

# **Sea Containers 1990 Pension Scheme**

## **Engagement Policy Implementation Statement for the year ending December 2020**

### **Introduction**

The Trustees of the Sea Containers 1990 Pension Scheme (the 'Scheme') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment manager.

This statement sets out how, and the extent to which, in the opinion of the Trustees, 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 Trustees.

The Trustees, in conjunction with their investment consultant, appoints their investment managers and chooses the specific pooled funds to use in order to meet specific Scheme policies. They expect that their investment manager, where appropriate, to have taken account of financially material considerations, potentially including environmental, social and governance (ESG) factors as part of their investment analysis and decision-making process. Given the Scheme's investment strategy, the Trustees do not expect that ESG factors will be financially material in the investment manager's investment decisions.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

### **Stewardship - monitoring and engagement**

The Trustees recognise that investment manager's ability to influence the companies in which they invest will depend on the nature of the investment.

Given the Scheme's investment strategy the Trustees do not have the opportunity to influence the investments' long term success though monitoring, engagement and/or voting.

### **Investment manager engagement policies**

The Scheme's investment manager is expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager 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.

A link to the investment manager's engagement policy is provided in the Appendix.

### **Exercising rights and responsibilities**

The investment manager is expected to disclose annually a general description of its voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment manager publishes online the overall voting records of the firm on a regular basis.

The investment manager uses proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment manager but rely on the requirement for their investment manager to provide a high-level analysis of their voting behaviour.

The Trustees consider 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 manager is as follows:

| <b>Voting behaviour</b>               |                       |                                 |                                               |
|---------------------------------------|-----------------------|---------------------------------|-----------------------------------------------|
| <b>Investment manager</b>             | <b>Period</b>         | <b>Proportion of votes cast</b> | <b>Proportion of votes against management</b> |
| Legal & General Investment Management | 31/12/2018-31/12/2019 | 96%                             | 17%                                           |

### **Trustees' assessment**

The Trustees review 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 Trustees' policies.

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

## Appendix

Links to the engagement policy for the investment manager can be found here:

| Investment manager                    | Engagement policy                                                                                                                                                                                             | Annual disclosure statement                                                                                                                                                                                                                                                                       |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Legal & General Investment Management | <a href="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-engagement-policy.pdf</a> | <a href="https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-approach-to-corporate-governance-and-responsible-investment.pdf">https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-approach-to-corporate-governance-and-responsible-investment.pdf</a> |