

# Radius Group Pension Scheme

## Implementation Statement

### Year Ending 5 April 2022

#### Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Radius Group Pension Scheme
Scheme Year	6 April 2021 to 5 April 2022
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, the statement summarises the voting record of the Scheme’s investment manager and provides information on the significant votes made in respect of the Trustee’s equity holdings. All of the Scheme’s equity holdings were held via pooled funds managed by LGIM.

Information is also provided in this document on how LGIM makes use of the services of proxy voting advisers.

## Extent to which the SIP was followed

During the Scheme Year the Trustee reviewed the Scheme's investment strategy. As part of this work, the Trustee received advice from their investment adviser and consulted with the sponsor.

Day-to-day management of the assets continued to be delegated to investment manager and the Trustee assessed the performance of the manager and the appropriateness of their mandates during the period. No concerns were identified during the Scheme Year relating to the way the Scheme's investment manager was operating and the Trustee did not undertake any manager selection work during the Scheme Year.

The DC assets continue to be held separately from the Scheme's other investments and are used to secure benefits on a money purchase basis for members at retirement. No changes were made to the investments of the DC Section during the Scheme Year.

The Trustee does not hold any direct employer-related assets and any indirect exposure is expected to remain less than 5% of total assets.

With one exception, the Trustee is satisfied that they have complied fully with the SIP - the exception being that the Scheme's AVC arrangements have not been reviewed for some time as they are part of a wider review of the DC section of the Scheme, which is scheduled for the Scheme year ending 5 April 2023.

## Voting behaviour

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.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

- LGIM (70:30) Global Equity Index Fund
- LGIM Diversified Fund

## The Trustee's policy relating to the exercise of rights

### Summary of the policy

The Trustee's policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP and a summary is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustee wishes to encourage best practice in terms of stewardship.
- The Trustee invests in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment manager's own policies on such matters.
- When selecting a pooled fund, the Trustee considers, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustee will normally select investment managers who are signatories to the UNPRI.
- If it is identified that a fund's investment manager is not engaging with companies the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect their Investment Adviser to raise the Trustee's concerns with the investment manager.

### Has the policy been followed during the Scheme Year?

The Trustee's opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustee's belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustee did not select any new funds during the period.
- During the Scheme Year, the Trustee considered the voting records of the investment manager over the period ending 31 March 2021.

- Since the end of the Scheme Year, an updated analysis of the voting records of the investment manager based on the period ending 31 March 2022 has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment manager used by the Scheme is a UNPRI signatory.

## LGIM's Voting Record

A summary of LGIM's voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained / withheld
<b>LGIM</b>	140,000	77%	21%	1%

### Notes

*Split of votes does not sum to 100% due to rounding.*

*These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2022 rather than votes related solely to the funds held by the Scheme.*

## Use of proxy voting advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
<b>LGIM</b>	ISS and IVIS	ISS and IVIS provide research and ISS administer votes. However, all voting is determined by guidelines set by LGIM.

## LGIM's voting behaviour

The Trustee has reviewed LGIM's voting behaviour by considering the following:

- broad statistics of LGIM's voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes cast by LGIM in the year to 31 March 2022 on the most contested proposals in nine categories across the UK, the US and Europe;
- LGIM's policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared LGIM's voting behaviour with its peers over the same period.

The Trustee's key observations are set out below.

## Voting in significant votes

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine 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 nine categories based on shares held by LGIM are listed in the Appendix. In addition, the Trustee considered LGIM's overall voting record in significant votes i.e. votes across all stocks not just the stocks held within the funds held by the Scheme.

## Description of voting behaviour

The Trustee has no concerns regarding LGIM's voting record.

The manager's willingness to vote against management is consistent with the broad range of policies covered within its corporate governance documentation; each policy provides criteria which can be used to justify a vote against management.

The Trustee also notes that LGIM has supported shareholder proposals designed to tackle ESG issues and has held directors to account regarding their energy transition proposals (proposals setting out how CO<sub>2</sub> emissions will be reduced).

## Conclusions

Based on the analysis undertaken, the Trustee has no material concerns regarding LGIM's voting record but the Trustee will continue to review this regularly.

*Agreed by the Trustees of the Radius Group Pension Scheme*

*October 2022*

..... Date: .....

Signed on behalf of the Trustee of the Radius Group Pension Scheme

## Significant Votes

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

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM
<b>Audit &amp; Reporting</b>					
PHILLIPS 66	12/05/2021	Ratify Ernst & Young LLP as Auditors	50	49	For
ACTIVISION BLIZZARD INC	21/06/2021	Ratify PricewaterhouseCoopers LLP as Auditors	54	43	For
INTEL CORPORATION	13/05/2021	Appoint the Auditors	38	61	Against
LABORATORY CORPORATION OF AMERICA	12/05/2021	Ratify Deloitte & Touche LLP as Auditors	37	62	For
INVESTEC PLC	05/08/2021	Investec Limited: Reappoint KPMG Inc as Joint Auditors of the Company	71	29	Against
<b>Shareholder Capital &amp; Rights</b>					
JPMORGAN GLOBAL CORE REAL ASSETS LIMITED	03/08/2021	Authorise Share Repurchase	50	50	For
HENDERSON SMALLER COMPANIES I.T. PLC	01/10/2021	Authorise Share Repurchase	42	56	For
ORANGE S.A	18/05/2021	Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Under Items 19-24	57	43	Against
PLAYTECH PLC	26/05/2021	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital	63	37	For
KERING SA	22/04/2021	Authorize Capital Issuances for Use in Employee Stock Purchase Plans	32	68	For
<b>Pay &amp; Remuneration</b>					
AT&T INC.	30/04/2021	Advisory Vote on Executive Compensation	48	50	Against
AKZO NOBEL NV	22/04/2021	Approve the Remuneration Report	50	50	Against
INTERNATIONAL BUSINESS MACHINES CORPORATION	27/04/2021	Advisory Vote on Executive Compensation	48	51	Against
NETFLIX INC	03/06/2021	Advisory Vote on Executive Compensation	51	49	Against
DXC TECHNOLOGY COMPANY	17/08/2021	Advisory Vote on Executive Compensation	46	51	Against
<b>Constitution of Company, Board &amp; Advisers</b>					
BERKSHIRE HATHAWAY INC.	01/05/2021	Elect Meryl B. Witmer - Non-Executive Director	50	50	Withhold
GEBERT AG	14/04/2021	Elect Werner Karlen - Non-Executive Director	50	50	For
JPMORGAN GLOBAL CORE REAL ASSETS LIMITED	03/08/2021	Elect Simon Holden - Senior Independent Director	50	50	For
SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY	20/10/2021	Elect Jay L. Geldmacher - Non-Executive Director	50	50	For
CORTEVA INC	07/05/2021	Elect Janet P. Giesselman - Non-Executive Director	50	50	Against
<b>Merger, Acquisition, Sales &amp; Finance</b>					
FIRSTGROUP PLC	27/05/2021	Approve Sale of First Student and First Transit	61	39	For
VONOVIA SE	16/04/2021	Issue Bonds/Debt Securities	79	21	For
NORTH ATLANTIC SMALLER COMPANIES I.T. PLC	23/06/2021	Waive Rule 9 of the Take Over Code	33	17	Against
DELIVERY HERO SE	16/06/2021	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Preemptive Rights up to Aggregate Nominal Amount of EUR 3 Billion; Approve Creation of EUR 14 Million Pool of Capital to Guarantee Conversion Rights	84	16	Against
BIOMERIEUX	20/05/2021	Authorize Issuance of Equity Upon Conversion of a Subsidiary's Equity-Linked Securities without Preemptive Rights for Up to EUR 4.21 Million	87	13	Against
<b>Climate Related Resolutions</b>					
BHP GROUP PLC	14/10/2021	Approve Company Climate Transition Action Plan	82	15	Against
Royal Dutch Shell	18/05/2021	Approve the Shell Energy Transition Strategy	83	11	Against
TOTALENERGIES SE	28/05/2021	Approve the Company's Sustainable Development and Energy Transition	83	7	Against
GLENCORE PLC	29/04/2021	Approve Climate Action Transition Plan	89	5	Against
AENA SA	27/04/2021	Advisory Vote on Company's Climate Action Plan	96	4	For
<b>Other Company Resolutions</b>					
PEARSON PLC	30/04/2021	Meeting Notification-related Proposal	55	45	For
ORANGE S.A	18/05/2021	Allow Board to Use Delegations under Item 23 Above in the Event of a Public	40	59	Against
PETROPAVLOVSK PLC	30/06/2021	Meeting Notification-related Proposal	61	38	For
TE CONNECTIVITY LTD	09/03/2022	Allow Proxy Solicitation	62	38	Against
UNICREDIT SPA	15/04/2021	Approve Severance Payments Policy	73	27	For
<b>Governance &amp; Other Shareholder Resolutions</b>					
BORGWARNER INC	28/04/2021	Shareholder Resolution: Written Consent	50	50	Against
GENERAL MOTORS COMPANY	14/06/2021	Shareholder Resolution: Written Consent	50	50	Against
APPLIED MATERIALS INC	10/03/2022	Shareholder Resolution: Right to Call Special Meetings	49	49	For
COLGATE-PALMOLIVE COMPANY	07/05/2021	Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Call	51	49	For
APPLE INC	04/03/2022	Shareholder Resolution: Report on Concealment Clauses	49	49	For
<b>Environmental &amp; Socially Focussed Shareholder Resolutions</b>					
CATERPILLAR INC.	09/06/2021	Shareholder Resolution: Report on Climate Policy	47	51	For
APPLE INC	04/03/2022	Shareholder Resolution: Civil Rights Audit	53	46	For
EXXON MOBIL CORPORATION	26/05/2021	Shareholder Resolution: Issue Audited Report on Financial Impacts	47	49	For
TESLA INC	07/10/2021	Shareholder Resolution: Report on Diversity and Inclusion Efforts	55	41	For
THE KROGER CO.	24/06/2021	Shareholder Resolution: Assess Environmental Impact of Non-	45	54	For

### Note

Where the voting record has not been provided at the fund level, we rely on periodic information provided by investment managers to identify the stocks held. 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. Equally, it is possible that there are votes not included above which relate to companies that were held within the Scheme's pooled funds at the date of the vote.