

IMPLEMENTATION STATEMENT

The Trustees of The London Clinic Limited (1974) Retirement Fund

The Trustees of the 'Trustees of the London Clinic Limited (1974) Retirement Fund' have prepared this implementation statement in compliance with the governance standards introduced under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended). Its purpose is to demonstrate how, and the extent to which, the Fund's Statement of Investment Principles (SIP) dated 22 September 2021 has been followed, if there has been any review of the SIP and how the policies on voting, stewardship and engagement have been followed. This statement covers the period 1 January 2022 to 31 December 2022.

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 majority of the Fund's portfolio invests via pooled investment funds, meaning that the Fund investments are pooled with those of other investors. It can be harder for those invested in pooled funds to exert their influence, given the other investors with a stake, but the Trustee still monitors and engages as much as possible.
- ii. Voting decisions on stocks are delegated to the investment manager of the pooled funds held by the Fund.
- iii. SEI, the Fund's Fiduciary Manager, or the investment manager of a third party pooled fund, has full discretion for undertaking engagement activities in respect of the investments.
- iv. 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.
- v. SEI will report on voting and engagement activity to the Trustee on a periodic basis together with its adherence to the UK Stewardship Code. The Trustee will consider whether the approach taken was appropriate or whether an alternative approach is necessary. The Fiduciary Manager is a signatory to the UK Stewardship Code 2020.
- vi. The Trustee will assess the Fiduciary Manager's performance against objectives annually including how well the Fiduciary Manager is aligned with the SIP in terms of ESG factors.

The Trustee is of the opinion that this policy has been followed during the year. In light of the above and otherwise, the Trustee has considered their policy in regard to voting and stewardship and concluded that

- o The current policy is appropriate and no further action is required at this stage, albeit the Trustee will continue to monitor the performance of this policy and SEI's performance in the future.

B. Voting Record

Partners Capital themselves do not hold stocks and thus have not exercised any voting rights on the Trustee's behalf during the year.

During the period from 1 January 2022 to 31 December 2022, across the Fund's holdings¹ the voting behaviour for the equity funds is shown in the below table.

Fund Name	BMO Responsible Global Equity Fund	Lazard Global Sustainable Equity Fund
ISIN	IE00B19H3542	IE00B8FH1426
Number of Votable Meetings	49	48
Number of Votable Items	694	663
% of Items Voted	98%	92.6%
% of votes with management	84%	96.6%
% of votes against management	16%	3.4%
% of votes other	0%	0%

C. Significant Votes

A highlight of some of the significant votes during the period are shown in the table below.

Lazard considers most significant votes in the following order: firstly, any "Say on Climate" management proposal, secondly, a select group shareholder proposals where they voted for the proposal and against management, thirdly, any votes considered controversial by our investment professionals, and lastly any managerial proposal where they voted against management. The resultant proposal buckets are then ranked by the company's average holding within the fund over the period under review to identify the top votes.

Columbia Threadneedle (BMO) considers significant votes as those where a vote was issued against management or against management on environmental or social proposals.

Company Name	Held in Fund(s) (% size of holding)²	Proposal	Date of Vote and Outcome	Vote Decision and Significance of vote
---------------------	--	-----------------	---------------------------------	---

¹ SEI has shown voting data for the relevant quarters the fund was invested in.

² % holding as at last day of the quarter in which vote occurred.

IQVIA Holdings Inc.	Lazard Global Sustainable Equity Fund (0.2%)	Share Holder - Require a Majority Vote for the Election of Directors	12-Apr-22 For	Voted for the proposal. A majority vote standard would give shareholders a more meaningful voice in the election of directors and further enhance the company's corporate governance.
Colgate-Palmolive Company	Lazard Global Sustainable Equity Fund (0.1%)	Share Holder - Submit Severance Agreement (Change-in-Control) to Shareholder Vote	06-May-22 Against	Voted for the proposal. Lazard agrees with the proponent that a company's parachute provisions should be reasonable and not excessive. To be effective without creating distorted incentives with respect to management, severance arrangements must be considerably less attractive than continued employment with the company.
Danaher Corporation	Lazard Global Sustainable Equity Fund (0.1%)	Share Holder - Reduce Ownership Threshold for Shareholders to Call Special Meeting	10-May-22 Against	A vote for this proposal is warranted. Lowering the ownership threshold from 25 percent to 10 percent would improve shareholders' ability to use the special meeting right and no single shareholder would be able to act unilaterally to call a special meeting at the proposed threshold.
Hexagon AB	Lazard Global Sustainable Equity Fund (0.1%)	Management - Elect Director	29-Apr-22 For	A vote against candidates Sofia Schorling Hogberg (item 10.3), Ulrika Francke (item 10.4) and Gun Nilsson (item 10.7), is warranted due to their non-independent status on the audit committee, which has an insufficient level of independence. Moreover, Ulrika Francke is non-independent while she also chairs the audit committee. A vote against candidates Sofia Schorling Hogberg (item 10.3) and Gun Nilsson (item 10.7), is also warranted due to their non-independent status on the remuneration committee, which has an insufficient level of independence.
Clicks Group Ltd.	Lazard Global Sustainable Equity Fund (0.1%)	Management - Approve Remuneration Implementation Report	26-Jan-22 Against	A vote against this item is warranted although not without concerns. The LTIP award rewards target performance relatively generously. The former CEO received an above-inflationary increase to salary for a second year in a row, with benchmarking provided as the prevalent rationale.
Legrand SA	Lazard Global Sustainable Equity Fund (0.1%)	Management - Reelect Edward A. Gilhuly as Director	25-May-22 For	A vote against the re-election of Edward (Ned) Gilhuly is warranted due to the repeated low level of board attendance (below 75% over the last three FYs)

Apple Inc	BMO Responsible Global Equity Fund (0.2%)	Advisory Vote to Ratify Named Executive Officers' Compensation	04-Mar-22	While Columbia Threadneedle acknowledge the company's historically strong performance, we remain concerned with the structure of its executive compensation. The long-term incentive plan allows vesting of incentive awards for below median performance, which can reward for under performance of peers and result in large payouts to the NEOs. Furthermore, it appears that the \$75 million equity grant to Tim Cook can continue to fully vest in the event of his retirement, of which he is currently eligible for. Equity grants prorated for time and performance are more appropriate. Additionally, there are concerns with overall potential quantum as it is not clear if Tim Cook can receive additional equity grants in future years in addition to the \$75 million he is already receiving.
Linde Plc	BMO Responsible Global Equity Fund (0.1%)	Elect Director Robert L. Wood	25-Jul-22	Voted against the proposal. This nominee is the lead independent director and former nominating committee chair. The board is only 20% gender diverse and companies of this size are expected to be at least 25% gender diverse. While the director retirement policy has led 5 members to retire on March 1st, it was clear the company had ample time to prioritise recruitment and maintain gender diversity on the board, including the appointment of two men to the board in November of 2021. Accordingly, Robert Wood is accountable for insufficient board diversity.
Intercontinental Exchange, Inc.	BMO Responsible Global Equity Fund (0.1%)	Advisory Vote to Ratify Named Executive Officers' Compensation	13-May-22	Voted against the proposal. The remuneration committee should not allow vesting of incentive awards for below median performance as this is considered to be rewarding under performance of peers. In addition, severance payments should not exceed two times annual pay. Larger severance packages should be subject to a separate shareholder approval. Also, all exceptional awards should be clearly linked to performance and demonstrate shareholder value creation in addition to and above that expected of directors as a normal part of their jobs.

D. Engagement Activity

A highlight of some of the engagements during the period are shown in the table below.

Lazard's Stewardship Committee have established three overarching stewardship priorities to guide their engagement endeavours:

1) Climate Change: with an emphasis on engaging in dialogue with companies to understand the risks and opportunities of transitioning their operations, products, and supply chains towards a Net Zero 2050 goal.

2) Diversity: with an emphasis on board level gender and ethnic diversity, as well as encouraging improvements within workforce diversity

3) Executive compensation: encouraging a transition away from shareholder primacy and incentivising management to deliver performance that benefits both shareholders and stakeholders, with an emphasis on integrating climate and diversity into compensation plans.

Company Name	Held in Fund(s)	Objective	Description
Technogym	Lazard Global Sustainable Equity Fund	<p>The aim of the meeting was to help Technogym better understand what we, as investors, are seeking with respect to strategy, targets, and reporting as the company develops its net zero strategy.</p>	<p>Lazard identified that Technogym has good oversight of its operational emissions (Scope 1 and 2). Although the company has not yet set science-based targets, management continues to make progress on identifying ways to reduce these emissions. The need for improved transparency around decarbonisation efforts was raised given this is not clear from current disclosure, to which Technogym was receptive. However, oversight and efforts towards reducing Scope 3, which makes up the majority of emissions, are far more nascent given Technogym's fragmented supply chain. While it is viewed that a large amount of small suppliers as a positive from an investment thesis perspective (because it enables Technogym's supply to remain more dynamic and resilient in a time of wide-reaching global disruptions), it gives Technogym less leverage when trying to engage with suppliers to reduce emissions, causing progress to be slow.</p> <p>Outcome:</p> <p>Overall, Technogym was receptive to the suggestions and management expressed the intention to investigate how the company can better improve next year's reporting around its strategy, targets, and progress. As well as seeking greater transparency on the topics mentioned above, Lazard also requested that Technogym set both near- and long-term science-based targets, which will enable the company to move along our climate alignment spectrum over time.</p>
Hexagon AB	Lazard Global Sustainable Equity Fund	<p>Lazard engaged to better understand their approach to sustainability initiatives, including targets and reporting, relating to diversity and climate. The meeting was with the Head of Sustainability as</p>	<p>With respect to diversity initiatives, Hexagon sees its approach as above industry average, setting a target of 30% women in leading positions by 2025 with mentorship and coaching programs as key initiatives as part of the strategy to achieve this. The company also recently created a Diversity & Inclusion Committee made up of representatives from all divisions to share best practices, as well as an Inclusion Index across all employees in all divisions. On climate, the company targets carbon neutrality on Scope 1 and 2 emissions by 2030 and Scope 3 by 2050—this will include the use of offsets. Work is ongoing to create the emissions trajectory and therefore offsets are required. The company suggested it would be a few years until the</p>

		<p>the company had been identified as an engagement target through our firm-level Top 200 engagement priorities.</p>	<p>emissions reduction target would be ready to submit to the SBTi. Lazard encouraged them to disclose greater detail around interim milestones and a roadmap to achieve their 2050 goal as well as Scope 3 emissions data. Hexagon is also not using an internal carbon price so they provided little clarity on how much their carbon-neutral target may cost.</p> <p>Outcome:</p> <p>Lazard are supportive of Hexagon's diversity & inclusion activities, including recent progress on creating an inclusion index which again they encouraged more disclosure on in next year's sustainability report. Lazard were pleased to learn more about the firm's new carbon neutral commitments and encouraged to hear about the contribution of their products to environmental efficiency improvements. Finally, they had a discussion around how best to categorise the sustainability alignment of their product portfolio on which they intend to follow up in more depth.</p>
<p>ASML Holding NV</p>	<p>BMO Responsible Global Equity Fund</p>	<p>Engage on Diversity and discrimination</p>	<p>In Q1 engagement with the company, there was a discussion with the CFO on ESG strategy, remuneration, diversity, chip shortage and innovation. It has implemented a new reporting framework with specific KPIs that will be disclosed in its 2022 reporting. ASML improved its alignment of executive compensation with specific material ESG metrics to ensure senior-level accountability. To address the ongoing challenge with the chip shortage, it identified four key drivers and set specific goals to increase capacity while maintaining current labour conditions. The company agrees that diversity is an area where progress is required. Given the inflow of female new hires regressed in 2021, ASML is investigating and conducting root cause analysis to understand how the dynamic will support future hiring & retention plans. BMO then spoke with the ESG, IR representatives on supply chain management and human capital management. ASML has over 4,700 tier 1 suppliers and prioritises due diligence on its product-related suppliers covering 80% of its annual spend. Beyond audits by the Responsible Business Alliance, ASML is developing a roadmap to conduct third party supplier audits on sustainability practices and aims to implement this in 2022. On water management, ASML conducted a TCFD analysis in 2020 and added a scenario analysis in 2021. To tackle physical risks associated with the Netherlands and San Diego, ASML plans to disclose further detail in 2023.</p> <p>Outcome:</p> <p>The company is a clear leader in ESG practices and continues to evolve. However, the company must strengthen its efforts on diversity; its current target of women in leadership positions is weak compared to</p>

			peers. BMO urged the company to set ambitious targets at the Board of Management, where it has currently no females and in its broader workforce to build up the talent pipeline. BMO followed up with best practices examples and recommendations on workforce diversity, supply chain transparency, water management and conflict minerals to help ASML bolster its ESG leadership position.
Linde PLC	BMO Responsible Global Equity Fund	Engage on Net Zero Strategy	<p>BMO contacted Linde in late 2021, following the announcement of its 2035 intermediate GHG reduction target and 2050 climate neutral ambition, to understand its pathway towards meeting these goals and how green hydrogen will feature. In December, BMO participated in a small group call alongside two other investors and Linde's COO and Head of Sustainability. Whilst Linde's GHG reduction efforts are predominantly focused on Scopes 1 & 2, BMO encouraged the company to consider incorporating Scope 3 into their targets. To reduce scope 1 emissions, Linde stated it is developing projects with carbon capture and sequestration (CCS) technology. For scope 2 emissions, the company is currently sourcing around one third of its energy from renewable or low carbon energy but is looking to scale this up by a factor of 3 by 2035 through various projects, such as offtake agreements and strategic alliances with renewable energy companies. The company confirmed it is well positioned to benefit from the development of green hydrogen technology, given its joint venture with ITM a specialist in PEM electrolyzers. However, it suggested that the commercial scale up of green hydrogen wouldn't likely be until the back end of this decade. Before this can happen, renewable energy projects need to happen at a pace not seen before requiring 10x more renewable energy in the next 15-25 years and electrolyser technology must be scaled up.</p> <p>Outcome:</p> <p>Linde's COO, soon to be CEO, demonstrated that the company has a clear sustainability focus, notably with its products resulting in a 2-3x reduction of GHG emissions for its customers. These abated (Scope 4) emissions are something that are often overlooked. The work carried out on Linde's climate strategy is market-leading, underpinned by a transparent roadmap to reach its climate neutral ambition. The company is ahead of the curve as it looks towards implementing low carbon technologies.</p>