

Syngenta UK Pension Fund – Investment
Account Section

**Annual Implementation
Statement – Fund year
ending 31 March 2023**

Section 1: Introduction

This document is the annual Implementation Statement (“the statement”) in relation to the Investment Account (“IA”) (Defined Contribution) Section of the Syngenta UK Pension Fund (“the Fund”). It has been prepared by the Trustee and covers the Fund year (“the year”) ending 31 March 2023.

The purpose of this statement is to set out:

- Any review of and changes made to the Investment Account Section’s Statement of Investment Principles (“IA SIP”) over the year and when these changes were made (see Section 2);
- Details of how and the extent to which, in the opinion of the Trustee, the IA SIP has been followed during the year (see Section 3); and
- A description of voting behaviour by, or on behalf of, the Trustee (including the most significant votes made by or on behalf of the Trustee) and any use of a proxy voter during the year (see Section 4).

The SIP is a legally required document produced by the Trustee. The IA SIP sets out the principles the Trustee follows with respect to various aspects relating to investing and managing Fund assets including but not limited to investment managers, investment strategy and risks. The Trustee confirms that the investments which the IA Section of the Fund holds were chosen in line with the requirements of s36 of the Pensions Act 1995.

A copy of this implementation statement has been made available on the following website:

<https://www.syngenta.co.uk/uk-pension-trustee>

Section 2: Review and changes to the SIP

The IA SIP was reviewed and updated once in the year, in June 2022. The updates made to the June SIP covered the following areas:


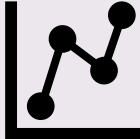
- Adding to the Governance section to highlight that the DC Committee handles majority of the governance matters relating to the DC scheme and is responsible for making recommendations to the Trustees where decisions are required to be taken by the Trustee.
- Minor updates to reflect the new statutory guidance issued by the regulator around the Trustees' responsibilities related to voting and engagement activities, in particular highlighting that Trustees have the ultimate ownership and accountability over all policies.



In addition, in March 2023, the Trustee Board agreed that its key stewardship were climate change, biodiversity and corporate governance. Where possible, these have been featured in the 'Significant Votes' section of this statement.


In preparing this Implementation Statement, only the IA SIP dated June 2022 has been considered. However, the Trustee is satisfied that the policies described in the version of the SIP dated June 2022 are the same or more rigorous than the earlier version of the SIP dated September 2021.

Section 3: The Investment Account Section Statement of Investment Principles

The table outlines the policies/commitments/objectives in the IA SIP and explains how these have been implemented for the year to 31 March 2022.

	Policy	In the year to 31 March 2023
Governance 	<p>The Trustee has ultimate responsibility for decision-making on investment matters. However, an Investment Committee handles the majority of investment matters and makes recommendations to the Trustee where decisions are required to be taken by the Trustee. Before implementing any material or strategic investment decisions, the Trustee will consult with the Employer.</p>	<p>Over the year, the Trustee has performed its duties in line with the responsibilities outlined in this section of the SIP, including the delegation of a number of these responsibilities to an Investment Committee, for example monitoring the performance of funds and investment managers.</p>
Overall Investment strategy 	<p>The Trustee's strategy is to provide sufficient, cost effective, investment options to allow the DC members' investment in secure assets of appropriate liquidity which will generate income and capital growth which, together with new contributions from members and the Employer, will provide a fund at retirement through which they can purchase a pension annuity, take a cash lump sum or enter an income drawdown arrangement.</p>	<p>During the Fund year, the Trustee made no strategic investment changes to the DC Section and is due to review the strategy in 2023.</p> <p>The Trustee is comfortable that the strategy provides cost effective investment options for members with appropriate liquidity.</p>
Corporate Governance & Socially Responsible	<p>The Trustee considers long-term sustainability to be an important and relevant issue to consider throughout the investment process and that an investment's financial success can be influenced by a number of factors including (but not limited to) Environmental, Social and Governance (ESG) issues, including climate change.</p> <p>The Trustee's policy is to delegate responsibility for stewardship activities (including voting rights and</p>	<p>The consideration of ESG issues including climate change in day-to-day decisions is delegated to the investment managers. However, the Trustee is ultimately responsible for the actions which its manager take, and closely monitors the managers' approach to sustainable investment.</p> <p>The Trustee's Investment Committee regularly met with its investment managers and, as part of these meetings, reviewed the investment managers' approach to ESG integration and stewardship.</p> <p>On behalf of the Trustee, the Fund's investment consultant collected information from the Fund's investment managers regarding their voting policies over the year</p>

	Policy	In the year to 31 March 2023
Investment (SRI) 	<p>engagement activities) attaching to investments to the investment managers.</p> <p>The Trustee periodically monitors its managers to ensure that the Trustee's stated policies are being met.</p> <p>At present, the Trustee does not explicitly take account of non-financial matters in Fund investments.</p>	<p>and adoption of the UK Stewardship Code. The information relating to the investment managers voting policies included the percentage of eligible votes cast, the use of proxy voting services and the most significant votes cast. A more detailed breakdown of this information can be found in Section 4 of this statement. The UK Stewardship Code is adopted by both of the investment managers of the Fund. There has been no change to the Trustee's policy in not explicitly taking account of non-financial matters in Fund investments.</p> <p>Recently, the Trustee have also confirmed that climate change, poor audit and risk control at investee companies and biodiversity are the stewardship preferences. The Trustee with support from the investment consultant will continue to comply with the regulatory requirements in line with the Taskforce on Climate-Related Financial Disclosures (TCFD), which became effective from 1 October 2022, and is producing its first TCFD report in 2023.</p>
Investment manager arrangements 	<p>The Trustee ensures that, in aggregate, the investment options (including the investment objectives and guidelines of any particular pooled vehicle) are consistent with the policies set out in the SIP.</p> <p>For most of the Fund's investment funds, the Trustee expects the investment managers to invest with a medium to long time horizon, and the Trustee appoints its investment managers with an expectation of a long-term partnership.</p> <p>The Trustee reviews the costs incurred in managing the Fund's assets regularly, including the costs associated with portfolio turnover. There is no broad targeted portfolio turnover.</p>	<p>The Trustee receives regular input and monitoring regarding the Fund's investment managers from the investment consultant, including when a significant change or issue occurred. The Trustee received investment advice on the suitability of Fund investments over the year and is satisfied that all funds remain appropriate for IA members.</p> <p>The IA SIP was sent to all investment managers, who were asked to highlight if there is any misalignment between the Trustee's policies and how they manage the Fund's assets. No concerns were raised by any investment managers.</p> <p>The Investment Committee reviewed the IA Section investment funds' ongoing costs and charges through a report provided by its investment consultant. This report included details of incurred fees over the 2021 year including underlying fees such as annual management fees and transaction costs, including portfolio turnover costs. It was noted that these costs and charges were broadly within expectations. The Trustee also engages with the investment managers on costs.</p> <p>As part of the Value for Members assessment carried out for the Fund year it was reported that the IA Section of the Fund's weighted average Annual Management Charges were below the average for DC schemes with a similar proportion of passively managed assets. As a result, it was concluded that the value provided to members in respect of the investment options they pay for is good value. In addition, it was observed that the transaction costs up to December 2022 for the</p>

	Policy	In the year to 31 March 2023
		<p>majority of the IA Section’s investment funds were below or in line with the market average.</p> <p>On behalf of the Trustee, the Fund’s investment consultant collected information from the Fund’s investment managers and produced a report regarding the portfolio turnover of each investment fund. These figures were compared against an expected portfolio turnover figure for each asset class, as provided by the investment consultant.</p> <p>The Investment Committee is due to review the portfolio turnover figures once these have been provided by the managers.</p>
<p>Monitoring and Other policies</p> 	<p>The appointment of the investment managers is reviewed by the Trustee from time to time.</p> <p>The Trustee recognises and monitors several investment risks specific to the IA Section of the Fund, which are outlined in the SIP.</p> <p>Other Trustee policies are outlined in the SIP concerning the diversification, suitability and liquidity of the funds provided in the IA Section of the Fund.</p>	<p>The Trustee monitored and managed these risks in several ways including:</p> <ul style="list-style-type: none"> • The regular reporting received from its investment consultant and managers; • Updates on investment managers from the Trustee’s investment consultant, including when a significant change or issue has occurred; • Maintenance and ongoing review of a Trustee risk register; • Historical fund performance reporting which is reviewed at Investment Committee meetings and a more detailed annual performance review which was provided by the investment consultant. All funds have delivered performance broadly in line with expectations over the year and longer term; • Over the year the Trustee considered how independently to analyse the performance and risk of the Fund’s Blended Diversified Fund used in the lifestyle strategies and and the two diversified growth funds available to IA members on a self-select basis. Reporting was provided by the investment consultant as part of the annual performance review, and advice was provided to the Trustee regarding the independent performance comparator across the diversified growth funds to allow greater consistency in assessing fund performance. This independent performance comparator has been adopted in the performance reporting reviewed by the Investment Committee.

	Policy	In the year to 31 March 2023
		<ul style="list-style-type: none"> • The range of lifestyle and self-select funds made available to IA Section members, across asset classes and with different risk and return characteristics, allows members of the IA section to consider and manage the various risks to which they are exposed; • Quarterly reporting to the Trustee of performance against an agreed set of Key Performance Indicators including investment.

The activities noted in this Statement over the year, including the annual performance review of the investment funds and the investment advice on the suitability of Fund investments over the year, have helped to implement the Trustee policies outlined in the SIP.

Section 4: Voting information and significant votes

As set out in the IA SIP, the Trustee has delegated the stewardship activities (including voting and engagement) and the integration of ESG considerations in day-to-day decisions to the Fund's investment managers.

The Investment Account offers a diverse range of asset classes through the Lifestyle strategies and self-select fund range. This section focusses on the equity investments which have voting rights attached.

The equity holdings are pooled investments funds. Therefore, the voting entitlements in these funds lie with the investment managers. The Trustee has reviewed its investment managers' approach to voting and stewardship over the year.

Details of these investment managers' use of proxy voting services, to aid in their decision-making when voting, are summarised in the table below:

Manager	Fund	Use of Proxy Voting Service
LGIM	Diversified Fund UK Equity Index Fund World (ex-UK) Equity Index Fund World Emerging Markets Equity Index Fund World Equity Index Fund Robeco Global Sustainable Multi-Factor Equity Index Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.
Schroders	Diversified Growth Fund	Schroders receive research from both ISS and the Investment Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into their voting decisions. In addition to relying on their policies they will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts. Schroders' own research is also integral to their final voting decision; this will be conducted by both their financial and ESG analysts. For contentious issues, their Corporate Governance specialists will be in deep dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

The table below sets out the voting activities of the Fund's IA Section investment managers holding equities, on behalf of the Trustee, over the year.

Manager	Fund	Voting Activity
LGIM	Diversified Fund	<p>Number of resolutions on which manager was eligible to vote: 99,242</p> <p>Percentage of eligible votes cast: 99.82%</p> <p>Percentage of votes with management: 77.35%</p> <p>Percentage of votes against management: 21.95%</p> <p>Percentage of votes abstained or withheld: 0.70%</p> <p>Percentage of meetings where voted against management at least once: 72.78%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 12.50%</p>
	UK Equity Index Fund	<p>Number of resolutions on which manager was eligible to vote: 10,870</p> <p>Percentage of eligible votes cast: 99.94%</p> <p>Percentage of votes with management: 94.46%</p> <p>Percentage of votes against management: 5.54%</p> <p>Percentage of votes abstained or withheld: 0.00%</p> <p>Percentage of meetings where voted against management at least once: 37.89%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 4.23%</p>
	World (ex-UK) Equity Index Fund	<p>Number of resolutions on which manager was eligible to vote: 36,202</p> <p>Percentage of eligible votes cast: 99.83%</p> <p>Percentage of votes with management: 77.58%</p> <p>Percentage of votes against management: 21.67%</p> <p>Percentage of votes abstained or withheld: 0.75%</p> <p>Percentage of meetings where voted against management at least once: 77.05%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 15.13%</p>
	World Emerging Markets Equity Index Fund	<p>Number of resolutions on which manager was eligible to vote: 36,506</p> <p>Percentage of eligible votes cast: 99.92%</p> <p>Percentage of votes with management: 79.53%</p> <p>Percentage of votes against management: 18.41%</p> <p>Percentage of votes abstained or withheld: 2.06%</p> <p>Percentage of meetings where voted against management at least once: 53.94%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 6.75%</p>

	World Equity Hedged Index Fund	<p>Number of resolutions on which manager was eligible to vote: 38,823</p> <p>Percentage of eligible votes cast: 99.85%</p> <p>Percentage of votes with management: 78.81%</p> <p>Percentage of votes against management: 20.49%</p> <p>Percentage of votes abstained or withheld: 0.70%</p> <p>Percentage of meetings where voted against management at least once: 75.60%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 14.36%</p>
	Robeco Sustainable Multi-Factor Equity Index Fund	<p>Number of resolutions on which manager was eligible to vote: 25,941</p> <p>Percentage of eligible votes cast: 99.83%</p> <p>Percentage of votes with management: 79.67%</p> <p>Percentage of votes against management: 19.52%</p> <p>Percentage of votes abstained or withheld: 0.81%</p> <p>Percentage of meetings where voted against management at least once: 70.29%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 12.53%</p>
Schroders	Diversified Growth Fund	<p>Number of resolutions on which manager was eligible to vote: 15,662</p> <p>Percentage of eligible votes cast: 95%</p> <p>Percentage of votes with management: 89%</p> <p>Percentage of votes against management: 10%</p> <p>Percentage of votes abstained or withheld: 0%</p> <p>Percentage of meetings where voted against management at least once: 51%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 2%</p>

The following tables outline a number of the most significant votes cast by the Fund's IA Section investment managers on the Trustee's behalf over the year for each of the funds outlined above. The Trustee considers these to be significant either because the investment manager voted against company management, or because they relate to Environmental, Social, or Governance matters which the Trustee has identified as a stewardship priority (climate change, biodiversity and corporate governance).

LGIM - UK Equity Index Fund - Most significant vote cast

Company: BP Plc

Meeting Date: 12th May 2022

Resolution: Resolution 3, Approve Net Zero – From Ambition to Action Report

How the manager voted: LGIM voted for resolution 3

Rationale: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is our view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.

Result of vote: Resolution 3 - 88.5% of shareholders supported the resolution

Vote Cast: LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

LGIM – Diversified Fund – Most significant vote cast

LGIM – World (ex-UK) Equity Index Fund – Most significant vote cast

LGIM – World Equity Index Fund – Most significant vote cast

LGIM – Robeco Sustainable Multi Factor Equity Index Fund – Most significant vote cast

Company: Alphabet Inc.

Meeting Date: 1st June 2022

Resolution: Resolution 7 - Report on Physical Risks of Climate Change

How the manager voted: For

Rationale: Climate Change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.

Result of vote: 17.7%

Vote cast: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

LGIM - World Emerging Markets Equity Index Fund - Most significant vote cast

Company: China Construction Bank Corporation

Meeting Date: 23rd June 2022

Resolution: Resolution 10 – Electing Graeme Wheeler as Director

How the manager voted: Against

Rationale: Climate Impact Pledge: A vote against is applied under LGIM's Climate Impact Pledge as the Company has not published a clear thermal coal policy and no disclosure of scope 3 emissions associated with investments. As members of the Risk Committee, these directors are considered accountable for the bank's climate risk management.

Result of vote: 95.5%

Vote cast: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.

Schroders – Diversified Growth Fund - Most significant vote cast

Company: Rio Tinto Plc

Meeting Date: 8th April 2022

Resolution: Approve Climate Change Plan

How the manager voted: Against

Rationale: Concerns in relation to whether the company is engaging sufficiently with its customers and other stakeholders on its scope 3 emissions to support its climate action plan.

Result of vote: Pass

Stewardship and Engagement Activity

The Trustees have delegated the day-to-day ESG integration and stewardship activities (including voting and engagement) to their investment managers. However, the Trustees recognise that they retain ultimate responsibility for the actions of the Fund's investment managers and undertake monitoring as part of assessing whether they are appropriately considering ESG risks and opportunities.

Below are some engagement activity examples from select managers in relation to ESG risks and opportunities.

1. Diversified Growth manager engagement

Background

During Q1 2023, the manager engaged with a large Argentinian e-commerce company about their future climate ambitions.

Action

The manager has held several meetings with the company in order to set out climate targets for different term lengths and to encourage the company to improve its practices.

Outcome

Following the initial meetings with the company, they had set out important milestones such as formalising SBTi, having signed a letter of commitment in 2022. The manager views this progress as encouraging although this does lack the details and specifics. The manager looks to continue to engage with the company to ensure throughout future meetings that the specific targets will be set up.

The company expects a large part of their reduction will come from their EV initiative, the manager believes that there is still work remaining on this front as they need to encourage their partners to also adopt EVs and other modes of green transport.

2. Diversified Growth manager engagement

Background

The months leading into Q1 2023 had been a highly critical month for UK water companies, with a lot coming under heavy press attention due to their environmental performance. There were further concerns that some companies were further indebted than the regulator expected to be.

Action

During Q1 2023, the manager engaged with one of the companies majority shareholder to discuss their views on these topics. This builds on their ongoing engagement throughout the year specifically with the regulators and indebted companies. The manager also signed up to the Ceres investor-led 'Valuing Water Finance Initiative', which looks to engage water users and polluters to address water risks.

Outcome

Following the events within the water industry the manager looked to limit their exposure to the bonds of the weaker companies pending the issue faced. The manager also engages directly with the companies that are marketing the bonds.

Further to this, the manager continues to increase public pressure towards governments in order to encourage better water security around the world, one such way the manager had done this is by co-signing the open-letter to governments on the water crisis, ahead to the UN 2023 water conference.

Section 5: Conclusion

Overall, the Trustee believes that the IA SIP has been followed over the Fund year. Further, having monitored the investment managers over the year, and reviewed the voting information outlined in this statement, the Trustee is satisfied that the investment managers are acting in the members' best interests and are effective stewards of the IA Section assets.

The Trustee will continue to monitor the investment managers' stewardship practices on an ongoing basis.