Implementation Statement, covering the Scheme Year from 6 April 2020 to 5 April 2021

The Trustees of the Condé Nast Publications Limited Retirement Benefits Scheme (the "Scheme") are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in their Statement of Investment Principles ("SIP") during the Scheme Year.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year.

The Trustees have, in their opinion, followed the Scheme's voting and engagement policies during the Scheme Year, by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

2. Voting and engagement

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Along with LCP's continuous monitoring of the investment managers at research meetings, LCP also carry out a responsible investment survey every 2 years on behalf of its clients. LCP's responsible investment (RI) survey scores managers and funds, along with LCP's qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the approach to ESG factors, voting and engagement.

As part of the 2020 survey, none of the Scheme's managers were assigned red flags or assessed by LCP to be managers of concern. LCP attended a Trustee meeting in November 2020 and confirmed they remained comfortable with the Scheme's investment managers (informed by LCP's regular investment research and RI survey).

3. Description of voting behaviour during the Scheme Year

All of the Trustees' holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Scheme Year.

In this section the Trustees have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, on the Scheme's funds that hold equities or equity-like investments as follows:

- Legal & General UK Equity Index Fund;
- Legal & General World Equity Index Fund;
- Legal & General World Equity Index (GBP Hedged) Fund; and
- Insight Broad Opportunities Fund.

The Trustees have sought to obtain the relevant voting data for Sections 3.2 and 3.3, from all of the investment managers listed above.

Insight does hold some equities with voting rights attached, but these relate to closed ended infrastructure companies where the governance framework differs from traditional publicly listed companies. As a result, Insight has not seen fit to vote against management on any occasions over the past year, and as a result, does not believe any of its voting activity qualifies as "most significant". The Trustees have not included any examples of "most significant votes" for the Insight Broad Opportunities Fund in Section 3.3 as a result.

In addition to the above, the Trustees contacted the Scheme's other asset managers that don't hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the period. None of the other pooled funds that the Scheme invested in over the Scheme Year held any assets with voting opportunities.

3.1 Description of the voting processes

Legal & General Investment Management ("L&G")

All decisions are made by L&G's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures L&G's stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

L&G's Investment Stewardship team uses ISS's "ProxyExchange" electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and it does not outsource any part of the strategic decisions. The use of ISS recommendations is to augment L&G's own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services ("IVIS") to supplement the research reports received from ISS for UK companies when making specific voting decisions.

To ensure their proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what L&G considers minimum best practice standards.

L&G retains the ability in all markets to override any vote decisions, based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or an explanation in annual reporting) that allows L&G to apply a qualitative overlay to its voting judgement. L&G has monitoring controls to ensure votes are fully executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform L&G of rejected votes which require further action.

Insight

Insight retains the services of Minerva Analytics ("Minerva") for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from thousands of market, national and international legal and best practice provisions from jurisdictions around the world. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates, which will determine the direction of the vote.

Insight's fund invests in listed closed-ended investment companies with a focus on investments in social infrastructure, renewable energy and asset-backed aviation finance. The corporate structure of closed-ended investment companies held in the fund includes an independent board which is responsible for providing an overall oversight function on behalf of all shareholders. This governance framework, with an independent board acting on behalf of shareholders, generally limits contentious issues that can arise with other listed entities. As a result, examples of significant votes cast that may be comparable to other listed entities are not applicable to the fund's exposures.

3.2 Summary of voting behaviour over the Scheme Year

A summary of voting behaviour over the period is provided in the table below.

Manager name	Legal & General			Insight
Fund name	UK Equity Index Fund	World Equity Index Fund	World Equity Index (GBP Hedged) Fund	Broad Opportunities Fund
Total size of fund at end of reporting period	£22.0bn	£3.7bn	£4.1bn	£4.1bn
Value of Scheme assets at end of reporting period (£ / % of total assets)	£12.6m (8.4%)	£26.2m (17.4%)	£28.3m (18.8%)	£10.3m (6.9%)
Number of equity holdings at end of reporting period	598	2,662		13
Number of meetings eligible to vote	943	3,421		16
Number of resolutions eligible to vote	12,574	40,987		154
% of resolutions voted	100%	99.8%		100%
Of the resolutions on which voted, % voted with management	92.9%	81.4%		100%
Of the resolutions on which voted, % voted against management	7.1%	18.1%		0%
Of the resolutions on which voted, % abstained from voting	<0.1%	0.5%		0%
Of the meetings in which the manager voted, % with at least one vote against management	3.3%	6.0%		0%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.8%	0.3%		0%

3.3 Most significant votes over the Scheme Year

Commentary on the most significant votes over the period, from the Scheme's asset managers who hold listed equities, is set out below.

Legal & General

L&G has provided a reason as to why each of the below votes are deemed "most significant".

- **Mitchells & Butlers, March 2021. Vote:** Against. **Outcome of the vote**: Only 6.8% of shareholders opposed these resolutions.

  Summary of resolution: Resolution 1: Authorise Issue of Equity in Connection with the Open Offer Resolution 2: Authorise Issue of Shares Pursuant to the Open Offer at a Discount to Middle Market Price Resolution 3: Authorise Implementation of Open Offer.

  Rationale: Given the current COVID restrictions and their impact on this pub & restaurant company's financials, the company sought shareholder approval for an equity raise through an underwritten Open Offer in March 2021. Three of the company's major shareholders came together and consolidated their holdings under a new holding company, Odyzean Limited. They together hold approximately 55% of the issued share capital of Mitchells & Butlers and therefore the majority of votes. As well as taking up their own share of the Open Offer, the concert party committed to underwrite any remaining offer shares not taken up by existing shareholders. L&G opposed Open Offer given its concerns about the influence of the newly incorporated holding company, Odyzean Limited, over L&G's investee company's governance and the interests of minority investors. This concern was heightened by the announcement of expected changes to the structure and independence of the board as stated in the prospectus. L&G would have expected a fair traditional rights issue to protect minority investors. L&G also noted that the concert party was able to buy deeply discounted shares without paying a control premium through their underwriting of the open offer.

Criteria against which this vote has been assessed as "most significant": L&G took the rare step of opposing a capital raise given their serious concerns for minority shareholders' rights.

- **SIG Plc, July 2020. Vote:** Against. **Outcome of the vote**: The resolution passed. However, 44% of shareholders did not support it. L&G believed that with this level of dissent the company should not go ahead with the payment.

  Summary of resolution: Resolution 5: Approve one-off payment to Steve Francis proposed at the company's special shareholder meeting held on 9 July 2020.

  Rationale: The company wanted to grant their interim CEO a one-off award of £375,000 for work carried out over a two-month period (February - April). The CEO agreed to invest £150,000 of this payment in acquiring shares in the business, and the remaining £225,000 would be a cash payment. The additional payment was subject to successfully completing a capital-raising exercise to improve the liquidity of the business. The one-off payment was outside the scope of their remuneration policy and on top of his existing remuneration, and therefore needed shareholder support for its payment. L&G does not generally support one-off payments. L&G believe that the remuneration committee should ensure that executive directors have a remuneration policy in place that is appropriate for their role and level of responsibility. This should negate the need for additional one-off payments. In this instance, there were other factors that were taken into consideration. The size of the additional payment was a concern because it was for work carried over a two-month period, yet was equivalent to 65% of his full-time annual salary. £225,000 was to be paid in cash at a time when the company's liquidity position was so poor that it risked breaching covenants of a revolving credit facility and therefore needed to raise additional funding through a highly dilutive share issue.

  Criteria against which this vote has been assessed as "most significant": The vote is high profile and controversial.

- **Barclays, May 2020. Vote:** For. **Outcome of the vote**: The resolution passed.

  Summary of resolution: Approve Barclays' Commitment in Tackling Climate Change

  Rationale: The resolution proposed by Barclays sets out its long-term plans to tackle climate change.

  Criteria against which this vote has been assessed as "most significant": Positive outcome on a resolution to address climate change.

- **Fast Retailing Co. Limited., November 2020. Vote:** Against. **Outcome of the vote**: Resolution passed.

  Summary of resolution: Resolution 2.1: Elect Director Yanai Tadashi.

  Rationale: Japanese companies in general have trailed behind European and US companies, as well as companies in other countries in ensuring more women are appointed to their boards. A lack of women employed is also a concern below board level. L&G has for many years promoted and supported an increase of appointing more women on boards, at the executive level and below. On a global level L&G considers that every board should have at least one female director. L&G deems this a de minimis standard. Globally, L&G aspire to all boards comprising 30% women. In the beginning of 2020, L&G announced that it would vote against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for companies included in the TOPIX100 where these standards were not upheld. L&G opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to act on this issue.

  Criteria against which this vote has been assessed as "most significant": L&G considers it imperative that the boards of Japanese companies increase their diversity.

- **The Procter & Gamble Company (P&G), October 2020. Vote:** For. **Outcome of the vote**: The resolution received the support of 68% of shareholders (including L&G).

  Summary of resolution: Resolution 5 Report on effort to eliminate deforestation.

  Rationale: P&G uses both forest pulp and palm oil as raw materials within its household goods products. The company has only obtained certification from the Roundtable on Sustainable Palm Oil for one third of its palm oil supply, despite setting a goal for 100% certification by 2020. Two of their Tier 1 suppliers of palm oil were linked to illegal deforestation. Finally, the company uses mainly Programme for the Endorsement of Forest Certification (PEFC) wood pulp rather than Forestry Stewardship Council (FSC) certified wood pulp. L&G engaged with P&G to hear its response to the concerns raised and the requests raised in the resolution. L&G spoke to representatives from the proponent of the resolution, Green Century. In addition, L&G engaged with the Natural Resource Defence Counsel to fully understand the issues and concerns. Following a round of extensive engagement on the issue, L&G decided to support the resolution. Although P&G has introduced a number of objectives and targets to ensure their business does not impact deforestation, L&G felt it was not doing as much as it could. The company has not responded to CDP Forest disclosure; this was a red flag to L&G in terms of its level of commitment. Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for L&G is to ensure that companies they invest their clients' assets in are not contributing to deforestation. L&G has asked P&G to respond to the CDP Forests Disclosure and continue to engage on the topic and push other companies to ensure more of their pulp and wood is from FSC certified sources.

  Criteria against which this vote has been assessed as "most significant": It is linked to L&G's five-year strategy to tackle climate change.