

14. Appendix – Implementation Statement

Implementation Statement 6 April 2020 – 5 April 2021

The 2019 Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations (“the Regulations”) require that the Trustees outline how they have ensured compliance with the policies and objectives set out in their Statement of Investment Principles (SIP) over the course of the year under review.

The Trustees Stewardship and Engagement policies are included in the Scheme's SIP, which is available on request.

Changes to the SIP

The SIP was reviewed on 23 September 2020 to update the Trustees' policies in relation to the following:

- How financially material considerations (including Environmental, Social, and Governance (ESG) considerations) are taken into account in the selection, retention and realisation of investments
- Stewardship – voting and engagement
- The extent to which the Trustees take members' views into account when making investment decisions
- The extent to which the Trustees take non-financial factors into account when making investment decisions

This document includes the Trustees' policies regarding asset manager incentives, evaluation and monitoring as required by the updated legislation for SIPs. The SIP can be accessed here:

<https://www.dig.co.uk/privacy-policy>

Meetings with fund managers

During the period, the Trustees have not received presentations from any fund managers, although they did regularly review the performance of the Scheme's investments.

Reviews of fund managers

The Trustees are provided with half-yearly monitoring reports from their appointed investment manager. As part of the review of fund managers, the Trustees also aim to monitor investment manager remuneration, philosophy and engagement policies on a regular basis as described in the SIP.

At the most recent Trustee meeting, the Trustees agreed to maintain the asset class distribution for now, but with a longer-term objective to move to a lower risk strategy in 8 – 10 years' time. The Trustees decided to arrange a further review in 6 months' time.

Stewardship

St James' Place is a signatory to the UK Stewardship code and UN Principles for Responsible Investment (UN PRI). The UN PRI are a set of global best practices that provide a framework for integrating ESG issues into financial analysis, investment decision-making and ownership practices. The current UN PRI scorecard scored St James' Place with an A+ rating overall.

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Voting behaviour

The investment manager did not provide any information on the voting behaviour of each fund in which the trustees invest.

The Trustees' policy is to delegate the exercise of voting rights to their investment manager, but to review the voting behaviour of the manager annually to check that they are comfortable with the decisions taken by the managers and their approach generally.

Statement of compliance with Regulations

Over the course of 2020-2021, the Trustees are pleased to report that they have in their opinion adhered to the policies set out in their SIP and have complied with the Regulations.

The Trustee's policies on ESG considerations

The Trustee believes that good stewardship and environmental, social and governance ("ESG") issues may have a material financial impact on investment returns. Additionally, for investments that are held in pooled funds, a trustee has little or no influence on their managers' ESG and Stewardship behaviour, including the exercise of voting rights. The Trustee has given each individual fund manager their full discretion when evaluating ESG issues and in exercising rights, engagement activities, and stewardship obligations attached to the Scheme's investments. However, the extent to which these factors are taken into account by the fund managers in the selection, retention and realisation of investments is not considered by the Trustee as part of the process of selecting organisations with which to invest. The Trustees reserve the right to request from the manager information regarding their actions.

The Trustees have selected investment managers who have stated corporate governance policies which comply with the principles of the UK Corporate Governance Code, the Financial Reporting Council's UK Stewardship Code, and the United Nations Principles for Responsible Investment.