

ANNUAL ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Introduction

This statement sets out how the engagement policy in the Statement of Investment Principles (“SIP”) produced by the Trustees has been followed during the period to September 2021 and subsequently. This statement has 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 guidance published by the Pensions Regulator.

Investment Objective of the Scheme

The Objective of the Scheme is to pay in full the pensions of members. Investments are held with Schroder Investment Management Limited and are diversified but take into account ESG, Stewardship and Climate Change considerations. The Trustees hold their funds in pooled mandates and the equity funds they invest in are the Schroder US Large Cap Fund, Schroder Prime UK Equity Fund, Schroder Europe Fund, Schroder Japan Opportunities Fund, Schroder Institutional Pacific Fund, the Schroder Emerging Market Equities Fund and the Schroder Diversified Growth Fund. They also hold a range of gilt, index-linked gilt and corporate bond funds.

Policy on ESG, Stewardship and Climate Change

The Scheme’s SIP includes the Trustees’ policy on Environmental, Social and Governance (“ESG factors”) Stewardship and Climate Change. This policy takes into account the processes followed by the Trustees in relationship to ESG, Climate Change, voting rights and stewardship. The Trustees keep their policies and the SIP under regular review, in line with their investment strategy and legislative requirements.

The following work was undertaken during the past period relating to the Trustees’ policies on ESG, Stewardship and Climate Change and sets out how the Trustees’ engagement and voting policies were followed and implemented:

- The Trustees have requested that the investment manager confirm compliance with the principles of the UK Stewardship Code. The manager has confirmed that they are signatories to the current UK Stewardship Code.
 - The manager’s investment performance report is reviewed by the Trustees on at least a quarterly basis. The investment advisor of the Scheme has provided ratings of funds invested in by the Scheme in respect of ESG. The investment manager is generally highly rated in respect of ESG.
 - The investment manager has provided evidence of their commitment to ESG and good stewardship.
 - The Trustees have delegated their voting rights to the investment manager. The investment managers have provided the Trustees with a voting summary report. This report is monitored by the Trustees. Over the year to 30 June 2021, the investment manager voted on 7,187 meetings and approximately 98.8% of proposals. They voted on 184 ESG-related shareholder resolutions, voting with management on 114.
 - The Trustees do not use the direct services of a proxy voter.
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