount but given the current environment, we feel it is the best interests of all stakeholders to provide the Board and Management with greater flexibility to allocate capital.
19/05/2020	Remuneration - Policy	DEUTSCHE BOERSE AG	Against	We opposed the remuneration policy. Within the policy pay can be awarded if net income results are negative and we do not feel this provides sufficient incentive for management or strong alignment with our clients. We will continue to engage with the Board on this issue.
27/05/2020	Shareholder Resolution - Governance	AMAZON.COM, INC.	For	We supported a shareholder proposal to improve the transparency of Amazon's corporate lobbying policies and governance. We believe greater transparency of all political expenditures and lobbying, particularly indirect spending through trade associations, coalitions and charities, would enable shareholders to assess alignment with Amazon's values and corporate goals.
27/05/2020	Shareholder Resolution - Governance	FACEBOOK, INC.	For	We supported a shareholder resolution relating to the introduction of a majority voting standard for directors, as we believe that simple majority voting is best practice for director elections.
26/06/2020	Allocation of Income	SMC CORPORATION	Abstain	We abstained on the low dividend payment as we believe the company's capital strategy is not in the interests of shareholders.

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JOHEMO :

1. Naspers, AGM, August 2020
 - a. Manager voted against seven of forty motions at the Annual General Meeting ('AGM'). These were broadly:
 - i. Voting against the Remuneration Policy (because we feel it is misaligned with our objectives)
 - ii. Voting against the issue of and/or repurchase of (multiple vote) A shares (because of a lack of sufficient detail)
 - iii. Voting against a specific proposal to repurchase N shares (because of a lack of sufficient detail)
 - b. These votes were significant because they were in line with manager's engagement targets for Naspers
 - c. Manager will continue their dialogue with management to seek to achieve our specific aims.
2. SK Telecom, EGM, November 2020
 - a. Manager voted in favour of the proposal, which was to spin off the Mobility Business (mapping and other digital services), with the reason given being to 'enhance business expertise and management efficiency', but also feel that such a step will also begin the restructuring of SK Telecom to unlock the significant unrecognised value the company contains.
 - b. This vote was significant because it supports manager's engagement goals for SK Telecom
 - c. Manager will continue their dialogue with management on both group structure and dividend policy in pursuit of their engagement goals.
3. Samsung Electronics, AGM, March 2021
 - a. Manager voted against the re-election of the three non-executive directors, because of their failure to remove another director from the board of the company following their conviction for corruption in 2017. Improving corporate governance is a key part of the investment case for Samsung Electronics. Although the shareholder return policy has been significantly improved over the last five years, it is vital that the company conforms to the highest standards of governance, which cannot include retaining individuals with criminal convictions for corruption in leadership positions.
 - b. Manager voted for the re-election of the executive directors, as they feel that the ongoing operations of the business are also key to shareholder value, and do not feel that removing the executive leadership is in shareholders' interests at this time.
 - c. This vote was significant because it is against management recommendations and supports manager's investment case for the company.

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Sun Chemical Pension Scheme Implementation Statement ('IS') (continued)

JOHEMO (continued) :

4. BIMAS, AGM, January 2021
 - a. Manager voted in favour of a step change in the shareholder return policy. The plan will return Turkish Lira ('TRL') 2.4bn in cash after a long period of low dividends and steadily accumulating cash as cashflow from operations ran ahead of capital expenditure. Manager felt that the company's attractive valuation on Enterprise Value/Earnings before interest, taxes, depreciation and amortisation ('EV/EBITDA') measures was in part caused by the build-up of cash on the balance sheet, and that an improved shareholder return policy would unlock value in the company, to the benefit of shareholders.
 - b. This vote was significant because it supports manager's investment case for the company.
5. Cemex, AGM, March 2021
 - a. Manager voted against the AGM proposal 'Elect Directors, Chairman and Secretary of Board, Members and Chairmen of Audit, Corporate Practices and Finance, and Sustainability Committees'. Manager voted against this because they feel that aggregating the election of all the directors to both the board and to key board sub-committees under a single agenda item works against the interests of shareholders and should be opposed as a matter of principle.
 - b. Manager feels that Cemex is a generally well-run company but its historically low valuation reflects market concerns regarding corporate governance risk, and that a higher standard of corporate governance at the firm would, in time, improve its valuation and thereby increase shareholder value.
 - c. Manager's decision to vote against management is significant because is against management recommendations and supports our investment case for the company.

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Mondrian Global Equity:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
02/12/2020	Report on Employee Representation on the Board of Directors	Microsoft Corporation	Against	N/A
10/12/2020	Require Independent Board Chair	Cisco Systems, Inc.	Against	N/A
26/01/2021	Amend Principles of Executive Compensation Program	Visa Inc.	Against	N/A
09/03/2021	Approve Remuneration Policy for FY 2021, 2022 and 2023	Naturgy Energy Group SA	Against	A vote AGAINST this item is warranted because the policy maintains the possibility of paying out uncapped one-off bonuses; The new policy allows the board to implement a new long-term incentive plan ('LTIP') before the current lapses in 2022 but does not provide sufficient safeguards that any new LTIP would better meet investor expectations; and the policy terms remain vague such that many policy features policy are left to the board's discretion.
09/03/2021	Advisory Vote on Remuneration Report	Naturgy Energy Group SA	Against	A vote AGAINST this item is warranted because the board does not seem to consider significant dissent to its remuneration practices; and the change in the short term incentive's ('STI') underpin appears to have allowed bonus payout under the net income metric that would have not occurred under company's traditional practice.
16/03/2021	Report on Lobbying Payments and Policy	MAXIMUS, Inc.	Against	A vote FOR this proposal is warranted, as disclosure of the company's direct and indirect lobbying expenditures and decision-making process, along with its public policy priorities and trade association payments, would allow shareholders to better assess the risks and benefits associated with the company's participation in the public policy process.

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Van Berkom Small Cap Fund:

The manager voted "against" for the following companies reflective of responsible engagement:

- i) Blucora Inc., May 20, 2020 – Lack of transparency in the executive search process. Fail to disclose if external candidates were considered.
- ii) Chemed Corp., May 15, 2020 – The company already discloses its policies regarding political contributions on its website and the manager is comfortable with such policies. Furthermore, the shareholder proposal would be very burdensome for the company and could weaken its competitive position against some competitors who would not be bound by the same requirements.
- iii) Houlihan Lokey Inc., September 23, 2020 – Manager is comfortable with the level of compensation and the short term incentive structure. However, given the size and maturity of the Company, manager expects the long term incentive plan to be performance based. Manager believes that the Company should evaluate additional features in the compensation plan to be more in line with ESG best practices.
- iv) Maximus Inc., March 15, 2021 – Manager believes that shareholder proposal regarding lobbying report is likely to undermine and put at risk the company's competitive position and could negatively impact its ability to win new contracts without providing any additional value to shareholders and other stakeholders. The company already has well-established ethical protocols and guidelines around lobbying efforts and political contacts that are actively monitored and reviewed by its board of directors.

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Principal International Small Cap Fund:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
08/05/2020	Approve Remuneration Policy	Buzzi Unicem SpA	Against	Vote AGAINST the approval of their Remuneration Policy and the Second Section of the Remuneration Report given the company does not provide sufficient information on the performance criteria used to determine short-term incentives as well as new long-term incentive plan. The company has also failed to establish a remuneration committee which we believe is highly important. As the plan is cash-based and not linked to the market price of company shares, shareholders are not called to approve it under a separate item. Buzzi Unicem SpA engages in the production and sale of cement, ready-mix concrete and natural aggregates in Europe and NA markets. Currently, Buzzi family controls 44.2% of the company so the manager expects it to be challenging to overturn management proposal, but we are pushing for higher level of transparency and disclosure for minority shareholders.
28/07/2020	Approve Remuneration Report	Wizz Air Holdings Plc	Against	Voted AGAINST the approval of their Remuneration Report. The company has issued a discretionary bonus to be awarded to their CEO, which under the normal remuneration scheme would not have been payable/awarded. It was particularly concerning as manager did not feel it adequately took all employees or stakeholders into consideration in light of the recent announcement of ~1,000 job redundancies and the issuance of GBP 300 million in paper under the UK Government's COVID Corporate Financing Facility while most pilots and flight crews also took a 15% pay cut amid the pandemic.
31/07/2021	Approve Remuneration Report	JD Sports Fashion Plc	Against	Vote AGAINST Remuneration Report: The Executive Chair for JD Sports received a significant increase in the bonus payment follow a strong year. This issue is the lack of disclosure to support the payment made and that at least a portion is cash settled. The group should also focus on basing bonus plans by more than a single year worth of performance and a long term sustainable goal.
31/07/2021	Approve Remuneration Policy	JD Sports Fashion Plc	Against	Voted AGAINST Remuneration Policy: The group raised the percentages of the long term incentive pay potential versus salary. There should be more guidelines on shareholding practices and perhaps a step away from significant portions being paid out in cash.
31/07/2021	Re-election of a Director	JD Sports Fashion Plc	Against	Voted AGAINST Re-Election of a particular Director: That Director is important to JD Sports but separating the Chief Executive and Board Chair is a standard policy. The group needs to better explain this structure and why it remains appropriate.

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Principal International Small Cap Fund (continued):

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
29/09/2021	Approve Allocation of Income and Dividends of EUR 0.52 per Share	alstria office REIT-AG	For	<p>Vote FOR the approval of the Allocation of Income and Dividends of EUR 0.52 per Share and the Increase in the Dividend by Partially Changing the Profit Carried Forward in Accordance with Agenda Item 2 or if Rejected, Approve Investment in Green Projects:</p> <p>Alstria shareholders voted on whether they wanted the dividend to be increased from EUR 0.52/sh to EUR 0.53/sh. If NO, the extra EUR 0.01/sh, would equate to EUR 1.8m of funds to be invested in green projects. Manager voted to increase the dividend after engaging with management on the topic. The issue with the green projects is that they do not have a high enough projected return and through their engagement manager believes that there is better uses for the capital to earn a higher return for shareholders. Also, Alstria has not increased its dividend since 2016, with the payout ratio of sub 30% for the last 3 years, thus the manager believes it was important to increase the dividend for the company to stay competitive with its peers.</p>
25/11/2020	Approve Capital Protection	Beach Energy Limited	Against	<p>Proposal 6b was to require disclosure of the plan to demonstrate how the company will wind up its oil and gas production assets and operations which is their key business line. This was brought forward by an existing minority shareholder who argues that Beach needs to make a case for the demand for its products and how will this fit in with the Paris Climate Accord.</p> <p>Manager voted against this proposal as Beach plans to be part of the solution for providing access to reliable and affordable energy, while focusing on limiting greenhouse gases. Beach is focusing on gas, which they believe will continue to be of importance and play a key role in a low carbon future. Beach uses the International Energy Agency ('IEA') to look at supply and demand as far out as 2040.</p> <p>Beach has set new targets focusing on carbon emission reduction with new 5-year target to reduce emissions by 25% relative to FY18 benchmarked levels by the electrification of the Bauer field, flare management plant, Leak Detection and Repair program as well as other efficiencies. Beach has taken appropriate measures in showing the current and future demands for its gas, commits to disclosure about climate change and will conduct more scenario analysis on an ongoing basis.</p>

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PGIM Real Estate Fund:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
30/04/2020	Elect Director	JBG SMITH Properties	Against	The board is not sufficiently independent.
30/04/2020	Elect Director	JBG SMITH Properties	Against	The board is not sufficiently independent.
30/04/2020	Elect Director	JBG SMITH Properties	Against	The board is not sufficiently independent.
30/04/2020	Elect Director	JBG SMITH Properties	Against	The board is not sufficiently independent.
29/04/2020	2020 Long Term Incentive Plan	Prologis	Against	Non-employee directors are eligible to receive awards under the plan.
29/04/2020	Authority to Depart From Vesting Requirements	Warehousing & Distribution De Pauw	Against	Short vesting period
29/04/2020	Authority to Depart from Severance Package Limits	Warehousing & Distribution De Pauw	Against	Expanded severance benefits
14/05/2020	Approval of the 2020 Performance and Equity Incentive Plan	SBA Communications Corp.	Against	Non-employee directors are eligible to receive awards under the plan.
07/05/2020	Elect Director	American Homes 4 Rent	Against	The board is not sufficiently independent.
07/05/2020	Elect Director	American Homes 4 Rent	Against	The board is not sufficiently independent.
07/05/2020	Elect Director	American Homes 4 Rent	Against	The board is not sufficiently independent.
07/05/2020	Elect Director	American Homes 4 Rent	Against	The board is not sufficiently independent.
19/05/2020	Elect Director	Kilroy Realty Corp.	Against	The company has historically failed to align pay with performance.
19/05/2020	Elect Director	Kilroy Realty Corp.	Against	The company has historically failed to align pay with performance.
19/05/2020	Elect Director	Kilroy Realty Corp.	Against	The company has historically failed to align pay with performance.
19/05/2020	Advisory Vote on Executive Compensation	Kilroy Realty Corp.	Against	NA
20/05/2020	Elect Director	Hudson Pacific Properties Inc	Against	Director has failed to attend at least 75% of the relevant board and committee meetings.

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

Sun Chemical Pension Scheme Implementation Statement ('IS') (continued)

Walter Scott Global Equity Fund :

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
22/07/2020	Authorise Issue of Equity	Experian Plc	Against	Due to potential dilution greater than 10%
22/07/2020	Authorise Issue of Equity without Pre-emptive Rights	Experian Plc	Against	Due to potential dilution greater than 10%
22/07/2020	Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment	Experian Plc	Against	Due to potential dilution greater than 10%
20/11/2020	Approve Supplemental Agreement and Amendments to the Existing Non-Compete Undertaking and Related Transactions	China National Offshore Oil Corporation ('CNOOC') Limited	For	In agreement with management's recommendation. CNOOC wanted to make amendments to a non-compete agreement with their parent company which would allow the parent company to operate oil and gas assets. This was in response to the increasing risk of sanctions from the US. We had a call with CNOOC in which they reassured us that this is merely taking precautions in the event that new sanctions materialise and that minority shareholders would get a vote on any meaningful transfer of assets. We supported this proposal as we were in agreement with management's rationale for the proposed changes and the conditions put in place around any transfer of assets.
04/02/2021	Authorise Issue of Equity	Compass Group Plc	Against	Due to potential dilution greater than 10%
04/02/2021	Authorise Issue of Equity without Pre-emptive Rights	Compass Group Plc	Against	Due to potential dilution greater than 10%
04/02/2021	Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment	Compass Group Plc	Against	Due to potential dilution greater than 10%

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

Sun Chemical Pension Scheme Implementation Statement ('IS') (continued)

SSgA Smart Beta Fund & SSgA All World Equity Fund :

SSgA identifies "significant votes" for the purposes of Shareholder Rights Directive II as follows:

- 1) All votes on environmental related shareholder proposals.
- 2) All votes on compensation proposals where we voted against the company management's recommendation.
- 3) All against votes on the re-election of board members due to poor ESG performance of their companies.
- 4) All against votes on the re-election of board members due to poor compliance with the local corporate governance score of their companies.

As a result of the above criteria paired with the large number of holdings in the Scheme's investments with the manager, the below tables summarize the key categories of the votes identified as "significant":

SSgA Smart Beta Fund :

Category	Abstain	Against	For	Total
Compensation	28	79	-	107
Director Election	-	7	-	7
Shareholder Environmental and Social Proposal	3	23	2	28
Shareholder Environmental Proposal	6	39	13	58
Grand Total	37	148	15	200

SSgA All World Equity Fund :

Row Labels	Abstain	Against	For	Total
Compensation	54	252	-	306
Director Election	-	52	-	52
Shareholder Environmental and Social Proposal	7	31	3	41
Shareholder Environmental Proposal	12	64	20	96
Grand Total	73	399	23	495

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

Sun Chemical Pension Scheme Implementation Statement ('IS') (continued)

4. Stewardship, Engagement and Voting Details (Defined Contribution assets)

The Scheme's Defined Contribution assets are held in policies provided through Prudential Assurance Company Limited ('Prudential') and Utmost Life and Pensions (formerly Equitable Life Assurance Society). The Prudential policies hold both unit-linked and With Profits investments, whereas the Utmost Life and Pensions policies hold only unit-linked funds, following the closure of the Equitable Life With Profits Fund on 1 January 2020.

Assets under management in these policies are modest (£2.2m in total, excluding With Profits terminal bonus). Furthermore, the assets are invested in a relatively large number of underlying funds. The Trustees have therefore taken a proportionate approach to the disclosures on these arrangements and have not obtained specific fund-level information on voting behaviour for this reporting period. For this Statement, the Trustees have provided an overview of voting behaviour at manager level.

The Scheme's Defined Contribution providers are responsible for choosing the funds on their platform but are not directly involved in the day-to-day management of assets. The underlying managers of the Defined Contribution assets are set out in the table below.

Provider / Funds	Underlying fund manager
Prudential	M&G Treasury & Investment Office ('M&G')
Utmost Life & Pensions	Aberdeen Standard Investments ('ASI') JP Morgan Asset Management ('JPM')

M&G voting & engagement policy

M&G uses research provided by the ISS and the Investment Association; and it uses the ProxyEdge platform from the ISS voting platform for managing its proxy activity. M&G provided the following information in relation to determining what constitutes a significant vote: "M&G has determined its own definition of significant votes following internal discussion and consideration of external guidance."

Further details on M&G's voting policy can be found at www.global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mandg-voting-policy.pdf

M&G has adopted the Sustainable Accounting Standards Board ('SASB') framework to structure its research and engagement activity, allowing it to incorporate ESG factors into the investment process for its holdings at all stages. M&G has a question databank of over 600 sector-specific ESG questions, which identify key material risks and themes as identified by both SASB and its own internal experience of the effects of ESG factors on credit and equity positions. This includes 250 climate related questions and incorporates the Transition Pathway Initiative and World Economic Forum Climate Governance guidelines to further build its capability to identify financially material risks on a sector by sector basis. This helps steer M&G's analysts towards asking the right questions of investee companies dependent on their sector and ensures that when there is a potentially material risk, M&G is able to identify and act on it in an efficient way. Engagement cases can then be prioritised allowing its analysts across asset classes to monitor material ESG risks across the capital structure. Previously, M&G only reported on engagement from an equities perspective, but the Corporate Finance and Stewardship team has more recently begun working closely with M&G's Fixed Income teams to understand their engagement activities, participate in ESG-related engagements and help to coordinate engagements across asset classes where appropriate.

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2021

Sun Chemical Pension Scheme Implementation Statement ('IS') (continued)

4. Stewardship, Engagement and Voting Details (Defined Contribution assets) (continued)

ASI voting and engagement policy

ASI makes use of the ISS for proxy voting research and voting recommendations. This is alongside its own analysis from AGMs and other shareholder meetings. ASI seeks to discuss any vote against a resolution with the company before, explaining the reasons for doing so. More detail on ASI specific votes can be found at: www.abrdn.com/en/uk/adviser/responsible-investing/governance-and-active-ownership/voting.

ASI states that it seeks to generate the best long-term outcomes for clients and will actively take steps as stewards and owners to protect and enhance the value of their clients' assets. ASI generally meet representatives of investee companies at least once a year, while also routinely engaging on voting issues. If necessary, ASI will escalate an issue to ensure their views are represented by those with appropriate seniority and experience. During the period covered by this statement, ASI voted in 69,588 of 69,589 unique proposals available to vote and against management in 14% of these.

JPM voting and engagement policy

JPM retains the services of the ISS voting agency to implement its voting policy, and uses research from ISS and Glass Lewis as an input in evaluating how a proxy should be voted. JPM 'tag' certain votes in the ISS system, to allow them to be subject to extra scrutiny. For example, if engagement is ongoing, or if the company has been flagged as an 'ESG outlier', or if an analyst or portfolio manager has requested it be reviewed in more detail.

At a manager level, JPM votes at approximately 8,000 shareholder meetings per year, in over 80 markets worldwide. For key issues or core shareholdings, or where there is ongoing engagement, they endeavour to inform companies when opposing the company's recommendations. In their engagement with the companies they invest in, JPMAM have five main investment stewardship priorities that they believe are most applicable: governance, strategy alignment with the long-term, human capital management, stakeholder engagement and climate risk. More information on Investment Stewardship at JPMAM is available at <https://am.jpmorgan.com/blob-gim/1383664293468/83456/J.P.%20Morgan%20Asset%20Management%20investment%20stewardship%20statement.pdf>.

Employer related investments

The investments of the Scheme are invested in accordance with Section 40 of the Pensions Act 1995. Details of any Employer related investments are disclosed in note 24 to the financial statements.