IMPLEMENTATION STATEMENT

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Defined Contribution (DC) Section

Overall investment objectives

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How does the Trustee meet its investment obligations?

$$\label{eq:theorem of the conditions} \begin{split} &\text{Th}^{\hat{A}}\text{V}|^* \cdot \text{C}^{\hat{A}}\text{V}|^* \cdot \text{C}^{\hat{$$

investment platform.

Setting investment strategy

As described above, the Trustee { | { æ| Â/çã}, •Á@Á)&@{ ^qÁ, ç^• a ^} oÁ dæ** Â/} ÁæA oÁ a three-yearly basis.

The current investment strategy was set in September 2018. The Trustee engaged their DC $\overset{a}{a}$ $\overset{a}{a}$ $\overset{A}{b}$ $\overset{A}{a}$ $\overset{A}{b}$ $\overset{A}{b$

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The Trustee regularly monitors the performa} &^Á; Á@Á; ç^• d ^} ó[] di[} • Áæ) åÁ@ÁÙ&@{ ^q Á investment managers.

Over the reporting period, the Trustee considered the performance of the fund range at each of the quarterly Trustee meetings. In doing this, the Trustee discussed the market context alongside assessing how closely each of the funds had tracked their respective benchmarks as set out on page 23 of the SIP which can be accessed www.cityandguildsgroup.com/group-policies

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.

Professional advice

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Defined Benefit Section

Governance

The Trustee is responsible for investment matters related to the Defined Benefit Section of the Scheme. Four Trustee meetings were held over the year. The main investment focus of the Trustee over the course of 2022 was reviewing the \dot{U} $^{\circ}$ $^{\circ}$

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The equities and LDI funds are managed passively by BlackRock. The diversification funds allocation is split between the Towers Watson Partners Fund, which is managed by Towers Watson Investment Management and the Fulcrum Diversified Absolute Return Fund. The UK

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Currency risk is managed by hedging a proportion of the $U\&@\{ \land q A \not \in] [\bullet^* \mid \land A \not \in] [\bullet^* \mid A$

Political risk is managed by having a well-diversified investment portfolio, and the change in investment strategy did not materially impact the diversification of the portfolio.

Investment performance monitoring

The Trustee receives a six-monthly monitoring report to 31 March and 30 September from Willis Towers Watson as well as receiving quarterly reports from the investment managers.

The BlackRock equity investments performed in line with expectations, delivering returns within an acceptable deviation of the underlying benchmark index. The LDI portfolio, also managed by BlackRock, helped to mitigate the impact of changes to interest rates and inflation expectations, as it is designed to do. However, the management of this portfolio was impacted by the extreme market stress at the end of September and early October 2022, which meant the portfolio provided less protection than usual.

The UK property investments have performed reasonably well over the long-term, delivering positive absolute returns, however, these funds have marginally underperformed their benchmarks over a 1-, 3- and 5- year time horizon.

The Towers Watson Partners Fund significantly underperformed its CPI benchmark over 1 year to 30 September 2022. This was primarily due to the current high inflation environment and poor performance of equities over this period. The Fulcrum DAR mandate also underperformed its inflation benchmark (albeit to a lesser extent) for similar reasons. In contrast, both mandates significantly outperformed their equity benchmarks over the same time period due to the poor performance seen in equity markets over 2022.

ESG considerations

The Trustee has provided a copy of the Statement of Investment Principles to its investment managers (and does so on an annual basis).

Managers are asked to confirm whether they comply with the UK Stewardship code and, if they do not, are asked to explain their reasons for not doing so. As at 30 September 2022, all managers confirmed compliance with the code.

The Trustee confirms with each manager that they manage the portfolio with a medium to long-term time horizon and utilise investment engagement in order to enhance portfolio value. The Trustee also monitors costs to ensure that managers are incentivised to invest with a long-term time horizon. In add0.000008869 0 595.1a

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Voting information is collected from each manager and this is summarised in the next section of this statement.

4. Turnover

Information on portfolio turnover as provided by the investment managers is given below:

Note: Turnover is defined as the lesser of the value of purchases or the value of sales divided by average annual market value

| Mandate | Manager | Expected long- term level of portfolio turnover pa | Fund Activity* | Manager commentary |
|----------------------------------|-----------|---|----------------|--|
| DAR | Fulcrum | c.90% | 62% | Turnover was in line with expectations |
| Property Unit Trust | Hermes | 0 . 15% | 8% | Turnover was in line with expectations |
| UK Real Estate Fund (SREF) | Schroders | 0 . 15% | 6% | Turnover was in line with expectations |
| Partners Fund | TWIM | 10% | 3% | Turnover was in line with expectations |
| LDI | BlackRock | n/a | 26% | Turnover only occurs |

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create adverse impacts that could expose the company to legal, regulatory, and operational risks and jeopardize their long-term success.

| **Item 3:** BlackRock • `]] [¦ ơ ả Ấ, æ) æ ^ { ^ } æ Á ½ Ấ, Á ﷺ Á Á æ Á hey did not have & [} & ^ } • Áæ [` ơ Ốጂ æ [} œ Á ¢ ^ & ʿœ̄ç ^ Æ [{] ^ } • æ ᡚ Á · [] @ 戶, æð æ Æ ¡æ | ˆ Æ Áð @Á Áœ Á firs

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Item 3: Re-elect Gao Tongqing as a non-executive director

Item 7: Re-elect Deng Shiji as an independent non-executive director and authorize the board to determine his remuneration

Company management recommendation: For (both items)

How the manager voted: BlackRock voted against Item 3 and Item 7

Rationale: BlackRock voted against the re-election of the two incumbent directors on China $V[\ ^+\ q + \ h \] \{ \ a = a = 1 \} h =$

Company: Samsung Electronics Co., Ltd.

Meeting date: 16 March 2022

Company summary: Ùæ(•`}*Â)|^&d[} &æ\Â)[\begin{align*} &&\Â)[\begin{align*} &&\Â)[\begin{align*} &&\Â)[\begin{align*} &&\Â)[\begin{align*} &&\A)[\ A][\ A][

Resolution: Item 2: Election of Directors

Company management recommendation: For

How the manager voted: For

Rationale: Ó|æ&\Ü[&\Áş[c^åÁ[\Á\@Á;[]][•^åÅåā^&{\Á\p^&di})•Áàæ^åÁ[\Á\p^&di])•Áàæ^åÁ[\A\p^Adi] æ\\Ü[&\qÁ indication that it is in its final review stage of a revised climate strategy, anåÁ[\Á\pAdi]æ&\Ü[&\qÁ expectation that it will be announced in the months to come.

Company: Rio Tinto plc

Meeting date: 27 March 2022

Management resolution: Approval of Climate Action Plan

How the manager voted: For

Rationale: Glass Lewis have certain reservations concerning proposals that request shareholders approve or disapprove a company's climate strategy. However, having reviewed the circumstances at the Company, they believed that shareholder support for this proposal was warranted. Additionally, the Company provides information concerning its response if the vote receives significant opposition. Namely, the Company states that if the "resolution receives less than 50% in favour, it would hold specific discussions with shareholders and seek information from them about why they did not support the proposed CAP, inform all shareholders about the results of that process and announce its intended measures aimed at taking them into account. Fulcrum agree with Glass Lewis's rationale to encourage such engagement with all shareholders and hence support their proposal to yote for the proposal.

BlackRock iShares Emerging Markets Equity

Fulcrum DAR

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| Company: Alphabet Inc | Fulcrum DAR |
|--|-------------|
| Meeting date: 30 May 2022 | |
| Resolution: Shareholder Proposal Regarding Report on Board Diversity | |
| How the manager voted: Against | |
| Rationale: Glass Lewis are unconvinced that adoption of this proposal would necessarily lead to a more diverse or inclusive board. The Company has adopted a number of policies and has provided leading-class disclosure concerning its diversity considerations and the diversity of its board, as indicated by its "Exemplary" diversity policy and disclosure assessment. Further, the Company leads or has roughly commensurate levels of diversity on its board relative to its peers. Fulcrum agree with their recommendation and have voted AGAINST the proposal. | |
| Company: Royal Bank Of Canada | Fulcrum DAR |
| Meeting date: 31 March 2022 | |
| Resolution: Shareholder Proposal Regarding Say on Climate | |
| How the manager voted: For | |
| Rationale: While Glass Lewis believes that shareholders should clearly communicate to boards that they require comprehensive climate reporting, they are concerned regarding the provisions of the proposal and therefore recommended that Fulcrum vote against the proposal. However, Fulcrum agree with the proponent's perspective and the conclusions set out in the Intergovernmental Panel on Climate Change, therefore voted for the proposal. | |
| Company: Microsoft Corporation | TWIM |
| Meeting date: 30 November 2021 | Partners |
| Management resolution: Report on Effectiveness of Workplace Sexual Harassment Policies | |
| How the manager voted: For | |
| Rationale: For shareholder resolution, against management recommendation. Shareholder proposal promotes appropriate accountability or incentivisation, and proposal promotes transparency | |
| Company: Cigna corp | TWIM |
| Meeting date: 27 April 2022 | Partners |
| Management resolution: Report on gender pay gap | |
| How the manager voted: For | |
| Rationale: TWIM • `]][¦ơ bầã a & [• `¦^ Á; -Áà aæad k; Áæ••^•• ÁÔã }ææp Á; ^} å^¦Á; æð Á; æð | |

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Company: Meta Platforms, Inc.

Meeting date: 25 May 2022

Management resolution: Report on Child Sexual Exploitation Online

How the manager voted: For

Rationale: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks:

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Furthermore, the TWIM Partners Fund achieves the majority of its public equity exposure via the Towers Watson Global Equity Focus Fund (GEFF), where it has appointed EOS at Federated Hermes (EOS) to provide corporate engagement and voting recommendation services to enhance the efforts of the underlying managers. EOS directly engages with the underlying companies of the fund. EOS measures and monitors progress on all engagement, setting clear objectives and specific milestones for the most intensive engagements.

Defined Contribution Section

As all investments are held within pooled funds which are made available via a bundled platform with Aviva, the key area of activity during the Scheme year was to consider how to monitor the $\frac{3}{4}$ $\frac{1}{4}$ $\frac{1$

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BlackRock Emerging Markets Fund 24,198 (98% of eligible votes)

On the resolutions voted on:

 11% of votes were against management

3% were abstained

BlackRock does not follow any

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recommendations, though they
subscribe to two research firms.
Their voting and engagement
analysis is determined by several
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own disclosures, and record of past
engagements.

CHAIRMAN'S DC GOVERNANCE STATEMENT

| Aviva Investors UK Equity ndex Fund* | Information not available from provider at time of drafting | |
|---|---|---|
| Aviva Investors Developed | | ' |
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| | 18% 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. | Mitsubishi Electric Corporation . voted against resolution to Elect Director Kei Uruma. | 0.58% | This vote was selected as the governance issues identified are potentially material to the investment case. |
|---|--|--|---|-------------------------|---|
| BlackRock World ESG Insights Equity* | | Informatio | n not available from provid | der at time of drafting | |