

Annual Implementation Statement

Scheme year ending 30 September 2021

1. Introduction and purpose of this Statement

This document is the Annual Implementation Statement ("the Statement") prepared by the Trustee covering the Scheme year to 30 September 2021. The purpose of this Statement is to:

- detail any reviews of the Statement of Investment Principles ('SIP'), required under section 35 of the Pensions Act 1995, that the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review
- set out the extent to which, in the opinion of the Trustee, the Scheme's SIP has been followed during the year
- describe the voting behaviour by, or on behalf of, the Trustee over the year
- set out the extent to which, in the opinion of the Trustee, the engagement policy within the SIP has been followed during the year.

A copy of this Statement will be made available on the following website:
www.cityandguildsgroup.com/group-policies

2. Review of and changes to the SIP

Review of the SIP and changes made during the Scheme year

During the Scheme year the Trustee reviewed the Scheme's investment strategy and journey plan to consider the impact of additional de-risking as part of the discussions surrounding the 2020 triennial actuarial valuation.

In February 2021, the Trustee agreed to a number of changes to the Scheme's investment arrangements including agreeing a long-term objective to be fully funded on gilts + 0.8% p.a. and further de-risking the Scheme's investment strategy. Following agreement of these changes, the SIP was reviewed and subsequently updated during the Scheme year. This included updates to the strategic benchmark and to the expected return assumptions used in developing the new strategy. Having agreed a new strategy, the dynamic de-risking framework that was previously in operation was no longer appropriate, and 2(i)5(ou)4(s)

Capital risk is managed by providing an investment option which offers a degree of capital protection. A cash deposit fund is an example of such an option.

Pension conversion risk is managed by providing an investment option which generally reflects changes in long term interest rates in the belief that the cost of many annuities in the

The Trustee was satisfied that all investment options were performing in line with the agreed objectives and as such, no changes were made to the investments over period.

The Trustee is aware of the requirement to take professional advice when setting and reviewing investment strategy.

The Trustee has appointed Willis Towers Watson (WTW) to provide such advice. In accordance with this engagement, WTW provides a triennial strategy review which includes recommendations in relation to the default, additional lifestyle and wider fund range.

WTW also discusses the quarterly investment performance of the DC Section and highlights any particular cases where the funds have not performed in line with their agreed objectives. During the reporting period the Trustee established investment advisor objectives. The Trustee is currently considering how best to monitor the Scheme's advisors against these objectives.

Asset Class	Actual % of total assets	Target	Ranges % of total assets	Performance benchmark index
Total Return Seeking	44.7	44.5	35.0– 55.5	

0.85 0.5 – 2.0

0.85 0.5 – 2.0

Total Liability Hedging	55.3	55.5	45.0 – 65.0	
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n/a

52%

Turnover only occurs when cash is committed or disinvested or when the hedge ratio is adjusted. The hedge ratio was increased, and cash was committed during the year.

	Number of resolutions eligible to vote on	Proportion eligible votes voted	Of resolutions voted :*		
			For	Against	Abstained

Significant votes cast	Coverage in portfolio
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multiple (5)

Item 1: Individual elections of members of the Board of Directors recommended by the Nominating Committee and Board of Directors (featuring contested elections by minority shareholders)

Item 2: Election of the Chairman and Vice-Chairman of the Board of Directors

Item 3: Election of members of the Fiscal Council

Item 4: Establishment of the overall annual compensation of the

Hedged) Index	· 24% of votes were against management · 2% were abstained	to voting thousands of meetings a
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		research and other internal and external research considerations.			
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Av HSBC Islamic Global Equity Index	1,548 (93% of eligible votes) On the resolutions voted on: · 10% of votes were against management · 0% were abstained	Aviva uses the voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their own bespoke voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines.	Alphabet Inc. – voted for the resolution on Takedown Requests.	
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	· 21% of votes were against management · <1% were abstained	year. Aviva Investors can override these recommendations to consider other factors including additional context provided in the ISS standard research and other internal and external research considerations.	Sumitomo Corporation
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