

Britvic Northern Ireland Pension Plan

Engagement Policy Implementation Statement for the year ending 31 December 2021

Introduction

The Trustee of the Britvic Northern Ireland Pension Plan (the 'Plan') has a fiduciary duty to consider its approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through its investment manager.

This statement sets out how, and the extent to which, in the opinion of the Trustee, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 December 2021. This statement also describes the voting behaviour by, or on behalf of, the Trustee.

The Trustee, in conjunction with its investment consultant, appoints its investment manager to meet specific Plan policies. It expects that its investment manager makes decisions based on assessments about the financial and non-financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan's performance) over an appropriate time horizon.

The Trustee also expects its investment manager to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

During the year, the Trustee received training from their investment consultant on ESG issues, including stewardship and engagement.

Stewardship - monitoring and engagement

The Trustee recognises that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment manager and to encourage the manager to exercise those rights. The investment manager is expected to provide regular reports for the Trustee detailing its voting activity.

The Trustee's policy is to delegate responsibility for engaging and monitoring investee companies to the investment manager and expects the investment manager to use its discretion to maximise financial returns for members and others over the long term.

As all of the investments are held in pooled vehicles, the Trustee does not envisage being directly involved with peer to peer engagement in investee companies.

Investment manager engagement policies

The Plan's investment manager is expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustee with information on how the investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to the investment manager's engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on the investment manager's website.

The latest available information provided by the investment manager (with mandates that contain equities) is as follows:

Engagement	LGIM Diversified Fund
Period	01/01/2021-31/12/2021
Number of companies engaged with over the year	506
Number of engagements over the year	695
Top two engagement topics	Remuneration Climate Change
Most significant company engagement over the year	NextEra Energy, Inc. Union Pacific Corporation American Tower Corporation

Exercising rights and responsibilities

The Trustee recognises that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment manager is expected to disclose annually a general description of its voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment manager publishes online the overall voting records of the firm on a regular basis.

The investment manager uses proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustee does not carry out a detailed review of the votes cast by or on behalf of their investment manager but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustee considers the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment manager is as follows:

Voting behaviour	
LGIM Diversified Fund	
Period	01/01/2021-31/12/2021
Number of meetings eligible to vote at	7,721
Number of resolutions eligible to vote on	78,917
Proportion of votes cast	98.6%
Proportion of votes for management	79.0%
Proportion of votes against management	20.3%
Proportion of resolutions abstained from voting on	0.7%

Trustee assessment

The Trustee has considered the environmental, social and governance rating for each fund/investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

The Trustee has reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustee recognises that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the engagement policies for the investment manager can be found here:

Investment manager	Engagement policy
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf

Information on the most significant votes for each of the funds containing equities is shown below.

LGIM Diversified Fund	Vote 1	Vote 2	Vote 3
Company name	NextEra Energy, Inc.	Union Pacific Corporation	American Tower Corporation
Date of Vote	20/05/2021	13/05/2021	26/05/2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.4	0.4	0.3
Summary of the resolution	Resolution 1h Elect Director James L. Robo	Resolution 1d Elect Director Lance M. Fritz	Resolution 1i Elect Director Pamela D.A. Reeve
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on LGIM's website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles	The company is deemed to not meet minimum standards with regards to climate risk

	<p>are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on their website), and they have reinforced their position on leadership structures across our stewardship activities – e.g. via individual corporate engagements and director conferences.</p>	<p>are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on their website), and they have reinforced their position on leadership structures across our stewardship activities – e.g. via individual corporate engagements and director conferences.</p>	<p>management and disclosure.</p>
Outcome of the vote	<p>88.1% of shareholders supported the resolution.</p>	<p>90.5% of shareholders supported the resolution.</p>	<p>94.7% of shareholder supported the resolution.</p>
Implications of the outcome	<p>LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.</p>	<p>LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.</p>	<p>LGIM will continue to engage with the company and monitor progress.</p>

Criteria on which the vote is assessed to be “most significant”	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.
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