

The Economist Group UK Pension Plan

Engagement Policy Implementation Statement for the year ending 31 March 2021

Introduction

The Trustees of The Economist Group UK Pension Plan (the “Plan”) 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 managers.

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 March 2021. This statement also describes the voting behaviour by, or on behalf of, the Trustees.

The Trustees, in conjunction with their investment consultant, appoint their investment managers and choose the specific pooled funds to use in order to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial characteristics of underlying investments (including environmental, social and governance factors, or ESG), and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan’s performance) over an appropriate time horizon.

The Trustees also expect their investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members’ financial interests.

During the year, the Trustees received training from their investment consultant on ESG issues, including stewardship and engagement.

Stewardship - monitoring and engagement

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

The Trustees’ policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees also delegate responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

As investments are held in pooled vehicles, the Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

Investment manager engagement policies

The Plan's investment managers are 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.

Links to each investment manager's engagement policy or suitable alternative are provided in the Appendix.

These policies are publicly available on each investment manager's website.

Exercising rights and responsibilities

The Trustees recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

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

The investment managers publish online the overall voting records of the firm on a regular basis.

Investment managers use 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 managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The latest available information provided by the investment managers are as follows:

Voting behaviour			
Investment manager	Period	Proportion of votes cast	Proportion of votes against management
LGIM	01/04/2020-31/03/2021	Not supplied	18%
Aviva	01/01/2020-31/12/2020	98%	24%
Janus Henderson	01/01/2019-31/12/2019	Not supplied	7%
Loomis Sayles	01/01/2020-31/12/2020	100%	14%
Insight	01/01/2020-31/12/2020	Not supplied	0.3%

Trustees' assessment

The Trustees have considered the environmental, social and governance rating for each fund/investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

The Trustees have reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustees recognise that engagement and voting policies, practices and reporting will continue to evolve over time and are supportive of their investment managers 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 policies for each of the investment managers can be found here:

Investment manager	Engagement policy	Annual disclosure statement
Legal & General Investment Management	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-global-corporate-governance-and-responsible-investment-principles.pdf
Aviva Investors	https://www.avivainvestors.com/content/dam/aviva-investors/main/assets/about/responsible-investment/downloads/responsible-investment-annual-review-2020.pdf	https://www.aviva.com/content/dam/aviva-corporate/documents/socialpurpose/pdfs/policies-responses/2020_Voting_Policy.pdf
Pantheon Ventures	https://www.pantheon.com/corporate-responsibility/	-
Janus Henderson Global Investors	https://cdn.janushenderson.com/webdocs/JHI_Stewardship_Policy_Statement_July2021.pdf	https://cdn.janushenderson.com/webdocs/ESG+Company+Engagement+Report_SECURED_Final.pdf
Loomis Sayles & Company LP	https://www.loomissayles.com/internet/internetdata.nsf/files/ESG_Policy_Statement_final.pdf/\$file/ESG_Policy_Statement_final.pdf	https://www.loomissayles.com/website/advisor-solutions/proxy-voting-records
Insight Investment Management	https://www.insightinvestment.com/globalassets/documents/responsible-investment/stewardship-code/stewardship-code.pdf	https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/uk-aus-proxy-voting-policy.pdf#ribbonTabs