

Engagement Policy Implementation Statement (“EPIS”)

Robert L Fleming Ltd Retirement Benefit Scheme (the “Scheme”)

Scheme Year End – 31 December 2022

The purpose of the EPIS is for us, the Trustee of the Robert L Fleming Ltd Retirement Benefit Scheme, to explain what we have done during the year ending 31 December 2022 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Scheme’s material investment manager was able to disclose good evidence of engagement activity, that the activities completed by our manager align with our stewardship priorities.

During the year, the Scheme was also invested in gilts with Legal and General Investment Management (“LGIM”). The Scheme does not invest in equities and so does not have any voting responsibilities. This report does not include commentary on the Scheme’s gilts because of the limited materiality of stewardship associated with this asset class.

Due to the nature of the investments held by the scheme over the scheme year and the process of bringing the scheme towards a position of buy out the Trustee will be monitoring the Scheme’s material investment manager in their engagement activities to ensure they align with the Scheme’s SIP and stewardship priorities.

How voting and engagement policies have been followed

The Scheme is invested entirely in pooled funds, and so the responsibility for engagement is delegated to the Scheme's investment managers. We reviewed the stewardship activity of the material investment manager carried out over the Scheme year and, in our view, the investment manager was able to disclose good evidence of engagement activity. More information on the stewardship activity carried out by the Scheme's investment manager can be found in the following sections.

Investment monitoring takes place on a quarterly basis with a monitoring report being provided to the Trustee by Aon. Aon use an ESG rating system for buy rated investment strategies designed to assess whether the investment manager integrates responsible investment and more specifically ESG considerations into its investment decision making process. The ESG ratings are based on a variety of qualitative factors, starting with a proprietary due diligence questionnaire, which is completed by the fund manager.

Aon's researchers also conduct a review of the manager's responsible investment related policies and procedures, including a review of their responsible investment policy (if they have one), active ownership, proxy voting and/or stewardship policies. After a thorough review of the available materials, data and policies, as well as conversation with the fund manager, the lead researcher will award an ESG rating, which is subject to peer review using an agreed reference framework. Ratings will be updated to reflect any changes in a fund's level of ESG integration or broader responsible investment developments.

The Scheme's stewardship policy can be found in the SIP:
<https://www.mondigroup.com/media/16867/rl-fleming-rbs-full-buy-in-sip-june-2023.pdf>

Our Engagement Action Plan

Following the Scheme year ending 31 December 2022, all of the Scheme's assets were invested with Just Group plc ("JUST") in the form of a Bulk Annuity (the "Annuity"). The aim of the Annuity is to wholly insure the benefits to all members of the Scheme.

Following the purchase of the Annuity, the responsibility for managing arrangements with underlying investment managers lies with JUST. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the long-term objectives of JUST and the Scheme; as well as having appropriate performance, costs (including turnover costs) and remuneration monitoring with respect to the appointed asset managers.

As is stated in the Trustee's Stewardship Policy, the Trustee believes it has a limited ability to incentivise JUST to align its investment strategy and decisions with the Trustee's policies in relation to stewardship, corporate governance and responsible investment. However, given the nature of the bulk annuity policy, the Trustee believes that JUST is appropriately incentivised to make decisions relating to the medium and long term financial and non-financial factors which may influence performance.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

The Trustee recognises the responsibilities of a steward of investment capital however, in endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to purchase the Annuity and recognise that it cannot therefore directly influence the ESG integration nor stewardship policies and practices of JUST.

Should the Trustee be provided with any opportunity which it deems appropriate to incentivise JUST in relation to these areas it will consider this and will take steps as it deems appropriate.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material manager. The manager has provided information for the most recent calendar year available. Some of the information provided is at a firm level i.e. is not necessarily specific to the fund invested in by the Scheme.

Fund	Number of engagements		Themes engaged on at a firm-level
	Fund specific	Firm level	
Fidelity International – Fidelity Long Dated Sterling Corporate Bond Fund	114	2,010	Environmental - Climate change; natural resource use/impact (e.g. water, biodiversity) Social – Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying). Governance – Remuneration; Board effectiveness (e.g. diversity, independence, oversight).

Source: Manager(s)

Data limitations

This report does not include commentary on the Scheme's gilts and cash because of the limited materiality of stewardship associated with these asset classes.