G4S Pension Scheme
Implementation Statement
5 April 2021

Introduction

This implementation statement ("Statement") is a new addition to the Trustee Report and Accounts, required by pensions regulations[1]. G4S Trustees Limited ("Trustee") as trustee of the G4S Pension Scheme ("Scheme") has prepared this statement to provide stakeholders with a transparent and accurate review of how it has acted in line with the stewardship and engagement policies set out in the Statement of Investment Principles ("SIP") for the Scheme during the accounting year.

The Statement covers the Scheme's three sections; the Securicor Section, the Group 4 Section and the GSL Section and the Defined Contribution Account. Part A of this Statement covers the three Section's whilst Part B covers the Defined Contribution Account.

This Statement includes details of:

- Compliance against the stewardship and voting policies;
- Any changes made to the stewardship and voting policies ("Stewardship Policy") during the year; and
- Specifically, how the Scheme's investment managers voted and engaged on our behalf

This statement has been prepared by the Trustee to cover the period 5 April 2020 to 5 April 2021.

The statement is publicly available at https://www.g4s.com/g4sps.

<u>Part A</u>

Executive Summary

The day to day management of the Scheme's assets is delegated to Cardano Risk Management Limited (the 'Fiduciary Manager'). In advance of the appointment, the Trustee took steps to ensure that the management of assets and the Fiduciary Manager's policies were aligned with the Trustee's own policies. The Trustee continues to monitor the Fiduciary Manager, as part of its regular interactions with them.

We monitor the voting and engagement activity of the investment managers, and, through the Fiduciary Manager, challenge their decisions. The Trustee focuses its efforts on those investment managers where voting and engagement is material. The policies of those investment managers are summarised in this Statement, along with examples of the type of activity which took place during the period covered by this Statement. Some of the investment managers use investment approaches where stewardship is less likely to be relevant or significant. The Trustee is comfortable that our Fiduciary Manager has an appropriate approach for all investment managers.

During the reporting year, the Trustee undertook a full review of the Scheme's Statement of Investment Principles (SIP), which was updated on 30 September 2020. The main change addressed during this review was that the Trustee added further information on the arrangements it has with its investment managers and expectations of the Fiduciary Manager in regard to stewardship and engagement.

The Trustee has ensured that the Scheme is consistent with the overall objectives and principles set out in the SIP. As per the SIP, the Scheme's DB and DC investment managers are monitored on an ongoing basis.

[1] The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended)

We further consider the implementation of the investment policies and the extent to which the Trustee has followed the SIP in the following sections.

Section 1 – The Stewardship Policy

What is Stewardship?

"Stewardship" is the responsible allocation, management and oversight of capital to create long-term value for members, which should also lead to sustainable benefits for the economy, the environment and society. In practice, stewardship is affected through exercising the right to vote on any shares we are owned by the Scheme and engaging with the management of any companies or properties where an investment has been made.

What is our Stewardship Policy?

The Stewardship Policy in force during the financial year was:

> *"The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers. The Fiduciary Manager encourages the Scheme's investment managers to discharge their responsibilities in respect of investee companies in accordance with the Stewardship Code published by the Financial Reporting Council."*

How have we implemented our Stewardship Policy?

The Trustee holds investments primarily indirectly through pooled funds, but also holds some assets such as government bonds directly. The reason for this approach is that:

- It provides a broader range of investment opportunities which helps to improve the diversification of investments which helps to manage risk;
- Fixed costs are shared amongst other investors, thereby reducing our overall costs; and
- It simplifies the implementation process as existing funds can be used with standard terms and agreements, reducing the overall governance burden both on the Trustee and the Sponsor.

Where investments are made in pooled funds the Trustee follows the investment managers of the pooled fund's voting and engagement policies. However, the Trustee remains responsible for ensuring that the investment managers our Fiduciary Manager appoints act consistently with the Stewardship Policy.

The Fiduciary Manager has been aligned with our Stewardship Policy throughout the year and has been a signatory to the UN Principles of Responsible Investment since 2011. They are a signatory to the UK Stewardship Code and have a Tier 1 rating from the Financial Reporting Council.

Several core beliefs help drive the Fiduciary Manager's approach to engagement. They are:

- Focused governance – spending most time on the most material issues;
- Transparency – improved reporting allows better quality dialogue, risk awareness and higher engagement impact;
- Engagement – through education and close, regular dialogue; and
- Integration – leads to consistency, clarity of messaging and improved dialogue leading to greater engagement impact.

The Fiduciary Manager is responsible for engaging with investment managers regarding those investment managers' voting records and level of engagement with the underlying investments, and the Trustee monitors the Fiduciary Manager's activity in this regard. We categorise our managers according to how material voting, and engagement is in their mandate.

The Trustee focuses its efforts on any managers where voting and engagement is material, the stewardship policies of theses managers are summarised below (using each investment manager's own words):

Manager	Asset Class	Stewardship Policy (in Manager's own words)
AKO	Equity	We normally vote alongside management. However, on rare occasions, we may decide to vote against management on certain issues if we believe it is in the best interests of our fund investors to do so. Such reasons include, but are not limited to: proposals to materially reduce shareholder rights and or limit the equitable treatment of shareholders; management incentives that are not aligned with shareholders' best interests; reduced board effectiveness or reporting transparency; or long term value-destructive proposals. In these limited cases, we aim to raise concerns with the companies ahead of voting and explain the rationale behind our decision. Voting rights may be exercised either directly by AKO or by giving a proxy to a 3rd party. Research analysts are in charge of taking the voting decisions but the ESG team makes sure that we vote our shares according to homogeneous criteria and provides guidance when needed. All voting decisions are documented, rated in our internal scoring systems and shared to the investment team, becoming an input in our investment decision process.
Amia	Macro Orientated	Amia aims to follow the spirit of the PRI's Principle 2 in its stewardship practices, where stewardship (or active ownership) is defined as "the use of influence by institutional investors to maximise overall long-term value including the value of common economic, social and environmental assets, on which returns and clients' and beneficiaries' interests depend". There are several stewardship mechanisms, the two of which most directly relate to Amia being proxy voting and engagement, although the extent to which we enjoy access to these mechanisms differs.
Anatole	Equity	Any proxy voting or shareholder actions are brought to the attention of front office personnel responsible for the coverage of the position as well as senior management. Senior management will confer with the Anatole analyst coverage on suitable actions to take regarding any corporate actions. This may include abstention from voting. Anatole senior management will make its decision clear to the operations team. The CCO and operations team will enter the decision into the proxy voting record.

BlueDrive	Equity	We have partnered with Institutional Shareholder Services ("ISS") and we subscribe to their proxy research services. Invitations from ISS to vote are actively monitored by our Legal and Compliance Team, who then reach out to our Investment Team to review the ISS voting recommendation, for the final say.
Caxton	Macro Orientated	Caxton views proxy voting as an extension of the investment process. To that end, where the voting of proxies is irrelevant to the investment decision to purchase, hold, or sell a security (or other applicable instrument), Caxton will not vote proxies on behalf of clients (e.g., in connection with quantitative driven strategies). In addition, Caxton generally does not vote proxies with respect to non-US issuers, but may decide to do so depending upon the nature of the proxy. With respect to strategies in which Caxton is required to vote pursuant to its proxy voting policies, Caxton may delegate to an independent proxy voting service the authority to exercise the voting rights associated with client holdings. Any such delegation will be made in accordance with the direction that the votes be exercised in accordance with Caxton's proxy voting policies.
Dorsal	Equity	All proxies are reviewed by the sector heads. The default decision is to vote with management; however, sector heads are reminded each time to let the Director of Compliance know when the decision is to vote against management.
Egerton	Equity	Egerton typically votes in favour of routine housekeeping proposals, including election of directors (where no sustainability factors appear relevant). Egerton typically votes against proposals that make it more difficult to replace board members and may vote against companies that do not publicly disclose their carbon and other GHG emissions and do not have a credible plan for their reduction. Egerton maintains records of votes cast, of reasons for voting against the investee company management's recommendations or for abstaining. Egerton may attend general meetings of companies in which the funds have a major holding, or write formally to the directors of such companies, where this is considered appropriate and practicable.
Farallon	Multi strategy	Farallon has a proxy voting policy that states that all actions taken with respect to proxies are to be in the best interests of the Farallon Funds and in accordance with Farallon's proxy voting policy. The policy includes guidelines on corporate governance issues; voting, board composition and control issues; compensation issues; and other matters.

Sunriver	Equity	Sunriver (the "Firm") has engaged an independent third-party proxy voting service (the "Proxy Service") to monitor proxy votes pertaining to portfolio securities, provide research and recommendations on such votes, cast such votes in accordance with the Firm's instructions, and maintain records with respect to such votes. Sunriver determines whether and how to vote corporate actions and proxies on a case-by-case basis and will apply the following guidelines, as applicable: • The Firm will attempt to consider all aspects of the vote that could affect the value of the issuer or that of the Fund; • The Firm will vote in a manner that it believes is consistent with the stated objectives of the fund; • The Firm will generally vote in accordance with the Proxy Service's recommendations unless the investment team determines that it is in the best interests of the fund to depart from such recommendations; and • The Firm may decide not to vote to the extent the outcome of the vote or action does not have a material impact on the issuer or value of its securities or if the Firm determines that not voting is in the best interests of the Fund. Conflicts of interest may arise between the interests of the Funds and the interests of the Firm when it comes to voting proxies. A conflict of interest will be considered material to the extent that it is determined that the conflict has the potential to influence the Firm's decision making in voting the proxy. If the Firm determines that there is, or the Firm perceives that there is, such a material conflict of interest, the Firm will vote in accordance with the recommendations of the Proxy Service.
Wellington	Emerging Market Debt	Constructive engagement with issuers is the most effective way to improve ESG characteristics over time. For emerging markets sovereigns, environmental, social, and governance (ESG) factors have long been embedded in Wellington's country research process used to assess the relative credit strength of all the countries under their research coverage. Our stewardship activities are driven by the E, S, and G factors that they have integrated into our investment philosophy and process. Social stability and the quality of governance – political stability, quality of policies, and strength of institutions – are all critically important factors in assessing both the probability of default and the relative value of government debt. Governance is a key component in our country scoring quantitative model that is used across countries. We use both external data from sources such as the World Bank and Transparency International as well as the internal assessments of our experienced sovereign analysts to evaluate these risks.

In addition, we invested in other pooled funds, but either there was no direct exposure to equities, the proportion of equities held was very low (less than 5%) and/or the holding period was very short, and we therefore focused less on these managers' voting and engagement.

The Scheme also invests in a series of Private Market investments. Most of these strategies own controlling stakes in the underlying businesses, meaning that stewardship and engagement is evidenced in a much broader way than, for example, investing in company shares that are listed on a stock market (i.e. public market investments). One important way for a Private Markets investment manager to add value is to ensure that each business has the best corporate governance possible – dictating and controlling the policies and make up of senior leadership (versus voting at shareholder meetings). Engagement is, therefore, highly relevant in some cases and we include an example in the relevant section of this report.

Compliance with our Stewardship Policy

To the best of our knowledge the Trustee has complied with the Stewardship Policy over the year.

Section 2 – How voting was done

How the investment managers voted

Manager	Average % Scheme assets	Number of potential votes	Proportion of votes cast	For	Against	Abstain
AKO	1.0%	651	52%	331	1	7
Amia	2.1%	0	0	0	0	0
Anatole	1.8%	0	0%	0	0	0
BlueDrive	1.7%	149	100%	132	17	0
Caxton	2.6%	10,419	96%	9102	900	0
Dorsal	2.1%	170	100%	170	0	0
Egerton	2.5%	475	62%	277	1	17
Farallon	1.1%	1102	98%	1004	54	22
Sunriver	2.2%	19	84%	15	0	1
Wellington	0.9%	0	0	0	0	0

Note: Average % of Scheme assets shown is based on Securicor holdings as an example

Use of proxy voting services

Proxy voting services are specialist firms that provide an outsourced voting service. Some investment managers choose to use these services (rather than vote themselves). The reasons for using proxy voting services could include:

- The investment manager lacks the resource to research each vote and submit votes
- The investment manager wants to follow a recognised code of practice and the proxy voting service is an easy way to implement this

Using a proxy voting service does not necessary mean that voting is done poorly. In fact, many professional proxy voting services are able to devote significant resource to researching AGM motions and are able to follow best practice guides like the FRC's Stewardship Code.

However, the potential concern is that the manager who has chosen to invest in the company is arguably in the best position to vote and engage with the company, and by failing to do so directly, may be signalling indifference to the management.

The table below outlines the use of proxy voting services by the Scheme's investment managers where voting is deemed to be of material importance (using each investment manager's own words)

Manager	Use of proxy voting service	Comment
Amia	Yes – Broadridge	Broadridge was appointed from February 2020, prior to this no proxy voting service was in place.
AKO	No	AKO do not use or intend to appoint a proxy voting advisor.
Anatole	No	Anatole do not use or intend to appoint a proxy voting advisor.
BlueDrive	Yes - ISS	We have partnered with Institutional Shareholder Services ("ISS") and we subscribe to their proxy research services. We use their standard voting policy.
Caxton	Yes - ISS	Caxton currently has delegated responsibility for proxy voting to Institutional Shareholder Services, Inc. ("ISS"). ISS assists in the proxy voting and corporate governance oversight process by developing and updating its own proxy voting guidelines.
Dorsal	No	Dorsal do not employ the services of a proxy service, however, they monitor the recommendations of the major proxy consultants.
Egerton	No	Egerton do not use a proxy advisor but do utilise the services of Proxy Edge to cast votes.
Farallon	Yes – Glass Lewis	Starting in March 2021, Farallon obtains proxy voting analysis and recommendations from Glass Lewis and delivers these to investment professionals, who are responsible for instructing votes in the best interests of the Farallon funds. The Glass Lewis recommendations are simply one piece of information that investment analysts may consider.
Sunriver	Yes - ISS	Sunriver has engaged an independent third-party proxy voting service, Institutional Shareholder Services. We license their standard policy ("ISS Proxy Analysis & Benchmark Policy").
Wellington	No	Wellington subscribes to the research services of Glass Lewis & Co. and ISS. They also subscribe to the Viewpoint voting platform provided by Glass Lewis & Co. to facilitate electronic receipt and execution of ballots.

Examples of significant votes cast

The table below outlines two examples of significant votes cast by a sample of the Scheme's investment managers where voting is deemed to be of material importance (using each investment manager's own words)

Manager	Significant votes cast	Rationale/ Comment
Equity manager 1	Union Pacific - Voted with a shareholder proposal for a climate assessment report, against the recommendation of management	We took this action in the hope it would lead to improved ESG related metrics of the company.
Equity manager 2	Masonite International Corporation – Vote against the election of Howard C. Heckes as Director	In this circumstance, the analyst recommended that the CEO in this proposal should not be a member of the board due to potential conflict of interest.

Section 3 – How did the investment managers engage in respect of the investments held

Engagement is considered to be purposeful dialogue with a specific and targeted objective to achieve positive change in the interests of beneficiaries, thereby a key action required for delivering good stewardship.

The tables below include examples of engagement activity from the Scheme's investment managers where engagement should be a material activity in the management of the assets (using each investment manager's own words).

Public market investments

Manager	Engagement activity
Equity manager 3	We engaged with the Investor Relations team and the Chairman of one of our investee companies about their new incentive scheme. We recommended our key principles for the compensation scheme, according to our policy, most of which were taken on board including the introduction of ESG KPIs as performance criteria for 20% of the long-term incentive plan. We focused on delivering an incentive scheme that protects minority shareholders and remunerates management for non-financial performance related to stakeholders other than shareholders.

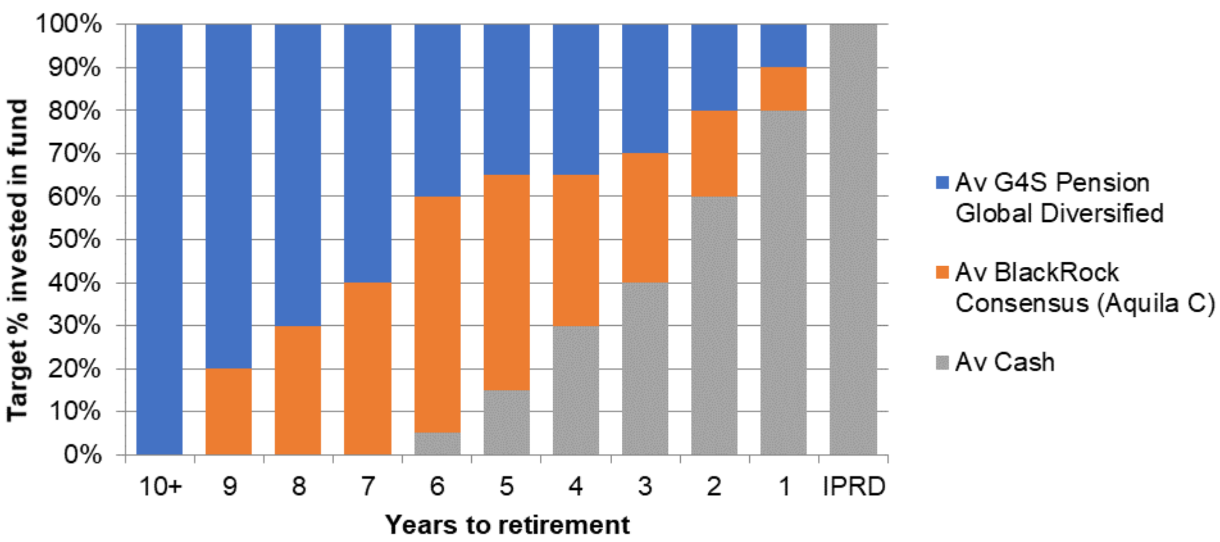
Private market investments

Manager (asset type)	Engagement activity
Private market manager 1	Company A has implemented a number of initiatives that align to core ESG issue areas, including: • Environmental Management: to reduce its environmental impact, Company A collaborated with the SmartWay Transport Partnership, achieving a carbon footprint reduction of 2.3 million quarter on quarter, while moving 11 million more pounds of freight. • Social and Labour Conditions: At the onset of the COVID-19 pandemic, Company A created a COVID-19 response committee to develop plans and training for safety protocols, offered COVID-19 testing to employees, and introduced additional paid time off for infected employees along with benefits flexibility. • Diversity and Equal Employment Opportunity: Company A requires diversity and inclusion training for all new hires, added a “diversity, fairness, and inclusion statement” to its handbook, and incorporated diversity and inclusion questions into its interview guide. In addition, as a third-party logistics provider, Company A helps its customers optimize their transportation networks by reducing empty miles (i.e., the distance travelled by a truck after it makes a delivery to a receiver and then drives empty back to the original shipping point or at some length to another pickup location). Private market manager 1 has begun to work with the Company A management team on an initiative to measure the impact of reducing empty miles on the carbon footprint of transportation capacity procured by Company A on behalf of customers, including the eventual transition to electric trucks.

Part B – Aviva DC Assets

The Defined Contribution objective is to provide members with the facility to accumulate additional savings for retirement over and above members' Defined Benefit pension. The Default Strategy is known as the 'Additional Lump Sum Lifetime Investment Programme'. The aim of the default strategy is to grow the capital value of the assets over time balancing risk and return. As a member gets closer to retirement, assets are gradually switched into less volatile holdings, which are also expected to provide lower investment returns.

The progression as the Investment Programme Retirement Date ('IPRD') approaches and funds used are shown below:



The Trustee offers 9 other fund options so that members can tailor their arrangements towards their specific objectives:

How the relevant funds voted

Manager	Number of potential votes	Proportion of votes cast	For	Against	Abstain
Aviva BlackRock Consensus	63,671	95%	56,386	4,333	*
Aviva BlackRock Emerging Markets Equity	23,180	97%	20,367	2,065	*
Aviva 60 40 Global Equity index	35,730	95%	25,241	8,130	680
Aviva UK Equity Index	11,058	100%	10,267	595	154

Aviva Developed World ex UK Equity Index	27,012	94%	16,636	8,128	557

*Abstain votes for the Blackrock funds are included within the against votes figure

A summary of the use of proxy voting by these managers is as follows:

Manager	Use of proxy voting service	Comment
Aviva	ISS and IVIS	ISS and IVIS. For a number of years, ISS has been providing us with voting recommendations based on our own policy in order to ensure the most efficient approach to voting thousands of meetings a year. We can of course override these recommendations to consider other factors including additional context provided in the ISS standard research and other internal and external research considerations.
Blackrock	ISS and Glass Lewis	While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

Examples of significant votes cast – Aviva's comments

Manager	Significant votes cast	Rationale/ Comment
DC manager 1	Approving Barclays' Commitment in Tackling Climate Change	Proposed by the Board, this resolution set out Barclays' commitment to climate change. Barclays is one of the largest lenders to fossil fuels globally, and it previously showed little intent to reduce its exposure. As such, support for this resolution is warranted at it sets out an ambition for Barclays to become a net zero bank by 2050 and directs the Company to set a strategy, with targets, to transition its provision of financial services across all sectors to align with the goals and timelines of the Paris Agreement. Barclays will report on progress annually starting from 2021. This resolution also signifies a dramatic cultural shift at the bank and culminates extensive work led by the Chair, Nigel Higgins and supported by the board and management team.
DC manager 2	Shareholder resolution requiring the company (Amazon.com, Inc.) to produce a human rights risk assessment	We have engaged with Amazon on human rights risks management over the past year. Whilst we have observed improvements, with the publication of its Global Human Rights Principles, we find current reporting falls short of expectations. The assessment (and public disclosure) of the company's actual and potential impacts of its products will benefit shareholders as it will help understand the policies the company has implemented to address human rights impacts in its operations and supply chain. We look forward to seeing the expanded risk assessment approach and further details as discussed with the company.