Implementation Statement – for the period ending 31 March 2021

Laura Ashley Retirement Benefits Scheme (DB and DC Sections)

This Implementation Statement has been prepared by the Trustee of the Laura Ashley Retirement Benefits Scheme (the Scheme") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement policies have been followed over the period
- The voting behaviour of the Trustee, or that undertaken on their behalf, for the period ending 31 March 2021.

The 2019 Occupational Pension Schemes (Investment and Disclosure) Amendment) Regulations (the "Regulations") require that the Trustee outlines how they have ensured compliance with the policies and objectives set out in their Statement of Investment Principles (SIP) over the course of the year under review.

The Trustee's Stewardship and Engagement policies are included in the Scheme's SIP, which is available online and on request.

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds and, as such, delegates' responsibility for carrying out voting and engagement activities to the Scheme's investment managers.

On the 23 March 2020, the Scheme entered into the Pension Protection Fund ('PPF') assessment period. The Scheme's investment strategy is defensive and invests only in protection assets as at 28 February 2021. Therefore, there is limited ability to engage with key stakeholders given the nature of the mandate. However, the Scheme held equities positions with Legal & General and Newton during the period which this statement covers and hence these have been considered. The Trustee regularly considers the performance of the funds alongside any significant developments.

The Trustee expects the underlying managers to take into account corporate governance, social and environmental considerations in the selection, retention and realisation of investments, but should not apply personal ethical or moral judgement to these issues. This document outlines the actions undertaken by the Trustee, service providers and asset managers, to implement the stewardship policy as set out in the SIP as well as including engagement information that has been gathered from Legal & General and Newton.

The Trustee is comfortable that the managers are undertaking their engagements in line with the Trustee's policies as far as the reporting is available from the Scheme's fund managers.

For the DC Section, voting and engagement data has only provided for the funds in the default strategy. As is required for a scheme in a PPF assessment period, all DC benefits held in the Scheme are in the process of being discharged and this is expected to be concluded by the end of September 2021.

Please note the investment managers provide data on a quarterly basis, so all the data provided below is up until 31 March 2021.

Voting Data

The voting data collated for the Scheme's investment managers is given over the year to 31 March 2021. The voting data provided by the managers is specific for the pooled version of the funds in which the Scheme invests. The Scheme held equity investments with Legal & General and Newton up until the point of disinvestment in the first quarter of 2021. The table below gives details of how the attached voting rights were exercised. There are no voting rights attaching to non-equity investments. As at 28 February 2021 the only investment the Scheme has with voting rights attached is the LGIM Multi-Asset Fund which is held as part of the DC section default strategy.

Legal & General employ the use of Institutional Shareholder Services (ISS) as their proxy voting advisor to electronically vote on all clients' shares. All voting decisions are made by Legal & General and the manager does not outsource any part of the strategic voting decisions. To ensure that ISS vote in accordance with Legal & General's Environmental Social Governance ('ESG') policies, there have been a custom voting policy put in place with ISS.

BNY Mellon do not maintain a strict proxy voting policy. The head of responsible investment is responsible for the decision-making process, under which BNY Mellon take into account a company's individual circumstances, the manager's investment rationale, engagement activities, governing laws and best practices when exercising its voting rights. All voting decisions are approved by either the deputy chief investment officer or a senior investment team member and all decisions are made by BNY Mellon. It is only in the event of a material potential conflict of interest between BNY Mellon, the investee company and/or a client that the recommendations of the proxy voting service used (Institutional Shareholder Services) will take precedence over the standard decision-making process. ISS is also used for the purpose of administering proxy voting (notification and lodgement of votes), as well as its research reports on individual company meetings.

A summary of the data provided by the Scheme's investment managers is set out below:

Manager	Legal & General			Newton
Fund name	Global Equity 50:50 Index – currency hedged	World Emerging Markets Equity Index	Multi-Asset Fund (DC Section)	Real Return Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is extremely 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	3,641	3,998	11,238	98
Number of resolutions the manager was eligible to vote on over the year	44,680	36,036	114,616	1,307
Percentage of resolutions the manager voted on	99.97%	99.89%	99.76%	99.20%
Percentage of resolutions the manager abstained from	0.15%	1.38%	0.56%	0.00%
Percentage of resolutions voted *with* management, as a percentage of the total	83.56%	85.23%	81.73%	85.40%

Manager		Legal & General		Newton
number of resolutions voted on				
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	16.29%	13.40%	17.71%	14.60%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	0.44%	0.02%	0.20%	9.90%

The proportion of resolutions that were voted on or abstained from may not sum to 100%. This can be due to how managers or local jurisdictions define abstentions or classify formal voting or abstentions as opposed to not returning a voting form or nominating a proxy.

Significant votes

The Trustee has delegated to the investment managers to define what a "significant vote" is.

In determining significant votes, LGIM's investment stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association ("PLSA"). This guidance dictates significant votes include, but are not limited to:

- A high profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote, directly communicated by clients to the investment stewardship team at LGIM's Stakeholder roundtable event, or where LGIM notes there has been a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- A vote linked to an LGIM engagement campaign.

Legal & General did not provide any significant votes information for their World Emerging Market Equity Fund.

BNY Mellon have defined a significant vote to be any against a company's management, including votes in support of resolutions which the company's management have taken a position against. As an active manager, BNY Mellon invest in companies it believes will support the long term performance objectives of its clients and by doing so makes a positive statement about the business, the management of risks and the quality of management. Therefore, voting against management is a strong statement that it believes a company has areas for improvement. As such, BNY Mellon publicly report its rationale for each instance where there has been a vote against the recommendation of the underlying company's management. If required to prioritise all significant votes, then the objective approach to determining the most significant votes includes the fund's weighting in each company's shares.

A summary of the key voting actions the managers have provided is set out below.

Legal & General Global Equity 50:50 Index Fund and Multi-Asset 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 October 2020	7 September 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	No Data Provided		
Summary of the resolution	Approve participation of Alan Joyce in the Long-Term Incentive Plan and approve Remuneration Report.	Approve capital protection. Shareholders were asking the company for a report on the potential wind-down of the company's coal operations.	Approve remuneration report.
How the manager voted	LGIM voted against the participation of Alan Joyce and voted for the remuneration report.	LGIM voted for the resolution.	LGIM voted against the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publically communicated their vote instructions in their monthly regional vote reports on their website with the rationale for all votes against management. LGIM's policy is not to engage with their investee companies in three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics		
Rationale for the voting decision	LGIM wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package. LGIM supported the remuneration report given the 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.	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. As the most polluting fossil fuel, the phase-out of coal is key to reaching their global targets.	The COVID-19 crisis negatively impacted this airline company's financial performance. LGIM were concerned about the level of bonus payments for current executives and their salary for the departing CEO. LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company and reflect the stakeholder experience.
Outcome of the vote	Approximately 90% of shareholders supported Alan Joyce and 91% supported the remuneration report.	The resolution did not pass, as 4% of shareholders voted in favour.	28.4% of shareholders opposed the remuneration report.
Implications of the outcome	LGIM will continue their engagement with this 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"	This highlights the challenges of factoring in the impact of COVID-19 into the executive remuneration package	The vote received media scrutiny and is emblematic of a growing wave of green shareholder activism.	This vote illustrates the importance of monitoring companies' responses to the COVID crisis.

Newton Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	LEG Immobilien AG	Microsoft Corporation	Linde plc
Date of vote	19 August 2020	2 December 2020	27 July 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.31%	1.26%	1.12%
Summary of the resolution	Remuneration policy	Elect Director and Advisory Vote to Ratify Named Executive Officers' Compensation and Ratify Deloitte & Touche LLP as Auditors	Executive compensation arrangements and election of directors.
How the manager voted		Newton voted against the resolution	
Did the manager communicate their intent to the company ahead of the vote?	No	Yes	No
Rationale for the voting decision	The executive long-term compensation scheme was entirely cash-based, and although this was indicated to be performance-linked, no disclosures were was provided on performance targets. Furthermore, the introduction of special remuneration awards through transaction-based bonuses were not considered to be ideal for promoting talent retention as these were generally one-off in nature.	Despite improvements to executive remuneration practices over recent years, Newton were concerned that approximately half of long-term pay awards vest irrespective of performance. They voted against the re-appointment of the company's external auditor given that its independence was jeopardised by having served in this role for 37 consecutive years.	A majority of long-term pay awards vest based on time served, which means executive pay is not subject to rigorous performance conditions and therefore not aligned with shareholders' interests. In addition, some of the perks to the CEO seem unnecessary and excessive, including the use of company aircraft for personal purposes.
Outcome of the vote	22.2% voted against approving the Remuneration Policy.	1.1%, 0.9% and 0.3% voted against the three different compensation committee members respectively, 3.9% voted against the reappointment of the auditor and 5.3% voted against the executive officers' compensation.	9.6% voted against the Advisory Vote to Ratify Named Executive Officers' Compensation. One directors received 40% of votes against his election whilst the others received less than 10% of votes against them.
Implications of the outcome	It is likely that the company will seek to address concerns in an effort to avoid similar or higher future dissent.	The vote outcome demonstrates shareholders are not overly concerned with the company's executive pay arrangements.	Newton feel the election of one director that received 40% of votes against warrants further consideration.
Criteria on which the vote is considered "significant"	The vote outcome is considered significant owing to more than 20% of votes being instructed against its approval.	The company is recognised as a leader among its US peers in terms of its approach to corporate governance.	Newton expect more shareholders will increase their scrutiny of pay versus

	Vote 1	Vote 2	Vote 3
			performance and reflect this in their voting decisions.

Fund level engagement

While equity managers may have more direct influence on the companies they invest in, fixed income managers are also increasingly influential in their ability to encourage positive change. Therefore, voting rights are not the only way for investors to influence the management of companies and the Trustee expects their investment managers to be active in engaging with companies. The Scheme's investment consultant requested information on fund level engagement from the asset managers. At the time of writing, LGIM have only provided high level statistics on engagement across the entirety of the Firm. Barnett Waddingham are working with LGIM to improve reporting on engagement in the future. The following table summarises engagement activities over the year.

Manager	Legal & General	Newton
Fund name(s)	Core Plus AAA-AA Fixed Interest – Over 15 Year Targeted Duration Fund Global Equity Index Fund (Hedged) World Emerging Markets Equity Index Fund Multi-Asset Fund	Newton Real Return 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 this fund in the year	No Data*	37
Number of engagements undertaken at a firm level in the year	974	161
Examples of engagements undertaken with holdings in the fund	See table below	See table below

**LGIM did not provide fund level engagement figures for their passive equity funds. This is because they do not currently track the engagement activity for the underlying funds held within passive mandates. However, we are working with LGIM to improve this.*

Examples of engagements undertaken by Legal & General

1. Zeroing in on 'net zero'

LGIM continue their engagement with high-carbon industries around their strategies for the energy transition.

- LGIM's recommendation for the oil and gas industry is to primarily focus on reducing its own emissions (and production) in line with global climate targets before considering any potential diversification into clean energy.

- BP, with whom LGIM co-leads engagements under the multi-trillion-dollar Climate Action 100+ investor coalition, has made a series of new announcements detailing their expansion into clean energy.
- Throughout the 2021 AGM season, LGIM will support all 'say on climate' resolutions which it believes are crucial to the business and will pre-announce its votes, where such an announcement would send a strong message to key stakeholders.

2. Procter and Gamble

LGIM engaged with Procter & Gamble regarding the matter that two of their Tier 1 suppliers of palm oil were linked to illegal deforestation. Furthermore, the company mainly uses the Programme for the Endorsement of Forest Certification (PEFC) wood pulp rather than Forestry Stewardship Council (FSC) certified wood pulp. Palm oil and forest pulp are both considered leading drivers of deforestation and forest degradation, which is responsible for approximately 12.5% of greenhouse gas emissions that contribute to climate change. The fact that Tier 1 suppliers have been found to have links with deforestation calls into question due diligence and supplier audits. Only FSC certification offers guidance on land tenure, workers', communities and indigenous people's rights and the maintenance of high conservation value forests. LGIM voted in favour of a resolution, which ultimately passed, to eliminate deforestation. LGIM 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.

3. Amazon

LGIM engaged with Amazon as the company had been accused of interfering with efforts by its workers to unionise, ahead of a vote by workers in an Alabama facility on unionisation. Legal & General, along with 70 other investors, wrote a letter to Amazon to highlight the role that worker representation plays in supporting companies in identifying and managing operating risks. Since the engagement, Amazon has launched its Global Human Rights Principles where it has committed to the UN Guiding Principles on Business and Human Rights. This recognises the right of workers to exercise their right to organise, should they choose to do so. LGIM's engagement with Amazon continues as they monitor the progress and commitment Amazon has to this new Principle.

Examples of engagements undertaken by Newton

1. Air Liquide - Sustainability

The manager attended the company's annual sustainability day in order to gain more information about its emissions transition plan and its targets for pursuing the growth of hydrogen.

The company announced a commitment to becoming carbon neutral by 2050, with interim absolute emissions targets also being implemented after 2025. These improvements are to be sought through the use of renewable feedstock, low-carbon energy sources, energy optimisation efforts and carbon capture. Air Liquide are looking to partner with oil and gas companies for underground storage of carbon. Other potential avenues to reduce emissions include exploring clean mobility for aerospace and low-carbon steelmaking.

From a social perspective, the company has also committed to improving employee benefits by 2025, including the provision of life insurance, health coverage and better maternity leave.

2. Volkswagen – ESG practices

Representatives from BNY Mellon held a call with Volkswagen to discuss the company's ESG practices, and in particular its ethics and risk management programmes.

The following items were of particular importance:

- Corporate culture – the company has taken steps to reduce the hierarchical structure and ensure that employees feel able to challenge management. However, it was noted that the internal meetings can now be more argumentative as a result.
- Remuneration – businesses ethics have been incorporated into Volkswagen's remuneration policy at all levels, including the board. However, the specific information on how this has affected employees' pay has not been disclosed.
- Human rights – Volkswagen have a factory in the Xinxiang region of China, but could confirm that no forced labour is used in the supply chain. There are also fewer concerns around the labour conditions of sub-contractors since the majority of suppliers to the factory are not based within the Xinxiang region. Since around 50% of the company's sales are based on China, Volkswagen will continue to operate there, but are conscious of the sensitive nature of ESG issues in the region and the need to avoid a reputational incident.
- Cobalt – the meeting highlighted that there were concerns that the sourcing of cobalt from artisanal and small-scale mines (ASMs) would be in breach of the company's compliance procedures. However, progress has been made, since the company has since announced its formal support for the company announced late in 2020 that it would formally support the Cobalt for Development programme on the ground in the Democratic Republic of the Congo in an attempt to develop local infrastructure there.

3. FAIRR initiative on sustainable and alternative proteins

Volkswagen (in co-operation with other investors) co-signed letters sent by Farm Animal Investment Risk and Return (FAIRR) to food retailers on the topic of sustainable and alternative protein sources. The companies engaged in this effort were: Amazon.com, Kerry, Tesco and Unilever, as the Fund has equity holdings in each of these companies.

The aim of the letters was to incentivise companies to set a time commitment to increase the proportion of plant based alternative proteins within their product portfolios, as well as to gather information on each company's strategies, tracking of alternative protein use and reporting.

How the DC Section SIP has been followed over the period up to 31 March 2021

In relation to the DC Section of the Scheme, in the Trustee's opinion, the Statement of Investment Principles has been followed over the year in the following ways:

- The DC Section offers a suitable default strategy for members. The default strategy is designed after careful analysis of the membership's demographics and other characteristics in order to offer a suitable approach that is tailored to the needs of the DC Section's members. The Trustee will review the default strategy at least every three years or after significant changes to the scheme demographic profile. As above and as is required for a scheme in a PPF assessment period, all DC benefits held in the Scheme are in the process of being discharged and this is expected to be concluded by the end of September 2021.

- The DC Section offers a range of self-select fund options which give members a reasonable choice from which to select their own strategy. The Trustee will continue to keep the fund range under review and will make changes as is appropriate.

- The Trustee accepts that as the DC Section invests in pooled funds, they have very limited ability to influence the ESG policies and practices of the companies in which their managers invest. The Trustee has considered the ESG capabilities of each of the DC Section managers and will only select investment managers that pass an initial ESG screening.

- The Trustee regularly reviews the ESG capabilities of the managers as part of the monitoring process and continues to review the available products and approaches in this space.

- The Trustee has made no new manager appointments over the year that affect voting or engagement.

- Since the inception of the DC Section on 1 September 2005 up to the reporting date of 31 March 2021, no formal review of the DC default strategy has been conducted. The Trustee had intended to review the DC default strategy in 2020. However, this was deferred following the appointment of Administrators to the Principal Employer. Since the Scheme is not expected to continue beyond the short term, a review has instead been undertaken as part of the process of discharging the DC (and AVC) benefits.

How the DB Section SIP has been followed over the period up to 31 March 2021

- During the period up to 31 March 2021, the Trustee is pleased to report that they have in their opinion adhered to the policies set out in their DB SIP and have complied with the Regulations.

Summary

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

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

Prepared on behalf of the Trustee of the Laura Ashley Retirement Benefits Scheme.

Signed Christopher Hayes

30 September 2021

On behalf of the Trustee of the Laura Ashley Retirement Benefits Scheme