

Westminster Roman Catholic Diocese Trustees Retirement Benefits Scheme

Engagement Policy Implementation Statement for the year ending 5 April 2020

Introduction

The Trustees of the Westminster Roman Catholic Diocese Trustees Retirement Benefits Scheme (the 'Scheme') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 5 April 2020. This statement also describes the voting behaviour by, or on behalf of, the Trustees.

The Trustees appoints their investment managers to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial and non-financial performance of underlying investments (including environmental, social and governance (ESG) factors, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustees also expect their investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

Stewardship - monitoring and engagement

The Trustees recognise that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees' also delegate responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustees do not envisage being directly involved with peer to peer engagement in investee companies.

The Trustees intend providing their investment manager with a copy of the Statement of Investment Principles which sets out their policies on voting and engagement.

Investment manager engagement policies

The Scheme's investment manager is expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment managers engage in dialogue with the companies it invests in and how it intends to exercise voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to the investment manager's engagement policy is provided in the Appendix.

These policies are publicly available on the investment manager's website:

<https://sarasinandpartners.com/stewardship/>

Exercising rights and responsibilities

The Trustees recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment managers publish online the overall voting records of the firm on a regular basis.

The investment manager uses proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment manager but rely on the requirement for their investment manager to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The information for 2019 provided by the investment manager is as follows:

Total number of company meetings	1,226
Total number of proposals	13,352
Votes cast:	
For	8,721
Against	2,770
Abstain	129
Withhold	100
Did not vote	1,632

Trustees' assessment

The Trustees will be undertaking a detailed review of their manager's environmental, social and governance policies, and their voting and engagement activities, and accept that the way in which the investment manager exercises its rights and engagement activities may differ from the Trustees' policies as set out in the Statement of Investment Principles.

The Trustees recognise that engagement and voting policies, practices and reporting, will continue to evolve over time and intend to review the way in which they monitor and engage with their investment manager over the next year

Appendix

Links to the engagement policies for the investment manager can be found here:

Investment manager	Engagement policy	Annual disclosure statement
Sarasin & Partners LLP	http://sarasinandpartners.com/wp-content/uploads/2020/05/engagement-policy-november-2019.pdf	Not available

Links to alternative documents where an annual disclosure statement has not been provided:

Investment manager	Document link
Sarasin & Partners LLP	https://sarasinandpartners.com/wp-content/uploads/2020/07/Stewardship-Report-Edition-6-Feb-2020.pdf