

# Engagement Policy Implementation Statement (“EPIS”)

## The Wiltshire (Bristol) Limited Retirement Benefits Scheme (the “Scheme”)

### Scheme Year End – 30 April 2023

The purpose of the EPIS is for us, the Trustees of the Wiltshire (Bristol) Limited Retirement Benefits Scheme, to explain what we have done during the year ending 30 April 2023 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.**

During the reporting period, in October 2022, the Scheme secured a Bulk Purchase Annuity Agreement (the “Annuity”) with Just Retirement. The Annuity aims to cover the vast majority of the liabilities of the Scheme. In endeavouring to invest in the best financial interests of the beneficiaries and purchasing the Annuity, we recognise that we cannot, therefore, directly influence the ESG integration or stewardship policies and practices of Just Retirement. We believe that the Insurer should use its influence and purchasing power where possible to ensure that ESG factors, including climate change, are appropriately considered by underlying investment managers and financial counterparties.

The Scheme’s residual invested assets, valued at c.£0.5m, are invested in gilts with Legal & General Investment Management (“LGIM”). We note that LGIM was able to disclose adequate evidence of engagement activity. There is also a residual amount of Cash held in the Trustee bank account.

Over the reporting period, no funds with voting rights were held, however, the Scheme was materially invested in a corporate bond fund. The engagement activity completed on our behalf has been set out below and was deemed to be in line with the policies set out in our SIP.

This EPIS does not disclose stewardship information on investments in gilts and cash, due to the limited materiality of stewardship of these asset classes.

## How voting and engagement policies have been followed

The majority of the Scheme's assets were transferred to Just Retirement, the Insurer, in October 2022 to purchase the Annuity. Post the Annuity purchase, the Scheme also held some residual assets, currently invested in gilt funds managed by LGIM and cash within the Trustee Bank Account.

Prior to annuity purchase, the Scheme's assets were invested in pooled funds, and so the responsibility for voting and engagement was delegated to the Scheme's investment manager, LGIM. We reviewed the stewardship activity of the investment manager carried out over the Scheme year and in our view, LGIM was able to disclose adequate evidence of engagement activity.

Over the year, the Trustees continued to remain proactive in ensuring the Scheme appropriately updates the Stewardship policy in the SIP.

The Scheme's stewardship policy can be found in the SIP, located here: <https://plc.autotrader.co.uk/media/v2cl4qiq/defined-benefit-pension-scheme-sip-2023.pdf>

## Our Engagement Action Plan

The responsibility for managing arrangements (with the exception of the residual assets) with underlying investment managers lies with Just Retirement. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the medium and long-term objectives of the Insurer; as well as having appropriate performance, costs (including turnover costs), and remuneration monitoring with respect to the appointed asset managers. In addition, we expect that the Insurer uses its influence and purchasing power (where possible) to ensure that Environmental, Social, and corporate Governance ("ESG") factors, including climate change, are appropriately considered by underlying investment managers and financial counterparties.

We have limited ability to incentivise Just Retirement to align its investment strategy and decisions with our policies in relation to stewardship, corporate governance, and responsible investment. However, given the nature of the buy-in policies, such as the Annuity purchased by the Scheme, we believe that the Insurer 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*

## Our manager’s 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 LGIM over the reporting period. The manager has provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
LGIM – AAA-AA-A Corporate Bond Over 15 Year Index Fund	64	1,224	<p>Environment - Climate change</p> <p>Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion &amp; diversity, employee terms, safety), Public health</p> <p>Governance - Board effectiveness - Diversity, Board effectiveness - Other, Remuneration, Shareholder rights</p> <p>Strategy, Financial and Reporting - Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks)</p>

Source: Manager

## Data limitations

At the time of writing, LGIM provided a complete list of fund-level engagement information but not in line with the best practice industry standard Investment Consulting Sustainability Working Group (“ICSWG”) engagement reporting guide.

This report does not include commentary on the Scheme’s investment in gilts or cash because of the limited materiality of stewardship associated with these asset classes.