

Implementation Statement

Bush Boake Allen Pension Scheme

Engagement Policy Implementation Statement for the year ending 31 December 2020

Introduction

The Trustee of the Bush Boake Allen Pension Scheme (the 'Scheme') has a fiduciary duty to consider its 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 their investment managers.

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 31 December 2020. This statement also describes the voting behaviour by, or on behalf of, the Trustee.

The Trustee, in conjunction with their investment consultant, appoints its investment managers and chooses the specific pooled funds to use in order to meet specific Scheme policies. It expects that the investment managers make decisions based on assessments about the 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 has decided not to take non-financial matters into account when considering their policy objectives.

During the year, the Trustee received training from the Scheme's investment consultant on ESG issues, including stewardship and engagement.

Stewardship - monitoring and engagement

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

The Trustee's 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 Trustee detailing their voting activity.

The Trustee also delegates 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.

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 Trustee with information on how the investment managers engage in dialogue with the companies they invest in and how they exercise voting rights. It also provides details on the investment approach taken by the investment managers 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 websites.

Exercising rights and responsibilities

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

Implementation Statement (continued)

The investment managers are 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 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 Trustee does not carry out a detailed review of the votes cast by or on behalf of their investment managers but relies on the requirement for their investment managers 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.

The latest available information provided by the investment managers is as follows:

Voting behaviour			
Investment manager	Period	Proportion of votes cast	Proportion of votes against management
BlackRock Investment Management	30/06/2019-30/06/2020	N/A	8%
Legal & General Investment Management	31/12/2019-31/12/2020	99%	17%
M&G Investments	31/12/2018-31/12/2019	90%	6%
Schroder Investment Management	31/12/2018-31/12/2019	87%	13%

Description of most significant vote cast by the Scheme's equity manager

Legal & General

Company vote was in respect of: Procter and Gamble
Issue voted on: Palm oil used in product
Resolution – Report on effort to eliminate deforestation
How LGIM voted: LGIM voted in favour of the resolution
The AGM took place on 13 October 2020

Trustee's assessment

The Trustee reviews the investment manager's policies in respect of financially material considerations, stewardship, engagement and voting from time to time and are satisfied that they are consistent with the Trustee's policies.

The Trustee recognises that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of the investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Implementation Statement (continued)

Appendix

Links to the engagement policies for each of the investment managers can be found here:

Investment manager	Engagement policy	Annual disclosure statement
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-approach-to-corporate-governance-and-responsible-investment.pdf
BlackRock Investment Management	https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf	https://www.blackrock.com/corporate/literature/publication/blk-voting-and-engagement-statistics-annual-report-2019.pdf
Schroder Investment Management	https://www.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy.pdf	https://www.schroders.com/en/sysglobalassets/about-us/sustainable-investment-report-annual-2019.pdf
M&G Investments	https://docs.mandg.com/docs/corporate/MandG-Shareholder-Rights-Directive-Engagement-Policy.pdf	https://global.mandg.com/our-business/mandg-investments/responsible-investing-at-mandg-investments/voting-history https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/MG-Corporate-Finance-and-Stewardship-Report-2019.pdf