

Jabil Circuit Pension Scheme

Implementation Statement for the year ended 5 April 2022

Introduction

It is a requirement that Jabil Pension Trustees Limited ('JPT'), the Trustee of the Jabil Circuit Pension Scheme (the 'Scheme'), sets out how, and the extent to which, the Engagement Policy in the Scheme's Statement of Investment Principles ('SIP') has been followed during the year. The following disclosures have been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, which transposes the EU Shareholder Rights Directive (SRD11) into UK law.

Investment Objectives

JPT's objective is to invest the Scheme's assets in the best interest of the members and beneficiaries. Within this framework JPT has agreed a number of objectives to help guide it in its strategic management of the assets and control of the various risks to which the Scheme is exposed.

JPT's primary aims are:

- To ensure the Scheme's obligations to its beneficiaries can be met;
- To achieve an asset return above the return from gilts over the longer term, whilst recognising the need to balance risk control and return generation;
- To ensure consistency between the Scheme's investment strategy and the return assumptions used by the Scheme Actuary;
- To pay due regard to Jabil's interests in the size and incidence of employer contribution payments.

Policy on ESG, Stewardship and Climate Change

The Scheme's SIP includes JPT's policy on Environmental, Social and Governance ('ESG') factors, stewardship and climate change. This policy sets out JPT's beliefs on ESG and climate change and the processes followed by JPT in relation to voting rights and stewardship. This was last reviewed in May 2022 and is made publicly available.

In order to establish these beliefs and produce this policy, JPT undertook training provided by the investment consultant, Mercer, on responsible investment, which covered ESG factors, stewardship, climate change, initially in June 2019 with further training at each subsequent Board meeting in relation to ongoing disclosure requirements.

JPT keeps its policies under regular review with the SIP being subject to periodic reviews and at least triennially.

The following work was undertaken during the year relating to JPT's policy on ESG factors, stewardship and climate change, and sets out how JPT's engagement and voting policies were followed and implemented during the year.

Mercer policy updates

- JPT considers how ESG, climate change and stewardship is integrated within Mercer's and Mercer Global Investments Europe Limited's ('MGIE') investment processes and those of the underlying asset managers in the monitoring process. Mercer, and MGIE, provide reporting to JPT on a regular basis.

- The Mercer Sustainability Policy is available to be reviewed by JPT. In August 2020 the Stewardship section was updated to reflect an enhanced approach to monitoring both voting and engagement as well as the Exclusions section to include the implementation of certain exclusions across passive funds from 1 October 2020. In March 2021 there was a further update in relation to sustainability-related disclosures in the financial services sector implementation.
- In line with the requirements of the EU Shareholder Rights Directive II (which has been transposed into UK legislation), Mercer have implemented a standalone Engagement Policy to specifically address the requirements of the directive.

Climate change reporting and carbon foot-printing

- Mercer undertake climate scenario modelling and stress testing on the Mercer multi sector funds used by the Scheme on an annual basis, in line with the Task Force on Climate Related Financial Disclosures (TCFD) recommendations, with the latest review as at 31 March 2022. The results of the climate scenario modelling and carbon foot printing are within the TCFD compliant Climate Change Management Report.
- The findings of the modelling are integrated into the asset allocation and portfolio construction decisions, with portfolios increasingly aligned with a 2 degree Celsius scenario, where consistent with investment objectives and for consistency with the Paris Agreement on Climate Change.

Mercer ESG rating review

- ESG ratings assigned by Mercer (and its affiliates) global manager research team, are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by JPT. ESG ratings are reviewed by MGIE during quarterly monitoring processes, with a more comprehensive review performed annually – which seeks evidence of positive momentum on ESG integration. Since Q3 2020, the quarterly performance report has included the Mercer funds' overall ESG rating compared to the appropriate universe of strategies in Mercer's global investment management database.
- As of 31 March 2022, JPT noted that all of the Mercer funds utilized by the Scheme have an ESG rating equal to or above their asset class universe.

Update to Mercer Exclusions

- As an overarching principle, Mercer and MGIE, as JPT's discretionary investment manager, prefer an approach of positive engagement rather than negative disinvestment. Mercer and MGIE recognize however that there are a number of cases in which investors deem it unacceptable to profit from certain areas and therefore exclusions will be appropriate.
- Controversial and civilian weapons, and tobacco are excluded from active fixed income funds.
- In addition, Mercer and MGIE monitors for high-severity breaches of the UN Global Compact Principles that relate to human rights, environmental and corruption issues.

Engagement

- JPT has retained Mercer to act as discretionary investment manager in respect of the Scheme's assets and such assets are invested in a range of Mercer Funds managed by MGIE.
- Investment managers appointed by MGIE to manage the Mercer Funds are expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code, regardless of where they are domiciled. In addition, investment managers appointed by MGIE are

expected to monitor investee companies and to report on stewardship activities and outcomes on an annual basis, as set out in a publicly available Sustainable Investment Policy.

- JPT considers how ESG, climate change and stewardship is integrated within Mercer's, MGIE's and the Mercer Funds underlying managers' investment processes in the monitoring process. Mercer, and MGIE, are expected to provide reporting to JPT on a regular basis, at least annually, on ESG integration progress, stewardship monitoring results, and climate change metrics. JPT reviewed this report covering the calendar year 2021 and will review the reporting pertaining to the calendar year 2022 accordingly in the future.

Voting activity

JPT's investments take the form of shares or units in the Mercer funds. Any voting rights that do apply with respect to the underlying investments attached to the Mercer Funds are, ultimately, delegated to the third-party investment managers appointed by MGIE. MGIE accepts that managers may have detailed knowledge of both the governance and the operations of the investee companies and has therefore enabled managers to vote based on their own proxy-voting execution policy, and taking account of current best practice including the UK Corporate Governance Code and UK Stewardship Code. As such JPT does not use the direct services of a proxy voter. The MGIE Engagement Policy outlines this framework.

However, the nature of the Scheme's investment strategy assets (fixed income-orientated investment strategy) means that there are no voting rights to exercise.