

The Geoffrey Osborne Limited Retirement and Death Benefit Scheme

Engagement Policy Implementation Statement 2022

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) adopted by the Trustee of The Geoffrey Osborne Limited Retirement and Death Benefit Scheme has been followed during the year to 31st March 2022. 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

The Trustee’s primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due. In doing so, the Trustee also aims to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

Investment Strategy

During the course of the Scheme year covered by this statement, the Trustee did not review the Scheme’s investment strategy. The Trustee reviews the investment strategy from time to time with a view to maintaining consistency with the funding strategy.

Scheme’s Investment Structure

Over the course of the year, the Scheme’s assets were invested via a Trustee Investment Policy (TIP) with Mobius Life Limited (Mobius). Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers, which means that the Trustee has no direct relationship with the Scheme’s underlying investment managers.

Policy on ESG, Stewardship and Climate Change

The Trustee understands that they must consider all factors that have material potential to affect the financial performance of the Scheme's investments over the relevant time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Scheme's SIP includes the Trustee's policy on ESG factors, Stewardship and Climate Change (Section 4.4 to 4.7). The policies were last reviewed in September 2020. The Trustee keeps its policies under regular review. The SIP is reviewed at least every three years.

The Trustee is responsible for ensuring that its board members have sufficient knowledge and understanding of ESG matters. When appropriate the Trustee will obtain training that includes ESG considerations.

Engagement

In the Scheme year covered by this statement, the Trustee has not engaged with Mobius or the underlying pooled fund managers on ESG matters, stewardship or climate change but it does review the stewardship and ESG policies of the fund managers periodically.

The Trustee have, in effect, delegated their engagement activities to the managers of the pooled funds in which the Scheme invests. As a result, the Trustee has not directly engaged with the underlying companies that comprise those funds.

The Trustee did not engage with any public policy work over the reporting period.

The Trustee is working with its investment consultant to consider what actions may be taken to engage with their underlying fund managers in future. For example, this may include adding ESG ratings to the performance reports.

Voting Activity

As the Trustee has no direct relationship with the managers of the pooled funds in which it invests, it has, in effect, delegated its voting rights to those managers.

The Trustee has not been asked to vote on any specific matters over the Scheme year.

Only funds that hold equities have votes to cast. The following table summarises the key voting activity within the Scheme's assets:

Investment Manager Voting Summary

Fund	Proxy voter used?	Votes cast			Most significant votes (description)	Most Significant Votes
		Votes cast	Votes against management endorsement	Abstentions		
BlackRock Windsor Limited (exchange-traded UK Equity Fund)	ISS and Glass Lewis are used for research purposes, but all decision making is retained by BlackRock	24,736 (out of 24,777 eligible)	c.8%	c.0%	<p>BlackRock prioritises it's voting around themes that they believe will encourage sound governance practices and deliver sustainable long term financial performance. Such themes include: board and directors, auditors, capital structure, compensation, ESG issues, and shareholder proposals.</p>	<p>Company: Vinci SA Date: 08/04/2021 Resolution: Advisory opinion on the company's environmental transition plan Vote: For Rationale: BlackRock voted for this item as it provides a clear roadmap towards the company's stated climate ambitions and targets.</p> <p>Company: Origin Energy Limited Date: 20/10/2021 Resolution: Climate related lobbying Vote: For Rationale: BlackRock recognise that the company sets a good example of industry association monitoring and support this resolution to encourage it to continue setting ambitious goals. Further, the resolution does not unduly constrain management's ability to make business decisions.</p>

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Ninety One make use of the Institutional Shareholder Services (ISS) Proxy Exchange research service for all voting. ISS provide research, but all decisions are made by Ninety One in the best interests of the shareholders.

1,217
(out of
1,236
eligible)

c.10%

c.4%

Ninety One describes these as votes with significant client, media or political interest, material holdings, those of a thematic nature (i.e., climate change) and significant corporate transactions that have a material impact on future company performance, for example approval of a merger, etc.

Company: Anglo American Plc
Date: 05/05/2021
Resolution: Approve matters relating to the demerger of Thungela Resources Ltd
Vote: For
Rationale: Ninety One voted for the demerger of the South-African thermal coal operations for the following reasons: compelling strategic rationale provided by the Board, noting the benefits of running the two businesses independently and enabling shareholders to tailor their desired exposure to thermal coal; and existing shareholders can still participate in the potential upside of the demerged business, which will subsequently have listings on the Johannesburg and London stock exchanges.
Outcome: The resolution passed

Company: Vale SA
Date: 30/04/2021
Resolution: Approve agreement to absorb Companhia Paulista de Ferroligas and Valesul Alumínio S.A.
Vote: For
Rationale: Ninety One believed a vote for these items was warranted because:

- The company effectively owns 100 percent of its subsidiary;
- The absorption will not result in any transfer of cash or shares away from the company;
- The company has presented reasonable rationale for the transaction; and
- The proposed transaction is neutral to shareholders.

Outcome: The resolution passed

Nordea relies on their bespoke voting policy, and/or vote manually, for an overwhelming majority of all votes. During the massive scale-up Nordea initiated this year, during which they voted in close to 4000 individual AGMs/EGMs, they have for some minor holdings relied on ISS' standard sustainability policy, but they still looked at all ESG related issues and most other contentious issues. This is due to a current lack of resources on ISS' part to do bespoke policy

2,346
(out of
2,348
eligible)

c.11%

c.1%

Significant votes are those that are severely against Nordea's principles, and where they feel they need to enact change in the company.

Company: Microsoft
Date: 30/11/2021
Resolution: Report on effectiveness of workplace sexual harassment policies (shareholder proposal)
Vote: For
Rationale: At the Microsoft AGM, Nordea supported a number of shareholder proposals, besides Report on Effectiveness of Workplace Sexual Harassment Policies, such as Report on Gender/Racial Pay Gap, Report on Implementation of the Fair Chance Business Pledge and Report on Lobbying Activities Alignment with Company Policies. Management voting recommendation was against on all these proposals but got substantial support at the AGM and the proposal Report on Effectiveness of Workplace Sexual Harassment was approved. Nordea think shareholders would benefit from additional information, allowing them to better assess these issues.
Outcome: The resolution passed

Company: McDonald's
Date: 20/05/2021
Resolution: Report on sugar and public health (shareholder proposal)
Vote: For
Rationale: Nordea believed that additional disclosure would benefit shareholders by increasing transparency regarding the company's efforts to address the risks related the use of

u recommendations in
n peripheral markets
d and for very minor
holdings. Nordea
expects ISS to have
ratified this by 2022.

sugar and serve to provide greater assurance to shareholders
in that the firm's initiatives and practices sufficiently guard
against potential financial, litigation and operational risks to
the company.
Outcome: Pass

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While analysing
meeting agendas and
making voting
decisions,
Threadneedle use a
range of research
sources and consider
various ESG issues,
including companies'
risk management
practices and
evidence of any
controversies. Their
final vote decisions
take account of, but
are not
determinatively
informed by,
research issued by
proxy advisory
organisations such as
ISS, IVIS and Glass
Lewis as well as MSCI
ESG Research. Proxy
voting is effected via
ISS.

2,549
(out of
2,549
eligible)

c.8%

c.1%

Threadneedle consider a
significant vote to be any
dissenting vote i.e.
where a vote is cast
against (or where they
abstain/withhold from
voting) a management-
tabled proposal, or
where they support a
shareholder-tabled
proposal not endorsed
by management.

Company: Nike Inc.

Date: 06/10/2021

Resolution: Report on political contributions disclosure

Vote: For

Rationale: Threadneedle voted for this resolution in order to
support better corporate governance practices.

Outcome: Fail

Company: The Walt Disney Company.

Date: 09/03/2022

Resolution: Report on gender/racial pay gap.

Vote: For

Rationale: Threadneedle voted for this resolution in order to
support better ESG risk management practices and
disclosures.

Outcome: Pass