

Forester Group Employee Pension Scheme

Annual Implementation Statement

Introduction

This statement, written for the benefit of the members of the Scheme, sets out how, and the extent to which, the Statement of Investment Principles (SIP) produced by the Trustees, has been followed during the year to 31 March 2021.

The SIP is a document drafted by the Trustees to help govern the Scheme's investment strategy and it details a range of investment-related policies.

This statement has been produced in accordance with Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (SI 2013/2734), as amended by The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (SI 2018/988), and the guidance published by the Pensions Regulator.

Trustees' Investment Objectives

The Trustees' primary objective is to meet benefit payments as they fall due.

For the Staff Plan, the Trustees aspire to a position where the defined benefit liabilities are matched as accurately as reasonably possible, having regard to the latest actuarial information, by a combination of cash, conventional and index-linked bonds.

For the Employee Pension Plan, the Trustees are required to establish a default investment strategy as the Scheme is used for auto-enrolment purposes. The Trustees' objective in this matter is to provide an investment option that is suitable for active and deferred members of the Employee Pension Plan who do not make a fund choice.

For other members of the Employee Pension Plan, the Trustees aim to offer an appropriate range of investment options so that members who wish to make their own investment choices have the ability to do so, recognising that members may have different needs and objectives.

The Trustees aim for all members within the Employee Pension Plan to achieve good outcomes net of fees and subject to acceptable levels of risk. The expected volatility of returns achieved is managed through appropriate diversification between asset types in order to control the level of volatility and risk in the value of members' pension pots.

Investment Strategy

During the financial year, the Trustees did not make any changes to the Scheme's investment strategy.

Further, there were no changes to the options available to DC members.

Statement of Investment Principles

During the year to 31 March 2020, the Trustees reviewed the Scheme's SIP and a revised SIP was implemented with effect from January 2020. Changes were made to reflect the following:

- the aims and objectives of the Trustees or managers in respect of the investments;
- how the aims and objectives are intended to ensure the assets are invested in the best interests of relevant members and beneficiaries;
- the balance between different kinds of investments;
- the expected return on investments; and
- the realisation of investments.

Scheme's Investment Structure

The assets of the Staff Plan are invested in an insurance policy with Legal & General Assurance (Pensions Management) Limited, part of the Legal & General Group. The assets are managed on a balanced discretionary basis investing in Legal & General's range of specialist pooled funds.

The defined contribution assets of the Employee Pension Plan are invested in an insurance policy with Standard Life Assurance Limited. The Trustees make available to the members a number of pooled funds within Standard Life's Pension One series, which are managed by Standard Life Investments Limited.

The balance of assets in the Employee Pension Plan are invested in a Standard Life Trustee Investment Plan. The assets are held within one or more pooled funds, which are also managed by Standard Life Investments Limited.

As an investor in multi-client pooled funds, the Trustees have limited ability to influence the investment manager's investment decision making process. The Trustees therefore delegate decisions around ESG directly to the investment managers.

Policy on Environmental, Social and Governance (ESG) and Stewardship

The SIP includes the Trustees' policy on ESG and Stewardship. The Trustees believe that ESG factors should be considered by the investment managers. The Trustees monitor the investment managers' approach to the integration of ESG risks and opportunities on an on-going basis.

The Trustees keep their policies under regular review with the SIP subject to review at least triennially.

The Trustees expect fund managers to use rights (including voting rights) wholly in the economic interests of the members.

Engagement

In the relevant year, the Trustees have, during the year, engaged with both Standard Life and Legal & General Investment Management on their approach to ESG investing.

Voting Activity

The Trustees have no direct relationship with the underlying companies in which the pooled funds that are invested in by the Scheme, and therefore have no voting rights in relation to the Scheme's investments. The Trustees have therefore effectively delegated their voting rights to the Scheme's underlying investment managers.

The Trustees do not use the services of a proxy voter.

Nevertheless, the table below sets out a summary of the key voting activity of the pooled funds for which voting is possible (i.e. all funds which include equity holdings) in which the Scheme's assets are invested, over the year from 31 March 2020 to 31 March 2021.

Fund	Proxy voter used?	Votes cast			Significant vote examples
		Votes in total	Votes against management	Abstentions	
Standard Life Managed Fund	Aberdeen Standard Investments (ASI) employs ISS as a service provider to deliver its voting decisions efficiently to companies. ISS provides voting recommendations based on ASI's own customised voting policy, which reflects its guidelines and expectations. ASI considers ISS's recommendations and those based on its custom policy as input to its voting decisions. In addition to the ISS service for UK company general meetings ASI also uses research provided by the Institutional Voting Information Service (IVIS), which uses the guidelines of the Investment Association (IA) as the basis of their research.	5,459	300	117	Aberdeen Standard Investment views all votes as significant and votes all shares globally for which it has voting authority and are therefore unable to respond directly to this part of the request. Instead, ASI believe it goes beyond guidelines and endeavours to disclose all its voting decisions for all active and passive equity holdings. It provides full transparency of voting activity on its publicly available website and fund specific voting reports on request.

Fund	Proxy voter used?	Votes cast			Significant vote examples
		Votes in total	Votes against management	Abstentions	
Standard Life FTSE All Share Index and Standard Life FTSE Tracker	Vanguard Investment Stewardship team votes on behalf of Vanguard's internally managed equity holdings. Vanguard casts proxy votes via dedicated voting providers. They consult a wide variety of third-party research providers and its own internal proprietary databases. It then analyses the various issues and ballot measures in conjunction with its Proxy Voting Guidelines and other relevant data to reach its own independent decisions. The Investment Stewardship team uses a variety of research from well-known providers, such as ISS, Glass Lewis, and Equilar, as well as a number of smaller research providers.	10.660	106	8	None

Fund	Proxy voter used?	Votes cast			Significant vote examples
		Votes in total	Votes against management	Abstentions	
Standard Life Multi Asset Managed (20-60% shares)	Aberdeen Standard Investments (ASI) employs ISS as a service provider to deliver its voting decisions efficiently to companies. ISS provides voting recommendations based on ASI's own customised voting policy, which reflects its guidelines and expectations. ASI considers ISS's recommendations and those based on its custom policy as input to its voting decisions. In addition to the ISS service for UK company general meetings ASI also uses research provided by the Institutional Voting Information Service (IVIS), which uses the guidelines of the Investment Association (IA) as the basis of their research	7,203	536	170	Aberdeen Standard Investment views all votes as significant and votes all shares globally for which it has voting authority and are therefore unable to respond directly to this part of the request. Instead, ASI believe it goes beyond guidelines and endeavours to disclose all its voting decisions for all active and passive equity holdings. It provides full transparency of voting activity on its publicly available website and fund specific voting reports on request.

Fund	Proxy voter used?	Votes cast			Significant vote examples
		Votes in total	Votes against management	Abstentions	
Standard Life Passive Plus III and Passive Plus	<p>Vanguard Investment Stewardship team votes on behalf of Vanguard's internally managed equity holdings. Vanguard casts proxy votes via dedicated voting providers. They consult a wide variety of third-party research providers and its own internal proprietary databases. It then analyses the various issues and ballot measures in conjunction with its Proxy Voting Guidelines and other relevant data to reach its own independent decisions. The Investment Stewardship team uses a variety of research from well-known providers, such as ISS, Glass Lewis, and Equilar, as well as a number of smaller research providers.</p>	59,495	2,149	520	<p>CK Hutchison Holdings Limited, 14 May 2020: voted against election of two individuals as director.</p> <p>Atlantia SpA, 29 May 2020: voted against second section of Remuneration Report.</p> <p>Prosus NV, 18 August 2020: voted against Remuneration Policy for Executive Directors and the Remuneration Report.</p>

Fund	Proxy voter used?	Votes cast			Significant vote examples
		Votes in total	Votes against management	Abstentions	
Legal & General UK Equity Index	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure the proxy provider votes in accordance with LGIM's position on ESG, it has put in place a custom voting policy with specific voting instructions.	12,574	886	1	<p>International Consolidated Airlines Group, 7 September 2020: voted against Remuneration Report.</p> <p>Imperial Brands plc, 3 February 2021: voted against Remuneration Report and Remuneration Policy.</p>

This report was approved by the Trustees on 30 September 2021 and signed on its behalf by:

Mark Sonenfeld
Chairman