

LondonWaste Ltd Pension Scheme – Implementation Statement for 2019 DB Regulations

Statement of Compliance with the LondonWaste Ltd Pension Scheme’s Stewardship Policy for the year ending 31 December 2020.

Introduction

This is the Trustees statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustees have complied with the Scheme’s Stewardship & Engagement Policy during the period from 1 January 2020 to 31 December 2020.

Stewardship policy

The Trustees Stewardship & Engagement Policy sets out how the Trustees will behave as an active owner of the Scheme’s assets which includes the Trustees approach to;

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustees monitor and engage with their investment managers and any other stakeholders.

The Scheme’s Stewardship & Engagement Policy is reviewed on an annual basis in line with the Scheme’s Statement of Investment Principles (SIP) review which was last completed on 18/8/2020.

You can review the Scheme Stewardship & Engagement Policy which can be found within the Scheme’s Statement of Investment Principles, at <https://www.londonenergy ltd.com/about-us/londonwaste-pension-scheme/>.

The Trustees have delegated voting and engagement activity in respect of the underlying assets to the Scheme’s investment manager. The Trustees believe it is important that their investment manager takes an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company’s financial performance.

The Trustees’ own engagement activity is focused on their dialogue with their investment manager which is undertaken in conjunction with their investment adviser. The Trustees meet regularly with their investment manager and the Trustees consider managers exercise of their stewardship both during these meetings and through reporting provided by their investment adviser.

The Trustees also monitor their compliance with their Stewardship & Engagement Policy on a regular basis and are satisfied that they have complied with the Scheme’s policy over the last year.

Voting activity

The Trustees seek to ensure that their manager is exercising voting rights and where appropriate, to monitor the manager’s voting patterns.

The Trustees have investment in equity assets through the Schroder Life Diversified Growth Fund, with the equity allocation representing 48% of the DGF at 31 December 2020. Over the year, Schrodgers voted on over 20,000 items from 1,375 companies. Votes primarily covered climate change, remuneration, diversity and board composition.

Further information in relation to proportion of votes against management and significant votes was not available at time of writing. Schrodgers have highlighted their commitment to providing effective and meaningful disclosure, including reviewing the information they currently provide to clients.

Engagement activity

The manager carried out 2,150 engagements with 1,490 companies over 2020. Engagements covered all three areas of 'ESG', with a focus on climate change, environmental policy, transparency and disclosure, diversity, human rights, board structure, corporate strategy and remuneration. The main method of engagement was via email with holding company management.

Review of policies

The Trustees have committed to reviewing the manager's Responsible Investment policies on an annual basis. The last review was undertaken by the Trustees on 18/8/2020. The review considered the manager's broader approach to responsible investment issues in addition to considering any change in approach by the manager over the year.

The Trustees and their advisors remain satisfied that the responsible investment policies of the manager and the voting policies remain suitable for the Scheme.