

**IPPF Central Office Pension Fund
Implementation Statement
Year Ending 30 June 2021**

Glossary

BNY Mellon	Bank of New York Mellon
ESG	Environmental, Social and Governance
Insight	Insight Investment Management
Investment Adviser	First Actuarial LLP
Newton	Newton Investment Management
Scheme	IPPF Central Office Pension Fund
Scheme Year	1 July 2020 to 30 June 2021
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

The Trustee has reviewed the extent to which its 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 Trustee’s 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 (managed by Newton)
- Insight Broad Opportunities Fund*

*In the case of the Insight Broad Opportunities Fund, the investments are limited to investment companies. These are in effect "funds" in their own right and gain access to areas such as infrastructure, however their legal structure is that of a UK listed company.

Insight's voting data has been provided over the year to 31 March 2021, which is the latest data available at the time of preparing this statement. The Trustee is satisfied that this is suitable for the purpose of assessing Insight's voting record.

The Trustee's Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustee's policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP.

A summary of the Trustee's policy in relation to the exercise of the rights (including voting rights) attaching to the investments is as follows:

- The Trustee wishes to encourage best practice in terms of activism. The Trustee accepts that by using pooled investment vehicles, the day-to-day application of voting rights will be carried out by the Investment Managers. Consequently, the Trustee expects the Fund's Investment Managers to adopt a voting policy that is in accordance with best industry practice.
- The Trustee expects its Investment Managers, when exercising discretion in investment decision making, to take financially material ESG factors into account. On an ongoing basis the Trustee (delegating to the Investment Consultant where appropriate) assesses the ESG integration capability of its Investment Managers.

- The Trustee believes that in order to protect and enhance the value of the investments, over the time horizon over which the benefits are paid, it must act as a responsible asset owner. The Trustee expects its Investment Managers to exercise its ownership rights, including voting and engagement rights, in order to safeguard sustainable returns over this time frame. On an ongoing basis the Trustee (delegating to the Investment Consultant where appropriate) assesses the stewardship and engagement activity of its Investment Managers.
- Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustee believes these should not drive investment decisions. The Trustee expects its Investment Managers, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment. Members' views are not sought on non-financial matters (including ESG and ethical views) in relation to the selection, retention and realisation of investments.
- Neither does the Trustee directly incentivise the Investment Managers to make decisions about the medium to long-term performance of an issuer of debt or equity, or to engage with those issues to improve their performance. The Trustee expects such assessment of performance and engagement to be undertaken as appropriate and necessary to meet the investment objectives of the funds used by the Scheme.

Has the Policy Been Followed During the Scheme Year?

The Trustee's opinion is that its 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 Trustee's belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustee did not select any new funds during the period.

- Since the end of the Scheme Year, an analysis of the voting records of the investment managers based on the period ending 30 June 2021 (31 March 2021 for Insight) has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment managers used by the Scheme are UNPRI signatories.

The Investment Managers’ Voting Record

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 / withheld
Newton	8,900	83%	13%	4%
Insight	1,500	92%	0%	8%

Notes

These voting statistics are based on each manager’s full voting record over the 12 months to 30 June 2021 for Newton and 12 months to 31 March 2021 for Insight, 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
Insight	Minerva	Minerva provide recommendations based on voting guidelines provided by Insight.

The Investment Managers’ Voting Behaviour

The Trustee has 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 30 June 2021 (31 March 2021 for Insight) on the most contested proposals in nine categories across the UK, the US and Europe;

- the investment managers' policies and statements on the subjects of stewardship, corporate governance and voting.

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

The Trustee's key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine separate categories. The Trustee considers 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 nine categories based on shares held by the Scheme's investment managers are listed in the Appendix. In addition, the Trustee 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

Insight

We found only one vote of significance cast by the Broad Opportunities Fund.

We note that Insight's published voting policy is very short and does not provide much detail on when they will oppose Directors' recommendations. Indeed, Insight did not oppose any Director's Proposal or support any Shareholder resolution we identified as being significant.

Whilst our investment adviser has fed this back to Insight and this may be a concern for those investing in Insight's specialist equity funds, it is far less material for those investing in the Broad Opportunities Fund.

Newton

Newton has demonstrated a willingness to oppose directors' proposals on a broad range of issues. The manager's opposition was particularly strong for votes relating to executive pay and remuneration.

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 Trustee has no concerns regarding the voting records of Newton and Insight.

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

Signed: Rosemary Kennell Date: 26 January 2022

Signed on behalf of the Trustee of the IPPF Central Office Pension Fund

Significant Votes

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

Company	ISIN	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	Newton	Insight
Audit & Reporting							
CITIGROUP INC.	US1729671016	27/04/2021	Ratify KPMG LLP as Auditors	88	12	For	Not held
ECOLAB INC.	US2788651006	06/05/2021	Ratify PricewaterhouseCoopers LLP as Auditors	91	9	Against	Not held
RWE AG	DE0007037129	28/04/2021	Appoint the Auditors	92	8	For	Not held
NOVARTIS AG	CH0012005267	02/03/2021	Appoint the Auditors	93	7	Against	Not held
SALESFORCE.COM INC	US79466L3024	10/06/2021	Appoint the Auditors	93	7	For	Not held
Shareholder Capital & Rights							
BLUEFIELD SOLAR INCOME FUND LIMITED	GG00BB0RDB98	17/12/2020	Issue Additional Shares for Cash	72	27	For	Not held
JLEN ENVIRONMENTAL ASSETS GROUP LIMITED	GG00BJLSFH87	03/09/2020	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	72	27	For	For
VIVENDI SA	FR0000127771	22/06/2021	Authorize Specific Buyback Program and Cancellation of Repurchased Share	73	26	Against	Not held
Pay & Remuneration							
NIKE INC.	US6541061031	17/09/2020	Advisory Vote on Executive Compensation	52	45	Against	Not held
GENERAL ELECTRIC COMPANY	US3696041033	04/05/2021	Advisory Vote on Executive Compensation	42	57	Against	Not held
THALES	FR0000121329	06/05/2021	Approve Amendment of Remuneration Policy of Chairman and CEO Re: FY 2019	59	41	For	Not held
INFORMA PLC	GB00BM16DW54	23/12/2020	Approve Remuneration Policy	58	40	For	Not held
VIVENDI SA	FR0000127771	22/06/2021	Approve Remuneration Policy of Chairman of the Management Board	58	39	Against	Not held
Constitution of Company, Board & Advisers							
INFORMA PLC	GB0002625654	03/06/2021	Elect Stephen Davidson - Non-Executive Director	53	47	Against	Not held
UNDE PLC	IE00B212WP82	27/07/2020	Elect Martin H. Riechenhagen	60	40	Against	Not held
ECOLAB INC.	US2788651006	06/05/2021	Elect John J. Zillmer - Non-Executive Director	61	39	Against	Not held
AIR LIQUIDE SA	FR0000120073	04/05/2021	Elect Bertrand Dumazy - Non-Executive Director	63	37	For	Not held
GENERAL ELECTRIC COMPANY	US3696041033	04/05/2021	Elect Sebastien M. Bazin - Non-Executive Director	68	30	Against	Not held
Merger, Acquisition, Sales & Finance							
SANOFI	FR0000120578	30/04/2021	Approve Issuance of Debt Securities Giving Access to New Shares of Subsidiaries and/or Debt Securities, up to	96	4	For	Not held
RWE AG	DE0007037129	28/04/2021	Approve Issuance of Bonds with Convertible Bonds with Partial Exclusion of Preemptive Rights up to Aggregate	97	3	For	Not held
UNILEVER PLC	GB00B10RZP78	12/10/2020	Approve Unification through a Cross-Border Merger and Amend Company's Articles of Association in connection	99	1	For	Not held
Climate Related Resolutions							
UNILEVER PLC	GB00B10RZP78	05/05/2021	Approve Climate Transition Action Plan	99	1	For	Not held
Other Company Resolutions							
LOREAL SA	FR0000120321	20/04/2021	Suspension of Nicolas Hierominus' Previous Employment Contract	85	15	Against	Not held
ANGLO AMERICAN PLC	GB0004901517	05/05/2021	Meeting Notification-related Proposal	88	12	For	Not held
INFORMA PLC	GB0002625654	03/06/2021	Authorise the Company to Call General Meeting with Two Weeks' Notice	88	12	For	Not held
ASTRAZENECA PLC	GB0009895292	11/05/2021	Meeting Notification-related Proposal	88	12	For	Not held
PRUDENTIAL PLC	GB0007099541	13/05/2021	Meeting Notification-related Proposal	89	11	For	Not held
Governance & Other Shareholder Resolutions							
THE GOLDMAN SACHS GROUP INC.	US38141G1040	29/04/2021	Shareholder Resolution: Report on the impacts of Using Mandatory Arbitration	49	43	For	Not held
THE HOME DEPOT INC	US4370761029	20/05/2021	Shareholder Resolution: Written Consent	46	54	For	Not held
LENNAR CORPORATION	US5260571048	07/04/2021	Shareholder Resolution: Equitable Voting Rights	46	54	For	Not held
LOCKHEED MARTIN CORPORATION	US5398301094	22/04/2021	Shareholder Resolution: Written Consent	45	53	For	Not held
THERMO FISHER SCIENTIFIC INC.	US8835561023	19/05/2021	Shareholder Resolution: Right to Call Special Meetings	56	44	Against	Not held
Environmental & Socially Focused Shareholder Resolutions							
AMAZON.COM INC.	US0231351067	26/05/2021	Shareholder Resolution: Oversee and Report on a Civil Rights, Equity, Diversity and Inclusion	44	55	For	Not held
ABBOTT LABORATORIES	US0028241000	23/04/2021	Shareholder Resolution: Report on Racial Justice	38	60	For	Not held
CITIGROUP INC.	US1729671016	27/04/2021	Shareholder Resolution: Report on Racial Equity Audit	38	60	Against	Not held
LOCKHEED MARTIN CORPORATION	US5398301094	22/04/2021	Shareholder Resolution: Report on Human Rights Due Diligence	32	67	For	Not held
THE GOLDMAN SACHS GROUP INC.	US38141G1040	29/04/2021	Shareholder Resolution: Report on Racial Equity Audit	29	63	For	Not held

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 points during the period. 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.