

Engagement Policy Implementation Statement

Barron McCann Ltd 2014 Pension Scheme

The Engagement Policy Implementation Statement ("EPIS") has been prepared by the Trustee and covers the Scheme year 1 April 2023 to 31 March 2024.

Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (the "Regulations"). The Regulations require that the Trustee produces an annual statement which outlines the following:

- Explain how and the extent to which the Trustee has followed its engagement policy which is set out in the Statement of Investment Principles ("SIP").
- Describe the voting behaviour by or on behalf of the Trustee (including the most significant votes cast) during the Scheme year and state any use of third-party provider of proxy voting services.

Executive summary

During the year, the Trustee took professional investment advice from Broadstone Pensions Limited ("Broadstone"). The investment strategy seeks to protect the Scheme's funding position and to achieve a positive real return over the long term. Investment volatility and risk is expected to be greatly reduced under this strategy.

During the year, following investment advice and consultation with the sponsor, the investment in LGIMs Dynamic Diversified Fund was switched into their Sterling Liquidity Fund

Based on the activity over the year by the Trustee and its investment managers, the Trustee believes that the stewardship policy has been implemented effectively. The Trustee notes its investment managers were able to disclose good evidence of voting and engagement activity.

The Trustee expects improvements in disclosures over time in line with the increasing expectations on asset managers and their significant influence to generate positive outcomes for the Scheme through considered voting and engagement.

Scheme stewardship policy

The below bullet points summarise the Scheme's stewardship policy in force over the Scheme year to 31 March 2024.

The Trustee's Statement of Investment Principles ("SIP") is dated 16th May 2023. The SIP contains further details of the Trustees approach to responsible investment and stewardship. The full SIP can be found here: <https://safe.menlosecurity.com/https://www.barronmccannpensionscheme.com>

- The Trustee believes that good stewardship and environmental, social and governance ('ESG') issues may have a material financial impact on investment returns.
- The Trustee has given the fund manager their full discretion when evaluating ESG issues and in exercising rights, engagement activities, and stewardship obligations attached to the Scheme's investments. However, the extent to which these factors are considered by the fund manager in the selection, retention and realisation of investments is considered by the Trustee as part of the process of selecting organisations with which to invest. The Trustee reserves the right to request from the manager information regarding their actions.
- The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code, and the investment managers all have stated corporate governance policies which comply with these principles.

Scheme stewardship activity over the year

Updating the Stewardship Policy

The Trustee reviewed the stewardship policy and believe it accurately reflects their investment strategy.

Ongoing Monitoring

Investment monitoring takes place on a quarterly basis with a monitoring report being provided to the Trustee by its investment managers.

Engagement activity – Investment manager

The Trustee has delegated the management of the Scheme's assets to its investment managers, Legal and General Investment Management (LGIM) and Royal London Asset Management (RLAM). LGIM manages the Scheme's assets in a range of funds which include multi-asset, credit, and specialist liability matching funds. LGIM selects the underlying investment managers on behalf of the Trustee. RLAM manages the Scheme's assets in its Multi Asset Credit Fund.

This section provides an overview of the voting (where applicable) and engagement activities of some of the most material managers over the reporting period.

Voting and Engagement activity – Equity

Over the year, the material equity investments held in the Funds managed by LGIM were:

Legal and General Investment Management Limited ("LGIM")	Dynamic Diversified Fund
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LGIM believes that companies that appropriately manage their ESG profile generally deliver better investment value over the long term. LGIM seeks to meet these obligations in their index funds through a combination of three approaches:

1. Through company engagement as a major global investor
2. Through a broader corporate governance lens, they address emerging issues and escalate concerns
3. Through ESG integration, they use their proprietary scoring tool to deliver meaningful improvements in their index funds ESG profiles. LGIMs approach allocates more capital to companies with higher ESG scores.

In this section there is a summary of voting information for each of the Scheme's relevant managers.

Legal and General Investment Management Limited ("LGIM")

Voting

LGIM uses proxy voting adviser Institutional Shareholder Services ("ISS") to execute votes electronically and for research. LGIM also receives research from the Institutional Voting Information Service ("IVIS"). This augments LGIM's own research and proprietary ESG assessment tools. LGIM does not outsource any part of the voting decisions to ISS. LGIM has a custom voting policy in place with ISS. This seeks to uphold what LGIM considers to be best practice standards companies should observe. LGIM can override any voting decisions based on the voting policy if appropriate. For example, if engagements with the company have provided additional information.

The table below shows the voting statistics for LGIM's **Dynamic Diversified Fund** for the year to 30th September 2023 (the latest available at the date of drafting this Implementation Statement)

Total number of engagements	2,102
Top five engagement topics	<ol style="list-style-type: none"> 1. Climate Impact Pledge 2. Remuneration 3. Deforestation 4. Climate Change 5. Company Disclosure

Source: Manager

Engagement

LGIM has a six-step approach to its investment stewardship engagement activities, broadly these are:

1. Identify the most material ESG issues,
2. Formulate the engagement strategy,
3. Enhancing the power of engagement,
4. Public policy and collaborative engagement,
5. Voting, and
6. Reporting to stakeholders on activity.

LGIM monitors several ESG subjects and conducts engagement on various issues. LGIM's engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all their clients.

More information can be found on LGIM's engagement policy: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf.

Engagement – Fixed Income

The Trustee recognises that stewardship may be less applicable or have a less tangible financial benefit for fixed income and alternative mandates compared to equity mandates. Nonetheless, the Trustee still expects their non-equity managers to engage with external parties if they identify concerns that may be financially material.

Fixed income managers, in particular, have significant capacity for engagement with issuers of debt. Debt financing is continuous, and so it is in debt issuers' interests to make sure that investors are satisfied with the issuer's strategic direction and policies. Whilst upside potential may be limited in comparison to equities, the downside risk mitigation and credit quality are critical parts of investment decision-making.

Legal and General Investment Management Limited (“LGIM”) Buy and Maintain Credit (Distribution) Fund

Engagement

The table below shows the voting statistics for LGIM's **Buy & Maintain Credit Fund** for the year to 30th September 2023 (the latest available at the date of drafting this Implementation Statement).

Total number of engagements	202
Top five engagement topics	<ol style="list-style-type: none"> 1. Climate Change 2. Remuneration 3. Deforestation 4. Corporate Strategy 5. Nominations and succession

Legal and General Investment Management Limited (“LGIM”)
Sterling Liquidity Fund

Engagement

The table below shows the voting statistics for LGIM's **Sterling Liquidity Fund** for the year to 30th September 2023 (the latest available at the date of drafting this Implementation Statement).

Total number of engagements	24
Top five engagement topics	<ol style="list-style-type: none">1. Climate Change2. Remuneration3. Climate Impact Pledge4. Activism5. Capital Management

Royal London Asset Management (“RLAM”)
Multi Asset Credit Fund

RLAM does not provide specific information on engagement for this fund. RLAM's approach to Stewardship is published on their website. The Trustee expects RLAM to take financially material ESG factors into account.