

Hindle Group of Companies Retirement Benefit Scheme

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Financial Year Ending 31 October 2020

Introduction

This statement sets out how, and the extent to which, the Stewardship policy in the Statement of Investment Principles (SIP) produced by the Trustees has been followed during the year to 31 October 2020. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator.

Trustee's Investment Objectives

The Trustees believe it is important to consider the policies in place in the context of the investment objectives it has set.

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 Trustees aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustees believe that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must consider all factors that have the potential to impact upon the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Scheme's SIP includes the Trustee's policies on ESG factors, stewardship and climate change. The policies were last approved in August 2019. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

Engagement

In the year to 31 October 2020, the Trustees have not actively engaged with the pooled investment managers on matters pertaining to ESG, stewardship or climate change.

However, the Trustees intend to work with their advisers to consider actions that can be taken to engage with the investment managers going forward.

Voting Activity

The Trustees have delegated their voting rights to the Scheme's investment managers. The Trustees have not been asked to vote on any specific matters over the Scheme year.

Nevertheless, this Statement sets out a summary of the key voting activity of the pooled funds for which voting is possible.

The Trustees note that best practice in developing a statement on voting and engagement activity is evolving and will take on board industry activity in this area before the production of next year's statement.

The table on the following pages sets out a summary of the key voting activity over the financial year:

Fund	Proxy voter used?	Votes cast			Most significant votes (description)	Significant vote examples
		Votes in total	Votes against management endorsement	Abstentions		
Scottish Widows Managed Fund	Scottish Widows have been unable to provide sufficient information to report on the underlying managers voting and engagement activities at the time of producing this statement.					
M&G Discretionary Fund	M&G use research provided by ISS and the Investment Association; and use the ProxyEdge from ISS voting platform for managing their proxy activity.	19,026 eligible for (61.99% cast)	4.49% of votes cast	1.12% of eligible votes	<p>Typically, significant voting will relate to situations where there is disagreement between M&G as an investor and the company; and this could be over a range matters including shareholder rights, corporate governance, corporate strategy and corporate behaviour.</p> <p>Where we have a material shareholding (typically greater than 3% of ordinary share capital across all funds) we will use the following criteria to determine 'significant resolutions' for the purposes of Shareholder Rights Directive II reporting; though occasionally we may consider some votes significant irrespective of shareholding size:</p> <p>Proposals and significant concerns relating to shareholders' rights or standards of governance;</p> <p>Proposals and significant concerns relating to environmental and social matters that are highly sensitive to clients, stakeholders, the Company or M&G;</p> <p>Proposals and concerns relating to executive remuneration; Proposals that may impact on the standing of executive directors or the board chairperson;</p> <p>Proposals that may affect M&G proxy voting policy;</p> <p>Proposals that significantly affect corporate structure - including acquisitions, disposals, takeovers and mergers, poison pills, share capital or ownership structure.</p> <p>In addition, where a company receives substantial votes against the board's recommendation, these may be considered to be significant after the fact, irrespective of how M&G voted.</p>	<p>CRH- a vote 'against' was cast for approve a Remuneration Report</p> <p>Rational for vote: Opposition due to executive pension contribution not being in line with the general workforce</p> <p>Outcome: M&G not in a position to provide</p> <p>Implications of Outcome: M&G not in a position to provide</p> <p>Significant: Remuneration</p>