



Ibstock Pension Scheme

Engagement Policy Implementation Statement for the year ending 30 November 2022

Introduction

The Trustees of the Ibstock Pension 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 Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustees, 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 November 2022. This statement also describes the voting behaviour by, or on behalf of, the Trustees.

The Trustees, in conjunction with their investment consultant, appoints their investment managers and choose the specific pooled funds to use in order to meet specific policies. They expect that their investment managers 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 Trustees also expect their investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

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 Trustees recognise that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees' also delegate responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to

maximise financial returns for members and others over the long term. As all investments are held in pooled vehicles, the Trustees do not envisage being directly involved with peer to peer engagement in investee companies.

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

Investment manager engagement policies

The Scheme's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment managers engage 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 each investment manager's engagement policy or suitable alternative is provided in the Appendix.

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

The latest available information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

Engagement			
	LGIM UK Equity Index Fund	LGIM North America Equity Index Fund - GBP Currency Hedged	LGIM Europe (ex UK) Index Fund - GBP Hedged
Period	01/10/2021 – 30/09/2022		
Number of companies engaged with over the year	141	137	66
Number of engagements over the year	242	206	108

Engagement			
	LGIM Japan Equity Index Fund - GBP Hedged	LGIM Asia/ Pacific ex Japan Dev Index Fund - GBP Hedged	MFS Global Equity Fund
Period	01/10/2021 – 30/09/2022		01/12/2021 – 30/11/2022
Number of companies engaged with over the year	65	31	21
Number of engagements over the year	82	53	30

Exercising rights and responsibilities

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

The investment managers publish online the overall voting records of the firm on a regular basis. In addition, investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The investment managers publish online the overall voting records of the firm on a regular basis.

All investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights. The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustees consider 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 managers (for mandates that contain public equities) is as follows:

Voting behaviour			
	LGIM UK Equity Index Fund	LGIM North America Equity Index Fund - GBP Currency Hedged	LGIM Europe (ex UK) Index Fund - GBP Hedged
Period	01/10/2021-30/09/2022		
Number of meetings eligible to vote at	765	670	613
Number of resolutions eligible to vote on	10,884	8,407	10,371
Proportion of votes cast	99.9%	99.4%	99.8%
Proportion of votes for management	94.1%	65.3%	81.6%
Proportion of votes against management	5.9%	34.7%	18.0%
Proportion of resolutions abstained from voting on	0.0%	0.1%	0.5%

Voting behaviour			
	LGIM Japan Equity Index Fund - GBP Hedged	LGIM Asia Pacific (ex Japan) Developed Equity Index Fund - GBP Currency Hedged	MFS Global Equity Fund
Period	01/10/2021-30/09/2022		01/12/2021-30/11/2022
Number of meetings eligible to vote at	511	504	89

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Number of resolutions eligible to vote on	6,327	3,573	1,418
Proportion of votes cast	100.0%	100.0%	100.0%
Proportion of votes for management	88.5%	71.6%	94.7%
Proportion of votes against management	11.5%	28.4%	4.8%
Proportion of resolutions abstained from voting on	0.0%	0.0%	0.0%

Trustees' assessment

The Trustees have 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 Trustees may also consider reports provided by other external ratings providers.

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

The Trustees have reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and will continue to monitor them periodically.

The Trustees recognise 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 1

Links to the Engagement Policies for each of the investment managers can be found here:

Investment manager	Engagement Policy (or suitable alternative)
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf
CT	https://docs.columbiathreadneedle.com/documents/en_responsible_investment_policy.pdf?inline=true
M&G	https://www.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mg-investments-engagement-policy-may-2020.pdf
MFS	https://www.mfs.com/en-gb/institutions-and-consultants/insights/sustainable-investing/responsible-investing-policy-statement.html

Appendix 2

Information on the most significant votes LGIM and MFS participated in during the year ending 1 October 2021 - 30 September 2022 for LGIM and 1 December 2021 – 30 November 2022 for MFS respectively is shown below.

LGIM UK Equity Index Fund	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell Plc	BP Plc	Rio Tinto Plc
Date of vote	24 May 2022	12 May 2022	08 April 2022
Approximate size of fund's holding (% of portfolio)	6.7%	3.0%	2.7%
Summary of the resolution	Resolution 20 - Approve the Shell Energy Transition Progress Update	Resolution 3 - Approve Net Zero - From Ambition to Action Report	Resolution 17 - Approve Climate Action Plan
How the fund manager voted	Against	For	Against
Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and	Climate change: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is our view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its	Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well

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	downstream businesses.	downstream ambition and approach to exploration.	as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.
Outcome of the vote	79.9%	88.5%	84.3%
Why is this vote significant?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

LGIM North America Equity Index Fund - GBP Currency Hedged	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Microsoft Corporation	Amazon.com, Inc.
Date of vote	04 March 2022	30 November 2021	25 May 2022
Approximate size of fund's holding (% of portfolio)	6.0%	5.8%	2.8%
Summary of the resolution	Resolution 9 - Report on Civil Rights Audit	Elect Director Satya Nadella	Resolution 1f - Elect Director Daniel P. Huttenlocher
How the fund manager voted	For	Against	Against

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Rationale for the voting decision	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.
Outcome of the vote	53.6%	94.7%	93.3%
Why is this vote significant?	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	A vote linked to an LGIM engagement campaign, in line with the Investment Stewardship team's five-year ESG priority engagement themes.	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.

LGIM Japan Equity Index Fund - GBP Currency Hedged	Vote 1	Vote 2	Vote 3
Company name	Shin-Etsu Chemical Co., Ltd.	Mitsubishi Corp.	Sumitomo Mitsui Financial Group, Inc.
Date of vote	29 June 2022	24 June 2022	29 June 2022
Approximate size of fund's holding (% of portfolio)	1.4%	1.0%	1.0%
Summary of the resolution	Resolution 3.1 - Elect Director Kanagawa, Chihiro	Resolution 5 - Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement	Resolution 5 - Amend Articles to Disclose Measures to be Taken to Make Sure that the Company's Lending and Underwriting are not Used for Expansion of Fossil Fuel Supply or Associated Infrastructure
How the fund manager voted	Against	For	For

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Rationale for the voting decision	<p>Diversity: A vote against is applied due to the lack of meaningful diversity on the board. Accountability: A vote against has been applied as the Company has not provided disclosure surrounding the use of former CEO as Advisor to the Board. Independence: A vote against is applied due to the lack of independent directors on the board. Independent directors bring an external perspective to the board. Bringing relevant and suitably diverse mix of skills and perspectives is critical to the quality of the board and the strategic direction of the company. We would like to see all companies have a third of the board comprising truly independent outside directors.</p>	<p>Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.</p>	<p>Resolution 5 - A vote in support of this proposal is warranted as LGIM expects company boards to devise a strategy and 1.5C-aligned pathway in line with the company's commitments and recent global energy scenarios. This includes but is not limited to, stopping investments towards the exploration of new greenfield sites for new oil and gas supply.</p>
Outcome of the vote	N/A	20.2%	10%
Why is this vote significant?	<p>LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.</p>	<p>LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.</p>	<p>Significant shareholder support for a Climate Shareholder Resolution in the Japan market. Support of shareholder proposal not in line with management recommendation despite positive engagement with the Company.</p>

LGIM Asia Pacific (ex Japan) Developed Equity Index Fund - GBP

Vote 1

Vote 2

Vote 3

Currency Hedged

Company name	Rio Tinto Limited	Oversea-Chinese Banking Corporation Limited	Goodman Group
Date of vote	05 May 2022	22 April 2022	18 November 2021
Approximate size of fund's holding (% of portfolio)	1.0%	0.9%	0.9%
Summary of the resolution	Resolution 17 - Approve Climate Action Plan	Resolution 2a - Elect Ooi Sang Kuang as Director	Elect Rebecca McGrath as Director of Goodman Limited
How the fund manager voted	Against	Against	Against
Rationale for the voting decision	<p>Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.</p>	<p>Climate change: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors. Lead Independent Director: A vote AGAINST the elections of Sang Kuang Ooi, Kwee Fong Hon (Christina Ong), and Joo Yeow Wee is warranted given that they serve on the nominating committee and the company, under the leadership of a non-independent chairman, is not considered to have appointed an independent</p>	<p>A vote against is applied as LGIM expects a company to have a diverse board, with at least 25% of board members being women. We expect companies to increase female participation both on the board and in leadership positions over time.</p>

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		lead director (LID). Beng Seng Koh, the company's lead independent director, is not considered independent.	
Outcome of the vote	84.3%	74.8%	79.2%
Why is this vote significant?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.
LGIM Europe (ex UK) Equity Index Fund - GBP Currency Hedged	Vote 1	Vote 2	Vote 3
Company name	LVMH Moet Hennessy Louis Vuitton SE	TotalEnergies SE	UBS Group AG
Date of vote	21 April 2022	25 May 2022	06 April 2022
Approximate size of fund's holding (% of portfolio)	2.2%	1.5%	0.7%
Summary of the resolution	Resolution 5 - Reelect Bernard Arnault as Director	Resolution 16 - Approve Company's Sustainability and Climate Transition Plan	Resolution 3 - Approve Climate Action Plan
How the fund manager voted	Against	Against	Against
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies not to combine the roles of Board Chair and CEO. These two roles are	Climate change: A vote against is applied. We recognize the progress the company has made with respect to its net zero commitment,	Climate change: A vote AGAINST this proposal is applied following internal discussion. While we positively note the company's progress over

	<p>substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.</p>	<p>specifically around the level of investments in low carbon solutions and by strengthening its disclosure. However, we remain concerned of the company's planned upstream production growth in the short term, and the absence of further details on how such plans are consistent with the 1.5C trajectory.</p>	<p>the last year, as well as its recent commitment to net zero by 2050 across its portfolio, we have concerns with the strength and coverage of the Climate Action Plan's Scope 3 targets and would ask the company to seek external validation of its targets against credible 1.5°C scenarios. Gaining approval and verification by SBTi (or other external independent parties as they develop) can help demonstrate the credibility and accountability of plans.</p>
Outcome of the vote	92.0%	88.9%	77.7%
Why is this vote significant?	<p>LGIM considers this vote to be significant as it is an application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.</p>	<p>LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.</p>	<p>LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.</p>

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MFS Global Equity Fund	Vote 1	Vote 2	Vote 3
Company name	Oracle Corporation	Oracle Corporation	The Walt Disney Company
Date of vote	10 November 2021	10 November 2021	09 March 2022
Approximate size of fund's holding (% of portfolio)	1.8%	1.8%	1.6%
Summary of the resolution	Elect Directors (Compensation Committee)	Advisory Vote to Ratify Named Executive Officers' Compensation	Report on Gender/Racial Pay Gap
How the fund manager voted	Against Management	Against Management	Against Management
Rationale for the voting decision	As a reflection of our strong, ongoing concerns with the company's pay practices, MFS also voted against the re-election of the members of the compensation committee due to what we consider to be poor responsiveness to shareholders in addition to consecutive years of low say-on-pay vote results.	MFS voted against the executive compensation proposal due to year over year concerns around the structure and magnitude of the executive pay program, as well as the lack of performance-based vesting conditions attached to the company's long term incentive plan.	MFS voted in favor of the proposal as we believe that additional disclosures relating to the company's adjusted pay gap and more information on how the company is ensuring pay equity would allow shareholders the ability to compare and measure the progress of the company's ongoing diversity and inclusion initiatives.
Outcome of the vote	66.6%	60.0%	60.0%
Why is this vote significant?	For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc.		