

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS')

Overview of this statement

In this section of the statement the Trustees have sought to set out information describing the management of the Scheme's defined benefit 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 2021 to 5 April 2022.

In the Trustees' opinion, all aspects of the SIP in relation to the DB section of the Scheme have been followed.

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

The Trustees have split this defined benefit section of the 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

1. Summary of changes to the SIP

For the period 1 April 2021 to 31 March 2022 the Trustees made no changes to the SIP and so the version dated September 2020 was in effect the full period.

The SIP was made publically available at the website below:

<https://www.sunchemical.com/europe-resources/>

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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 which each section. The Trustees retain responsibility for high level investment decisions with many other decisions delegated to GSAMI as the fiduciary manager.

SIP Section	SIP Policy Overview	Notes on Implementation over the year
Investment Strategy	Glidepath	In March 2022 a derisking 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 Investment Strategy will be reviewed on (at least) an annual basis to ensure that the Glide Path triggers remain appropriate and amended if required.	Typically, GSAMI would provide an annual review half-way through the year. However, due to ongoing strategy discussions with the Trustees as well as the ongoing corporate acquisition of Sun Chemical, an annual review was not carried out. Additional strategy and journey plan discussions were held aligned with the implementation of the derisking trigger.
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.	Over the period, the following manager changes were made: <ol style="list-style-type: none"> 1) Removal of two risk premia managers 2) Change in Bank Loans manager to replace a downgraded manager with a higher rated manager

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Engagement Policy Implementation Statement ('EPIS') (continued)

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	Investment changes as mentioned above.
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.
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 are in the process of preparing the Ex-Post Costs and Charges Summary covering the period 1/1/2021 to 31/12/2021.
	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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Engagement Policy Implementation Statement ('EPIS') (continued)

3. Stewardship, Engagement and Voting Details

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	17%	Delegated to manager - voting set out below
Real Assets	1%	Delegated to manager - voting set out below
Fixed Income	69%	Delegated to manager – limited voting exposure
Alternatives	9%	Delegated to manager – limited voting exposure
Passive exposures with no votes	4%	No voting exposure
Total:	100%	

*The weight associated with Fixed Income in the table above includes Liability Matching Assets

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.

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Engagement Policy Implementation Statement ('EPIS') (continued)

Table 1: Managers where voting is delegated to the manager

Manager	Asset Class	Active / Passive	31 March 2022 Portfolio Weight	Total votes	For	Against	Abstain / Do not vote / Proposal Not Votable	One Year ¹	Proxy Advisor Used
Mondrian Global Equity	Equities	Active	1.7%	752	691	36	24	1	752
Walter Scott Global Equity	Equities	Active	1.5%	724	662	62	-	-	724
SSgA All World Developed Equity Index Life Fund ³	Equities	Passive	7.4%	29,038	26,044	2,994	113	-	29,038
SSgA Smart Beta Equity ³	Equities	Passive	1.9%	11,359	10,191	1,168	52	-	11,359
Van Berkom US Small Cap	Equities	Active	1.1%	142	133	2	7	-	142
Principal International Small Cap Equity	Equities	Active	0.5%	3,003	2,656	174	173	-	3,003
US Large Cap Equity ETF ³	Equities	Passive	0.0%	6,649	6,378	271	-	-	6,649
GMS Emerging Markets Equity Fund of Funds ⁴	Equities	Active	2.7%	5,026	4,244	509	273	-	5,026
DWS Global Infrastructure	Real Assets	Active	0.4%	614	577	22	13	2	614
Prudential Global Real Estate	Real Assets	Active	0.4%	528	518	10	-	-	528

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GMS Emerging Markets Funds:	Asset Class	Active / Passive	Total votes	For	Against	Abstain / Do not vote / Proposal Not Votable	Proxy Advisor Used
Wellington Management Company, LLP	Equity	Active	3,252	2,791	297	164	3,252
Axiom Investors	Equity	Active	1,248	999	177	72	1,248
J O Hambro Capital Management Limited	Equity	Active	526	454	35	37	526

¹ Frequency of advisory vote on remuneration, i.e. how often the shareholders have the ability to vote on remuneration

³ Votes of Abstain can be counted both as a vote of abstain but also as a Vote Against Management and hence Vote with management, vote against management and abstain from voting may add up to more than 100%.

⁴Fund of funds with the following underlying managers – Wellington Management Company, LLP ; Axiom Investors ; J O Hambro Capital Management Limited

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%

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Engagement Policy Implementation Statement ('EPIS') (continued)

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:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
25-May-21	Amend Proxy Access Right	NiSource Inc.	For	A vote FOR this proposal is warranted as the proposed elimination of the 20-shareholder aggregation limit would improve the company's existing proxy access right for shareholders.
22-Apr-21	Amend Proxy Access Right	Edison International	For	A vote FOR this proposal is warranted as the proposed elimination of the 20-shareholder aggregation limit would improve the company's existing proxy access right for shareholders.
14-May-21	Amend Proxy Access Right	Sempra Energy	For	
14-May-21	Report on Corporate Climate Lobbying Aligned with Paris Agreement	Sempra Energy	For	This proposal has been voted in light with the CERES Roadmap for Sustainability. A vote FOR this proposal is warranted. The company and its shareholders are likely to benefit from a review of how the company's and its trade associations' lobbying positions align with Paris Agreement, especially in light of the increasing risks to the company related to climate change.
1-Apr-21	Approve Remuneration Policy	SES SA	Against	A vote AGAINST is warranted because- The overall remuneration policy is not in line with best market practice;- The LTI plan partially allows for partial vesting before the third anniversary (1/2 of the option grant vests before the third anniversary);- There is no disclosure on what is measured under the personal objectives under the STI.

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Engagement Policy Implementation Statement ('EPIS') (continued)

Wellington Emerging Markets Equity:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
20/05/2021	Adopt the Share Option Plan of a Subsidiary	Tencent Holdings Ltd.	Against	Poorly structured pay plan
20/05/2021	Authority to Issue Shares w/o Preemptive Rights	Tencent Holdings Ltd.	Against	Not in minority shareholders' interests
20/05/2021	Elect LIN Jingzhen	Bank of China Ltd.	Against	Overboarded director
08/06/2021	Authority to Issue Shares of BYD Electronic w/o Preemptive Rights	BYD Co	Against	Excessive issuance; Issue price discount not disclosed
08/06/2021	Authority to Issue H Shares w/o Preemptive Rights	BYD Co	Against	Excessive issuance; Issue price discount not disclosed

JO Hambro:

Vote Date	Company Name	Vote Instruction and Commentary/ rationale
August 2021	Prosus	Voted against the Remuneration Policy and approving the remuneration report (because the manager feels it is misaligned with our objectives)
April 2021	Suzano	Voted in Favour of Amending Articles to Comply with New Regulations of Novo Mercado of B3 and Consolidate Bylaws. The manager supports their attempts to improve governance
October 2021	SK Telecom	The manager voted in favour of the proposal, which was to spin off the non core assets from the telco operations. The manager feels such a step helps the restructuring of SK Telecom to unlock the significant unrecognised value the manager believes the company contains, whilst improving governance.
March 2022	Samsung Electronics	The manager voted against the re-election of 2 non-executive directors, because of their failure to remove Lee Jae-yong from the board of the company following his 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. The manager voted for the re-election of the executive directors, as we feel that the ongoing operations of the business are also key to shareholder value, and the manager does not feel that removing the executive leadership is in shareholders' interests at this time.
April 2021	Megacable	The names of the director candidates are not disclosed. The company has bundled the election of directors into a single voting item and undisclosed bundled director election proposals disenfranchise shareholders voting by proxy and should be opposed as a matter of principle

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Mondrian Global Equity:

Vote Date	Company Name	Vote Commentary/ rationale
6-Jun-2021	Alphabet	<p>Alphabet is a US based technology company that is comprised of a collection of technology businesses, the largest of which is Google. The company's core products include Google Search, Google Cloud Platform, Android, Maps, Chrome, YouTube, Google Play, and Gmail.</p> <p>In July 2020, Mondrian's Global Equity product initiated a position in Alphabet. Key to the manager's investment thesis was that value would be unlocked as the company continued to improve its corporate governance and aligned management compensation with shareholders. Prior to our initiation, Alphabet had shown some progress in this area, but the manager felt there were still significant room for improvement and decided to vote their proxies accordingly.</p> <p>In lieu of there being a say-on-pay proposal on the 2021 ballot, the manager voted against the re-election of Alphabet's entire compensation committee and against approval of the Omnibus Stock Plan. Whilst the 2021 equity grant showed some improvement, with a portion of the equity being based on three-year total shareholder return performance, Alphabet's executive remuneration policies remain opaque and excessively large. In voting against this proposal, the manager believes it signalled to the board that additional information on the stock plan is required and that more performance-based targets should be included in management compensation.</p> <p>The manager also voted in favour of a shareholder proposal for the board to oversee a 3rd party review analysing the effectiveness of the company's whistle-blower policies and practices in protecting human rights. Following the controversial firing of two members of its AI ethics team, and a number of other issues in recent years, the manager believed voting in favour of this proposal was appropriate. It is generally accepted that whistleblowing mechanisms are a key feature of good governance and reflect a healthy corporate culture; this is especially true for firms as large as Alphabet. Given that there have been a number of reports in the press that the company has retaliated against whistleblowers; the manager believes a 3rd party review would help to ensure the company has robust whistle-blowing policies. In addition, it would also provide the opportunity for Alphabet to generate goodwill with its employee base which should help with employee retention and future hiring in the long run.</p>

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Engagement Policy Implementation Statement ('EPIS') (continued)

Mondrian Global Equity: (continued)

22-Apr-2021	Johnson & Johnson	<p>Johnson & Johnson is the largest, most broad-based healthcare company in the world, with strong global positions in three key segments: consumer health; pharmaceuticals; and medical devices.</p> <p>In April 2021, a non-binding resolution to ratify the pay packages of executive officers, including the CEO, was voted on at the company's annual general meeting. Shareholder votes on pay typically pass with an overwhelming majority. However, this vote was more contentious, given insufficient disclosure in the company's proxy statement regarding very large expenses for opioid and talc-related litigation over the previous two years, as well as the company's exclusion of these costs from its calculations when considering stock awards to its top executives.</p> <p>While adjusted financial results are commonly used in incentive programs, adjustments of this magnitude, their impact on executive compensation, and the compensation committee's rationale all warranted a level of disclosure that was not provided by the company. The issue was particularly concerning given that the adjusted results impacted multiple fiscal years, and the proxy statement disclosure reconciling GAAP results and adjusted financials was limited and did not reflect the impact of excluding the litigation-related expenses.</p> <p>This shareholder pay resolution was not binding, but a significant number of 'no votes' can force management to reconsider executive pay practices. Accordingly, the manager voted against the recommendation of Johnson & Johnson's Board on executive compensation. Ultimately, 57% of investor votes cast backed the healthcare company's executive pay for 2020. However, this was a low level of support for a proposal that most shareholders usually support.</p> <p>Companies typically will engage with shareholders and potentially adopt changes to their pay practices if they receive a significant number of votes against their compensation plans. Johnson & Johnson has so far defended its position, arguing that it was the company's "longstanding and publicly disclosed practice" to exclude certain non-recurring gains and expenses, such as litigation-related items, in the targets and results of its executives. However, other companies facing low say-on-pay support have said that they will change their executive compensation structures. Drug distributor Cardinal Health (CAH), for example, has said that it will engage with shareholders to incorporate their views in its executive compensation plan after a minority of them revolted in November 2020 against an executive pay structure similar to Johnson & Johnson's.</p>
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Engagement Policy Implementation Statement ('EPIS') (continued)

Mondrian Global Equity: (continued)

27-Apr-2021	Wells Fargo	<p>Wells Fargo is the third largest bank in the United States and is primarily focused on the domestic market. It is a full-service bank and offers a wide range of services to both individuals and organisations, including deposit taking and lending, wealth management and wholesale activities such as investment banking.</p> <p>At Wells' 2021 AGM there was a shareholder proposal for the bank to initiate an audit to analyse the adverse impacts of the company on non-white stakeholders, as the bank has faced several recent controversies related to the hiring and treatment of minority employees. The proposal highlighted that the bank had previously settled a number of lawsuits over issues that include discriminatory hiring, predatory lending and discriminatory lending.</p> <p>The proposal was, in the manager's view, reasonable and appropriate - it allowed the bank itself to commission the report, "at reasonable cost", and to omit confidential and proprietary information. The resolution was being suggested in relation to a bank where the emergence of scandals has suggested a lack of ethical behaviour by employees in the past. For example, bankers have created fake accounts, sold unsuitable products, and wrongly fined clients. As a result, the bank has since had to pay significant fines to its regulators, reach financial settlements with wronged customers and as a result has been placed under the close scrutiny of its regulators, including the Federal Reserve. Many of these issues came about as a direct result of poor incentives and a lack of oversight of the various divisions by the bank's central executives. In the light of these practices and the impact on the bank, the manager believed it was in shareholders' interests to identify and deal with any issues around racial injustice. Therefore, the manager voted for the proposal, contrary to the recommendation of both Wells' board and the manager's proxy voting advisor.</p> <p>The manager's vote was ultimately unsuccessful (12.89% voted in favour), but the manager intends to engage on the issue at our next meeting with the bank.</p>
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Engagement Policy Implementation Statement ('EPIS') (continued)

Mondrian Global Equity: (continued)

26-May-2021	Exxon Mobil	<p>ExxonMobil is a US-listed integrated oil and gas company, involved in exploration, production, refining, and petrochemicals across the world.</p> <p>The company operates with a combined CEO and board Chair role. At the company's 2021 annual meeting a shareholder proposal to require an independent board Chair was put forward. The board recommended voting against the proposal, arguing that they should have the flexibility to determine the appropriate leadership structure. Furthermore, they believe that the combined CEO and Chair ensures that the items of greatest importance are brought to the attention of the board on a timely basis, given deep company knowledge and industry experience. In the prior year, the company created the role of "Lead Director", an enhancement of the prior "Presiding Director", with duties to include, among others, engaging with shareholders and approving agendas for board meetings.</p> <p>The manager voted in favour of the shareholder proposal and against both the board's recommendation and the recommendation of the manager's proxy voting advisor. The manager believes an independent board Chair is in the best interest of shareholders. An independent Chair should result in a board of directors that can better represent the interest of shareholders, the owners of the company, to the CEO and management team, who are appointed to run the company. The manager expects the board of directors to provide independent oversight of the CEO and management and this is ineffective if the CEO also chairs the board of directors. The manager does not see company knowledge and industry experience as a barrier to having an independent Chair. A suitable Chair would be aware of the key issues impacting the company and the industry. In any case, it would be incumbent on the CEO to ensure the board was aware of all relevant issues. Many large and complex multi-national companies operate successfully with an independent Chair, including many of ExxonMobil's peers such as Royal Dutch Shell and BP. The creation of the Lead Director role is a positive sign that the company is responding to shareholder feedback and taking steps to improve governance, but this is an untested role and we believe there is merit in continuing to push for an independent chair to whom the CEO reports.</p> <p>In the manager's engagement with the company on this matter, it was stressed by ExxonMobil that the board does not want to have any decision on the board Chair role forced on them and would rather make this decision based on the requirements of the company at the time. Considering this flexibility has never been used in the company's history, across multiple CEO transitions, the manager concludes that on this point things are unlikely to change while the board is chaired by the CEO.</p>
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Engagement Policy Implementation Statement ('EPIS') (continued)

Mondrian Global Equity: (continued)

26-Jun-2021	Kyocera	<p>Kyocera, listed in Japan, is a world leader in advanced ceramics with a diversified portfolio of businesses based around electronic components and equipment. Despite some good, global-leading businesses earning double-digit margins, the company has generated a persistently low Return on Equity (ROE) due to a failure to exit more commoditised business areas and a highly overcapitalized balance sheet. The company cut its dividend unnecessarily in 2020 despite having more than 60% of its market capitalisation in cash and investments which should have offered ample cushion to maintain distributions to shareholders. The manager has engaged regularly with company management at board level to encourage positive changes to corporate governance, capital allocation, and to align management remuneration more closely with shareholders' interests. After some positive changes in 2019 that included a share buyback and adding another independent director, the company has again become too passive. The manager had warned the company that we would not support management without more tangible and meaningful positive changes such as meeting their 8% ROE target and moving to a majority independent board. However, there continues to be a lack of urgency from management in making any progress towards these goals.</p> <p>As a result, the manager voted against re-election of the Chairman, President and CFO at the June 2021 AGM, against the recommendation of management and the manager's proxy voting advisers. The manager explained their rationale to the company who acknowledged their concerns and say they will work to improve both corporate governance and capital allocation. The manager will continue to engage with the company in an effort to help to realise more of the value in Kyocera.</p>
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Engagement Policy Implementation Statement ('EPIS') (continued)

Van Berkom Small Cap Fund:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
20/04/2021	Advisory Vote on Executive Compensation	Blucora Inc	Do not vote	The manager believes incentive compensation needs to align executive actions with shareholder's interest. The current plan rewards management regardless of performance. 1) the peer group used does not include direct and relevant competitors. Those included have much larger market cap which artificially skew the median higher. 2) Performance benchmark is unjustifiably adjusted for two factors: interest rate cuts and tax seasons delay. Both are part of the normal business risks of the Company given interest rate is a major part of the economics and tax seasons varies every year. To add back the negative impact to the EBITDA essentially rewards executives while shareholders take on significant losses. 3) The compensation plan is modified to skew towards time based vs performance based rewards which fundamentally misalign with shareholder interest. Given the above issues raised, VBA is voting against the current compensation plan
20/04/2021	Elect Dissent Nominee	Blucora Inc	Do not vote	The candidate has relevant experience in the wealth management industry that could be additive to the board in order to maximize shareholder value. The candidate also has extensive experience on public company board that could bring best practice to the company board
20/04/2021	Elect Dissent Nominee	Blucora Inc	Do not vote	Although the candidate has ample experience in the industry, there is lack of relevant governance experience vs current members of the board
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Principal International Small Cap Fund:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
21/04/2021	Approve Second Section of the Remuneration Report	BPER Banca SpA	Against	The manager voted AGAINST the remuneration of the CEO. The manager would like to see a higher allocation of pay directly related to key performance indicators and/or total shareholder returns, however this item was voting for a 41% increase in the fixed remuneration of the CEO. Also, only the CEO has variable compensation, while the other directors have a fixed remuneration. Management indicates that there has been significant growth in the company due to M&A of Unipol Banca and UBI branches, however the manager would prefer to tie in additional metrics such as ROE or performance of the bank to better correlate with shareholder returns.
06/01/2021	Approve Auditors' Special Report on Related-Party Transactions	Collectis SA	Against	The manager voted AGAINST. This compromises the independence of a Board Director. If the manager were to vote FOR this, the manager would need to better understand why his consulting is superior to other service providers and how it compares on price. The manager generally would want to see separation between Board Directors and service providers, particularly when they are being paid additional fees for consultation in addition to serving on the Board.
05/11/2021	Approve Remuneration Report	Euronext NV	Against	The manager has AGAINST the approval of remuneration report for Euronext as the board wanted to grant an additional share award to the CEO in connection with the acquisition of Borsa Italiana. This is one off in nature and the manager would like to see additional disclosure regarding key performance indicators or KPIs. The manager would prefer that additional compensation comes in the form of variable compensation tied in with total shareholder return or certain KPI metrics."

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Engagement Policy Implementation Statement ('EPIS') (continued)

Principal International Small Cap Fund: (Continued)

07/01/2021	Re-elect Directors	JD Sports Fashion Plc	Against	<p>The manager voted AGAINST the re-election of the nominated directors</p> <p>One of the nominees serves in the effective role of a combined Board Chair and CEO, which contradicts the provisions of the UK Corporate Governance Code; In addition to being Executive Chair at JD Sports, the nominee serves as board chair of Quiz Plc. They are also chair of a non-listed company, Roxor Group Limited. These are significant external time commitments, and may potentially undermine his effectiveness as the Executive Chair of the Company.</p> <p>The other nominee is a non-independent non-executive director on the Board, and is also Chair of the Remuneration Committee and a member of the Audit Committee. Their membership on the Board has contributed to the composition of the Board and the key Committees failing to comply with the provisions of the UK Code. The remuneration report has consistently registered significant levels of dissent from shareholders since the 2014 AGM, during which time the director has chaired the Remuneration Committee. Given the continued level of dissent, along with ongoing concerns regarding the viability of the remuneration arrangements at the Company, the director's re-election cannot be supported.</p> <p>The AGM vote resulted in the nominee, a tenured, not independent director being voted off by a slight majority. They were head of the remuneration</p>
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SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS') (continued)

Principal International Small Cap Fund: (Continued)

06/30/2021	Approve Compensation and Remuneration Policy of Chairman and CEO and Re-elect Directors	Scor SE	Against	<p>The manager are voting AGAINST management regarding BOD Chairman's pay as their pay is 2.3x the median of the peer group. Economic value added performance is in bottom 50%. In looking at the peer groups, I would argue that Scor's performance has lagged most if not all peers, thus compensation should be at the lower end (below where it is today). The manager would also like to see more visibility, but part of this has to do with the French regulations and driven by the short notice of the CEO's departure, they couldn't draft and deposit to the French Market Authority (AMF) new remuneration policies.</p> <p>The manager also voted AGAINST management on the re-election of two nominated directors, who are both members of the Compensation and Nomination Committee as the manager holds them accountable for 1) the very short notice in appointing the new CEO, and not the external candidate that they brought in and brought the replacement forward by 1 year. Also, the manager believes there needs to be more clarity and visibility in the compensation packages and to hold the CEO more accountable (i.e., lower bonus) due to poor share price performance/disappointing results over the prior periods.</p>
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SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS') (continued)

PGIM Real Estate Fund:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
26/05/2021	Advisory Vote on Executive Compensation	Equinix, Inc.	Against	
30/06/2021	Remuneration Report	Aroundtown S.A	Against	Due to poor disclosure and no link to performance
30/04/2021	Approval of the 2021 Equity Incentive Plan	RLJ Lodging Trust	Against	
12/04/2021	Remuneration Report	Padox AB	Against	
21/04/2021	Authority to Suppress Preemptive Rights (M&A)	NSI N.V.	Against	

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS') (continued)

Walter Scott Global Equity Fund:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
15/04/2021	Re-elect Director	LVMH Moet Hennessy Louis Vuitton	Against	Integrity concerns with regards to role in "Karachi Affair"
15/04/2021	Authorize issuance of equity or equity-linked securities with preemptive rights up to aggregate nominal amount of EUR 20 million.	LVMH Moet Hennessy Louis Vuitton	Against	Due to potential dilution greater than 10%
15/04/2021	Authorize issuance of equity or equity-linked securities without preemptive rights up to aggregate nominal amount of EUR 20 million.	LVMH Moet Hennessy Louis Vuitton	Against	Due to potential dilution greater than 10%
15/04/2021	Authorize Board to increase capital in the event of additional demand related to delegation submitted to shareholder vote above.	LVMH Moet Hennessy Louis Vuitton	Against	Due to potential dilution greater than 10%
15/04/2021	Authorize capital increase of up to EUR 20 million for future exchange offers.	LVMH Moet Hennessy Louis Vuitton	Against	Due to potential dilution greater than 10%
15/04/2021	Set total limit for capital increase to result from issuance requests under items 21-26 at EUR 20 million.	LVMH Moet Hennessy Louis Vuitton	Against	Due to potential dilution greater than 10%

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS') (continued)

Walter Scott Global Equity Fund: (Continued)

20/04/2021	Authorize issuance of equity or equity-linked securities with preemptive rights up a maximum nominal share capital value of EUR 156,764,042.40	L'Oreal SA	Against	Due to potential dilution greater than 10%
06/05/2021	Authorise issue of equity.	Jardine Matheson Holdings	Against	Due to potential dilution greater than 10%
19/05/2021	Increase authorized common stock.	Amphenol	Against	Due to potential dilution greater than 10%
28/05/2021	Authorise issue of equity.	Reckitt Benckiser Group	Against	Due to potential dilution greater than 10%
28/05/2021	Authorise issue of equity without preemptive rights.	Reckitt Benckiser Group	Against	Due to potential dilution greater than 10%
28/05/2021	Authorise issue of equity without preemptive rights in connection with an acquisition or other capital investment.	Reckitt Benckiser Group	Against	Due to potential dilution greater than 10%
21/07/2021	Authorise issue of equity.	Experian	Against	Due to potential dilution greater than 10%
21/07/2021	Authorise issue of equity without preemptive rights.	Experian	Against	Due to potential dilution greater than 10%
21/07/2021	Authorise issue of equity without preemptive rights in connection with an acquisition or other capital investment.	Experian	Against	Due to potential dilution greater than 10%
03/02/2022	Authorise issue of equity.	Compass Group	Against	Due to potential dilution greater than 10%
03/02/2022	Authorise issue of equity without preemptive rights.	Compass Group	Against	Due to potential dilution greater than 10%
03/02/2022	Authorise issue of equity without preemptive rights in connection with an acquisition or other capital investment.	Compass Group	Against	Due to potential dilution greater than 10%

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS') (continued)

Axiom Investors:

Vote Date	Proposal Text	Company Name	Vote Instruction	Vote Commentary/ rationale
17-Sep-21	Elect Director	Alibaba Group Holding Limited	Against	A vote AGAINST non-independent director nominee is warranted for failing to establish a board on which a majority of the directors are independent directors
17-Sep-21	Elect Director	Alibaba Group Holding Limited	Against	A vote AGAINST non-independent director nominee is warranted for failing to establish a board on which a majority of the directors are independent directors and for serving as a non-independent member of certain key board committees.
17-Sep-21	Reelect Director	Motherson Sumi Systems Limited	Against	A vote AGAINST the re-election of the nominee is warranted because:* The board independence norms are not met (based on Sustainability Advisory Services reclassification), and is a non-independent director nominee.* The nominee has failed to attend at least 75% of board meetings in the most recent two fiscal years, without a satisfactory explanation.
23-Nov-21	Adopt Subsidiary Share Option Schemes of WuXi Vaccines (Cayman) Inc. and WuXi XDC Cayman Inc.	Wuxi Biologics (Cayman) Inc.	Against	A vote AGAINST this resolution is warranted given the following reasons:* The relevant subsidiaries of the company could be considered mature companies, and the limit under the proposed schemes exceeds 5 percent of the issued capital of the relevant subsidiaries;* The absence of challenging performance criteria and meaningful vesting periods; and* The directors eligible to receive options under the relevant schemes are involved in the administration.
20-Dec-21	Elect Director	Apollo Hospitals Enterprise Limited	Against	A vote AGAINST this resolution is warranted:* The nominee serves on a total of more than six public company boards, which could potentially compromise her ability to commit sufficient time to her role in the company.
20-Dec-21	Approve Application for Bank Facilities and Provision of Guarantees by the Company and Its Subsidiaries	Ganfeng Lithium Co., Ltd.	Against	A vote AGAINST this resolution is warranted since the company will be taking in a disproportionate amount of risk relative to its ownership stake without compelling justification.
20-Dec-21	Approve Provision of Guarantees to the Controlled Subsidiary	Ganfeng Lithium Co., Ltd.	Against	A vote AGAINST this resolution is warranted given the provision of guarantee would result in the company taking up disproportionate risks and the absence of counter guarantee that will provide the company with reasonable protection against such risks.

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS') (continued)

SSgA Smart Beta Fund & SSgA All World Equity Fund:

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

- All votes on environmental related shareholder proposals.
- All votes on compensation proposals where we voted against the company management's recommendation.
- All against votes on the re-election of board members due to poor ESG performance of their companies.
- 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 summarise the key categories of the votes identified as "significant":

SSgA Smart Beta Fund:

Category	Abstain	Against	For	Total
<i>Compensation</i>	18	106	0	124
<i>Director Election</i>	0	6	0	6
<i>Shareholder Environmental and Social Proposal</i>	2	12	4	18
<i>Shareholder Environmental Proposal</i>	3	62	15	80
Grand Total	23	186	19	228

SSgA All World Equity Fund:

Row Labels	Abstain	Against	For	Total
<i>Compensation</i>	50	242	0	292
<i>Director Election</i>	0	25	0	25
<i>Shareholder Environmental and Social Proposal</i>	2	17	6	25
<i>Shareholder Environmental Proposal</i>	3	73	23	99
Grand Total	55	357	29	441

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS') (continued)

US Large Cap Equity ETF:

Proposal text	For	Against	Withhold	Do Not Vote
<i>Amend Omnibus Stock Plan</i>	1	0	0	0
<i>Approve Recapitalization Plan for all Stock to Have One-vote per Share</i>	0	0	0	0
<i>Elect Director</i>	130	11	3	12
<i>Ratify Auditor</i>	12	0	0	1
<i>Report on Human Rights Due Diligence</i>	0	0	0	0
<i>Report on Lobbying Payments and Policy</i>	2	1	0	1
<i>Advisory Vote to Ratify Named Executive Officers' Compensation</i>	9	2	0	1
<i>Require Independent Board Chairman</i>	0	0	0	0
<i>Approve Qualified Employee Stock Purchase Plan</i>	1	0	0	0
<i>Provide Right to Act by Written Consent</i>	0	2	0	0
<i>Approve 2020 Decarbonisation Plan</i>	1	0	0	0
<i>Report on Access to COVID-19 Products</i>	0	1	0	0
<i>Report on Political Contributions and Expenditures</i>	1	0	0	0
<i>Require Independent Board Chair</i>	0	6	0	1
<i>Adopt Policy on Bonus Banking</i>	0	1	0	0
<i>Report on Civil Rights Audit</i>	1	0	0	0
<i>Report on Government Financial Support and Access to COVID-19 Vaccines and Therapeutics</i>	0	1	0	0
<i>Adopt Policy to Annually Disclose EEO-1 Data</i>	1	0	0	0
<i>Publish Annually a Report Assessing Diversity, Equity, and Inclusion Efforts</i>	1	0	0	0
<i>Report on Greenhouse Gas Emissions Disclosure</i>	1	0	0	0
<i>Lower Ownership Threshold for Action by Written Consent</i>	0	1	0	0
<i>Publish Annually a Report Assessing Diversity and Inclusion Efforts</i>	2	0	0	0

SUN CHEMICAL LIMITED PENSION SCHEME

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2022

Engagement Policy Implementation Statement ('EPIS') (continued)

US Large Cap Equity ETF: (Continue)

<i>Report on Climate-Related Risks and Opportunities</i>	1	0	0	0
<i>Approve Reverse Stock Split</i>	1	0	0	0
<i>Report on Meeting the Criteria of the Net Zero Indicator</i>	1	0	0	0
<i>Require More Director Nominations Than Open Seats</i>	0	1	0	0
<i>Annual Vote and Report on Climate Change</i>	1	0	0	0
<i>Approve Nonqualified Employee Stock Purchase Plan</i>	1	0	0	0
<i>Approve Omnibus Stock Plan</i>	1	0	0	0
<i>Report on EEO</i>	1	0	0	0
<i>Amend Certificate of Incorporation to Become a Public Benefit Corporation</i>	0	1	0	0
<i>Reduce Ownership Threshold for Shareholders to Call Special Meeting</i>	0	2	0	1
<i>Reduce Scope 3 Emissions</i>	1	0	0	0
<i>Report on Impacts of Net Zero 2050 Scenario</i>	0	1	0	0
<i>Issue Audited Report on Financial Impacts of IEA's Net Zero 2050 Scenario</i>	1	0	0	1
<i>Management Nominee</i>	8	0	0	0
<i>Report on Corporate Climate Lobbying Aligned with Paris Agreement</i>	1	0	0	1
<i>Report on Costs and Benefits of Environmental-Related Expenditures</i>	0	1	0	1
<i>Report on Political Contributions</i>	0	1	0	1
<i>Report on Climate Lobbying</i>	0	1	0	0
<i>Assess Environmental Impact of Non-Recyclable Packaging</i>	1	0	0	0

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.