

The Selecta (UK) Pension Plan - Implementation Statement

Statement of Compliance with the Selecta (UK) Pension Plan policies on stewardship for the year ending 31 March 2022.

Introduction

This is the Trustee statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustee has complied with the Plan's policies on stewardship during the period from 1 April 2021 to 31 March 2022.

Stewardship policy

The Trustee's policies on stewardship (voting and engagement) set out how the Trustee will behave as an active owner of the Plan's assets which includes the Trustee's approach to;

the exercise of voting rights attached to assets; and

undertaking engagement activity, including how the Trustee monitors and engages with its investment managers and any other stakeholders.

The Plan's policies on Stewardship are reviewed on an annual basis in line with the Plan's Statement of Investment Principles (SIP) review. The most relevant SIP for this review was completed on 6 January 2022

The following changes were made to the policies on stewardship during the year ending 31 March 2022:

- The Trustees will no longer monitor the investment manager's voting activity as the Plan has no significant investments in company shares. The annual review of manager voting activity will be replaced with a review of engagement activity as part of the Plan's broader monitoring.

The Trustee's policies on stewardship can be found within the Plan's Statement of Investment Principles, at www.selecta.com/uk/statement-of-investment/

The Trustee has delegated voting and engagement activity in respect of the underlying assets to the Plan's sole investment manager, Legal & General Investment Management (LGIM). The Trustee believes it is important that LGIM take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

The Trustee's own engagement activity is focused on the dialogue with LGIM which is undertaken in conjunction with its investment advisers. The Trustee also monitors its compliance with its policies on stewardship and is satisfied that it has met these over the last year.

Voting activity

The Plan has no investments in company shares and therefore has no voting rights. Nonetheless, the Trustee expects LGIM to use its influence proactively in managing risks in underlying portfolios over time. As the Plan does not currently hold any listed equity investments (either directly or indirectly), this statement does not include details of any votes cast on the Trustee's behalf.

Engagement activity

The Trustee receives quarterly reporting and an annual active ownership report from LGIM (the latest covering engagement activity for the 2021 calendar year). LGIM carried out 773 engagements with 571 companies over 2021. Engagements primarily focused on climate change, with other key topics being remuneration, LGIM ESG scoring of underlying companies, disclosures and transparency. The main methods of engagement were written engagements and meetings.

Review of policies

The Trustee has committed to reviewing the manager's responsible investment policies on a periodic basis. The last review was undertaken by the Trustees on 6 January 2022.

The Trustee and its advisors remain satisfied that the responsible investment policies of the managers remain suitable for the Plan.