

Fane Valley Group DB Pension Scheme Implementation Statement for the year ended 30 April 2021

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Fane Valley Group DB Pension Scheme ("the Scheme") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme's investments, and engagement activities during the year ended 30 April 2021 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

The Trustees' updated policy

The Trustees have considered their approach to environmental, social and corporate governance ("ESG") factors for the long term horizon of the Scheme and have agreed a policy which reflects their opinion that the financial implications of such a strategy would not be materially relevant to the funding policy as outlined in the Recovery Plan.

The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, the Trustees were dissatisfied with the level of returns delivered by the Scheme's growth managers, and subsequently appointed Goodbody Stockbrokers ("Goodbody") to manage the Scheme's growth portfolio. The suitability of Goodbody was advised by XPS, using various criteria. One of the criteria - in acknowledgement of the Trustees' ESG policy - was that Goodbody had been found to have a credible ESG capability, with decisions linked to that capability applied to Goodbody's portfolio to an acceptable degree.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to both public and private equities, and investments in equities will also form part of the strategy for the diversified growth funds in which the Scheme invests. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below.

BlackRock Dynamic Diversified Growth Fund

Voting Information
BlackRock Dynamic Diversified Growth Fund
The manager voted on 96.63% of resolutions of which they were eligible out of 12,398 eligible votes.
Investment Manager Client Consultation Policy on Voting
BlackRock's engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock welcome discussions with its clients on engagement and voting topics and priorities to get its perspective and better understand which issues are important to them. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy, but the client would engage a third-party voting execution platform to cast the votes.
Investment Manager Process to determine how to Vote
BlackRock's voting guidelines are market-specific to ensure it takes into account a company's unique circumstances by market, where relevant. BlackRock inform its vote decisions through research and engage as necessary. BlackRock's voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting.
How does this manager determine what constitutes a 'Significant' Vote?
During the period 1 April 2020 to 31 March 2021, BlackRock Investment Stewardship periodically published detailed explanations of specific key votes in "vote bulletins". These bulletins are intended to explain BlackRock's vote decision, including the analysis underpinning it and relevant engagement history when applicable, on certain high-profile proposals at company shareholder meetings. BlackRock make this information public shortly after the shareholder meeting, so clients and others can be aware of its vote determination when it is most relevant to them. BlackRock consider these vote bulletins to contain explanations of the most significant votes.

Does the manager utilise a Proxy Voting System? If so, please detail

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA"). Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Corporate Governance and Engagement Principles and custom market specific voting guidelines. While BlackRock subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into its vote analysis process, and BlackRock do not blindly follow their recommendations on how to vote. BlackRock primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that its investment stewardship analysts can readily identify and prioritise those companies where its own additional research and engagement would be beneficial.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
BARCLAYS PLC	Approve Barclay's Commitment to Tackling Climate Change	For	Pass
BlackRock believes the company sets a clear ambition to become net-zero and align to the goals of the Paris Agreement, addressing shareholders' concerns for the time being. BlackRock will continue to engage with the company to provide feedback on governance business practices.			
CHEVRON CORP	Report on Climate Lobbying Aligned with Paris Agreement Goals Board Recommendation	For	Pass
Blackrock believes enhanced disclosure will help investors better understand the company's political activities in the context of policy that supports the transition to a lower carbon economy, to provide greater context for investors and build on their current actions. BlackRock will vote, were appropriate, in line with its view that the risks of climate change and the transition to a lower carbon economy present material regulatory, reputational, and legal risks to companies.			
DAIMLER AG	Ratification of Supervisory Board Members' Actions and Election of Timotheus Höttges as a member of the Supervisory Board	Against	Not Provided
BIS continue to vote in line with its approach of holding supervisory board members accountable for the level of oversight provided on governance matters, including material issues such as climate risk. It is also BlackRock's view that directors must be able to commit a sufficient amount of time to committee matters and not hold too many mandates. BlackRock will continue to engage with the company and monitor developments, with a particular focus on progress on climate-related risk disclosures.			
WOODSIDE PETROLEUM LTD	Ordinary Resolution on Paris Goals and Targets Ordinary Resolution on Climate-Related Lobbying	Against	Withdrawn

BlackRock believes the company recognises the priority it must place on carbon disclosure and reduction targets and is already consistent with its public position on climate change. BlackRock will continue to engage with the board and management of Woodside on a range of governance and material sustainability issues, including its long-term ambition for carbon neutrality. BlackRock will also monitor and provide feedback on the relevant disclosures and targets once published.

LAIR LIQUIDE SOCIETE ANONYME POUR	Re-elect Director	Against	Not Provided
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BIS continue to vote in line with its approach of holding directors accountable when a company is not effectively addressing a material issue, in particular in relation to climate risk reporting. BlackRock will continue to engage with the company on its governance practices and reporting on material factors that may impact shareholder value. If BlackRock believes there is absent progress on climate-related disclosures in alignment with the TCFD recommendations, BIS will signal its concerns by voting against other directors, including members of Air Liquide’s Environment and Society Committee, who have had responsibility for such oversight.

**Voting information provided in this implementation statement covers the 12-month period to 31st March 2021.*

Goodbody Portfolio

Voting Information
Goodbody Portfolio
Not provided
Investment Manager Client Consultation Policy on Voting
Communication is sent to underlying beneficiaries informing them of applicable meetings, providing links to view documentation and resolutions and asking them for their votes.
Investment Manager Process to determine how to Vote
Communication is sent to shareholders informing them of applicable meetings, providing links to view documentation including the resolutions and asking them for their votes. Goodbody will then vote in accordance with its client instruction.
How does this manager determine what constitutes a 'Significant' Vote?
No process followed for determining 'most significant' votes.

Does the manager utilise a Proxy Voting System? If so, please detail

Goodbody employ a third party, Broadridge, as its proxy voting service.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
N/A	N/A	N/A	N/A

Goodbody do not provide significant votes.

Signed:  Chair of Trustees

Date: 21/9/21