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1. **Introduction**

This document is the Annual Implementation Statement (the "Statement") for Metaswitch Networks Plan 88 (the "Plan") which has been prepared by the Trustees of the Plan covering the year 6 April 2021 to 5 April 2022 (the "Plan Year"). The purpose of this Statement is to:

- detail any reviews of the Statement of Investment Principles ("SIP") the Trustees have undertaken, and any changes made to the SIP over the Plan Year as a result of the review;
- set out the extent to which, in the opinion of the Trustees, the Plan’s SIP required under section 35 of the Pensions Act 1995 has been followed during the Plan Year; and
- describe the voting behaviour by, or on behalf of, the Trustees over the Plan Year.

A copy of this Statement has been published on a publicly accessible website and can be found at: [https://www.metaswitch.com/legal](https://www.metaswitch.com/legal).

2. **Review and changes to the SIP**

The SIP sets out the principles governing decisions about investments of the Plan.

The SIP was not reviewed during the Plan Year. The Trustees anticipate carrying out a review of its investment strategy and SIP during the Plan Year 2022/2023, with special consideration of the Trustees’ approach to responsible investing (including climate change).

3. **Adherence to the SIP**

The Trustees are of the opinion that the Plan’s SIP has been followed during the Plan Year.

**Investment strategy**

The overall investment policy is to maximise the long-term investment performance of the Plan’s assets. The SIP sets out the types of investments that the Fund Managers (JP Morgan Cazenove Limited ("Cazenove") and JM Finn & Co Ltd ("JM Finn")) may invest the assets in; the proportion of assets in different classes of investments is determined by the Fund Managers in consultation with the Trustees.

**Compliance and Monitoring**

The Trustees monitor compliance with the SIP through quarterly reports provided by the Fund Managers and regular meetings with them to ensure the strategy and objectives of the SIP are complied with. During the Plan Year, the Plan yielded very strong returns (7.73% p.a.). The Trustees are satisfied that the performance of the investment funds during the Plan Year remains consistent with its aims and objectives as set out in the SIP.

The Trustees also consider the long-term performance of the funds and the Fund Managers as part of a wider investment strategy review at least on a triennial basis. This investment strategy review is underway, at the time of writing. The Trustees have discretion to replace a Fund Manager, if the Trustees’ aims and objectives as set out in the SIP are not met over the long-term.

**Professional advice**
The Trustees are aware of the requirement to take professional advice when setting and reviewing the investment strategy. The Trustees have appointed a professional adviser to assist them in their review of the Plan’s investment strategy and SIP, and the review is underway.

4. Voting policies and engagement

The Trustees do not have a policy relating to rights (including voting rights) attaching to the investments where social, environmental or governance (“ESG”) considerations are taken into account in the selection, retention and realisation of investments. The Fund Managers apply their own policies in this regard and the Trustees review the Fund Manager’s approach to sustainable investing, including voting policies and engagement, on an annual basis.

In this section of the Statement, the Trustees have provided information on the voting and engagement activities of the Plan’s Fund Managers over the Plan Year.

**JM Finn**

The portfolio managed by JM Finn is essentially actively managed, with a small allocation to passive funds (7.02% in the Plan Year). JM Finn’s current policy is to default to neither voting on corporate issues nor directly engaging with a firm’s management unless it is a specific issue where such a potential vote may positively or negatively impact their clients. The Trustees are aware that JM Finn are in discussions with a third party exploring their services in terms of both voting and engaging with companies.

During the Plan Year no votes were cast by JM Finn in relation to the portfolio.

**Cazenove**

The Plan invests in assets with voting rights attached. However, these investments are generally made via pooled investment funds with investment managers, where the Plan’s investments are pooled with other investors. Due to this structure (which is typical within a DC context), there is limited scope and ability for the Trustees to engage with and influence the managers’ voting approach, and direct control of the process of engaging with the companies that issue the underlying securities, whether for corporate governance purposes or other financially material considerations, is delegated to those underlying investment managers.

Cazenove reviews the underlying funds on a regular basis, at least once a year. These reviews include benchmarking of performance and fees, as well as performance reviews (including understanding key drivers of performance), investment due diligence meetings and operational due diligence reviews. Operational due diligence reviews, along with many areas, include review of the governance structure, portfolio turnover, conflicts of interest, ESG and stewardship policies (including engagement and voting policies). Along with a regular review cycle, Cazenove will review managers on an ad hoc basis if issues become apparent.

A high proportion of the Default Fund is invested in equities, held across a variety of funds and investment managers, and roughly 40% of the total assets are invested in three funds held with Vanguard Asset Management. A summary of the voting and engagement activities of the investment manager within these three funds is provided in the table below.

Further information concerning Vanguard’s engagement and stewardship activities is provided in the Appendix, including details of the manager’s key voting activities.
<table>
<thead>
<tr>
<th>Fund name</th>
<th>Voting activity</th>
</tr>
</thead>
</table>
| Vanguard FTSE UK All Share Index              | Total meetings eligible to vote: 518  
Total resolutions eligible to vote: 5,250  
% of resolutions voted on for which eligible: 99%  
% voted with management: 98%  
% voted against management: 1%  
% abstained: 0%  
% of resolutions on which voted, vote contrary to the recommendation of proxy adviser: 0% |
| Vanguard S&P 500 UCITS ETF                    | Total meetings eligible to vote: 425  
Total resolutions eligible to vote: 5,486  
% of resolutions voted on for which eligible: 99%  
% voted with management: 99%  
% voted against management: 1%  
% abstained: 0%  
% of resolutions on which voted, vote contrary to the recommendation of proxy adviser: 0% |
| Vanguard FTSE All-World UCITS ETF             | Total meetings eligible to vote: 4,724  
Total resolutions eligible to vote: 47,854  
% of resolutions voted on for which eligible: 98%  
% voted with management: 94%  
% voted against management: 5%  
% abstained: 3%  
% of resolutions on which voted, vote contrary to the recommendation of proxy adviser: 0% |

Note: Figures may not sum to 100% due to rounding.
Appendix: Vanguard Asset Management

This Appendix provides additional detail on the engagement and stewardship activities of Vanguard Asset Management over the Plan Year. This information has been obtained directly from the manager.

Engagement and stewardship activities

Vanguard Investment Stewardship utilises the Institutional Shareholder Services (“ISS”) ProxyExchange platform for the execution of votes. They have developed a robust custom policy that ISS have implemented on their behalf along with rigorous controls and oversight mechanisms to ensure the accurate application of the Vanguard policy.

Vanguard do not consult with individual clients / investors before voting. They understand that people have a wide variety of deeply felt humanitarian, ethical, environmental, and social concerns, and that some may want to see their beliefs reflected in their investments. As a fiduciary and the steward of lifetime savings for more than 30 million investors worldwide, Vanguard is required to manage their funds in the best interests of shareholders and obligated to maximise returns in order to help shareholders meet their financial goals.

Vanguard Investment Stewardship team makes every effort to cast proxy votes at all meetings at which their funds are eligible to vote. Each fund advised by Vanguard has adopted a voting policy, which details the general positions of the funds on recurring proxy proposals at public companies. In some cases, country-specific guidelines for key markets are applied. An experienced team of analysts evaluates each proposal on a case-by-case basis and casts the funds’ votes in accordance with Vanguard’s voting guidelines, and based on their analysis of the impact of the proposal on long-term value.

Vanguard publishes a substantial amount of information on its engagement and stewardship activities.

Examples of Significant Voting Activity

This table below provides examples of key voting activity carried out by Vanguard over the Plan Year.

<table>
<thead>
<tr>
<th>Holding name</th>
<th>Resolution</th>
<th>Voting activity</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activision Blizzard, Inc.</td>
<td>Advisory vote to ratify named executive officers’ compensation.</td>
<td>For: Determined to be reasonable.</td>
<td>Pass</td>
</tr>
<tr>
<td>American Express Company</td>
<td>Publish annually a report assessing diversity, equity, and inclusion efforts.</td>
<td>For: Addresses material risk(s) and an oversight or disclosure gap, is not overly prescriptive, and is determined to be in the best long-term interest of shareholders.</td>
<td>Pass</td>
</tr>
<tr>
<td>Berkshire Hathaway Inc.</td>
<td>Report on climate-related risks and opportunities.</td>
<td>For: Addresses material risk(s) and an oversight or disclosure gap, is not overly prescriptive, and is determined to be in the best long-term interest of shareholders.</td>
<td>Fail</td>
</tr>
<tr>
<td>Company</td>
<td>Report on lobbying payments and policy.</td>
<td>For: Addresses material risk(s) and an oversight or disclosure gap, is not overly prescriptive, and is determined to be in the best long-term interest of shareholders.</td>
<td>Fail</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>General Electric Company</td>
<td>Report on meeting the criteria of the net zero indicator.</td>
<td>For: Addresses material risk(s) and an oversight or disclosure gap, is not overly prescriptive, and is determined to be in the best long-term interest of shareholders.</td>
<td>Pass</td>
</tr>
<tr>
<td>JP Morgan Chase &amp; Co.</td>
<td>Report on racial equity audit.</td>
<td>Against: Addresses material risk, but proposal is overly prescriptive and company is on track. Company has already taken sufficient actions, made sufficient progress, and/or has related actions pending to address proponent request.</td>
<td>Fail</td>
</tr>
<tr>
<td>Meta Platforms, Inc.</td>
<td>Approve recapitalisation plan for all stock to have one-vote per share.</td>
<td>For: Supports long-term shareholder interests.</td>
<td>Fail</td>
</tr>
<tr>
<td>Microsoft Corporation</td>
<td>Report on effectiveness of workplace sexual harassment policies.</td>
<td>For: Addresses material risk(s) and an oversight or disclosure gap, is not overly prescriptive, and is determined to be in the best long-term interest of shareholders.</td>
<td>Pass</td>
</tr>
<tr>
<td>Microsoft Corporation</td>
<td>Prohibit sales of facial recognition technology to all government entities.</td>
<td>Against: Insufficient evidence at this time that proposal addresses a material risk to the company.</td>
<td>Fail</td>
</tr>
<tr>
<td>Netflix, Inc.</td>
<td>Advisory vote to ratify named executive officers’ compensation.</td>
<td>Against: Concerns with one or more of the following: pay and performance alignment, magnitude (quantum) of pay, disclosure, and/or pay structure.</td>
<td>Pass</td>
</tr>
<tr>
<td>Netflix, Inc.</td>
<td>Report on political contributions.</td>
<td>For: addresses material risk(s) and an oversight or disclosure gap, is not overly prescriptive, and is determined to be in the best long-term interest of shareholders.</td>
<td>Pass</td>
</tr>
<tr>
<td>NIKE, Inc.</td>
<td>Report on human rights impact assessment.</td>
<td>Against: Addresses material risk, but company is on track. Company has already taken sufficient actions, made sufficient progress, and/or has related actions pending to address proponent request.</td>
<td>Fail</td>
</tr>
<tr>
<td>NIKE, Inc.</td>
<td>Report on diversity and inclusion efforts.</td>
<td>For: Addresses material risk(s) and an oversight or disclosure gap, is not overly prescriptive, and is determined to be in the best long-term interest of shareholders.</td>
<td>Fail</td>
</tr>
<tr>
<td>Shopify, Inc.</td>
<td>Re-approve stock option plan.</td>
<td>Against: Excessive dilution.</td>
<td>Pass</td>
</tr>
<tr>
<td>Tesla, Inc.</td>
<td>Declassify the board of directors.</td>
<td>For: Supports long-term shareholder interests.</td>
<td>Pass</td>
</tr>
</tbody>
</table>