



Red Bee Media Pension Plan Implementation Statement – June 2024

Why have we produced this Statement?

The Trustee of the Red Bee Media Pension Plan have prepared this statement to comply with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This statement sets out how the Trustee has complied with the voting and engagement policies detailed in the Plan's Statement of Investment Principles (SIP).

What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustee's investment objectives and investment strategy.

It also explains how and why the Trustee delegates certain responsibilities to third parties and the risks the Plan faces and the mitigated responses.

The Trustee last reviewed the SIP in June 2024.

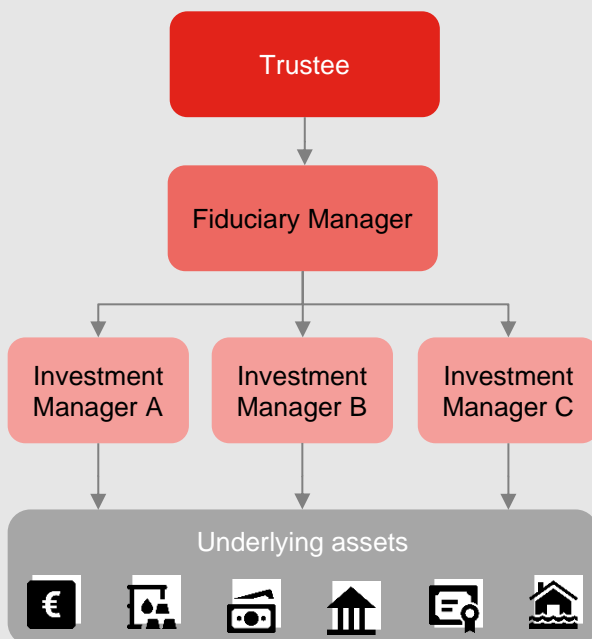
What is the purpose of this Statement?

1. To explain how the Trustee's engagement policy has been applied over the year.
2. To describe the voting rights attached the Plan's assets have been exercised over the year.

What changes have we made to the SIP?

The Trustee reviewed the SIP in June 2024 and agreed no changes were needed.

How are the Plan's investments managed?



Trustee - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retain overall responsibility for the Plan's investment strategy, but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge and resources.

Fiduciary Manager (WTW) – The Trustee employs a Fiduciary Manager to implement the Trustee's investment strategy. The Fiduciary Manager allocates the Plan's assets between asset class and investment managers.

Investment managers – The Fiduciary Manager appoints underlying investment managers either using a pooled vehicle or a segregated mandate where these assets are held directly in the Plan's name. The Fiduciary Manager will look for best in class specialist managers for each asset class.

Underlying assets – The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

Why does the Trustee believe voting and engagement is important?

The Trustee's view is that Environmental, Social and Governance (ESG) factors can have a significant impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustee further believes that voting and engagement are important tools to influence these issues.

The Trustee has appointed a Fiduciary Manager who shares this view and considers and integrates ESG factors, voting and engagement in its processes.

The Trustee incorporates an assessment of the Fiduciary Manager's performance in this area as part of its overall assessment of the Fiduciary Manager's performance.

What is the Trustee's voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations, but has identified climate and human and labour rights as key areas of focus for the Trustee.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustee expect the Fiduciary Manager to engage with investment managers to improve their processes.

What are the Fiduciary Manager's policies?

Climate change and net zero pledge

The Trustee believes Climate Change is a current priority when engaging with public policy, investment managers and corporates.

The Fiduciary Manager has a goal of net zero greenhouse gas emissions by 2050 at the latest, with a 50% reduction by 2030, in the portfolios that it manages including the Plan's.

Public policy and corporate engagement

The Fiduciary Manager partners with EOS at Federated Hermes, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2023 include:

- Engagements with 1,041 companies on a total of 4,272 issues and objectives.
- 31 responses to consultations or proactive equivalents and 90 discussions with relevant regulators and stakeholders.
- Voting recommendations on 128,101 resolutions, with 22,716 against management.
- Active participation in a range of global stewardship initiatives.

Industry collaboration initiatives

The Fiduciary Manager engages in several industry initiatives including:

- Signatory of the UK Stewardship Code
- Co-founder of the Net Zero Investment Consultants Initiative
- Member of Net Zero Asset Managers Initiative
- Signatory of the Principles for Responsible Investment (PRI)
- Member of the Institutional Investors Group on Climate Change (IGCC), Asian Investors Group on Climate Change (AIGCC), and Australasian Investors Group on Climate Change (IGCC)
- Co-founder of the Investment Consultants Sustainability Working Group
- Founding member of The Diversity Project
- Supporter of the Transition Pathway Initiative

How does the Fiduciary Manager assess the investment managers?

Investment manager appointment - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. In 2023 the Fiduciary manager conducted engagements with over 150 managers on sustainability and stewardship. In 2022 it also introduced engagement priorities on climate, modern slavery and engagement reporting for all our asset managers.

Investment manager monitoring - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis.

Investment manager termination - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

Example of engagements carried out over the year

Manager A - High yield Environment - Climate issue

Issue: This manager is an underlying exposure that sits within the Fiduciary Manager's broader high yield credit portfolio. As the Fiduciary Manager increased its minimum standards and expectations over time in relation to Sustainable Investment, this manager became a clear laggard relative to other exposures in the portfolio, lacking a framework for both ESG integration and engagement. The Fiduciary Manager communicated its concerns with the manager who committed to a plan to significantly improve their capabilities and resources spent here. During this process, the Fiduciary Manager stopped allocating new capital to this manager.

Outcome: The manager has now made significant process on their Sustainable Investment capabilities, as well as the commitments made as part of the engagement process. They have developed a new ESG integration framework, as well as a checklist for both new and existing investments to ensure all holdings are analysed using correct ESG data sources, and any concerns are documented. They have also started producing ESG reporting, such as emissions at a portfolio level.

The manager has now also shown a number of positive ESG engagement examples with underlying holdings. Whilst this remains a work in progress, this has become a much great focus for analysts at the firm, which is viewed positively.

Manager B - Listed infrastructure Environment - Climate issue

Issue: Infrastructure stocks typically screen highly for emissions. The manager's Core Infrastructure strategy is more than 50% invested in electric generation (integrated power and transmission and distribution) and energy infrastructure assets, which have significant amounts of carbon intensity. More than 80% of the carbon intensity of the Core strategy comes from the top 20 stocks, with majority from the electricity generation sector. We have engaged with the manager to understand how they assess climate and ESG risks particularly for these high-emitting stocks.

Outcome: This manager has produced an emissions abatement analysis to determine the baseline emissions of companies and understand their progress in meeting their net zero targets. Positively, the majority of the 20 high-emitting companies have made strong progress on their targets. Whilst one company reported higher emissions than the baseline due to higher utilization rates, it has implemented initiatives to reduce emissions overall.

The manager is continuously monitoring its constituents through the emissions abatement analysis and its "SAFE" transition methodology framework to ensure companies are making progress on their targets. The SAFE framework classifies each stock as 'Secure', 'Aligned', 'Transforming', and "Vulnerable". 'Transforming' and 'Vulnerable' companies are analysed further for stranding risk and are engaged with through a staged escalation process, where ultimately divestment would occur if companies do not deliver results within a reasonable timeframe.

We have asked the manager to include changes in company ratings from the SAFE framework to be included in annual reporting. We continuously monitor the evolution of the SAFE framework.

What are the voting statistics we provide?

The Plan is invested across a diverse range of asset classes which carry different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the Plan's equity investment managers.

Responses received are provided in the following pages. The Trustee used the following criteria to determine the most significant votes:

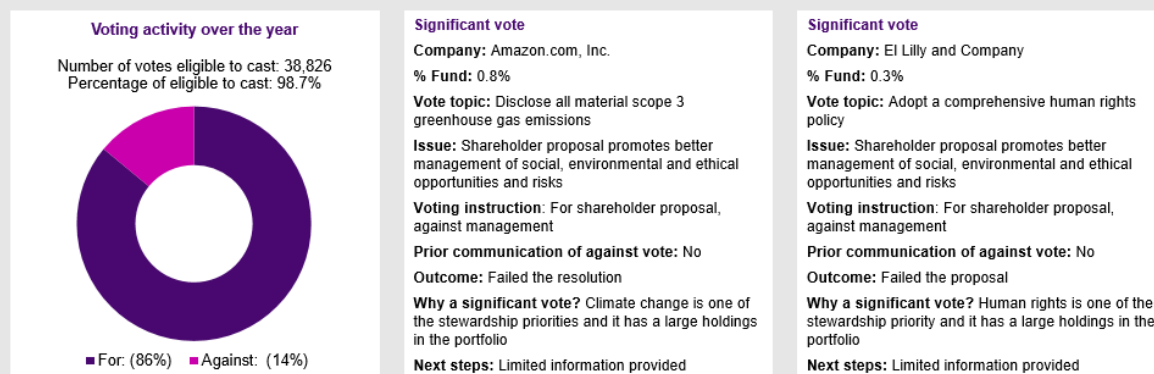
- Trustee stewardship priorities (climate and human and labour rights)
- Financial outcome for members, including size of holding
- High profile vote, including votes not supporting company management

In conclusion...

...The Trustee is satisfied that over the year, all SIP policies and principles were adhered and in particular, those relating to voting and engagement.

Core Diversified Fund

Voting activity over the year



Voting policy As the manager manages fund of funds, the voting rights for the holdings are the responsibility of the underlying managers. The manager expects all of their underlying managers who hold equities over a reasonable timeframe to vote all shares they hold. The manager has appointed EOS at Federated Hermes (EOS) to provide voting recommendations to enhance engagement and achieve responsible ownership. EOS also carries out public policy engagement and advocacy on behalf of all of their clients. In addition, EOS is expanding the remit of engagement activity they perform on the manager's behalf beyond public equity markets, which will enhance stewardship practices over time.