

B.U.T. Retirement Benefits Scheme

Engagement Policy Implementation Statement for the year ending 30 September 2022

Introduction

The Trustee of the B.U.T. Retirement Benefits Scheme (the 'Scheme') have a fiduciary duty to consider their 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. Since the Trustee entered into an insurance agreement with Just Retirement Limited ("JUST") to buy-out the liabilities of the Scheme, the Trustee recognises there is no scope for engagement activity or impact. A residual cash holding remains invested in the LGIM Sterling Liquidity Fund, however, this is a fund that primarily invests in short term deposits, with no voting powers.

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 30 September 2022. This statement also describes the voting behaviour by, or on behalf of, the Trustee.

The Trustee, in conjunction with their investment consultant, select their investment manager and choose the specific pooled funds to use in order to meet specific Scheme policies. They expect that their investment manager to make decisions based on assessments about the financial and non-financial performance of underlying investments (including environmental, social and governance (ESG) factors, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustee also expects their 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

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for members and beneficiaries leading to sustainable benefits for the economy, the environment and society.

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

The Trustee' 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 make available regular reports detailing their voting activity.

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

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

LGIM and M&G has signed up to The UK Stewardship Code 2020 which sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. The latest available Stewardship Reports for 2020 can be found here:

[https://www.frc.org.uk/getattachment/f8bce6d1-9c96-4d91-a5c3-9dbb783f9f96/LGIM_active_ownership_report_2021-\(Final\).pdf](https://www.frc.org.uk/getattachment/f8bce6d1-9c96-4d91-a5c3-9dbb783f9f96/LGIM_active_ownership_report_2021-(Final).pdf)

Investment manager engagement policies

The Scheme'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.

Exercising rights and responsibilities

The Trustee recognises that different investment manager 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 their 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 do 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 manager 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.

Trustees' 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.

Where an investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustee may consider whether to engage with the investment manager.

The Trustee has reviewed the investment manager' 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 manager 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 and platform provider can be found here:

Investment manager	Engagement policy (or suitable alternative)
Mobius Life (Investment Platform Provider)	https://mobiuslife.co.uk/documents/Mobius-Life-Stewardship-Engagement-Policy-2020-Annual-Report.pdf
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf