

Riverside Group Pension Scheme

Implementation Statement

Year Ending 31 March 2024

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Riverside Group Pension Scheme
Scheme Year	1 April 2023 to 31 March 2024
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustee has followed its policy relating to the exercise of rights (including voting rights) attaching to the Scheme’s investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme’s investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustee has considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

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:

- LGIM Future World Global Equity Index Fund
- The Partners Fund

The Trustee does not consider exposure to listed equity in the Partners Fund to be significant in the context of the overall portfolio of Scheme assets and therefore Partners has been excluded from the Trustee's voting analysis.

The Trustee's Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustee's policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment manager's own policies on such matters. Consequently, the Trustee recognises that its ability to directly influence the action of companies is limited.
- The Trustee considers an investment manager's policies on engagement and voting in making decisions about appointing and retaining investment managers.
- The Trustee recognises that members might wish the Trustee to engage with the underlying companies in which the Scheme invests with the objective of improving corporate behaviour to benefit the environment and society. When considering the use of a potential investment manager, the Trustee takes into account whether an investment manager's corporate stewardship approach is likely to be consistent with the views of the members. However, this only forms part of the selection process and

the Trustee's priority is to select investment managers which are best suited to help meet the Trustee's investment objectives.

- The Trustee expects that each investment manager should discharge its responsibilities in respect of investee companies in accordance with that investment manager's own corporate governance policies and current best practice, such as the UK Stewardship Code and the UN Principles for Responsible Investment.
- The Trustee expects that, where appropriate, each investment manager should take ESG considerations into account when exercising the rights attaching to investments and in taking decisions relating to the selection, retention and realisation of investments.
- The Trustee will review the stewardship policies of the investment managers on an annual basis.

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.
- During the Scheme Year, the Trustee introduced an allocation to Schroders' buy and maintain credit funds and the M&G Total Credit Investment Fund. These new funds do not include an allocation to equities and therefore consideration of the exercise of voting rights was not required as part of the selection process.
- During the Scheme Year, the Trustee considered the voting records of all investment managers used by the Scheme to gain exposure to listed equities over the period ending 31 March 2023.
- Since the end of the Scheme Year, an updated analysis of LGIM's voting record based on the period ending 31 March 2024 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 signatories to the UNPRI.

The Investment Manager's Voting Record

A summary of LGIM's voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
LGIM	120,000	76%	24%	0%

Notes

These voting statistics are based on LGIM's full voting record over the 12 months to 31 March 2024 rather than votes related solely to the LGIM Future World Global Equity Index Fund.

Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
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 Manager's Voting Behaviour

The Trustee has reviewed LGIM's voting behaviour by considering the following:

- broad statistics of LGIM's voting record 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 cast by LGIM in the year to 31 March 2024 on the most contested proposals in nine categories across the UK, the US and Europe;
- LGIM's policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared LGIM's voting behaviour with its peers over the same period.

Further details of the approach adopted by the Trustee for assessing voting behaviour are provided in the Appendix.

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 the 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).

Analysis of Voting Behaviour

LGIM

The Trustee notes that LGIM's voting record continues to compare very favourably with its peers. As in previous years, analysis of LGIM's voting record identifies clear evidence that the manager is willing to vote against company directors on a broad range of issues.

LGIM opposed several climate-related proposals based on an assessment that proposals put forward by a company's management did not go far enough.

Partners

The Partners Fund typically has an allocation of about 10-15% to cash and listed equities and the Scheme's allocation to the Partners Fund is about 5% of total assets. This means that exposure to listed equities via the fund represents less than 1% of Scheme assets.

The Trustee has concluded that this exposure to listed equities is not significant in the context of the Scheme's overall assets and therefore the Trustee has excluded this fund from the voting analysis.

The Trustee has noted that Partners are not signatories to the UK Corporate Governance Code, but the investment manager does gain a 78% rating from UNPRI.

Conclusion

Based on the analysis undertaken, the Trustee has no concerns regarding the voting records of the Scheme's investment managers.

Signed on behalf of the Trustee of the Trustee of the Riverside Group Pension Scheme

William Medicott

Chair of Trustee

Date: 16 September 2024

Significant Votes

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

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM
Audit & Reporting					
SCOTTISH AMERICAN INVESTMENT COMPANY PLC	06/04/2023	Re-appoint Ernst & Young LLP as Independent Auditor of the Company	49	50	For
NETAPP INC	13/09/2023	Appoint the Auditors	40	60	Against
VEOLIA ENVIRONNEMENT SA	27/04/2023	Appoint the Auditors	72	28	Against
INVESCO PERPETUAL UK SMALLER COMPANIES	08/06/2023	Re-appoint the auditor, Ernst & Young LLP	76	24	For
PETS AT HOME GROUP PLC	06/07/2023	Re-appoint KPMG LLP as auditor of the Company.	78	22	Against
Shareholder Capital & Rights					
HAMMERSON PLC	04/05/2023	Issue Shares with Pre-emption Rights	55	45	For
CITY OF LONDON INVESTMENT GROUP	23/10/2023	Issue Shares for Cash	55	44	For
PLAYTECH PLC	24/05/2023	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	44	56	For
BLUEFIELD SOLAR INCOME FUND LIMITED	28/11/2023	Issue Shares with Pre-emption Rights	42	58	Against
TOPPS TILES PLC	18/01/2024	Issue Shares with Pre-emption Rights	63	37	For
Pay & Remuneration					
WARNER BROS DISCOVERY INC	08/05/2023	Advisory Vote on Executive Compensation	51	49	Against
WELLTOWER INC	23/05/2023	Advisory Vote on Executive Compensation	52	48	Against
BIOGEN INC.	26/06/2023	Advisory Vote on Executive Compensation	52	48	Against
PEARSON PLC	28/04/2023	Approve Remuneration Policy	54	46	Against
VISTRY GROUP PLC	18/05/2023	Approve the Remuneration Report	51	46	Against
Constitution of Company, Board & Advisers					
DOMINO'S PIZZA GROUP PLC	04/05/2023	Elect Edward Jamieson - Executive Director	50	50	For
SAMPO OYJ	17/05/2023	Amend Articles: Virtual Meetings	52	48	Against
SIMON PROPERTY GROUP INC.	04/05/2023	Elect Reuben S. Leibowitz - Non-Executive Director	53	46	Against
CME GROUP INC.	04/05/2023	Elect Charles P. Carey - Non-Executive Director	55	45	Against
FLEETCOR TECHNOLOGIES INC	09/06/2023	Elect Thomas M. Hagerty	55	45	Against
Merger, Acquisition, Sales & Finance					
FORESIGHT GROUP HOLDINGS LIMITED	10/08/2023	Approve the Waiver of Rule 9	52	48	Against
EUROPEAN OPPORTUNITIES TRUST PLC	15/11/2023	Approve the Continuation of the Company	59	36	For
CALEDONIA INVESTMENTS PLC	19/07/2023	Waiver of mandatory offer provisions set out in Rule 9 of the Takeover Code	64	35	Against
VINACAPITAL VIETNAM OPPORTUNITY FUND LTD	06/12/2023	Approve that the Company Ceases to Continue as Currently Constituted	29	71	Against
BOUYGUES SA	27/04/2023	Approve Issuance of Debt Securities Giving Access to New Shares of Subsidiaries	73	27	Against
Other Company Resolutions					
CITY OF LONDON INVESTMENT GROUP	23/10/2023	Notice of General Meetings	61	39	For
BOUYGUES SA	27/04/2023	Approve the Board to Issue Equity Warrants Free of Charge During the Period of a	74	26	Against
STV GROUP PLC	27/04/2023	Approve Political Donations	70	25	For
QUILTER PLC	18/05/2023	Approve Political Donations	75	25	For
ANHEUSER-BUSCH INBEV SA	26/04/2023	Authorize implementation of approved resolutions and filing of required documents	75	25	For
Governance & Other Shareholder Resolutions					
WELLS FARGO & COMPANY	25/04/2023	Simple Majority Voting	50	49	For
SYNOPTIS INC	12/04/2023	Right to Call Special Meetings	50	50	For
MCDONALD'S CORPORATION	25/05/2023	Annual Report on Lobbying Activities	50	49	For
THE MOSAIC COMPANY	25/05/2023	Right to Call Special Meetings	50	49	For
MARATHON PETROLEUM CORPORATION	26/04/2023	Simple Majority Voting	51	48	For
Environmental & Socially Focussed Shareholder Resolutions					
THE KROGER CO.	22/06/2023	Racial and Gender Pay Gaps	52	48	For
WELLS FARGO & COMPANY	25/04/2023	Annual Report on Prevention of Workplace Harassment and Discrimination	52	43	For
QUEST DIAGNOSTICS INCORPORATED	17/05/2023	Greenhouse Gas Reduction and Transition Plan	48	52	For
THE BOEING COMPANY	18/04/2023	Pay Equity Disclosure	47	52	For
EXPEDITORS INTERNATIONAL OF WASHINGTON INC.	02/05/2023	Report on on the effectiveness of the Company's diversity, equity, and inclusion efforts	57	42	For

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

Methodology for Determining Significant Votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustee believes that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustee's behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis was to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the total number of Significant Votes is large. This is helpful for assessing an investment manager's voting record in detail, but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustee has not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustee is satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about an investment manager's voting behaviour. The Trustee has concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

Investment Manager Voting Policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links:

[Vote Disclosures - Legal & General Investment Management](#)