

## **Dimensional Fund Advisors Ltd. (the “Company”)**

### **Statement in respect of Section 172(1) of the Companies Act 2006 for the financial year ended 31 December 2020**

This statement is made for the purposes of Section 414CZA of the Companies Act 2006 and describes how the directors of the Company have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duty to promote the success of the Company for the benefit of the members as a whole.

The Company is a private company limited by shares, registered in England. The directors of the Company are committed to promoting the long-term success of the Company and believe that the business of the Company has been conducted in the interests of Dimensional Fund Advisors LP, the Company’s parent company and shareholder, with a view to achieving long term sustainable success, benefiting the Company’s stakeholders.

The Company continues to be authorised and regulated by the UK Financial Conduct Authority (FCA) and so is subject to, and has conducted its business in accordance with, the FCA rules, including the FCA’s principles. Under the FCA’s principles, the Company is required to conduct its business with integrity and observe proper standards of market conduct, and also to pay due regard to the interests of customers and treat them fairly. The directors of the Company continue to be committed to the Company complying with applicable legal and regulatory requirements and acting in the best interests of its clients. The Company regularly engages with clients, including through meetings, conferences and events.

In addition to conducting business in accordance with the principles of the FCA, the Company has established guiding principles which are to: act in the best interests of clients, act in a way that is ethical and legal, compete aggressively to succeed, base investment strategies on a scientific methodology, emphasize financial sustainability and to create opportunities for our people to contribute both to our success and to their own.

When investing on behalf of its clients, the Company believes that good governance by strong and effective boards representing shareholder interests can help monitor and mitigate material risks, including certain environmental and social risks. The Company has also taken environmental and social principles into consideration for certain portfolios it manages and integrated economic, social and corporate governance goals in a manner which it thinks consistent with helping investors achieve their long-term goals.

The Company updated its proxy voting policy in 2020 following discussions with internal stakeholders, clients, proxy advisors, and portfolio companies, to provide more transparency on (i) the Company’s approach to portfolio company board refreshment, assessment, and diversity and (ii) the Company’s expectations for disclosure by portfolio companies of the management of environmental and social risks. The Company’s Investment Stewardship Statement is published

on its website (<https://eu.dimensional.com/en/about-us/investment-stewardship>) and provides further details of its governance practices.

Following Dimensional's<sup>1</sup> inaugural Annual Global Stewardship Report in late 2019, the Company solicited feedback from internal and external stakeholders and made a number of enhancements to the Annual Global Stewardship Report for 2020, including greater focus on the outcomes of its stewardship activities and its approach to environmental and social issues. An in-depth discussion of the Company's approach to stewardship, and environmental and social integration, is included as part of its 2020 Annual UK Stewardship Code Report (<https://eu.dimensional.com/en/about-us/investment-stewardship>), in particular in the section headed "Investment Approach".

Furthermore, the directors of the Company are committed to improving the Company's sustainability practices by seeking to understand the impact of its business operations on the environment and develop offices, plans and processes that minimize those impacts. The Company is a Tier 1 signatory to the UK Stewardship Code published in 2012, and proposes to become a signatory to the UK Stewardship Code 2020. Its parent company is a signatory to United Nations Principles for Responsible Investment (UN-PRI). In March 2020, the Company's parent company also became a supporter of the Taskforce for Climate-related Financial Disclosures (TCFD). For more information, please see the Company's website, in particular, the pages relating to investment stewardship (<https://eu.dimensional.com/en/about-us/investment-stewardship>).

Diversity and inclusion was a focus for the Company in 2020. In September 2019, Dimensional created a Diversity and Inclusion Executive Council. The Council is charged with assessing Dimensional's needs, examining best practices, and helping form a strategy that aims to identify means of increasing awareness and ensuring an inclusive work environment. In June 2020, Dimensional launched an internal website dedicated to Diversity and Inclusion. The site provides regularly curated and updated educational resources, a strategic roadmap for our enterprise initiatives, links to media recognition on Dimensional's diversity and inclusion efforts, personal statements from the Council, as well as upcoming diversity and inclusion events. The Company provides a range of benefits which support and promote the health and wellbeing of its staff in a manner compliant with legal requirements. The directors of the Company believe that it is important that the working conditions of the Company's staff meet required standards and has reviewed those benefits during the year. The Company has continued to invest in its workforce through benefits enhancements, career opportunities and new team members.

A key issue for the Company in the past year was the continued worldwide spread of novel coronavirus (COVID-19) which caused uncertainty for the global economy and financial markets. For information on the Company's key decisions in response to COVID-19, please see the section of the strategic report titled "COVID-19".

With respect to delivering value to investors in the funds managed by the Company, during the year the Company conducted a detailed review of its UK domiciled fund range against the FCA's assessment of value requirements. The assessment was based on performance and cost data for the

period from 1 January 2019 to 31 December 2019. The Company published the assessment of value report in April 2020. The Company concluded that for each of its UK domiciled funds, it is delivering good value to investors in all of the available share classes. The Company's view is that charges for the funds are justified in the context of the overall value delivered to investors. The Company continues to monitor the quality of services provided to investors, as well as the level of fees and operating costs charged and intends to evaluate the value provided to investors on an ongoing basis.

In respect of the Company's business operations, the Company recognises the potential impact of the UK's departure from the EU ("Brexit") upon its clients and employees as well as upon its business and operations. Dimensional's contingency plans have the objective to continue uninterrupted service by Dimensional of its UK and EU clients and investors post-Brexit while minimising disruption wherever possible. The UK left the EU at the end of the transition period on 31 December 2020 ("Transition Period"). In respect of the investment management of both Dimensional Funds plc and Dimensional Funds II plc (together, the "Irish UCITS") and Dimensional Funds ICVC, Dimensional does not currently anticipate any material changes to its portfolio management or trading activities due to Brexit. These activities continue to be undertaken by the Company and the other affiliated Dimensional entities. During 2019, Dimensional received approval for the registration of an Irish UCITS Management Company ("Dimensional Ireland") in Ireland. The Company has appointed Dimensional Ireland to undertake sub-distribution of the Irish UCITS, where needed, in the European Economic Area ("EEA"). In addition, the business of the Company's Dutch and German branches was transferred to Dimensional Ireland with effect from 1 January 2021. The provision of separate account services by the Company to certain EU domiciled clients was transferred to Dimensional Ireland with effect from 31 December 2020. The Company expects to continue to service investors based in the EEA where permitted by local country regulations.