

INVESTMENT POLICY IMPLEMENTATION DOCUMENT FOR THE TRANSWORLD PUBLISHERS PENSION SCHEME- year ending 31 December 2023

Introduction

This Investment Policy Implementation Document (“IPID”) for the Transworld Publishers Pension Scheme (“the Scheme”) sets out details of the Scheme’s investment arrangements, based on the principles set out in its Statement of Investment Principles (“SIP”) dated 15 September 2021. This IPID should be read in conjunction with the SIP.

The IPID has been prepared by the Scheme’s Trustees and the Trustees are responsible for ensuring it reflects the current investment arrangements.

Investment strategy

The Scheme’s investment strategy, as set out within the SIP, did not change during 2023 and can be described as follows:

<u>Asset Class</u>	<u>Benchmark allocation</u>
Corporate Bonds	50.0%
Index-Linked Gilts	18.0%
Diversified Growth	12.0%
High Yield Bond	20.0%

The Trustees use net cash inflows and outflows to achieve the benchmark allocations given above.

All the assets of the Scheme are invested in pooled funds managed by Legal and General Investment Management (“LGIM”).

The Trustees monitor and review the investment manager’s performance on an ongoing basis, to ensure that the Scheme’s investments continued to be appropriately managed.

It is expected that as the Scheme matures that the Scheme’s investment strategy will be de-risked in line with the change in the liability profile of the Scheme. This means that the investment strategy will gradually target a higher allocation to lower risk assets as the Scheme matures.

Governance

The Trustees recognise the importance of formulating a policy in relation to financially material considerations, such as those relating to ESG considerations, and putting effective governance arrangements in place to manage the policy.

Potential risks include factors relating to such things as climate change, unsustainable business practices, and unsound corporate governance. The Trustees seek to appoint investment managers who will manage these risks appropriately on the Scheme's behalf and from time to time review how these risks are being managed in practice.

The Trustees recognise that in endeavouring to invest in the best financial interests of beneficiaries they have elected to invest contributions in pooled funds. That being the case the Trustees cannot therefore directly influence the environmental, social, and governance policies and practices of the companies in which the pooled funds invest.

During the year ending 31 December 2023 the Trustees delegated to LGIM the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations.

LGIM reports to the Trustees on a quarterly basis on actions it has taken on ESG issues within its portfolio.

As contributions are only invested in pooled funds, the Trustees do not have (nor need to have) an engagement policy in relation to monitoring the capital structure of companies it invests in, or any associated potential conflicts of interest.

The Trustees are pleased to note that LGIM, the Scheme's investment manager, recently issued its eighth Climate Impact Pledge and has already committed to targeting zero emissions by 2050 or sooner. LGIM has specific policies in place targeting ESG related goals such as climate impact, deforestation, ethnic diversity, nutrition and executive remuneration and reports to the Trustees on a quarterly basis on its progress in these areas.

The Trustees regularly monitor the policies and voting rights exercised by LGIM on behalf of the Scheme. The global and regional voting policies of LGIM, including LGIM's stance on ESG topics, are detailed in the link below

<https://www.lgim.com/uk/en/capabilities/corporate-governance/policies-and-voting-disclosures-uk-en/>.

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a Plan's stewardship priorities / themes.

At this time, the Trustees have not set stewardship priorities/themes for the Scheme but will be considering the extent that it wishes to do this in due course, in line with other Plan risks. So, for this Implementation Statement, the Trustees have asked LGIM, the Scheme's investment manager, to determine what it believes to be a "significant vote".

Amongst the examples of “significant” votes exercised by LGIM in 2023 which LGIM has provided to the Trustees are the following:

- Prologis Inc: a vote against management’s recommendation in May 2023 to elect a Director to the Board on the basis that the Board lacked diversity. LGIM believes that women should occupy at least one third of the positions on the board of a company.
- Shell Plc: a vote against management’s recommendation in May 2023 to approve Shell’s energy transition progress on the grounds of a lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations.
- Tencent Holdings Limited: a vote taken in May 2023 against management’s recommendation to approve a director to the board as LGIM did not deem the company to have met minimum standards with regard to climate risk management.

The Trustees have not communicated voting preferences to the Scheme’s investment managers over the period, as the Trustees have yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities/themes.

Signed by

M Gardiner

Date 4 July 2024

Chair of the Trustees of the Transworld Publishers Pension Scheme