

# Engagement Policy Implementation Statement (“EPIS”)

## Janson Green Group Pension Scheme (the “Scheme”) Scheme Year End – 31 December 2023

The purpose of the EPIS is for us, the Trustees of the Janson Green Group Pension Scheme, to explain what we have done during the year ending 31 December 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

### Our conclusion

**Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.**

In our view, most of the Scheme’s investment managers were able to disclose good evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of some of the Scheme’s assets to Aon Investments Limited (“Aon”). We believe the activities completed by Aon to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

- Whilst M&G (an underlying manager selected by Aon) did provide a comprehensive list of fund level engagements, which we find encouraging, they did not provide engagement examples specific to the fund in which we are invested, as per the Investment Consultants Sustainability Working Group (“ICSWG”) best practice industry standard guide. Aon will continue to engage with the manager to better understand their engagement practices.
- We will invite each of our investment managers to a meeting over the next two years, in line with our manager meeting cycle, to get a better understanding of their voting and engagement practices, and how these help us fulfil our Responsible Investment policies.
- We will continue to monitor the environmental, social and governance (“ESG”) practices of our investment managers and make changes where necessary following consultation from our investment adviser.

## How voting and engagement policies have been followed

The Scheme is invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers, which is in line with the policies set out in our SIP. The Scheme is also invested in a segregated mandate in which the voting rights have been delegated to the investment manager (subject to our stewardship policy as set out in the SIP). We reviewed the stewardship activity of the material investment managers carried out over the Scheme year and in our view, all of the investment managers were able to disclose good evidence of voting and engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Scheme is invested in where available.

Over the course of the year, we met with Aon. During the meeting, Aon explained its policy in relation to stewardship, voting and engagement and provided examples of these in practice.

We received an update on the Department for Work and Pension's guidance regarding how it expects trustees to approach stewardship and how we report on these matters through the Statement of Investment Principles (SIP) and the EPIS. We agreed to update the SIP to remain in line with best practice.

The Scheme's stewardship policy can be found in the SIP:  
<https://pensioninformation.aon.com/jansongreen>

## Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

1. Whilst M&G (an underlying investment manager selected by Aon) did provide a comprehensive list of fund level engagements, which we find encouraging, they did not provide engagement examples specific to the fund in which we are invested, as per the Investment Consultants Sustainability Working Group ("ICSWG") best practice industry standard guide. Aon will continue to engage with the manager to better understand their engagement practices on our behalf.
2. We will invite each of our investment managers to a meeting over the next two years, in line with our manager meeting cycle, to get a better understanding of their voting and engagement practices, and how these help us fulfil our Responsible Investment policies.
3. We will continue to monitor the environmental, social and governance ("ESG") practices of our investment managers and make changes where necessary following consultation from our investment adviser.

## What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

*Source: UN PRI*

## Aon's engagement activity

We invest some of the Scheme's assets in Aon's Active Global Fixed Income Strategy. This is a fund of funds arrangement, where Aon selects the underlying investment managers on our behalf.

For this part of the Scheme's portfolio, we delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. We have reviewed Aon's latest annual Stewardship Report and we believe it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code ("the Code"), a set of high stewardship standards for asset owners and asset managers which is maintained and assessed by the Financial Reporting Council ("FRC").

## Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

### Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 December 2023.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Ninety One - Multi Asset Sustainable Growth	1,061	99.8%	7.3%	0.0%
Ruffer - Absolute Return	430	87.7%	0.3%	11.6%

Source: Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast and are distinct from a non-vote.

### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

## Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
Ninety One	We make use of the ISS Proxy Exchange research service for all voting. ISS provide us with research recommendations based on our internal voting policy. We consider and discuss these with the investment teams that hold the issuer to make a decision in the best interest of the shareholders (which may differ from ISS & management recommendations). We cast our vote via the ISS voting platform.
Ruffer LLP	Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). We have developed our own internal voting guidelines, however we take into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although we are cognisant of proxy advisers' voting recommendations, we do not delegate or outsource our stewardship activities when deciding how to vote on our clients' shares. Each research analyst, supported by our responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer. As discussed above, we do use ISS as an input into our decisions. In the 12 months to 31 December 2023, of the votes in relation to holdings in the portfolio we voted against the recommendation of ISS 11.94% of the time.

Source: Managers

## Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

## Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e., is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund/firm level
	Fund level	Firm level	
Ninety One - Multi Asset Sustainable Growth	63	463	Environment*- Climate change Social*- Conduct, culture and ethics; Human capital management Governance*- Board effectiveness - Independence/Oversight; Remuneration
Ruffer - Absolute Return	29	71	Environment - Climate change Social - Human and labour rights Governance - Remuneration; Board effectiveness - Independence/Oversight Strategy, Financial & Reporting - Risk management
AIL Global Active Fixed Income - Aegon ABS	127	528	Environment - Climate change Governance - Board effectiveness - Diversity; Leadership - Chair/CEO; Remuneration Other - General disclosure
AIL Global Active Fixed Income - M&G Sustainable TRC	13	297	Environment - Net Zero/Decarbonisation Social - Diversity & Inclusion; Inequality Governance - Board Composition; Remuneration

Source: Managers.

\* Ninety One did not provide fund level themes; themes provided are at a firm-level.

## Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- M&G did provide fund level engagement information, but not in the industry standard template requested.
- Ninety One were only able to provide engagement examples at the firm level, not the fund level.

This report does not include commentary on the Scheme's liability driven investments and/or cash, gilts etc because of the limited materiality of stewardship to these asset classes. Furthermore, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

<b>Ninety One Multi Asset Sustainable Growth</b>	<b>Company name</b>	Schneider Electric SE
	<b>Date of vote</b>	04-May-2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not provided
	<b>Summary of the resolution</b>	Approve Company's Climate Transition Plan
	<b>How you voted?</b>	Votes supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	We voted in line with management.
	<b>Rationale for the voting decision</b>	A vote FOR is warranted as the company has set targets by 2030 and 2050 to achieve Net-Zero on a 1.5C trajectory validated by SBTi with intermediary checkpoints and as the disclosure framework and content are in line with market practices.
	<b>Outcome of the vote</b>	Passed
	<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Not provided
	<b>On which criteria have you assessed this vote to be most significant?</b>	ESG - Environmental

**Ruffer - Absolute Return**

<b>Company name</b>	Bayer AG
<b>Date of vote</b>	28-Apr-2023
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.8
<b>Summary of the resolution</b>	Governance - Approve Remuneration Report
<b>How you voted?</b>	Votes supporting resolution
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	We voted with management.
<b>Rationale for the voting decision</b>	Ruffer voted in favour of the 2022 compensation report. We have voted against the report for the past two AGMs. Our reasoning is, over this period Bayer has changed its Chairman (Winkeljohann) and recruited an external CEO (Anderson) and shows evidence of a thoughtful engagement on remuneration with shareholders in their report. The changes in senior leadership we view as key to delivering upon Bayer strategy, reflecting a positive change in corporate governance at the company. The increased shareholder engagement we see as a signal of improved transparency and disclosure between the company and its shareholders, boding well for future interactions. In this case, we view these changes as overall positive and wish to support the Board in its endeavors to deliver value to shareholders.
<b>Outcome of the vote</b>	Not available
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	We will continue to engage with the company on governance issues and vote on remuneration proposals where we deem it to have material impact to the company.
<b>On which criteria have you assessed this vote to be most significant?</b>	We believe this vote will be of particular interest to our clients. We support companies in the provision of long term incentives for senior management.

Source: Managers