Implementation Statement

Bosch UK Retirement Benefits Scheme

This Implementation Statement has been prepared for the Trustees of the Bosch UK Retirement Benefits Scheme (the "**Scheme**") and sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 31 December 2020.

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 fund managers.

The Trustees undertook an initial review of the stewardship and engagement activities of the current managers at their **18 February 2020 Investment Sub-Committee (ISC)** meeting, and were satisfied that their policies were reasonable and no remedial action was required at that time.

The Trustees receive and review voting information and engagement policies from both the asset managers and our investment advisors from time to time, including at our ISC meetings. We review this information to ensure alignment with our own policies.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme's stewardship policies.

Voting Data

Voting only applies to funds that hold equities within their portfolio. As such, this will only include the LGIM Global Equity 60:40 Index, the BNY Mellon Long Term Global Equity Fund, the BlackRock Aquila Life 30:70 Currency Hedged Global Equity Fund, the BlackRock Dynamic Diversified Growth Fund and the Schroders equity portfolio. The investment managers of these funds vote on behalf of the Trustees and information on the votes made over the year are summarised over the next few pages. This has been displayed for the Bosch Section and the BSH Section separately.

Schroders were unable to provide information regarding the voting recommendation of its proxy advisor. As such, this information is not shown for these funds.

The Trustees' investment consultant is liaising with the managers to improve delivery of the data in future, and we understand that the managers are working to improve their disclosures.

Voting Data for Bosch Section

Manager	Schroders	Schroders	Schroders	Schroders
Fund name	North American Equity Fund	Europe Fund	Japanese Opportunities Fund	Institutional Pacific Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.			
Number of company meetings the manager was eligible to vote at over the year	280	64	76	68
Number of resolutions the manager was eligible to vote on over the year	3,505	1206	927	679
Percentage of resolutions the manager voted on	100%	85%	100%	93%
Percentage of resolutions the manager abstained from	1%	1%	0%	0%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	88%	90%	95%	92%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	11%	9%	6%	7%

Manager	Schroders	Schroders	LGIM	BNY Mellon
Fund name	Emerging Markets Fund	Institutional Developing Markets Fund	Global Equity 60:40 Index	Long Term Global Equity Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.			
Number of company meetings the manager was eligible to vote at over the year	142	140	3533	51
Number of resolutions the manager was eligible to vote on over the year	1671	1611	43,630	728
Percentage of resolutions the manager voted on	98%	97%	100%	100%
Percentage of resolutions the manager abstained from	1%	1%	0%	1%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	93%	93%	84%	97%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	6%	6%	16%	3%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	n/a	n/a	0%	9%

Some voting percentages quoted above may not sum to 100%. This is due to managers' classifications of votes and abstentions both internally and rounding.

Significant votes

For the first year of implementation statements the Trustees have delegated to the investment managers to define what a "significant vote" is. This may differ from the Trustees' view of significance, but this is being worked on in the hope that this can be improved for next year.

Schroders did not provide many details on their significant votes throughout the year, such as the size of the fund's holdings, the outcome and implications of the votes.

Schroders North American Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Costco Wholesale Corporation	Apple	The Walt Disney Company
Date of vote	22 January 2020	26 February 2020	11 March 2020
Summary of the resolution	**Proposal 3:** Advisory vote to ratify named executive officers' compensation.	**Proposal 6:** Report on freedom of expression and access to information policies.	**Proposal 5:** Report on lobbying payments and policy.
How the manager voted	Against	For	For
Rationale for the voting decision	Minimum vesting period is less than 3 years.	The company already provides a good level of reporting on human rights, however given the societal importance of the topic, a vote 'for' is warranted in this case.	While the company has improved its disclosure in recent years, there is limited evidence that the board has direct oversight and is monitoring the potential misalignment between the company and the associations of which it is a member.
Criteria on which the vote is considered "significant"		Schroders voted against management.	

Schroders Europe Fund

	Vote 1	Vote 2	Vote 3
Company name	Saab	Lagardere	Thales
Date of vote	1 April 2020	5 May 2020	6 May 2020
Summary of the resolution	**Proposal 14c:** Approve transfer of shares for previous year's incentive programs.	**Proposal A-P:** Dismiss various Supervisory Board Members and elect new ones.	**Proposal 10:** Authorise up to 1% of issued capital for use in restricted stock plans.
How the manager voted	Against	For	Against
Rationale for the voting decision	Schroders are not supportive of the incentive plan this would fund.	Supportive of wholesale change to the Supervisory Board.	Lack of disclosure around the performance conditions attached to the plan.
Criteria on which the vote is considered "significant"		Schroders voted against management.	

Schroders Japanese Opportunities Fund

	Vote 1	Vote 2	Vote 3
Company name	Hi-Lex Corporation	Toyota Industries Corporation	SRA Holdings
Date of vote	25 January 2020	9 June 2020	24 June 2020
Summary of the resolution	**Proposal 5:** Approve takeover defence plan (poison pill).	**Proposal 1.2:** Elect director Akira Onishi.	**Proposal 1.1:** Elect director Toru Kashima.
How the manager voted	Against	Against	Against
Rationale for the voting decision	Poison pill not in shareholders' best interests.	Lack of gender diversity on the board.	Lack of gender diversity.
Criteria on which the vote is considered "significant"		Schroders voted against management.	

Schroders Institutional Pacific Fund

	Vote 1	Vote 2	Vote 3
Company name	NEXON Company Limited	Tencent Holdings Limited	Techtronic Industries
Date of vote	25 March 2020	13 May 2020	15 May 2020
Summary of the resolution	**Proposal 1.1:** Elect director Owen Mahoney.	**Proposal 5:** Approve issuance of equity or equity-linked securities without pre-emptive rights.	**Proposal 3c:** Elect Vincent Ting Kau Cheung as director.
How the manager voted	Against	Against	Against
Rationale for the voting decision	There is a lack of gender diversity on the board.	The share issuance limit exceeds 10%.	Non-independent director serving as remuneration committee chair.
Criteria on which the vote is considered "significant"	Schroders voted against management.		

Schroders Emerging Markets Fund

	Vote 1	Vote 2	Vote 3
Company name	National Bank of Kuwait	Ping An Insurance Group	WEG
Date of vote	7 March 2020	9 April 2020	28 April 2020
Summary of the resolution	**Proposal 10:** Approve directors' loans for financial year 2020.	**Proposal 9:** Approve issuance of equity or equity-linked securities without pre-emptive rights for H shares.	**Proposal 1:** Amend articles to comply with new regulations of Novo Mercado of B3.
How the manager voted	Against	Against	Against
Rationale for the voting decision	Lack of disclosure.	Issuance limit exceeds 10% without pre-emptive rights.	Reduction of governance standards.
Criteria on which the vote is considered "significant"	Schroders voted against management		

Schroders Institutional Developing Markets Fund

	Vote 1	Vote 2	Vote 3
Company name	NEXON Company Limited	Turkiye Petrol Rafinerileri AS	Ambev SA
Date of vote	25 March 2020	1 April 2020	24 April 2020
Summary of the resolution	**Proposal 1.1:** Elect Director Owen Mahoney.	**Proposal 9:** Approve Director remuneration.	**Proposal 7:** Amend restricted stock plan
How the manager voted	Against	Against	Against
Rationale for the voting decision	Lack of board diversity.	Director remuneration not disclosed	High discretionary element to plan.
Criteria on which the vote is considered "significant"	Schroders voted against management.		

LGIM Global Equity 60:40 Index

	Vote 1	Vote 2	Vote 3
Company name	Barclays	Amazon	ExxonMobil
Date of vote	7 May 2020	27 May 2020	27 May 2020
Summary of the resolution	**Resolution 29:** Approve Barclays' commitment in tackling climate change. **Resolution 30:** Approve ShareAction requisitioned resolution.	**Shareholder resolutions 5 to 16**.	**Resolution 1.10:** Elect director Darren W. Woods.
How the manager voted	**Resolution 29:** For **Resolution 30:** For	**Resolutions 5-10 and 13-16:** For **Resolutions 11 and 12:** Against	**Resolution 1.10:** Against
If the vote was against management, did the manager communicate their	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management.		

	Vote 1	Vote 2	Vote 3
intent to the company ahead of the vote?			
Rationale for the voting decision	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers.	Disclosure to encourage a better understanding of process and performance of material issues (resolutions 5-8, 10, 13, 15 and 16). Governance structures that benefit long-term shareholders (resolutions 9 and 14).	Under LGIM's annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, they announced that they will be removing ExxonMobil from their Future World fund range, and will be voting against the chair of the board.
Outcome of the vote	**Resolution 29:** supported by 99.9% of shareholders. **Resolution 30:** supported by 23.9% of shareholders.	**Resolutions 5-8 and 14-16:** supported by approx. 30% of shareholders. **Resolutions 9 and 10:** supported by 16.7 and 15.3% of shareholders respectively. **Resolution 11-13:** supported by 6.1%, 1.5% and 12.2% of shareholders respectively.	**Re-election of Darren Woods:** supported by 93.2% of shareholders. **Independence and Lobbying:** supported by approx. 30% of shareholders.
Implications of the outcome	LGIM's focus will now be to help Barclays on the detail of their plans and targets. LGIM plan to continue to work closely with the Barclays board and management team in the development of their plans and will continue to liaise with ShareAction, Investor Forum, and other large investors, to ensure a consistency of messaging and to continue to drive positive change.	LGIM's engagement with the company continues as they push it to disclose more and to ensure it is adequately managing its broader stakeholders and its human capital.	LGIM believe this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company. Their voting intentions were the subject of over 40 articles in major news outlets across the world, with a number of asset owners in Europe and North America also declaring their intentions to vote against the company.
Criteria on which the vote is considered "significant"	Throughout 2020 there has been significant client interest in LGIM's voting intentions and engagement activities in relation to the 2020 Barclays AGM. LGIM consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as their clients.	The market attention was significant leading up to the AGM, with 12 shareholder proposals on the table. There were also diverse investor coalitions submitting and rallying behind the proposals as well as multiple state treasurers speaking out.	LGIM voted against the chair of the board as part of their 'Climate Impact Pledge' escalation sanction.

BNY Mellon Long Term Global Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Compass Group	Jardine Matheson	Reckitt Benckiser
Date of vote	6 February 2020	7 May 2020	12 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.00%	0.80%	0.80%
Summary of the resolution	Authorise the issue of equity.	Authorise the issue of equity.	Authorise the issue or equity.
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Walter Scott did not communicate their intentions prior to the vote.	Walter Scott did not communicate their intentions prior to the vote.	Walter Scott did not communicate their intentions prior to the vote.
Rationale for the voting decision	The manager voted against this proposition due to potential dilation greater than 10%.	The manager voted against this proposition due to potential dilation greater than 10%.	The manager voted against this proposition due to potential dilation greater than 10%.
Outcome of the vote	Supported by 92.1% of the votes.	The outcome is not available.	Supported by 87.1% of the votes.
Implications of the outcome	Walter Scott will continue to monitor this.	Walter Scott will continue to monitor this.	Walter Scott will continue to monitor this.
Criteria on which the vote is considered "significant"	This was a vote against management.	This was a vote against management.	This was a vote against management.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

LGIM were unable to provide engagement data at a fund level, so the data is given below at a firm level for LGIM. The individual gilts that the Bosch section is invested in have been collated under the Single Dated Gilt Funds title. The Schroders Cash fund is not shown below due to the limited

engagement opportunities available to a fund of this nature. The Schroders Emerging Markets and Developing Markets are combined as Schroders provided information at a strategy level. Walter Scott was unable to provide the number of engagements on a fund level over 2020.

Manager	Schroders	Schroders	Schroders	Schroders
Fund name	North American Equity Fund	Europe Fund	Japanese Opportunities Fund	Institutional Pacific Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	64	34	10	17
Number of engagements undertaken at a firm level in the year	1,532	1,532	1,532	1,532
Examples of engagements undertaken with holdings in the fund	Deutsche Bank The focus here was on climate change, with Schroders aiming to align banks financing activities with the Paris agreement. Schroders are assessing around 150 banks across the globe on their fossil fuel financing activities and the strength of their long-term climate strategy. Of these, their Credit team selected 21 banks, including Deutsche. In 2020, they discussed the idea of creating new roles within the bank that were responsible for	Ubisoft Entertainment This engagement formed part of a thematic ESG engagement in which Schroders requested greater detail of diversity levels within the workforce, diversity on screen, training and reporting, and board oversight of diversity and harassment issues. Schroders aims to keep engaging with any companies which lack diversity across their workforce. They regularly vote against the Head of the Nomination committee where diversity needs improving and will	Takeda Pharmaceutical This centred on remuneration with the aim to produce a proper executive compensation scheme. Schroders met with the CEO, Dr Weber, to discuss this and other areas of improvement and has since seen improvement. Dr Weber has even suggested a follow-up meeting with the independent director to discuss further. Schroders will arrange engagement meeting with the management to review the status of the current engagement	Bank of China (HK) Schroders feel climate stress testing is an area that the banking sector is looking at globally. The fund has engaged here to try bring climate risk management and related disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD). This is still a relatively new area for the region and Schroders continue to work to improve this. The fund is also looking at ways to meaningfully

Manager	Schroders	Schroders	Schroders	Schroders
	looking into the bank's impact on climate change. Schroders continue to communicate regularly with the banks and have encouraged continual development within the banks.	escalate this to the chairman where necessary. If no progress is made then Schroders will re-engage after a year to try to encourage a positive change.	theme, and also to discuss possible new engagement theme.	benchmark the banks to monitor this in the future.

Manager	Schroders	LGIM	BNY Mellon
Fund name	Emerging Markets Fund and Institutional Developing Markets Fund	Global Equity 60:40 Index, Investment Grade Corporate Bond All Stocks Index, Single Dated Gilt Funds and Single Dated Index Linked Gilt Funds	Long Term Global Equity Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	40	n/a	n/a
Number of engagements undertaken at a firm level in the year	1,532	891	325
Examples of engagements undertaken with holdings in the fund	Norilsk Nickel Schroders engaged with pollution and waste issues after a recent diesel leak led them to assess the broader vulnerability of Russian companies with assets in the Arctic circle to climate change. The actions taken to manage and mitigate these risks were	Some of the top engagement topics for LGIM over 2020 were: • Climate Change • Remuneration • Diversity • Covid-19 • Strategy	Waters The engagements with Waters have typically been carried out with the company's CEO and Chairman. The format of the engagement has mostly been in-person meetings where our preference for a truly independent lead independent

Manager	Schroders	LGIM	BNY Mellon
	also explored. This engagement is still ongoing into 2021 and working with companies such as Gazprom and Novatek to try to prevent any further leaks. Schroders held a small position in Norilsk in their core Global Emerging Market portfolios, which was sold as a precautionary measure.	• Board Composition This is demonstrated by LGIM's engagement with Barclays, in which there has been significant client interest. LGIM endorsed Barclays' ESG target, to shrink its carbon footprint to zero-neutral by 2050, and are focussing on helping Barclays develop plans and achieve their target.	director (LID) was formally conveyed verbally. The company was very receptive to our strong opinions about the importance of a genuinely independent LID, and no escalation was required. Shortly after the meeting, the company announced that a new individual was moving into the role. This individual had considerably less experience on the board than the incumbent, and thus was clearly more independent.

Voting Data for BSH Section

Manager	BlackRock	BlackRock
Fund name	Aquila Life 30:70 Currency Hedged Global Equity Fund	Dynamic Diversified Growth Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
Number of company meetings the manager was eligible to vote at over the year	5,305	984
Number of resolutions the manager was eligible to vote on over the year	60,001	12,609
Percentage of resolutions the manager voted on	96%	97%
Percentage of resolutions the manager abstained from	2%	1%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	93%	94%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	5%	5%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	n/a	n/a

Significant votes

BlackRock were not able to provide information regarding the size of the Fund's holdings at the vote date nor the outcomes and implications of the votes. Hence, this information has been omitted here.

BlackRock Aquila Life 30:70 Currency Hedged Global Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Exxon Mobil Corporation	Royal Dutch Shell plc	Chevron Corporation
Date of vote	27 May 2020	19 May 2020	27 May 2020
Summary of the resolution	**Item 1.2:** Elect director Angela Braly. **Item 1.4:** Elect director Kenneth Frazier. **Item 4:** Require independent board chair.	**Item 21:** Request Shell to set and publish targets for Greenhous Gas emissions.	**Item 6:** Report on climate lobbying aligned with Paris Agreement goals.
How the manager voted	**Item 1.2:** Against **Item 1.4:** Against **Item 4:** For	**Item 21:** Against	**Item 6:** For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	BlackRock discussed with Exxon their concerns regarding their climate risk management.	BlackRock voted with management.	BlackRock discussed a range of topics with Chevron including climate reporting.
Rationale for the voting decision	BlackRock voted against both directors because there was insufficient progress on the Task Force on Climate-related Financial Disclosures aligned reporting and related action. The For vote came from a belief the board would benefit from a more robust leadership structure.	Shell's disclosures are consistent with BlackRock's expectations of large carbon emitters and as such are of no concern.	Greater transparency into the company's approach to political spending and lobbying as aligned with their stated support for the Paris Agreement will help articulate consistency between private and public messaging in the context of managing climate risk and the transition to a lower-carbon economy.

BlackRock Dynamic Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	BHP Group Ltd	Air Liquide SA	Cheniere Energy, Inc.
Date of vote	14 October 2020	5 May 2020	14 May 2020
Summary of the resolution	**Item 23:** Amend company constitution. **Item 25:** Approve review of advocacy activities and suspension of Memberships of Industry Associations where COVID-19 related Advocacy is Inconsistent with Paris Agreement Goals.	**Item 5:** Re-elect Brian Gilvary as director. **Item 6:** Elect Anette Bronder as director. **Item 7:** Elect Kim Ann Mink as director.	**Item 1A:** Elect director Andrea Botta. **Item 1H:** Elect director Andrew Langham. **Item 5:** Report on plans to address standard carbon asset risks.
How the manager voted	**Item 23:** Against **Item 25:** For	**Item 5:** Against **Item 6:** For **Item 7:** For	**Item 1A:** Against **Item 1H:** Against **Item 5:** Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Item 25 was voted against management, but BlackRock didn't communicate this to BHP.	Item 5 was voted against management. This is in line with in line with BlackRock's approach of holding directors accountable when a company is not effectively addressing a material issue.	The election items were voted against management, this is described in BlackRock's Global Engagement Principles. This states that board members will be held accountable for not effectively addressing material issues.
Rationale for the voting decision	BlackRock does not generally support constitutional amendments resolution, as the relative ease of the filing process increases the risk that these types of proposals are potentially distracting, time-consuming or are submitted by shareholders whose interests may not be necessarily aligned with those of the broader shareholder base. BlackRock supported item 25 to signal the importance of the opportunity for BHP to further advance the global energy transition.	The lack of progress on climate-related reporting led to the Against vote, while the For votes were due to these being new to the board.	There was insufficient progress on climate reporting for the election items. BlackRock see item 5 as too prescriptive, hence the vote Against.

Fund level engagement

As for the Bosch section, LGIM were unable to provide engagement data at a fund level, so the data is given below at a firm level for LGIM. The individual gilts that the BSH section is invested in have again been collated under the Single Dated Gilt Funds title, similarly for the index linked gilts. BlackRock did not provide the number of engagements undertaken at a firm level over the year.

Manager	LGIM	BlackRock	BlackRock
Fund name	Single Dated Gilt Funds, Single Dated Index Linked Gilt Funds and Buy and Maintain Credit Fund	Aquila Life 30:70 Currency Hedged Global Equity Fund	Dynamic Diversified Growth Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	n/a	2,800	897
Number of engagements undertaken at a firm level in the year	891	n/a	n/a
Examples of engagements undertaken with holdings in the fund	The top engagement topics for LGIM over 2020 were: • Climate Change • Remuneration • Diversity • Covid-19 • Strategy • Board Composition This is demonstrated by LGIM's engagement with Barclays, in which there has been significant client interest. LGIM	The Equity Fund has prioritised governance themes this year, with 93% of 2020 engagements involving governance issues. Within governance, BlackRock have been favouring engaging on board composition and corporate strategy. Despite this, BlackRock do still show a great interest in environmental and social problems. This can be seen as they engage frequently on climate risk management and human capital management.	The Diversified Growth Fund also favoured governance issues, with a lesser emphasis on environmental and social, although still evident. This fund was still committed to board composition, but also favoured remuneration issues. As for the equity portfolio, the significant votes are quite heavily skewed toward board elections with some climate related reporting mentioned as well.

Manager	LGIM	BlackRock	BlackRock
	endorsed Barclays' ESG target, to shrink its carbon footprint to zero-neutral by 2050, and are focussing on helping Barclays develop plans and achieve their target.	The significant votes above display a range of issues while reflecting this as there are a lot of board composition votes while also voting on climate related reporting.	