

Red Bee Media Pension Plan Implementation Statement 30 June 2023



Why have we produced this statement?

The Trustee of the Red Bee Media Pension Plan have prepared this statement to comply 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 voting and engagement policies detailed in the Plan's Statement of Investment Principles (SIP).

What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustee's investment objectives and investment strategy.

It also explains how and why the Trustee delegates certain responsibilities to third parties and the risks the Plan faces and the mitigated responses.

The Trustee's current SIP is dated October 2021. A revised SIP has recently been drafted and is due to be adopted shortly.

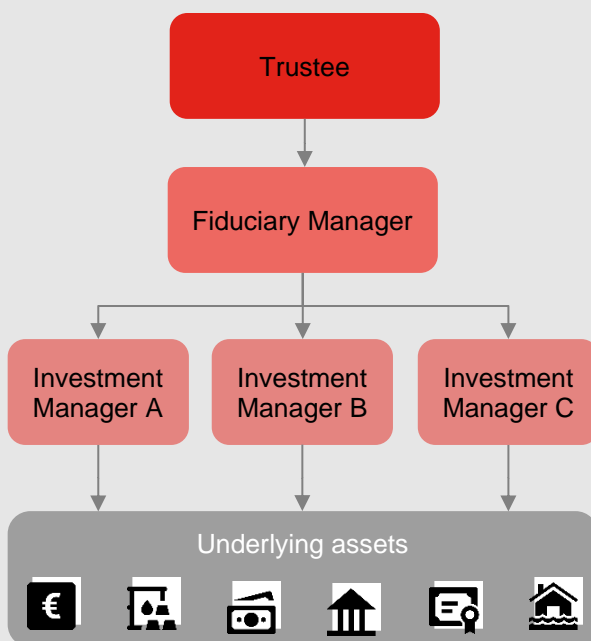
What is the purpose of this Statement?

1. To explain how the Trustee's engagement policy has been applied over the year.
2. To describe how the voting rights attached the Plan's assets have been exercised over the year.

What changes have we made to the SIP?

- No changes were made to the SIP during the year under review.

How are the Plan's investments managed?



Trustee - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retains overall responsibility for the Plan's investment strategy but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge and resources.

Fiduciary Manager (WTW) – Over the year the Trustee's appointed a Fiduciary Manager to implement the Trustee's investment strategy. The Fiduciary Manager allocates the Plan's assets between asset class and investment managers.

Investment managers – The Fiduciary Manager appoints underlying investment managers using pooled vehicles. The Fiduciary Manager will look for best in class specialist managers for each asset class.

Underlying assets – The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

Why does the Trustee believe voting and engagement is important?

The Trustee's view is that Environmental, Social and Governance (ESG) factors can have a significant impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustee further believes that voting and engagement are important tools to influence these issues.

The Trustee has appointed a Fiduciary Manager who shares this view and has fully embedded the consideration of ESG factors, voting and engagement in its processes.

The Trustee incorporates an assessment of the Fiduciary Manager's performance in this area as part of its overall assessment of the Fiduciary Manager's performance.

What is the Trustee's voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations, but has identified climate change and human and labour rights as the biggest ESG risks facing the Plan.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustee expect the Fiduciary Manager to engage with investment managers to improve their processes.

What training have the Trustee received?

To ensure the Trustee is kept up to date with best practice in ESG considerations, voting and engagement the Trustee receives training from time to time from its Fiduciary Manager.

What are the Fiduciary Manager's policies?

Climate change and net zero pledge

The Trustee believes Climate Change is a current priority along with human and labour rights when engaging with public policy, investment managers and corporates.

The Fiduciary Manager has committed to targeting net zero greenhouse gas emissions by 2050 at the latest, with a 50% reduction by 2030, in the portfolios that it manages including the Plan's.

Public policy and corporate engagement

The Fiduciary Manager partners with EOS at Federated Hermes, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2022 include:

- Engagements with 1,138 companies on a total of 4,250 issues and objectives.
- 33 responses to consultations or proactive equivalents and 75 discussions with relevant regulators and stakeholders.
- Voting recommendations on 134,188 resolutions, with 24,461 against management.
- Active participation in a range of global stewardship initiatives.

Industry collaboration initiatives

The Fiduciary Manager engages in several industry initiatives including:

- Signatory of the UK Stewardship Code
- Co-founder of the Net Zero Investment Consultants Initiative
- Member of Net Zero Asset Managers Initiative
- Signatory of the Principles for Responsible Investment (PRI)
- Member of the Institutional Investors Group on Climate Change (IIGCC), Asian Investors Group on Climate Change (AIGCC), and Australasian Investors Group on Climate Change (IGCC)
- Co-founder of the Investment Consultants Sustainability Working Group
- Founding member of The Diversity Project
- Supporter of the Transition Pathway Initiative

How does the Fiduciary Manager assess the investment managers?

Investment manager appointment - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. In 2022 the Fiduciary manager conducted engagements with over 200 managers on sustainability and stewardship. It also introduced minimum standards on climate, modern slavery and engagement reporting for all our asset managers.

Investment manager monitoring - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis.

Investment manager termination - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

Example of engagement carried out over the year

Equity manager accessed via the Core Diversified Fund

Issue: The Fiduciary Manager used its propriety Climate Transition Value at Risk analytics to screen the equity managers' portfolios and highlight specific holdings that may be exposed to climate transition risks

Outcome: Following this process, the Fiduciary Manager engages with individual managers within the Plan's portfolio to understand their rationale for investing in the holdings identified and any steps they plan to take in relation to these.

What are the voting statistics we provide?

The Plan is invested across a diverse range of asset classes which carry different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the equity investment managers which the Plan was invested in over the year.

Responses received are provided in the following pages. The Trustee used the following criteria to determine the most significant votes:

- Trustee stewardship priorities (climate change, and human and labour rights)
- Financial outcome for members, including size of holding
- High profile vote

In conclusion...

...the Trustee is satisfied that over the year, all SIP policies and principles were adhered and in particular, those relating to voting and engagement.

Voting data

Fund name	UK equity Index Fund	North America Equity Index Fund	Europe (Ex UK) Equity Index Fund	Japan Equity Index Fund	Asia Pacific (Ex Japan) Developed Equity Index Fund	World Emerging Markets Equity Index Fund
Number of equity holdings at end of reporting period	538	624	747	842	684	1689
Number of meetings eligible to vote	691	632	577	500	597	3984
Number of resolutions eligible to vote	10510	8422	9700	5983	4206	32588
% of resolutions voted	100	100	100	100	100	100
Of resolutions on which voted, % voted with management	94	66	80	89	77	81
Of resolutions on which voted, % voted against management	6	34	19	11	23	18
Of resolutions on which voted, % abstained from voting	0	0	1	0	0	1
Of meetings in which voted, % with at least one vote against management	39	98	78	69	66	53
Of resolutions on which voted, % voted contrary to recommendation of proxy advisor	4	29	11	10	14	7

Most significant votes

Company	Amazon.com, Inc.	JPMorgan Chase & Co.	Shell Plc	Toyota Motor Corp.
% Fund	2.5	1.0	7.0	4.2
Vote topic	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps	Resolution 9 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement
Voting instruction	For (Against Management Recommendation)	For (Against Management Recommendation)	Against management	For (Against Management Recommendation)
Outcome*	29% (Failed resolution)	34.8% (Failed resolution)	80% (Passed resolution)	15.1% (Failed resolution)
Why a significant vote?	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets managed on the client's behalf.	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as the manager-declared intention to support. LGIM continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario.	Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG. In addition, LGIM expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.
Next steps	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.	LGIM continues to undertake extensive engagement with Shell on its climate transition plans	LGIM will continue to engage with the company and monitor progress.

*The percentage represents the % votes in favour of the resolution (i.e. % of all shareholders in the company who voted "for" the resolution). Typically, a vote with >50% would then be considered as a passed resolution and would move forward, a vote with <50% would be considered as a 'failed' resolution.

Whether a vote outcome of >50% would constitute a vote being passed, this depends on the jurisdiction and the type of resolution. For example, UK companies and “ordinary resolutions”, yes >50% would mean that a resolution “passes” but for a “special resolution”, >75% is required. Whereas, in the US, most management-proposed resolutions tend to require a simple majority (50% plus one vote). In cases where a supermajority is required to pass a resolution, this may vary depending on the company and the resolution.