

**THE JOHN TOWNSEND TRUST  
PENSION AND ASSURANCE SCHEME**

**IMPLEMENTATION STATEMENT**

Year ended 31 December 2021



## Implementation Statement

### John Townsend Trust Pension and Assurance Scheme

This Implementation Statement has been prepared by the Trustee of the John Townsend Trust Pension and Assurance Scheme (“the Scheme”) and sets out how the Trustee’s policies on exercising rights and engagement policies have been followed over the year.

#### How voting and engagement policies have been followed

The Trustee’s policy on voting and engagement is set out in the Scheme’s Statement of Investment Principles. The last review of the SIP took place in October 2021. With the exception of a bulk annuity policy with Legal & General Assurance Society (“LGAS”), the Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.

The Trustee reviewed the stewardship and engagement activities of the current manager during the year, alongside preparation of the Implementation Statement, and was satisfied that their policies were reasonable and no remedial action was required during the period.

Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund manager is in alignment with the Scheme’s stewardship policies.

#### Voting undertaken on behalf of the Trustee

In the year to 31 December 2021, the Scheme invested solely in passive gilt funds and a buy & maintain credit fund which have no voting rights attached and therefore there is no voting activity over 2021.

In respect of the bulk annuity policy, incorporating Environmental, Social and Governance factors is at LGAS’s discretion, and the responsibility for the exercising of rights (including voting rights) attaching to the bulk annuity policy belongs to LGAS.

#### Firm level engagement

The Scheme’s investments are held through pooled funds managed by Legal & General Investment Management (“LGIM”). The scope for engagement from the passive gilt holdings is extremely limited given the nature of the asset class.

The Scheme also invests in the LGIM Buy and Maintain Credit Fund and, where applicable, the investment manager engages with their investee companies on behalf of the Trustee.

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LGIM were only able to provide engagement data at firm level. The data below is a summary of LGIM’s global engagement at a firm level for the year up until 31 December 2021.

Manager	LGIM
<b>Fund name</b>	Applicable for all LGIM funds
<b>Does the manager perform engagement on behalf of the holdings within the funds</b>	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes
<b>Number of engagements undertaken at a firm level in the year</b>	772
<b>Number of companies engaged</b>	683
<b>Number of engagements on environmental topics</b>	294
<b>Number of engagements on governance topics</b>	441
<b>Number of engagements on social topics</b>	230
<b>Number of engagements on other topics (e.g. financial and strategy)</b>	209
<b>Examples of engagements undertaken with holdings in the funds</b>	<p>LGIM’s main engagement topics include: Remuneration, Board compensation, Diversity, ESG disclosures (including LGIM ESG Score), Climate Change, Strategy, Ethnic Diversity, Public Health, Water and Climate impact pledge.</p> <p>An example is LGIM’s engagement through the Climate Impact Pledge. LGIM launched its 5th engagement cycle of the Climate Impact Pledge. They analyse and directly engage with around 60 companies in 15 climate-critical sectors on their approach to strategic approach to climate change, and to what extent they are aligning their businesses with the constraints and opportunities of a net-zero transition. By the end of 2021 75% of companies had responded to engagement requests and although this is positive the manager’s focus for 2022 is to continue to press companies to develop robust decarbonisation strategies.</p>