

# **Ibstock Pension Scheme**

## **Engagement Policy Implementation Statement for the year ending 30 November 2023**

### **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 manager. A residual cash holding remains invested in the M&G PP Cash 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 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 2023.

The Trustees, in conjunction with their investment consultant, appoints their investment manager and choose the specific pooled funds to use in order to meet specific policies. They expect that their investment manager 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 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.

### **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 their investment manager's 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 manager and to encourage the manager to exercise those rights. The investment manager is expected to provide regular reports for the Trustees detailing their voting activity (where appropriate).

The Trustees' also delegate responsibility for engaging and monitoring investee companies to the investment manager and expects the investment manager to use their discretion to maximise financial returns for members and others over the long term.

The Trustees seek to appoint managers that have strong stewardship policies and processes and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

<b>Investment manager</b>	<b>UN PRI Signatory</b>	<b>UK Stewardship Code Signatory</b>
M&G	Yes	Yes

The Trustees review each investment manager prior to appointment and monitors them on an ongoing basis through the regular review of the manager's policies, and behaviour.

The Trustees have not set out its own stewardship priorities but follow that of the investment manager.

The Trustees will engage with a manager should they consider that manager's voting and engagement policy to be inadequate or if the voting and engagement undertaken is not aligned with the manager's own policies, or if the manager's policies diverge significantly from any stewardship policies identified by the Trustees from time to time.

If the Trustees find any manager's policies or behaviour unacceptable, they may agree an alternative mandate with the manager or decide to review or replace the manager.

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

### **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 Trustees 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 each investment manager's website.

The Trustees are comfortable that these policies are broadly in line with the Scheme's chosen stewardship approach and that they do not diverge significantly from any key stewardship priorities identified for the Scheme.

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

## Engagement

	M&G Bespoke Cash Flow Driven Investment (including M&G Secured Income Property Fund)
Period	30/11/2022-01/09/2023
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.
Number of companies engaged with over the year	1
Number of engagements over the year	1

### 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.

Given the nature of the investments, the investment manager is not expected disclose voting behaviour, the most significant votes cast or report on the use of proxy voting advisers.

### Trustees' assessment

The Trustees have, in their opinion, followed the Scheme's voting and engagement policies during the year, by continuing to delegate to their investment manager, the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint manager that have strong stewardship policies and processes.

The Trustees have considered the environmental, social and governance information for each fund/investment manager, which includes consideration of engagement activities where appropriate.

Where the information provided indicates any areas of concern, the Trustees may consider whether and how to engage with the investment manager.

The Trustees have reviewed the investment manager policies and reporting relating to their stewardship of the investments and have found them to be acceptable at the current time.

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

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

<b>Investment manager</b>	<b>Engagement Policy (or suitable alternative)</b>
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M&G
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<a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mg-investments-engagement-policy-may-2020.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mg-investments-engagement-policy-may-2020.pdf</a>
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<a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments-policies/2022/april-22-mgreal-estate-esg-investment-policy.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments-policies/2022/april-22-mgreal-estate-esg-investment-policy.pdf</a>
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