

**RFIB Group Pension Scheme
Implementation Statement
7 July 2021**

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
Baillie Gifford	Baillie Gifford & Co Limited
LGIM	Legal & General Investment Management Limited
Schroder	Schroder Investment Management Limited
Scheme	RFIB Group Pension Scheme
Scheme Year	1 January 2020 to 31 December 2020
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement provides an assessment of how, and the extent to which, the policies described in the SIP were followed over the Scheme Year.

In addition, it summarises the voting record of the Scheme’s investment managers and provides information on the significant votes made in respect of the Trustee’s equity holdings. Information is also provided on how the Scheme’s investment managers make use of the services of proxy voting advisers.

Extent to which the SIP was followed

The Trustee has reviewed in detail the Trustee’s actions over the course of the Scheme Year against the policies described in the SIP.

There were two SIP documents in place during the Scheme Year with the second document being an addendum issued in August 2020. The second SIP introduced wording to comply with new legislation which came into effect on 1 October 2020.

The Trustee's investment objectives did not change over the course of the Scheme Year and these continue to be:

DB Section

- to ensure that the assets are sufficient and available to pay members' benefits as and when they fall due;
- to generate an appropriate level of investment returns – to improve the funding position and thereby improve security for members; and
- to protect the funding position – limiting the scope for adverse investment experience reducing security for members.

DC Section

- Offering an appropriate range of investment options – The range of funds that is offered is intended to offer sufficient investment flexibility for members of all ages.
- Offering suitable lifestyle strategies – The Trustee considers the likely form of benefits that will be paid to members and determines the lifestyle strategies accordingly.
- Offering a default investment option – The Trustee sets a default investment option which will be used by those members who do not select their own investment strategy.

In conjunction with its investment adviser, the Trustee regularly reviewed the Scheme's investment managers over the course of the Scheme Year. This included assessment of performance and consideration of whether each fund was being managed in line with its mandate and the Trustee's expectations. In addition, the Trustee considered whether each fund's mandate remained appropriate for the Scheme's investment strategy.

No changes were made to the strategic allocation of growth assets over the year in terms of asset class.

All of the Scheme's assets are invested in pooled funds and, therefore, the Trustee accepts that actions on Environmental, Social and Corporate Governance (ESG) matters are delegated to the managers of the pooled funds. Nevertheless, the Trustee monitors these actions.

In particular, we provide an analysis of each fund's ESG characteristics on the Hub which comes as part of the Scheme's quarterly reporting service. A report on the voting activity of the Scheme's investment managers has been provided by the Trustee's investment adviser to assist in the preparation of this Implementation Statement.

All of the investment managers used to implement the Scheme's investment strategy are signatories to the UNPRI.

The Trustee recognises that it is likely that members and beneficiaries will hold a broad range of views on ESG and other non-financial matters, but the Trustee does not directly take such views into account when determining the Scheme's investment strategy. Instead, the Trustee sets the investment strategy with a view to achieving the investment objectives set out above.

The Scheme does not hold any employer related assets and all the assets held are liquid meaning they can be realised for cash at relatively short notice. In addition, the Trustee has not been involved in any public policy work undertaken in the Scheme Year.

As the Scheme's assets are held in pooled funds, the Trustees have limited influence over the investment managers' investment decisions. In practice, investment managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt / equity issuers, engagement and portfolio turnover.

Investment manager voting information

An investment in equities (shares) brings with it an entitlement to vote at general meetings of the company whose shares are held. The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

Over the Scheme Year, the Scheme's DB assets were invested in the following funds which included an allocation to equities:

- Baillie Gifford Multi Asset Growth Fund
- LGIM Diversified Fund
- Schroders Diversified Growth Fund

In addition, the Scheme has a relatively small DC section. Of this, roughly two thirds are invested in LGIM funds with the other third being invested by Columbia Threadneedle.

Having considered information provided by their investment adviser, the Trustees have concluded that all of their investment managers maintain a transparent corporate governance policy and all have provided detailed information on their voting records.

Investment manager voting record

A summary of the investment managers' voting records over the year to 31 December 2020 is:

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained
Baillie Gifford	13,603	95.3%	2.9%	1.8%
LGIM	66,242	81.8%	17.4%	0.7%
Schroders	68,992	87.0%	13.0%	0.0%
Columbia Threadneedle	14,672	91.0%	9.5%	0.0%

Notes

Split of votes may not sum to 100% due to rounding

These voting statistics are based on each manager's full voting record rather than votes related solely to the funds held by the Scheme.

Use of proxy investment advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
Baillie Gifford	No Proxy Voting Adviser	All done in-house, Manager aims to participate in all votes
LGIM	ISS and IVIS	ISS and IVIS provide research and ISS administer votes. However, all voting is determined by guidelines set by LGIM.
Schroders	ISS and IVIS	Proxy advisers provide research and administer votes but voting is determined by Schroders.
Columbia Threadneedle	Glass Lewis, ISS and IVIS	Proxy advisors provide research but voting decisions are taken by Threadneedle.

Significant votes

Based on information provided by the Trustee's investment adviser, the Trustee has identified significant votes in eight separate categories. The Trustee considers votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the eight categories based on shares held by the Scheme's investment managers are listed in the Appendix. In addition, the Trustees considered each investment managers' overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme). Note that for the purpose of the data in the Appendix votes cast by Columbia Threadneedle have been disregarded due to the small proportion of total Scheme assets invested in Columbia Threadneedle funds.

Description of Voting Behaviour

Relative to their peers, LGIM show a strong tendency to vote against director's proposals. They have also shown strong support for shareholders proposals aimed to tackle a broad range of environmental and social issues.

LGIM's voting policies are also detailed and includes clear rationales and rules for when they will vote against director's recommendations on a proposal.

Baillie Gifford tends to support director proposals, but this is consistent with their active management style – they have chosen to invest in companies for the long term, so it is unsurprising they wish to support management.

Baillie Gifford have though demonstrated a willingness to vote in favour of shareholder proposals (which typically means voting against management) designed to tackle environmental and social issues.

Schroders have also consistently been supportive of the most contested shareholder proposals designed to tackle environmental and social issues. They have also opposed director proposals on issues such as the appointment of auditors when they see a potential lack of independence.

Similarly we have no concerns over the voting record of Columbia Threadneedle, who demonstrate a willingness to oppose director's proposals across a range of issues, but in particular to protect shareholders influence. They have also been supportive of a number of shareholder proposals designed to tackle Environmental and Social issues.

The Trustee will keep the voting actions of the investment managers under review.

Approved by the Trustee of the RFIB Group Pension Scheme on 7 July 2021.

Details of the significant votes

The table below records how the Scheme's investment managers voted in the most significant votes identified by the Trustee.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM	Schroders	Baillie Gifford
Audit & Reporting							
YARA INTERNATIONAL ASA	07/05/2020	Receive the Directors Report	50	50	Not held	For	Not held
NORTHROP GRUMMAN CORPORATION	20/05/2020	Appoint the Auditors	24	75	Against	Not held	Not held
VIVENDI SA	20/04/2020	Approval of the Information set out in the Corporate Governance Report	74	23	Against	Not held	Not held
ATOS SE	16/06/2020	Appoint the Auditors	78	22	Not held	For	Not held
CAPGEMINI SE	20/05/2020	Renew Appointment of PricewaterhouseCoopers Audit as Auditor	82	18	Against	For	Not held
Shareholder Capital & Rights							
STMICROELECTRONICS NV	17/06/2020	Grant Board Authority to Issue Shares Up To 10 Percent of Issued Capital and Exclude Pre-emptive Rights	46	54	Against	Not held	Not held
JUST EAT TAKEAWAY.COM N.V.	14/05/2020	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	60	40	Against	Not held	For
PETROPAVLOVSK PLC	30/06/2020	Issue Shares with Pre-emption Rights	64	35	Not held	For	Not held
ASSICURAZIONI GENERALI SPA	27/04/2020	Authorize Share Repurchase Program and Reissuance of Repurchased Shares to Service Performance Share Plan	68	32	Against	Against	Not held
VIVENDI SA	20/04/2020	Authorize Specific Buyback Program and Cancellation of Repurchased Share	69	31	Against	Not held	Not held
Pay & Remuneration							
YARA INTERNATIONAL ASA	07/05/2020	Approve Fees Payable to the Board of Directors	50	50	Not held	For	Not held
ALTRIA GROUP INC.	14/05/2020	Advisory Vote on Executive Compensation	49	50	Against	Against	Not held
STMICROELECTRONICS NV	17/06/2020	Approve Remuneration Policy for Management Board	50	50	Against	Not held	Not held
AROUNDTOWN SA	24/06/2020	Approve Remuneration Policy	49	51	Against	Not held	Not held
FIDELITY NATIONAL INFORMATION SERVICES INC.	28/05/2020	Advisory Vote on Executive Compensation	44	53	Against	Not held	Not held

Constitution of Company, Board & Advisers							
UBS GROUP AG	29/04/2020	Elect Remuneration Committee Member: Dieter Wemmer	48	48	For	For	Not held
PETROPAVLOVSK PLC	30/06/2020	Elect Ekaterina Ray	53	47	Not held	For	Not held
THE BOEING COMPANY	27/04/2020	Elect Susan C. Schwab	56	43	For	Not held	Not held
KBC GROEP NV	07/05/2020	Re-elect Sonja De Becker	59	41	For	Not held	Not held
GECEA	23/04/2020	Amend Article 9 of Bylaws Re: Shareholding Disclosure Thresholds	59	41	Against	Not held	Not held

Merger, Acquisition, Sales & Finance							
DELIVERY HERO SE	18/06/2020	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Pre-emptive Rights up to Aggregate Nominal Amount of EUR 2 Billion; Approve Creation of EUR 20 Million Pool of Capital to Guarantee Conversion Rights	78	22	Against	Not held	For
DASSAULT SYSTEMES SE	26/05/2020	Delegate Power to the Board to Acquire Certain Assets of Another Company	80	20	Against	Not held	Not held
SOCIETE GENERALE SA	19/05/2020	Authorize Issuance of Convertible Bonds for Private Placements without Pre-emptive Rights, up to Aggregate Nominal Amount of EUR 106.67 Million	93	7	For	For	Not held
MUENCHENER RUECK AG (MUNICH RE)	29/04/2020	Issue Bonds/Debt Securities	93	7	For	Not held	Not held
IBERDROLA SA	02/04/2020	Issue Bonds/Debt Securities	90	6	For	For	Not held

Other Company Resolutions							
PEUGEOT SA	25/06/2020	Authorize Board to Issue Free Warrants with Pre-emptive Rights During a Public Tender Offer	69	31	Not held	Against	Not held
VIVENDI SA	20/04/2020	Approve Additional Pension Scheme Agreement with Herve Philippe, Management Board Member	70	27	Against	Not held	Not held
UBISOFT ENTERTAINMENT SA	02/07/2020	Delegate Powers to the Board to Amend Bylaws to Comply with Legal Changes	80	20	Not held	Not held	For
BRITISH LAND COMPANY PLC	29/07/2020	Meeting Notification-related Proposal	83	17	For	Not held	Not held
SEGRO PLC	21/04/2020	Meeting Notification-related Proposal	85	15	For	Not held	Not held

Governance & Other Shareholder Resolutions								
HP INC	12/05/2020	Shareholder Resolution: Written Consent	50	50	Not held	For	Not held	
CHIPOTLE MEXICAN GRILL INC	19/05/2020	Shareholder Resolution: Report on Employment-Related Arbitration	51	49	Not held	Not held	For	
CHEVRON CORPORATION	27/05/2020	Shareholder Resolution: Report on Lobbying Payments and Policy	49	43	For	Not held	Not held	
KIMBERLY-CLARK CORPORATION	29/04/2020	Shareholder Resolution: Written Consent	49	49	Not held	For	Not held	
BOOKING HOLDINGS INC.	04/06/2020	Shareholder Resolution: Written Consent	49	51	Against	For	Not held	

Environmental & Socially Focussed Shareholder Resolutions								
JPMORGAN CHASE & CO.	19/05/2020	Shareholder Resolution: Climate Change Targets	49	49	For	For	Not held	
EXPEDITORS INTERNATIONAL OF WASHINGTON INC.	05/05/2020	Shareholder Resolution: Board Diversity	53	47	Not held	For	Not held	
ORACLE CORPORATION	04/11/2020	Shareholder Resolution: Report on Gender Pay Gap	46	54	For	For	Not held	
THE TJX COMPANIES INC.	09/06/2020	Shareholder Resolution: Report on Reduction of Chemical Footprint	44	55	For	Against	For	
CHEVRON CORPORATION	27/05/2020	Shareholder Resolution: Report on Human Rights Practices	61	30	For	Not held	Not held	

Note

Where the voting record has not been provided at the fund level, we have based our analysis on the shares held within the Scheme's pooled funds as at 31 December 2020. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote.