

# **Euler Trade Indemnity Pension Scheme**

## **Engagement Policy Implementation Statement for the year ending 30 June 2024**

### **Introduction**

The Trustees of the Euler Trade Indemnity Pension 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 believe that they 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 30 June 2024. This statement also describes the voting behaviour by, or on behalf of, the Trustees.

The Trustees have purchased bulk annuity (“buy-in”) policies that are expected to meet members’ DB benefits in full, notwithstanding certain residual liabilities (for example, in relation to the equalisation of Guaranteed Minimum Pensions), which are currently uninsured but will be added to the buy-in policies where appropriate. References to assets in this statement relate solely to the non-insurance assets that are invested by the Trustees.

The Trustees, in conjunction with their investment consultant, appoints their investment managers and choose the specific pooled funds or segregated mandates to use 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 have decided not to take non-financial matters into account when considering their policy objectives.

### **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 report to 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 seek to appoint managers that have strong stewardship policies and processes and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager held as at 30 June 2024 is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
Barings (U.K.) Limited	Yes	Yes
M&G Investment Management	Yes	Yes
Allianz Global Investors GmbH	Yes	Yes

### Investment manager engagement policies

The Scheme's investment managers are 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 exercises 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 each investment manager's engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on each investment manager's websites.

### 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 Trustees do not conduct a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour and any positive outcomes.

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 investment manager behaviour.

### **Trustees' assessment**

The Trustees plan to consider the environmental, social and governance rating for each fund/investment manager provided by the investment consultant over the coming year, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

Where an investment manager has received a low rating from the investment consultant, the Trustees will consider whether to engage with the investment manager.

The Trustees recognise that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

### **Appendix**

Links to the engagement or relevant policies for each of the investment managers can be found here:

<b>Investment manager</b>	<b>Engagement Policy (or suitable alternative)</b>
Barings (U.K.) Limited	<a href="https://www.barings.com/en-us/guest/sustainability/esg-stewardship/stewardship-engagement-investees">https://www.barings.com/en-us/guest/sustainability/esg-stewardship/stewardship-engagement-investees</a>
M&G Investment Management	<a href="https://www.mandgplc.com/who-we-are/mandg-investments/responsible-investing-at-mandg-investments">https://www.mandgplc.com/who-we-are/mandg-investments/responsible-investing-at-mandg-investments</a>
Allianz Global Investors GmbH	<a href="https://www.allianzgi.com/-/media/allianzgi/globalagi/our-firm/ouresgapproach/allianzgi-engagement-policy-statement.pdf">https://www.allianzgi.com/-/media/allianzgi/globalagi/our-firm/ouresgapproach/allianzgi-engagement-policy-statement.pdf</a>