

**ITF Retirement Benefit Scheme
Implementation Statement
Year Ending 31 December 2020**

Glossary

Newton	Newton Investment Management Limited (fund manager of the BNY Mellon Real Return Fund)
ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	ITF Retirement Benefit Scheme
Scheme Year	1 January 2020 to 31 December 2020
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

The Trustees have reviewed the extent to which their policy from the SIP relating to the exercise of rights (including voting rights) attaching to the investments was followed over the Scheme Year and this statement confirms the outcome of that review.

In addition, the statement summarises the voting record of the Scheme’s investment managers and provides information on the significant votes made in respect of the Trustees’ equity holdings. Information is also provided on the how the Scheme’s investment managers make use of the services of proxy voting advisers.

Relevant Investments

The Scheme’s assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

- BNY Mellon Real Return Fund
- LGIM Diversified Fund
- LGIM Future World Multi-Asset Fund

The Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustees' policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme Year to comply with new legislation which required additional information to be stated about the nature of the arrangements in place with the investment managers. Part of the new wording provided a more detailed explanation of the Trustees' policy relating to the exercise of rights.

A summary of the Trustees' policy is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustees wish to encourage best practice in terms of stewardship.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment managers' own policies on such matters.
- When selecting a pooled fund, the Trustees consider, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UNPRI.
- If it is identified that a fund's investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- In August 2019 the Trustees decided to invest in the LGIM Future World Multi-Asset Fund and this decision was implemented in January 2020. The new fund is an ESG tilted fund and, as such, ESG factors (including the investment manager's approach towards engagement) were considered as part of the selection process.
- In October 2020, the Trustees also decided to introduce an allocation to LGIM's Future World Equity funds. Again, ESG factors (including the investment manager's approach towards engagement) were considered as part of the selection process. The investment in these funds was not implemented until 2021.
- Whilst the Trustees did not consider the voting records of the investment managers during the Scheme Year, that analysis has now been undertaken. The Trustees, in conjunction with their Investment Adviser, have considered the voting record of the investment managers over the year ending 31 December 2020 as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- All the investment managers used by the Scheme are UNPRI signatories.

The Investment Managers' Voting Records

A summary of the investment managers' voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/abstained
Newton	8,087	83%	14%	3%
LGIM	66,242	82%	17%	1%

Note

These voting statistics are based on each manager's full voting record over the 12 months to 31 December 2020 rather than votes related solely to the funds held by the Scheme.

Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
Newton	ISS	Only used in the case of a conflict of interest
LGIM	ISS and IVIS	ISS and IVIS provide research and ISS administer votes. However, all voting is determined by guidelines set by LGIM.

The Investment Managers' Voting Behaviour

The Trustees have reviewed the voting behaviour of the investment managers by considering the following:

- broad statistics of their voting records such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. “with management” or “against management”);
- the votes they cast in the year to 31 December 2020 on the most contested proposals in eight categories across the UK, the US and Europe;
- the investment managers' policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment managers with their peers over the same period.

The Trustees' key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustees' Investment Adviser, the Trustees have identified significant votes in eight separate categories. The Trustees consider votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the eight categories based on shares held by the Scheme's investment managers are listed in the Appendix. In addition, the Trustees considered each investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Description of Voting Behaviour

LGIM

Relative to its peers, LGIM shows a higher tendency to vote against directors' proposals. The manager has also shown strong support for shareholders' proposals aimed at tackling a broad range of environmental and social issues.

The manager's voting policy is detailed and includes clear rationales and rules for when it will vote against directors' recommendations on a proposal.

LGIM opposed directors in 17% of votes during the year and showed a tendency to do this in contentious votes. This suggests that LGIM is taking its stewardship responsibilities seriously.

Newton

Newton has also demonstrated a willingness to oppose directors' proposals on a broad range of issues. In many of the votes analysed, Newton was in the minority in opposing a director's proposal.

In addition, the investment manager has shown evidence of voting in favour of shareholders' proposals with an ESG theme.

Conclusions

Based on the analysis undertaken, the Trustees have no concerns regarding the voting records of LGIM and Newton.

The Trustees will keep the voting actions of the investment managers under review.

Agreed by the Trustees as part of the accounts on 23 July 2021

..... Date:

Signed on behalf of the Trustees of the ITF Retirement Benefit Scheme

Significant Votes

The table below records how the Scheme's investment managers voted in the most significant votes identified by the Trustees.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM	Newton
Audit & Reporting						
NORTHROP GRUMMAN CORPORATION	20/05/2020	Appoint the Auditors	24	75	Against	Not held
VIVENDI SA	20/04/2020	Approval of the Information set out in the Corporate Governance Report	74	23	Against	Against
CAPGEMINI SE	20/05/2020	Renew Appointment of PricewaterhouseCoopers Audit as Auditor	82	18	Against	Not held
UDR INC	21/05/2020	Appoint the Auditors	86	14	Against	Not held
XCEL ENERGY INC.	22/05/2020	Appoint the Auditors	85	12	For	Not held
Shareholder Capital & Rights						
STMICROELECTRONICS NV	17/06/2020	Grant Board Authority to Issue Shares Up To 10 Percent of Issued Capital and Exclude Pre-emptive Rights	46	54	Against	Not held
JUST EAT TAKEAWAY.COM N.V.	14/05/2020	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	60	40	Against	Not held
ASSICURAZIONI GENERALI SPA	27/04/2020	Authorize Share Repurchase Program and Reissuance of Repurchased Shares to Service Performance Share	68	32	Against	Not held
VIVENDI SA	20/04/2020	Authorize Specific Buyback Program and Cancellation of Repurchased Share	69	31	Against	Against
SHAFTESBURY PLC	31/01/2020	Issue Shares with Pre-emption Rights	70	30	For	Not held
Pay & Remuneration						
ALTRIA GROUP INC.	14/05/2020	Advisory Vote on Executive Compensation	49	50	Against	Not held
STMICROELECTRONICS NV	17/06/2020	Approve Remuneration Policy for Management Board	50	50	Against	Not held
AROUNDTOWN SA	24/06/2020	Approve Remuneration Policy	49	51	Against	Not held
FIDELITY NATIONAL INFORMATION SERVICES INC.	28/05/2020	Advisory Vote on Executive Compensation	44	53	Against	Against
FEDERAL REALTY INVESTMENT TRUST	06/05/2020	Advisory Vote on Executive Compensation	38	54	Against	Not held
Constitution of Company, Board & Advisers						
UBS GROUP AG	29/04/2020	Elect Remuneration Committee Member: Dieter Wemmer	48	48	For	Not held
THE BOEING COMPANY	27/04/2020	Elect Susan C. Schwab	56	43	For	Not held
WASTE MANAGEMENT INC	12/05/2020	Elect Director Victoria M. Holt	58	41	Against	Not held
KBC GROEP NV	07/05/2020	Re-elect Sonja De Becker	59	41	For	Not held
GECINA	23/04/2020	Amend Article 9 of Bylaws Re: Shareholding Disclosure Thresholds	59	41	Against	Not held
Merger, Acquisition, Sales & Finance						
DELIVERY HERO SE	18/06/2020	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Preemptive Rights	78	22	Against	Not held
DASSAULT SYSTEMES SE	26/05/2020	Delegate Power to the Board to Acquire Certain Assets of Another Company	80	20	Against	Not held
SOCIETE GENERALE SA	19/05/2020	Authorize Issuance of Convertible Bonds for Private Placements without Preemptive Rights, up to Aggregate	93	7	For	Not held
MUENCHENER RUECK AG (MUNICH RE)	29/04/2020	Issue Bonds/Debt Securities	93	7	For	Not held
IBERDROLA SA	02/04/2020	Issue Bonds/Debt Securities	90	6	For	Not held
Other Company Resolutions						
SHAFTESBURY PLC	31/01/2020	Meeting Notification-related Proposal	68	32	For	Not held
PEUGEOT SA	25/06/2020	Authorize Board to Issue Free Warrants with Preemptive Rights During a Public Tender Offer	69	31	Against	Not held
VIVENDI SA	20/04/2020	Approve Additional Pension Scheme Agreement with Herve Philippe, Management Board Member	70	27	Against	Against
BRITISH LAND COMPANY PLC	29/07/2020	Meeting Notification-related Proposal	83	17	For	Not held
SEGRO PLC	21/04/2020	Meeting Notification-related Proposal	85	15	For	Not held
Governance & Other Shareholder Resolutions						
HP INC	12/05/2020	Shareholder Resolution: Written Consent	50	50	Against	Not held
CHEVRON CORPORATION	27/05/2020	Shareholder Resolution: Report on Lobbying Payments and Policy	49	43	For	Not held
BOOKING HOLDINGS INC.	04/06/2020	Shareholder Resolution: Written Consent	49	51	Against	Not held
CENTENE CORP	28/04/2020	Shareholder Resolution: Political Donations	51	48	For	Not held
ANTHEM INC	21/05/2020	Shareholder Resolution: Right to Call Special Meetings	49	50	For	Not held
Environmental & Socially Focussed Shareholder Resolutions						
JPMORGAN CHASE & CO.	19/05/2020	Shareholder Resolution: Climate Change Targets	49	49	For	Not held
ORACLE CORPORATION	04/11/2020	Shareholder Resolution: Report on Gender Pay Gap	46	54	For	Not held
THE TJX COMPANIES INC.	09/06/2020	Shareholder Resolution: Report on Reduction of Chemical Footprint	44	55	For	Not held
CHEVRON CORPORATION	27/05/2020	Shareholder Resolution: Report on Human Rights Practices	61	30	For	Not held
APPLE INC	26/02/2020	Shareholder Resolution: Report on Freedom of Expression and Access to Information Policy	38	56	For	For

Note

Where the voting record has not been provided at the fund level, the analysis is based on the shares held within the Scheme's pooled funds as at 31 December 2020. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote.