

Sea Containers 1990 Pension Scheme

Engagement Policy Implementation Statement for the year ending December 2022

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 2022. 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 through 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.

The latest available engagement information provided by the investment manager (for mandates that contain public equities or bonds) is as follows:

Engagement	
Fund	LGIM UK Treasury Bills Fund
Period	01/10/2021-30/09/2022
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.
Number of companies engaged with over the year	14
Number of engagements over the year	26

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.

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

Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
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Information on the most significant engagement case studies for LGIM as a company for the funds containing public equities or bonds as at 31 December 2021 (latest available) is shown below:

LGIM - Firm-level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	BP	McDonalds	Experian
Topic	Climate Transition	Antimicrobial resistance	Financial Inclusion
Rationale	Our work with the Institutional Investor Group on Climate Change (IIGCC) is a crucial part of our approach to climate engagement. IIGCC is a founding partner and steering committee member of Climate Action 100+ (CA100+), a global investor engagement initiative with 671 global investor	The overuse of antimicrobials (including antibiotics) in human and veterinary medicine, animal agriculture and aquaculture, as well as discharges from pharmaceutical production facilities, is often associated with an uncontrolled release and disposal of antimicrobial agents. Put simply, antibiotics end up in our	Pay equality and fairness has been a priority for LGIM for several years. We ask all companies to help reduce global poverty by paying at least the living wage, or the real living wage for UK based employees. Income inequality is a material ESG theme for LGIM because we believe there is a real opportunity for

	<p>signatories representing \$65 trillion in assets that aims to speak as a united voice to companies about their climate transition plans. We actively support the initiative by sitting on sub-working groups related to European engagement activities and proxy voting standards. We also co-lead several company engagements programmes, including at BP 5* (ESG score: 27; -11) and Fortum 5* (ESG score: 27; -11).</p> <p>UN SDG: 13 - Climate Action</p>	<p>water systems, including our clean water, wastewater, rivers and seas.³⁸ This in turn potentially increases the prevalence of antibiotic-resistant bacteria and genes, leading to higher instances of difficult-to-treat infections. In autumn 2021, LGIM worked again with Investor Action on AMR and wrote to the G7 finance ministers, in response to their Statement on Actions to Support Antibiotic Development. The letter highlighted investors' views on AMR as a financial stability risk.</p> <p>A member of our team was on the expert committee for the 2021 AMR Benchmark methodology. The benchmark, which was launched in November 2021, evaluates 17 of the world's largest pharmaceutical companies on their progress in the fight against AMR. We participated in a panel discussion on governance and stewardship around AMR.</p> <p>UN SDG 3 - Good Health & Wellbeing</p>	<p>companies to help employees feel more valued and lead healthier lives if they are paid fairly. These are important steps to help lift lower-paid employees out of in-work poverty. This should ultimately lead to better health, higher levels of productivity and result in a positive effect on communities. Global credit bureau Experian† (ESG score: 69; +9) has an important role to play as a responsible business for the delivery of greater social and financial inclusion.</p> <p>UN SDG 8 - Decent work and economic growth</p>
What the investment manager has done	<p>We engaged with BP's senior executives on six occasions in 2021 as they develop their climate transition strategy to ensure alignment with Paris goals.</p>	<p>During 2021, we voted on the issue of AMR. A shareholder proposal was filed at McDonald's† (ESG score: 62; +8) seeking a report on antibiotics and public health costs at the company. We supported the proposal as we believe the proposed study, with its particular focus on systemic implications, will inform shareholders and other stakeholders on the negative implications of sustained use of antibiotics by the company.</p>	<p>LGIM has engaged with the company on several occasions in 2021 and are pleased to see improvements made to its ESG strategy, encompassing new targets, greater reporting disclosure around societal and community investment, and an increasing allocation of capital aligned to transforming financial livelihoods.</p>

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<p>Outcomes and next steps</p>	<p>Following constructive engagements with the company, we were pleased to learn about the recent strengthening of BP's climate targets, announced in a press release on 8 February 2022, together with the commitment to become a net-zero company by 2050 – an ambition we expect to be shared across the oil and gas sector as we aim to progress towards a low-carbon economy.</p> <p>More broadly, our detailed research on the EU coal phase-out earlier this year reinforced our view that investors should support utility companies in seeking to dispose of difficult-to-close coal operations, but only where the disposal is to socially responsible, well-capitalised buyers, supported and closely supervised by the state. In our engagement with multinational energy provider RWE's senior management, for example, we have called for the company to investigate such a transfer. We think transfers like this could make the remaining transition focused companies more investable for many of our funds and for the market more generally.</p>	<p>The hard work is just beginning. LGIM continues to believe that without coordinated action today, AMR may be the next global health event and the financial impact could be significant.</p>	<p>The latter includes the roll-out of Experian Boost, where positive data allows the consumer to improve their credit score, and Experian Go, which is hoped to enable access for more people. The company also launched the United for Financial Health project as part of its social innovation fund to help educate and drive action for those most vulnerable.</p>
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