

Sea Containers 1983 Pension Scheme

Annual Engagement Policy Implementation Statement

Introduction

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustees of the Sea Containers 1983 Pension Scheme (the Scheme) has been followed during the year to 30 June 2021. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Funds (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the guidance published by the Pensions Regulator.

Investment Objectives

The Trustee's primary objective is to invest the Scheme's assets in the best interest of the members and beneficiaries and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries to ensure pension obligations can be met as and when they are due.

The Trustees have invested the majority of the Scheme's assets in a bulk annuity contract with an insurer, Aviva Life & Pensions UK Limited ("Aviva"). The contract with Aviva is a buy-in policy. In addition to the buy-in policy, there is a small balance in a Trustee Bank Account, which is used to meet ongoing expenses, final wind-up costs of the Scheme and any imminent member payments/adjustments.

Policy on ESG, Stewardship and Climate Change

The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, stewardship and Climate Change. This policy sets out the Trustees beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship.

Given the nature of the investment strategy, and particularly the fact that the bulk of the assets are invested in an annuity contract, there is limited scope for the Trustees to engage on such issues.

Voting

The Trustees expect the annuity provider to evaluate ESG factors, including climate change considerations, when making investment decisions. The Trustees also expect them to exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

Voting Activity

The Scheme's voting rights are exercised by the annuity provider in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code (the Code). It is important to note that neither the Trustee Bank Account nor the underlying assets managed by Aviva are invested in equities as at the date of this document.

The Trustee does not use the direct services of a proxy voter.

Therefore, given the nature of the underlying assets, voting activity does not apply.

Engagement

The Trustee has given Aviva full discretion when undertaking engagement activities in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.