

Radius Group Pension Scheme

Implementation Statement

Year Ending 5 April 2021

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 2020 to 5 April 2021
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 Trustees’ equity holdings. Information is also provided on the how the Scheme’s investment manager makes use of the services of proxy voting advisers.

Extent to which the SIP was followed

The Trustees have reviewed in detail their actions over the course of the Scheme Year against the policies described in the SIP.

An addendum to the SIP was issued in July 2020 which included wording to ensure that the SIP reflected new legislative requirements which came into effect on 1 October 2020.

The Trustees are satisfied that the implementation of the Scheme’s investment strategy over the Scheme Year was consistent with the key principles of the SIP.

In particular, day-to-day management of the assets was delegated to investment managers and the Trustees assessed the performance of the managers and the appropriateness of their mandates during the period.

In assessing the performance of the managers, the Trustees considered the performance of the funds held and assessed the risk associated with the investments.

Over the course of the Scheme Year, no changes were made to the Trustees' investment strategy, for either the DB or the DC section, or to the choice of pooled funds used to implement the strategy.

With one exception, the Trustees are 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.

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.

Over 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 Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustees' policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme Year to comply with new legislation which required additional information to be stated about the nature of the arrangements in place with the investment manager. Part of the new wording provided a more detailed explanation of the Trustees' policy relating to the exercise of rights.

A summary of the Trustees' policy is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustees wish to encourage best practice in terms of stewardship.
- The Trustees invest 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 Trustees consider, 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 Trustees (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 Trustees 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 Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustees' 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 Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustees did not select any new funds during the period.
- As part of the work required to prepare this Implementation Statement, the Trustees have considered the voting record of the investment manager in votes which took place during the Scheme Year . A summary of the key findings from that analysis is provided below.
- LGIM remains a signatory to the UNPRI.

LGIM's Voting Record

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

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained
LGIM	67,905	82%	18%	1%

Notes

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

These voting statistics are based on LGIM's full voting record over the 12 months to 31 March 2021 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?
LGIM	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 Trustees have reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of their voting records 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 LGIM cast in the year to 31 March 2021 on the most contested proposals in eight categories across the UK, the US and Europe;
- LGIM's policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment manager with its peers over the same period.

The Trustees' key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustees’ Investment Adviser, the Trustees have identified significant votes in eight separate categories. The Trustees consider 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 manager are listed in the Appendix. In addition, the Trustees considered each investment manager’s overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Description of Voting Behaviour

Relative to its peers, LGIM shows a higher tendency to vote against directors’ proposals. The manager has also shown strong support for shareholders’ proposals aimed at tackling a broad range of environmental and social issues.

The manager’s voting policy is detailed and includes clear rationales and rules for when it will vote against directors’ recommendations on a proposal.

LGIM voted against 18% of director proposals during the year and showed a tendency to do this in contentious votes. This suggests that LGIM is taking its stewardship responsibilities seriously.

Conclusion

Based on the analysis undertaken, the Trustees have no concerns regarding the voting records of LGIM.

The Trustees will keep the voting actions of the investment manager under review.

..... Date:

Signed on behalf of the Trustees 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 Trustees.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM
Audit & Reporting					
NORTHROP GRUMMAN CORPORATION	20/05/2020	Appoint the Auditors	24	75	Against
VIVENDI SA	20/04/2020	Approval of the Information set out in the Corporate Governance Report	74	23	Against
INVESTEC PLC	06/08/2020	Investec Limited: Reappoint KPMG Inc as Joint Auditors of the Company	78	22	Against
CAPGEMINI SE	20/05/2020	Renew Appointment of PricewaterhouseCoopers Audit as Auditor	82	18	Against
WILLIAM HILL PLC	15/05/2020	Re-appoint Deloitte LLP as Auditor	84	16	Against
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
TI FLUID SYSTEMS PLC	14/05/2020	Approve the Dividend	43	57	For
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
BIFFA PLC	16/07/2020	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	63	36	Against
PETROPAVLOVSK PLC	30/06/2020	Issue Shares with Pre-emption Rights	64	35	For
Pay & Remuneration					
ALTRIA GROUP INC.	14/05/2020	Advisory Vote on Executive Compensation	49	50	Against
STMICROELECTRONICS NV	17/06/2020	Approve Remuneration Policy for Management Board	50	50	Against
AROUNDTOWN SA	24/06/2020	Approve Remuneration Policy	49	51	Against
WIZZ AIR HOLDINGS PLC	28/07/2020	Approve the Remuneration Report	48	52	Against
STARBUCKS CORPORATION	17/03/2021	Advisory Vote on Executive Compensation	47	52	Against
Constitution of Company, Board & Advisers					
CONTOURGLOBAL PLC	27/05/2020	Re-elect Marian Gheorghe	50	50	For
UBS GROUP AG	29/04/2020	Elect Remuneration Committee Member: Dieter Wemmer	48	48	For
INTEGRAFIN HOLDINGS PLC	08/03/2021	Re-elect Michael Howard - Executive Director	48	48	Against
PETROPAVLOVSK PLC	30/06/2020	Elect Ekaterina Ray	53	47	For
EASYJET PLC	23/12/2020	Re-elect Julie Southern as Director	56	43	For
Merger, Acquisition, Sales & Finance					
DELIVERY HERO SE	18/06/2020	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Preemptive Rights up to	78	22	Against
DASSAULT SYSTEMES SE	26/05/2020	Delegate Power to the Board to Acquire Certain Assets of Another Company	80	20	Against
CALEDONIA INVESTMENTS PLC	29/07/2020	Approve Rule 9 Waiver	84	16	Against
NORTH ATLANTIC SMALLER COMPANIES I.T. PLC	26/06/2020	Waive Rule 9 of the Take Over Code	33	16	Against
NEXTEnergy SOLAR FUND LIMITED	11/09/2020	Approve Investment Policy	85	15	For
Other Company Resolutions					
VIVENDI SA	20/04/2020	Approve Additional Pension Scheme Agreement with Herve Philippe, Management Board Member	70	27	Against
ELEMENTIS PLC	29/04/2020	Meeting Notification-related Proposal	80	20	For
TYMAN PLC	20/05/2020	Meeting Notification-related Proposal	80	20	For
MCCARTHY & STONE PLC	07/12/2020	Approve Matters Relating to the Recommended Cash Offer for McCarthy & Stone plc by Mastiff Bidco Limited	79	20	For
INVESTEC PLC	06/08/2020	Approve Political Donations	82	18	For
Governance & Other Shareholder Resolutions					
HP INC	12/05/2020	Shareholder Resolution: Written Consent	50	50	Against
CHIPOTLE MEXICAN GRILL INC	19/05/2020	Shareholder Resolution: Report on Employment-Related Arbitration	51	49	For
CHEVRON CORPORATION	27/05/2020	Shareholder Resolution: Report on Lobbying Payments and Policy	49	43	For
KIMBERLY-CLARK CORPORATION	29/04/2020	Shareholder Resolution: Written Consent	49	49	Against
STANLEY BLACK & DECKER INC	17/04/2020	Provide Right to Act by Written Consent	51	49	Against
Environmental & Socially Focussed Shareholder Resolutions					
JPMORGAN CHASE & CO.	19/05/2020	Shareholder Resolution: Climate Change Targets	49	49	For
ORACLE CORPORATION	04/11/2020	Shareholder Resolution: Report on Gender Pay Gap	46	54	For
TRANSIGM GROUP INCORPORATED	29/06/2020	Shareholder Resolution: Environmental Issues	45	55	For
THE KROGER CO.	25/06/2020	Shareholder Resolution: Report on Human Rights Due Diligence Process in Operations and Supply	44	55	For
THE TJX COMPANIES INC.	09/06/2020	Shareholder Resolution: Report on Reduction of Chemical Footprint	44	55	For

Note

Where the voting record has not been provided at the fund level, the analysis is based on the shares held within the Scheme's pooled funds as at points during the period. 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.