

Implementation statement.

For the year ending 31 December 2021

Introduction and purpose of this statement

The Trustee of the SEI Master Trust has prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

The Scheme's Statement of Investment Principles (SIP) was most recently updated on 28 September 2021. A copy of the current SIP is available on <https://seic.com/en-gb/solutions/master-trust>.

This statement covers the period from 1 January 2021 to 31 December 2021 (the "Scheme Year") and should be read in conjunction with the following Statements of Investment Principles during that period:

- 1. Statement of Investment Principles approved by the Trustee on 28 September 2020 – this was the version in place at the start of the Scheme Year.**
- 2. Statement of Investment Principles approved by the Trustee on 28 September 2021 – this was the version in place at the end of the Scheme Year.**

The purpose of this implementation statement is to:

- ◆ Demonstrate the extent to which, in the opinion of the Trustee, the policies and objectives set out in the SIP have been adhered to over the course of the Scheme Year
- ◆ Detail any reviews of the SIP the Trustee has undertaken, and any changes made to the SIP over the Scheme Year as a result of the review
- ◆ Demonstrate the voting behaviour carried out by, or on behalf of, the Trustee over the Scheme Year (including the most significant votes cast by, or on behalf of, the Trustee), and any use of the services of a proxy voter during the Scheme Year

A copy of this implementation statement is available on <https://seic.com/en-gb/solutions/master-trust>.

We hope that this document proves interesting and helpful to you as participating employers and members of the Scheme.

Conclusion

The Trustee believes, following the review carried out as part of preparing this statement, that the SIP has been followed during the Scheme Year, for the reasons explained in this statement.

Trustee's report

Review of the Statement of Investment Principles

The SIP is reviewed (and if necessary revised) at least once a year and following any significant changes in investment policy.

During the Scheme Year, there was a review of the Statement of Investment Principles and an update to the policy on environmental, social, and governance factors ("ESG"). The review process involved the following:

- ◆ A review of the Fund Range and Default Investment Options with advisers at Trustee meetings in January 2021
- ◆ Consideration of the SIP with advisers at Trustee meetings in September 2021
- ◆ Obtaining formal advice from legal advisers in connection with the regulatory requirements relating to the SIP with effect from 1 October 2021

The Trustee made the following key changes to the SIP following the review:

- ◆ Making additional disclosures in the SIP as a result of changes in the law
- ◆ Incorporating the Trustee's policy on identifying, assessing, and managing climate-related risks and opportunities ("CRRO") in relation to the Scheme as part of the steps that the Trustee has taken to integrate CRRO in its overall risk management. This was done in compliance with its Task Force on Climate-related Financial Disclosures ("TCFD") governance obligations from 1 October 2021.

There were no changes to the investment strategy, objectives, or fund range as part of this review of the SIP.

Plan governance

During the Scheme Year, the Trustee continued to have responsibility for the governance and investment of the Scheme's assets whilst delegating the day-to-day aspects of investment management to their primary investment manager, SEI.



Trustee's report

SEI is required to manage the Scheme investments in line with the principles and policies set out in the SIP.

Implementation of the Statement of Investment Principles

In this section, we summarise the most significant activity undertaken in relation to the SIP and, in turn, describe the actions and decisions that have been taken throughout the Scheme Year and the extent to which these align with the Trustee beliefs or policies stated within the SIP.

The SIP sets out Trustee policies on the following matters:

Relevant policy in SIP	The SIP policy	How and to what extent have the policies been followed?
i. Investment objectives	Members are provided with appropriate Default Investment Options and individual fund alternatives.	<p>The investment strategy of the Scheme has generally aligned with the policies described in the SIP.</p> <p>In particular, as part of the Trustee's governance of the Scheme, the Trustee has reviewed quarterly investment reports from SEI to track performance against the investment objectives and, with the help of its advisers, has carried out an annual review of the strategy and performance of the Default Investment Options and wider fund range.</p> <p>Following the Annual Fund Review completed in January 2021, the Trustee approved its advisers' recommendation to make the Factor Allocation Global Equity Fund available to all sections of the SEI Master Trust.</p> <p>Following the Annual Scheme Review completed in January 2021, and, having identified sections of the Scheme that could benefit from updates to their Default Investment Options, there were a series of employer consultations and changes communicated to members ahead of a series of transitions, which commenced during 2021 and were ongoing at the end of the Scheme Year.</p> <p>The Trustee is satisfied that, once the changes have been fully implemented, the strategy will be appropriate for the Default Investment Options and the returns consistent with the aims and objectives of each section.</p>



Trustee's report

<p>ii. Implementation</p>	<p>The Trustee may add, change, or remove any fund choices. The SEI Master Trust will only offer access to regulated investment vehicles such as registered UCITS or tax-efficient life funds.</p>	<p>Please refer to the description of changes that were made to fund choices over the Scheme Year above. Investment risks are monitored on an ongoing basis with the help of the investment advisers. The Trustee maintains a risk register in order to monitor such risks, and this is reviewed at Trustee meetings. The register rates the likelihood of the risks arising and summarises any mitigations and additional actions. The Trustee also utilises its quarterly investment reports to monitor the volatility of its investment strategies.</p>
<p>iii. Financially material considerations</p>	<p>The Trustee considers a wide range of ESG and CRRO factors, including corporate governance, human rights, labour, and environmental standards, and believes that certain ESG and CRRO factors can have an impact on financial performance.</p>	<p>The Trustee undertook investment training on responsible investment, including ESG, climate change, and TCFD during the Scheme Year.</p> <p>The Trustee has engaged with each of its overarching investment managers responsible for pooled funds to enable the Trustee's policy on ESG and CRRO factors to be taken into account and integrated into decision-making processes when selecting, monitoring, and removing underlying managers from the pooled funds, and when engaging with investee companies.</p> <p>The quarterly investment reports received by the Trustee from its overarching investment managers include commentary on the implementation of the Trustee's policy in this area.</p>
<p>iv. Stewardship: Voting and Engagement</p>	<p>See 'Voting and Engagement Policy' below.</p>	
<p>v. Non-financial matters</p>	<p>The Trustee does not formally take into account any non-financial matters in the selection, retention and realisation of investments.</p>	<p>Members are encouraged to provide informal feedback to the Trustee on matters, including investment options via the member survey. Such feedback is considered by the Trustee and, where appropriate, taken into account as part of any review of the available investment options.</p> <p>The feedback received from members during the Scheme Year did not indicate a need for the Trustee to change its approach to the selection, retention, or realisation of investments.</p>



Trustee's report

vi. Conflicts of interest	<p>The Trustee is aware that actual and potential conflicts of interest can exist across all aspects of investment arrangements. The Trustee is satisfied that any conflicts that arise are managed in accordance with regulatory requirements, a culture of integrity, and independent oversight and monitoring.</p>	<p>During the Scheme Year, there were no matters concerning an actual or potential conflict of interest brought to the Trustee's attention. Therefore, there were no instances where the Trustee needed to monitor and engage with the overarching investment manager to achieve the best long-term outcomes.</p>
vii. Relationship with investment managers	<p>The Trustee works with the overarching investment managers to seek to influence the underlying investment managers to align their investment strategies with the Trustee's investment policies, improve their practices, and make decisions and operate in a manner that best generates medium- to long-term financial and non-financial results for the SEI Master Trust, its members, and beneficiaries.</p>	<p>The Trustee has carried out quarterly monitoring of its investment managers (including portfolio turnover and associated transaction costs) and has worked with investment managers to set the index benchmarks for these funds.</p> <p>Investment managers are formally reviewed on a triennial basis using criteria agreed by the Trustee board. The Trustee's review of external fund managers was last completed at the November 2020 Trustee meeting, and the Trustee subsequently confirmed it was comfortable with the service and capabilities of SEI in its ongoing role as fund manager.</p> <p>The Trustee's annual review of manager fees concluded that fees paid to investment managers continue to be appropriate.</p> <p>The Trustee requires managers to align with the Trustee's investment strategy and approach to risk. If the managers' performance is not satisfactory, the Trustee will request an explanation of performance from such manager.</p>

Overall, the Trustee has implemented the policies as described in the SIP during the Scheme Year.

The Trustee has not identified any areas where the Scheme's investments have diverged from the policies set out within the SIP.



Trustee's report

A. Voting and Engagement Policy

The policy as set out in the SIP in respect of voting, stewardship and engagement is in summary as follows:

- i.** The Scheme invests predominantly in SEI's Manager of Managers fund range, which is comprised of a broad range of equity, bond, and multi-asset funds. The full list of funds is provided in the appendix to this implementation statement.
- ii.** Voting decisions on stocks are delegated to the investment manager of the pooled funds held by the Scheme.
- iii.** SEI (the Scheme's primary investment manager) and the additional external investment managers of pooled fund have full discretion for undertaking engagement activities in respect of the investments.
- iv.** The Trustee is a strong advocate of investment stewardship as an effective way to bring change and ensure companies in the portfolio are adequately managing ESG and CRRO.
- v.** Where the investment manager is SEI, they have pooled their holdings in their funds with other investors and employed a specialist ESG provider for voting and engagement services.

The following steps were taken by the Trustee during the Scheme Year to maximise its influence over the way in which the votes have been cast:

- i.** SEI reports on voting and engagement activity to the Trustee on a periodic basis with adherence to the UN Principles for Responsible Investment. The Trustee considers whether the approach taken was appropriate or whether an alternative approach is necessary.
- ii.** The SIP dated 28 September 2021 sets out policies in respect of asset manager arrangements. In relation to voting, stewardship and engagement, the Trustee assesses the investment managers' performance against objectives, including how well each manager is aligned with the SIP in terms of ESG and CRRO factors.



Trustee's report

The Trustee is of the opinion that this approach has been followed during the Scheme Year. In particular:

- ◆ The Trustee has received updates from SEI that set out:
 - How SEI has voted on all the shares where SEI has voting rights, including number of votes for, against, and abstentions. For votes against, details of the issue to which the vote relates are provided.
 - SEI's engagement priorities, which for 2021, included priorities in each of the following categories:
 - Climate change
 - Sustainable agriculture
 - Modern slavery
 - Future of work
 - Board governance

These align with the Trustee's own priorities.

- The number of companies engaged and the number of milestones achieved by engagement issue and a rating of its significance.
- ◆ The Trustee has considered SEI's voting practices and stewardship policies, noting that they are a signatory to the UN Principles for Responsible Investment.
- ◆ The Trustee has a process in place to review SEI's performance including ESG and CRRO factors.

In light of the above and otherwise, the Trustee has considered their policy in regard to voting and stewardship and concluded that:

- SEI's voting and stewardship policies and their implementation remain aligned with the Trustee's views on these matters.
- The current policy is appropriate and no further action is required.



Trustee's report

The voting record is set out in Section B below.

B. Voting record

All underlying securities in pooled funds that have voting rights are managed by SEI with SEI having the legal right to the underlying votes. SEI, in turn, uses a specialist ESG provider as a proxy for voting and provides the specialist provider with the holdings across all SEI's pooled funds. During the period from 1 January 2021 to 31 December 2021, across the Scheme's primary holdings¹ SEI voted as follows:

Fund Name	SEI Growth Fund	SEI Factor Allocation Global Equity Fund	SEI Moderate Fund	SEI Defensive Fund
ISIN	IE00B614TP06	IE00BKDM8D10	IE00B61N2T25	IE00B6145K75
Number of votable meetings	5557	654	763	504
Number of votable items	73595	9271	10254	5929
% of items voted	96%	95%	95%	92%
For	92%	90%	94%	91%
Against	6%	9%	5%	8%
Abstain/Withheld/Other	1%	1%	0%	1%
% of votes with management	92%	90%	94%	92%
% of votes against management	7%	9%	5%	8%
% of votes other	1%	1%	0%	1%
Voting against/Abstain by category	9%	16%	6%	8%
Capital related	43%	45%	42%	48%
Board/Directors/Governance	21%	17%	20%	16%
Remuneration related	16%	14%	19%	21%
Shareholder proposals	11%	7%	12%	7%
Other	11%	7%	12%	7%

¹SEI has shown voting data for the relevant quarters the assets were invested in and amongst the four funds that make up over 80% of the Trust's assets under management.

Trustee's report

C. Significant votes

A highlight of some of the significant votes undertaken on the Trustee's behalf during the Scheme Year are shown in the table below. These votes are considered to be significant as they have a material impact on the company or the wider community. SEI's selects votes based on one or more of the following criteria:

- ◆ Votes SEI considers to be high-profile, which have such a degree of controversy that there is high client and/or public scrutiny.
- ◆ Votes relating to companies with a high or severe ESG risk rating.
- ◆ Votes relating to companies on one of SEI's watch lists. Watch lists cover ESG topics such as climate and diversity as well as initiatives including Climate Action 100 + and the United Nations Global Compact.
- ◆ Votes that are part of a wider engagement that SEI has been conducting and reflect the achievement of an ESG engagement milestone.
- ◆ Votes relating to our 2021 thematic priorities as described in section A.

The following information relates to significant votes taken over the course of the relevant Scheme Year, namely 1 January 2021 to 31 December 2021.



Trustee's report

Significant votes

Company Name	Held in fund(s)	Theme	Description	Use of proxy voting?
Boeing Co.	SEI Growth Fund	Governance	Boeing supplied the aircraft for the Lion Air Flight 610 and the Ethiopian Airlines Flight 302, which fatally crashed in October 2018 and March 2019, respectively. The investigations and hearings that followed these crashes have indicated they were due to poor oversight by many parties, including the board, the firm's executives, and U.S. Federal Aviation Administration's aircraft certification process. SEI therefore voted against the re-election of Edmund Giambastiani and Lawrence Kellner, who are the longest serving members on the board and were on the audit committee when the planes were being developed and certified. Therefore, they had a significant role in the decisions regarding these planes. This vote is considered high profile as it addresses concerns over passenger safety and helps to hold the board accountable for the fatal consequences of the Boeing crashes. Boeing also has a high ESG risk rating and is part of the Climate Action 100+ initiative.	Yes
DuPont de Nemours Inc	SEI Growth Fund	Environmental	Voted for the proposal for a 'Report on Plastic Pollution'. Although DuPont has made commitments to reducing its environmental footprint by plastic pollution, e.g., zero discharge of plastics to marine and freshwaters, it has not provided much disclosure on how it is going to meet these commitments. Therefore, this report will provide better oversight. This vote is considered significant as it addresses important environmental issues, and DuPont is part of the United Nations Global Compact as well as having a high ESG risk rating.	Yes



Trustee's report

<p>Petroleo Brasileiro S.A. Petrobras</p>	<p>SEI Growth Fund</p>	<p>Governance</p>	<p>Voted against the proposal for the 'Dismissal of Director Roberto da Cunha Castello Branco'. This proposal is considered to be a politically motivated change in governance as it was proposed by the Brazilian government, which is the biggest shareholder. Branco, who is the current CEO, is set to be replaced by the government's proposed candidate, Joaquim Silva e Luna, a retired army general and former minister of defense. It is questionable whether a military official has the right professional background for this role, and considering the risk of political intervention, SEI believes he might not act in the shareholders' interests. Due to the political aspect of the vote, it is considered significant as it has an impact on society, which poses serious business risks for the company. Petroleo Brasileiro S.A – Petrobras also has a severe ESG risk rating and is part of Climate Action 100+ and United Nations Global Compact.</p>	<p>Yes</p>
<p>General Electric Company</p>	<p>SEI Growth Fund</p>	<p>Governance</p>	<p>Voted against the proposal on 'Advisory Vote on Executive Compensation'. This vote was mainly driven by the CEO's updated inducement award to 9.3 million shares from 5 million and its lower performance goals. Despite this increase being due to the drop in value of the award (pandemic impact to the share value) and a need to retain top executives, SEI believes that this award and its targets misalign long-term performance and pay outcomes. This vote is considered significant due to the high executive pay and the impact this has on governance of a high profile company. General Electric Company has a severe risk rating and is part of multiple watch lists, including Climate Action 100+ and United Nations Global Compact.</p>	<p>Yes</p>



Trustee's report

Glencore	SEI Growth Fund SEI Moderate Fund	Climate change	<p>Voted for the 'Advisory Vote on Climate Action Transition Plan'. Glencore's plan, which will be updated every three years, targets to become net total emissions by 2050. This proposal would encourage the engagement between the company and the shareholders to ensure the company is producing strong reporting on climate-related issues. The company has also clarified that the board would remain responsible for the management and oversight of all risks and opportunities relating to climate change, and the vote would not be a way for the board to defer issues of strategy to shareholders. This vote is deemed high profile due to the nature of Glencore's business, which has a high exposure to ESG issues. Therefore, this vote will help to address its environmental impact on the wider society. Glencore has a high ESG risk rating and is part of Climate Action 100+ and United Nations Global Compact.</p>	Yes
Imperial Oil Ltd	SEI Growth Fund	Climate change	<p>Voted for the 'Shareholder Proposal Regarding Net Zero by 2050 Ambition'. Many companies, particularly energy companies, are adopting net zero emission goals to align their operations with the goals of the Paris Agreements. This proposal was flagged as a Climate Action 100+ shareholder proposal and requests an ambition to achieve net zero carbon emissions at or before 2050 on Scope 1 and 2 emissions. Considering the market and regulatory momentum towards cutting carbon emissions, this proposal is important since this company is one of Canada's largest integrated oil companies. This vote is deemed high profile due to the nature of Imperial Oil Ltd.'s business, which has a high exposure to ESG issues. Therefore, this vote will help to address its environmental impact on the wider society. Imperial Oil Ltd. has a high ESG risk rating and is part of Climate Action 100+.</p>	Yes



Trustee's report

Indivior Plc	SEI Growth Fund SEI Moderate Fund	Governance	Voted against the 'Remuneration Report' proposal. In June 2020, the former CEO pleaded guilty to charges related to the marketing of the drug Suboxone. Despite being sentenced to six months in federal prison and a fine of \$100,000, he was treated as a 'good leaver' and eligible for his incentive-based pay. Therefore, given his involvement in this marketing scandal, SEI cannot support this report on remuneration. This vote is considered significant to hold the CEO accountable for misleading users of Suboxone as well as Indivior Plc having a severe ESG risk rating.	Yes
Johnson & Johnson	SEI Growth Fund SEI Moderate Fund SEI Defensive Fund	Community relations	Voted for the 'Shareholder Proposal Regarding Racial Impact Audit'. Johnson & Johnson has faced many legal challenges on the safety of its talc-based baby powder, which patients have alleged causes cancer. It has also been accused of marketing the product to minority women even after concerns about potential carcinogens in the product were raised. Although the legal battle continues, this report will require a third-party audit to assess the racial impact of its policies, products and services. This vote is deemed high profile because of the concerns of product safety and its impact on society. This issue disproportionately impacted women of colour due to the focused marketing. Therefore, the report will help to identify and mitigate potential risks. Johnson & Johnson has a high ESG rating and is part of SEI's United Nations Global Compact watch list.	Yes



Trustee's report

Phillips 66	SEI Growth Fund	Climate change	<p>Voted for the 'Shareholder Proposal Regarding Greenhouse Gas Reduction Targets'. The proposal implicitly requests the company to set Scope 1, 2, and 3 emissions reduction targets on its operations and energy products. Although the company has raised that it is working towards setting attainable targets that are tied to projects, SEI believes that they should do more given the regulatory momentum in the US, which could make Phillips 66 and others in the industry significantly reduce their emission levels. Scope 3 targets can require significant operational changes, but for a company that has not set scope 1 or 2 emission reductions, it is lagging behind oil and gas industry peers. This vote is deemed high profile due to the nature of Phillips 66 business, which has a high exposure to ESG issues. Therefore, this vote will help to address its environmental impact on the wider society. Phillips 66 has a high ESG risk rating and is part of Climate Action 100+.</p>	Yes
Rio Tinto Ltd	<p>SEI Factor Allocation Global Equity Fund</p> <p>SEI Growth Fund</p>	Governance	<p>Voted against the proposal 'Remuneration Report'. SEI is hesitant to support the remuneration report due to the size of the awards for the former CEO. In May 2020 in Western Australia as part of an iron-ore mine expansion, the company blasted two ancient rock shelters in the Juukan Gorge. This caused permanent damage to an Aboriginal cultural heritage site. Despite knowing the cultural significance before blasting, the company went ahead and also later admitted it did not advise the traditional owners of other options available, which would not have involved destruction of the shelters. As CEO at the time, they would have had a significant role in this decision, and, therefore, SEI does not support the high Long Term Incentive Plan of the CEO as part of the remuneration report. This vote is deemed high profile as the destruction of the gorge sparked a public outcry and, therefore, it seeks to address poor corporate behaviour by not compensating those responsible. Rio Tinto has a high ESG risk rating and is part of Climate Action 100+.</p>	Yes



Trustee's report

Santos Ltd	SEI Growth Fund	Climate change	Voted for 'Shareholder Proposal Regarding Disclosure of Paris-aligned Capital Expenditure and Operations'. Since the company is one of the largest oil and gas producers in Australia, additional reporting on the company's capital expenditures is consistent with the climate goals of the Paris Agreement, would benefit shareholders, and provide insight into how the company manages an important issue and wider climate goals. This vote is deemed high profile due to the nature of Santos Ltd's business, which has a high exposure to ESG issues. Therefore, this vote will help to address its environmental impact on the wider society. Santos Ltd has a high ESG risk rating and is part of Climate Action 100+.	Yes
Alibaba	SEI Factor Allocation Global Equity Fund SEI Growth Fund	Governance	Voted against the proposal 'elect Joseph Tsai Chung'. SEI believes shareholders are best served if the board has basic standards of independence for its board leadership and committees. Chung is executive vice chair of the company and is a member of the compensation committee. SEI does not believe it is appropriate for an executive to serve on their own company's compensation committee, as they would be in charge of setting their own compensation. Additionally, he also serves as chair of the nominating and corporate governance committee, which SEI believes should consist of solely independent directors. Finally, the board has no independent chair or lead director since both roles are held by company insiders. An independent chair is better able to oversee the executives of the company without conflicts. Alibaba has a high ESG risk rating and the company is deemed high profile after recent investigations by the Chinese regulatory body overseeing business.	Yes

Trustee's conclusions on voting engagement

The Trustee has reviewed the above voting activity and concluded that no changes are required to the voting policy.



Appendix to implementation statement

SEI Master Trust fund range

SEI UK Equity Fund

SEI Moderate Fund

SEI UK Core Fixed Interest Fund

SEI Core Fund

SEI Global Fixed Income Fund

SEI Growth Fund

SEI Global Opportunistic Fixed Income Fund

SEI Aggressive Fund

SEI Factor Allocation Global Equity Fund

SSgA UK Equity Index Fund

SEI Japan Equity Fund

SSgA All World Equity Fund

SEI Global Select Equity Fund

SSgA Global Equity 50:50 Index Fund

SEI European (Excluding UK) Equity Fund

SSgA Index Linked Gilts Over 5 Years Index Fund

SEI Emerging Markets Equity Fund

SSgA UK Conventional Gilts Over 15 Years Index Fund

SEI Pan European Small Cap Fund

SSgA Sterling Liquidity Fund

SEI Pacific Basin (Excluding Japan) Fund

Columbia Threadneedle Pensions Limited, UK Property Fund

SEI US Large Companies Fund

BlackRock Market Advantage Strategies Fund

SEI US Small Companies Fund

SEI Defensive Fund

BMO Responsible UK Equity Growth Fund

SEI ◆ MASTER
TRUST