

Rexel UK Pension Scheme

Implementation Statement

Scheme year ended 5 April 2021

This Statement sets out how the Trustee of the Rexel UK Pension Scheme (“the Scheme”) approached the implementation of the environmental, social and governance (“ESG”) policies set out in the Statement of Investment Principles (“SIP”) over the year to 5 April 2021.

At the start of the reporting period, the Defined Benefit (“DB”) section of the Scheme had an investment in the Investec Diversified Growth Fund in addition to the funds considered below. As the Trustee made the strategic decision to disinvest from this Fund shortly after the start of the reporting period (at the end of April 2020), this Fund has not been considered in the subsequent sections of this Statement.

In addition, at the start of the reporting period, the Defined Contribution (“DC”) section of the Scheme also had an investment in the Standard Life Global Absolute Return Strategies Fund. However, prior to the reporting period, the decision was made to transfer the remaining members in this Fund to the Aberdeen Standard Diversified Growth Fund. As such, this Fund has not been considered in the subsequent sections of this Statement.

Summary of how the SIP has been followed over the year

The SIP was reviewed over the year to 31 March 2021. The changes to the SIP were primarily focused on updating the Scheme’s policy on ESG considerations and stewardship, alongside setting out the Scheme’s policy on arrangements with the investment managers. A collateral sufficiency risk policy was also added to the SIP. These changes were made so as to reflect the evolving views of the Trustee, changes to the Scheme’s investment strategy over the period and to comply with regulatory/legislative requirements.

In the Trustee’s opinion, the SIP has been followed over the year in the following ways:

- The investment strategy for the DB section of the Scheme has been set with regard to the Scheme’s investment objectives, taking into account factors including (but not limited to) the level of expected investment return, the level of acceptable risk, the cashflow profile of the Scheme and the selection of appropriate investment managers. The Trustee received an update on the DB investment strategy from their Investment Consultant at the 2020 Development Day.
- The DC section of the Scheme offers a suitable default strategy for members. This was reviewed in March 2020 and appropriate changes are being considered with advice from the Scheme’s Investment Consultant. The DC section also offers a range of self-select fund options which give members a reasonable choice from which to select their own strategy. The self-select range was not reviewed in March 2020 as the vast majority of the DC section members are invested in the default strategy.
- The Trustee monitors the performance of the DB and DC funds quarterly to ensure that the funds are meeting their stated objectives and that the risk/return characteristics of the funds remain appropriate for the Scheme. The Scheme’s Investment Consultant provides quarterly performance reports for the Trustee’s review which consider the ongoing suitability of the funds in which the Scheme invests.
- The creditworthiness of the Employer is monitored on a regular basis through reporting provided by the Scheme’s Actuarial Advisors.
- The Trustee made one new manager appointment within the DB section of the Scheme over the year (Partners Group) and there were no new manager appointments within the DC section.

The Trustee considers the voting and engagement policies set out in the SIP to have been met in the following ways:

- The Scheme invests entirely in pooled funds and, as such, the Trustee delegates responsibility for carrying out voting and engagement activities to the Scheme's investment managers.
- The Trustee undertook a review of the stewardship and engagement activities of the managers at its September 2020 meeting and was satisfied that their policies were reasonable and no remedial action was required at that time. It was noted that the LGIM passive equity funds did not apply an exclusion to manufacturers of controversial weapons, however following the year end, the decision was made to completely disinvest from the LGIM passive equity holdings within the DB section. In addition, the Trustee asked for further advice from their Investment Consultant on incorporating an ESG-focus into the default strategy offered by the DC section of the Scheme.
- Over the year, the Scheme appointed a new manager (Partners Group) to run a private markets mandate on behalf of the Scheme. The Trustee believes that ESG issues could be financially material to the risk-adjusted returns achieved by the Scheme's private markets holding, but recognises that this asset class can comprise a wide range of different underlying assets and that there may be less scope to apply ESG considerations to some of the underlying assets relative to others. The private markets fund in which the Scheme invests (the Partners Fund) is viewed as acceptable by the Scheme's Investment Consultant for its ESG practices and the Trustee is comfortable that the manager is suitable across all criteria considered.
- Annually the Trustee receives and reviews voting information and engagement policies from the investment managers, which they review to ensure alignment with their own policies. This exercise was undertaken in September 2020 and September 2021. In addition, the Trustee now considers ESG issues as a standing item at their quarterly Trustee meetings.

Having reviewed the above, the Trustee is comfortable with how the SIP has been followed over the year and that the actions of the managers are in alignment with the Scheme's voting and engagement policies.

The subsequent sections of this Statement set out the voting behaviour of the managers over the year, including a summary of significant votes and engagement activities.

Voting data

The voting data collated for the Scheme is given over the year to 31 March 2021.

There are no voting rights attached to the BMO LDI funds, the BMO Sterling Liquidity Fund or the credit funds in which the Scheme invests (the Barings Global High Yield Credit Strategies Fund, the BMO Global Absolute Return Bond Fund, the Insight Global ABS Fund and the Janus Henderson Multi-Asset Credit Fund). As such, these funds are not included in the tables below.

Manager	Aberdeen Standard Investments	UBS Asset Management	Columbia Threadneedle Investments	Legal & General Investment Management
Fund name	Diversified Growth Fund	Life UK Equity Tracker Fund	Dynamic Real Return Fund	Consensus Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.			
Number of company meetings the manager was eligible to vote at over the year	403	816	358	11,238
Number of resolutions the manager was eligible to vote on over the year	4,959	11,135	4,659	114,616
Percentage of resolutions voted on (for which the manager was eligible)	96%	100%	99%	>99%
Percentage of resolutions the manager abstained from**	2%	1%	2%	1%
Percentage of resolutions voted <i>with</i> management**†	87%	91%	91%	82%
Percentage of resolutions voted <i>against</i> management**†	13%	9%	6%	18%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	3%	0%	<i>Data not provided**</i>	<1%

* As a percentage of the resolutions on which the investment manager voted.

† Figures may not sum due to rounding.

**Whilst Columbia Threadneedle have not provided this data, they have noted that their final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations.

Source: Information provided by the investment managers.

Manager	Legal & General Investment Management	Legal & General Investment Management	Legal & General Investment Management	Partners Group
Fund name	UK Equity Index Fund (charges included)	World (ex UK) Equity Index Fund (charges included)	World Emerging Markets Equity Index Fund	Partners Fund ^{††}
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.			
Number of company meetings the manager was eligible to vote at over the year	943	3,243	3,998	58
Number of resolutions the manager was eligible to vote on over the year	12,574	37,840	36,036	763
Percentage of resolutions voted on (for which the manager was eligible)	100%	>99%	>99%	99%
Percentage of resolutions the manager abstained from^{††}	<1%	1%	1%	1%
Percentage of resolutions voted <i>with</i> management^{††}	93%	80%	85%	92%
Percentage of resolutions voted <i>against</i> management^{††}	7%	19%	13%	7%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	1%	<1%	<1%	2%

* As a percentage of the resolutions on which the investment manager voted.

† Figures may not sum due to rounding.

†† Note: the voting information for the Partners Fund relates to the year to 31 December 2020 and only to the listed equity components of the portfolio (i.e. the voting information excludes the private equity components).

Source: Information provided by the investment managers.

Manager	UBS Asset Management	UBS Asset Management	UBS Asset Management	UBS Asset Management
Fund name	Life Europe ex-UK Equity Tracker Fund	Life Japan Equity Tracker Fund	Life North America Equity Tracker Fund	Life Pacific ex-Japan Tracker Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.			
Number of company meetings the manager was eligible to vote at over the year	546	518	668	447
Number of resolutions the manager was eligible to vote on over the year	9,335	6,223	8,318	3,141
Percentage of resolutions voted on (for which the manager was eligible)	72%	100%	>99%	>99%
Percentage of resolutions the manager abstained from**	1%	0%	0%	0%
Percentage of resolutions voted <i>with</i> management**†	86%	91%	76%	80%
Percentage of resolutions voted <i>against</i> management**†	13%	9%	24%	20%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	0%	0%	0%	0%

* As a percentage of the resolutions on which the investment manager voted.

† Figures may not sum due to rounding.

Source: Information provided by the investment managers.

Significant votes

The task of defining what a “significant vote” is has been delegated to the investment managers. A sample of significant votes over the year to 5 April 2021 across each of the relevant funds in which the Scheme invests is set out below.

Aberdeen Standard Investments, Diversified Growth Fund

Aberdeen Standard Investments were unwilling to select votes as being significant.

Columbia Threadneedle Investments, Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	Alphabet Inc.	Facebook, Inc.
Date of vote	27 May 2020	3 June 2020	27 May 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	1.61%	1.87%	0.83%
Summary of the resolution	Elect Director Thomas O. Ryder	Elect Director L. John Doerr	Report on median gender/racial pay gap
How the manager voted	Against	Abstain	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	Director is an affiliate serving on a key committee.	Compensation committee chair; concerns around compensation.	Material social risk for business; in shareholders' interests.
Outcome of the vote	Passed	Passed	Failed
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process		
Criteria on which the vote is considered “significant”	Vote against management	Vote against management	Vote against management

Source: Information provided by the investment manager.

Legal & General Investment Management, Consensus Fund

	Vote 1	Vote 2	Vote 3
Company name	Qantas Airways Limited	Whitehaven Coal	International Consolidated Airlines Group
Date of vote	23 October 2020	22 November 2020	7 September 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Summary of the resolution	Resolution 3: Approve participation of Alan Joyce in the long-term incentive plan Resolution 4: Approve the Remuneration Report	Approve capital protection (shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders)	Approve the Remuneration Report
How the manager voted	Resolution 3: Against Resolution 4: For	For	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Given their engagement, LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management
Rationale for the voting decision	See below	See below	See below
Outcome of the vote	Around 90% of shareholders supported resolution 3 and 91% supported resolution 4	Failed	Around 28% of shareholders opposed the Remuneration Report
Implications of the outcome	LGIM will continue their engagement with the company	LGIM will continue to monitor this company	LGIM will continue to engage closely with the renewed board
Criteria on which the vote is considered "significant"	In LGIM's view, it highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package	The vote received media scrutiny and LGIM believe it is emblematic of a growing wave of 'green' shareholder activism	LGIM considers this vote significant as it illustrates the importance for investors of monitoring their investee companies' responses to the COVID crisis

Source: Information provided by the investment manager.

Rationale for Vote 1

LGIM supported resolution 4 given executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP) in light of the pandemic. However, their concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. They voted against resolution 3 to signal their concerns.

Rationale for Vote 2

LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets.

Rationale for Vote 3

LGIM were concerned about the level of bonus payments. They noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020; however, whilst the bonuses were determined at the end of February 2020 and paid in respect of the financial year end to December 2019, LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company and also to reflect the stakeholder experience (employees and shareholders).

Legal & General Investment Management, UK Equity Index Fund (charges included)

	Vote 1	Vote 2	Vote 3
Company name	International Consolidated Airlines Group	Imperial Brands plc	Pearson
Date of vote	7 September 2020	3 February 2021	18 September 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Summary of the resolution	Approve the Remuneration Report	Resolution 2: Approve the Remuneration Report Resolution 3: Approve the Remuneration Policy	Amend the Remuneration Policy
How the manager voted	Against	Resolution 2: Against Resolution 3: Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management		
Rationale for the voting decision	See below	See below	See below
Outcome of the vote	Around 28% of shareholders opposed the Remuneration Report	Around 60% of shareholders supported resolution 2 and 95% supported resolution 3	Around 33% of shareholders opposed the resolution
Implications of the outcome	LGIM will continue to engage closely with the renewed board.	LGIM will continue to engage with companies on remuneration. LGIM annually publishes remuneration guidelines for UK listed companies.	LGIM believe the outcome clearly demonstrates the scale of investor concern with the company's approach. Key governance questions remain which LGIM will address through continuous engagement.
Criteria on which the vote is considered "significant"	LGIM considers this vote significant as it illustrates the importance for investors of monitoring their investee companies' responses to the COVID crisis.	LGIM are concerned over the ratcheting up of executive pay.	Pearson has had strategy difficulties in recent years and is a large and well-known UK company. Given the unusual approach taken by the company and LGIM's outstanding concerns, they deem this vote to be significant.

Source: Information provided by the investment manager.

Rationale for Vote 1

LGIM were concerned about the level of bonus payments. They noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020; however, whilst the bonuses were determined at the end of February 2020 and paid in respect of the financial year end to December 2019, LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company and also to reflect the stakeholder experience (employees and shareholders).

Rationale for Vote 2

The company appointed a new CEO during 2020, who was granted a significantly higher base salary than his predecessor. Further, the company did not apply best practice in relation to post-exit shareholding guidelines as outlined by both LGIM and the Investment Association. LGIM would expect companies to adopt general best practice standards.

Rationale for Vote 3

LGIM took the decision to vote against the amendment to the Remuneration Policy given the absence of any changes to the proposal following engagement with the company.

Legal & General Investment Management, World (ex UK) Equity Index Fund (charges included)

	Vote 1	Vote 2	Vote 3
Company name	Qantas Airways Limited	Whitehaven Coal	Lagardère
Date of vote	23 October 2020	22 November 2020	5 May 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Summary of the resolution	Resolution 3: Approve the participation of Alan Joyce in the long-term incentive plan Resolution 4: Approve the Remuneration Report	Approve capital protection (shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders)	Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB), as well as to remove all but two of the incumbent directors
How the manager voted	Resolution 3: Against Resolution 4: For	For	LGIM voted in favour of five of the Amber-proposed candidates and voted off five of the incumbent directors
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Given their engagement, LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management
Rationale for the voting decision	See below	See below	See below
Outcome of the vote	Around 90% of shareholders supported resolution 3 and 91% supported resolution 4	Failed	Shareholders did not give majority support to Amber's candidates
Implications of the outcome	LGIM will continue their engagement with the company	LGIM will continue to monitor this company	LGIM will continue to engage with the company, as well as to keep the structure of the SB under review.
Criteria on which the vote is considered "significant"	In LGIM's view, it highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package	The vote received media scrutiny and LGIM believe it is emblematic of a growing wave of 'green' shareholder activism	LGIM noted significant media and public interest on this vote given the proposed revocation of the company's board

Source: Information provided by the investment manager.

Rationale for Vote 1

LGIM supported resolution 4 given executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP) in light of the pandemic. However, their concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. They voted against resolution 3 to signal their concerns.

Rationale for Vote 2

LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets.

Rationale for Vote 3

The proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. LGIM's view was that the company strategy had not been value-enhancing and the governance structure of the company was not allowing the SB to challenge management on this.

Legal & General Investment Management, World Emerging Markets Equity Index Fund

Legal & General Investment Management indicated that there were no significant votes with regards to this Fund.

Partners Group, Partners Fund

Vote 1	
Company name	Ferrovial
Date of vote	16 April 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	Around 2%
Summary of the resolution	Remuneration Report (intending to provide shareholders with information and a voice on the implementation of the Remuneration Policy)
How the manager voted	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No
Rationale for the voting decision	Inadequate disclosure of performance targets linked to remuneration, alongside no deferral of annual bonus to management and sizeable equity rewards to controlling shareholder/executive chair
Outcome of the vote	In favour of management
Implications of the outcome	The proportion of votes for this proposal increased from 24% in 2019 to 35% in 2020. Management have already made a few improvements to the Remuneration Plan, but Partners view these as insufficient. Partners will continue to vote against this proposal until they believe there is a reasonable Remuneration Policy in place.
Criteria on which the vote is considered "significant"	The size of the holding in the Fund

Source: Information provided by the investment manager.

UBS Asset Management, Life Europe ex-UK Equity Tracker Fund

	Vote 1	Vote 2	Vote 3
Company name	Wolters Kluwer NV	Lanxess	Fortum Oyj
Date of vote	23 April 2020	27 August 2020	23 April 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Summary of the resolution	Approve the Remuneration Policy for Management Board	Approve the discharge of five Supervisory Board (SB) members	Include Paris Agreement 1.5-degree Celsius target in Articles of Association
How the manager voted	Against management	Against management	Against management
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	Yes	Yes
Rationale for the voting decision	The company had not provided disclosure on actual performance relative to targets	The SB backtracked on its decision to put forward a vote on the Remuneration Policy	LGIM are supportive of companies aligning their targets to the 1.5 degree scenario
Outcome of the vote	Passed	Passed	Failed
Implications of the outcome	LGIM have engaged with the company in regards to their remuneration and provided feedback. They will monitor progress ahead of the 2021 Annual General Meeting.	LGIM did not consider the delay in the publication of German Corporate Governance Codex to be an acceptable explanation for backtracking on the vote, given the company had adequate time to address any outstanding issues. LGIM are continuing to monitor this issue.	LGIM have continued their engagement with the company, both directly and through investor collaboration. They have made a presentation to the Board in regards to climate strategy.
Criteria on which the vote is considered "significant"	Proportion of votes against	Relevance of voting action following engagement	Relevance of voting action following engagement

Source: Information provided by the investment manager.

UBS Asset Management, Life Japan Equity Tracker Fund

	Vote 1	Vote 2	Vote 3
Company name	Japan Aviation Electronics Industry, Ltd.	Nippon Television Holdings, Inc.	Nissan Shatai Co., Ltd.
Date of vote	19 June 2020	26 June 2020	24 June 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Summary of the resolution	Elect Director Onohara, Tsutomu	Elect Director Okubo, Yoshio	Elect Director Yoshimura, Haruhiko
How the manager voted	Against management	Against management	Against management
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	UBS will not support the election of the Chair of the Nomination Committee where there are no female directors on the board		
Outcome of the vote	Passed	Passed	Passed
Implications of the outcome	UBS continue to monitor board appointments and will not support the election of board members should no female directors be appointed to the board		
Criteria on which the vote is considered "significant"	Aggregate percentage of votes against management exceeded 25% of votes cast		

Source: Information provided by the investment manager.

UBS Asset Management, Life North America Equity Tracker Fund

	Vote 1	Vote 2	Vote 3
Company name	Exxon Mobil Corporation	Facebook, Inc.	Facebook, Inc.
Date of vote	27 May 2020	27 May 2020	27 May 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Summary of the resolution	Elect Director Darren W. Woods	Elect Director Peggy Alford	Elect Director Andrew W Houston
How the manager voted	Against management	Against management	Against management
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	The company has not shown sufficient progress against UBS's defined climate related engagement objectives since the start of dialogue in 2018	Nominee is considered to be affiliated to Mr Zuckerberg and UBS believe there is insufficient independent counterbalance to the Chair/CEO on the Board	Nominee is considered to be affiliated to Mr Zuckerberg and UBS believe there is insufficient independent counterbalance to the Chair/CEO on the Board
Outcome of the vote	Passed	Passed	Passed
Implications of the outcome	UBS continue to engage with the company in regards to their climate related strategy, as part of their collaboration with other investors	UBS will be seeking to engage with the company to understand the strategy for board development	UBS will be seeking to engage with the company to understand the strategy for board development
Criteria on which the vote is considered "significant"	Relevance of voting action following engagement progress	Progress of company action	Progress of company action

Source: Information provided by the investment manager.

UBS Asset Management, Life Pacific ex-Japan Tracker Fund

	Vote 1	Vote 2	Vote 3
Company name	AMP Ltd.	Korea Electric Power Corp.	Korea Electric Power Corp.
Date of vote	08 May 2020	14 September 2020	09 November 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Summary of the resolution	Approve the Remuneration Report	Elect 3 inside directors	Elect Choi Young-ho as a member of the Audit Committee
How the manager voted	Against management	Against management	Against management
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Yes
Rationale for the voting decision	Executive pay granted/vested during the year was not aligned with performance	UBS are concerned by the company's approach to managing its climate risk	UBS will not support the election of any executive director being elected to serve on the Audit Committee
Outcome of the vote	Failed	Passed	Passed
Implications of the outcome	The company has committed to look again at shareholders concerns that led to a majority vote against the Remuneration Report and UBS will monitor this ahead of the 2021 Annual General Meeting	UBS continued their engagement with the company and subsequently elected to also withhold support for the election of an executive director in November 2020	UBS continued their engagement with the company and further voting actions will be taken in 2021 if UBS do not see progress to be made in regards to the company's climate change strategy
Criteria on which the vote is considered "significant"	Aggregate percentage of votes against management exceeded 25% of votes cast	Relevance of voting action following engagement progress	Relevance of voting action following engagement progress

Source: Information provided by the investment manager.

UBS Asset Management, Life UK Equity Tracker Fund

	Vote 1	Vote 2	Vote 3
Company name	Capital & Counties Properties Plc	Tesco Plc	Pearson Plc
Date of vote	1 May 2020	26 June 2020	24 April 2020
Approximate size of Fund's holding as at the date of the vote (as % of portfolio)	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Summary of the resolution	Approve the Remuneration Report	Approve the Remuneration Report	Re-elect Michael Lynton as Director
How the manager voted	Against management	Against management	Against management
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	Yes	No
Rationale for the voting decision	Accelerated vesting of outstanding awards is contrary to the alignment between executive pay and shareholder long-term interests	UBS do not support retrospective amendments of the vesting conditions of executive incentive plans	The nominee holds a significant number of positions on the boards of listed companies, raising concerns over their ability to commit sufficient time to the role
Outcome of the vote	Failed	Failed	Passed
Implications of the outcome	The company has committed to engaging with shareholders and are considering next steps in regards to 2020 remuneration	UBS are continuing to engage with the company in regards to planned changes to their remuneration scheme, in particular due to new board appointments	Mr Lynton's commitments are being reviewed during the course of the year and he has agreed to step down at the 2021 Annual General Meeting if his commitments are unchanged.
Criteria on which the vote is considered "significant"	Aggregate percentage of votes against management exceeded 25% of votes cast		

Source: Information provided by the investment manager.

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustee. The tables below provide a summary of the engagement activities undertaken by each of the relevant managers during the year to 31 March 2021.

Manager	Aberdeen Standard Investments	Barings Asset Management	BMO Global Asset Management	BMO Global Asset Management
Fund name	Diversified Growth Fund	Global High Yield Credit Strategies Fund	Global Absolute Return Bond Fund	LDI funds
Does the manager perform engagement on behalf of the holdings of the Fund?	<i>Data not provided</i>	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	<i>Data not provided</i>	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in the Fund in the year	<i>Data not provided</i>	<i>Data not provided</i>	At least 350	34 over the first half of 2020 40 over the second half of 2020*
Number of engagements undertaken at a firm level in the year	2,271	<i>Data not provided</i>	1,181 over the first half of 2020 1,081 over the second half of 2020	1,181 over the first half of 2020 1,081 over the second half of 2020
Example engagement undertaken within the Fund	Engaged with HSBC on its approach to climate change	Engaged with a jewellery retailer in relation to corporate governance issues surrounding a dividend payment	Engaged with AbbVie Inc. on the issue of access to medicine	Engaged with HSBC Holdings PLC on their environmental and climate risk management practices for their lending portfolio in the past

* These figures cover all LDI funds provided by BMO.

Manager	Columbia Threadneedle Investments	Insight Investment	Janus Henderson Global Investors	Legal & General Investment Management
Fund name	Dynamic Real Return Fund	Global ABS Fund	Multi Asset Credit Fund	All
Does the manager perform engagement on behalf of the holdings of the Fund?	Yes	Yes	Yes	<i>Data not provided</i>
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in the Fund in the year	46	221	At least 106	<i>Data not provided</i>
Number of engagements undertaken at a firm level in the year	1,134	At least 1,218	At least 776 over 2020	974
Example engagement undertaken within the Fund	Engaged with Rio Tinto on the destruction of Juukan Gorge in Australia	Engaged with RMBS La Trobe on providing information on environmental metrics and stress tests, alongside incorporating climate change factors into their origination process	Engaged with Archroma on issues relating to sustainability	Engaged with Amazon on worker representation*

* This is a firm-level engagement as fund-specific engagement data were not available.

Manager	Partners Group	UBS Asset Management	UBS Asset Management	UBS Asset Management
Fund name	Partners Fund	Life Europe ex-UK Equity Tracker Fund	Life Japan Equity Tracker Fund	Life North America Equity Tracker Fund
Does the manager perform engagement on behalf of the holdings of the Fund?	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in the Fund in the year	<i>Data not provided</i>	57	11	85
Number of engagements undertaken at a firm level in the year	<i>Data not provided</i>	At least 396	At least 396	At least 396
Example engagement undertaken within the Fund	Engaged with Fermaca on the improvement of health and safety performance, management of climate-related impacts and strengthening of internal policies	Engaged with ENI, focusing on a range of environment issues including the company's decarbonization strategy	Engaged with Takeda on their 'Access to Medicine' strategy	Engaged with GoDaddy following concerns on executive pay and governance

Manager	UBS Asset Management	UBS Asset Management
Fund name	Life Pacific ex-Japan Tracker Fund	Life UK Equity Tracker Fund
Does the manager perform engagement on behalf of the holdings of the Fund?	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes
Number of engagements undertaken on behalf of the holdings in the Fund in the year	16	At least 9
Number of engagements undertaken at a firm level in the year	At least 396	At least 396
Example engagement undertaken within the Fund	Engaged with Rio Tinto on the destruction of Juukan Gorge in Australia	Engaged with Glencore on issues relating to gender diversity on the Board

Source: Information provided by the investment managers.

Summary

Based on the information received, the Trustee believes that the managers have acted in accordance with the Scheme's ESG and stewardship policies. The Trustee is supportive of the key voting action taken by the applicable managers over the period to encourage positive governance changes in the companies in which they hold shares.

The Trustee and their Investment Consultant are working with the managers to provide additional information in the future, including where indicated above, in order to enhance their ability to assess the managers' actions.

Approved by the Trustee of the Rexel UK Pension Scheme

September 2021