

Engagement Policy Implementation Statement

The Newsquest Pension Scheme and CN Group Supplementary Pension Plan

The Engagement Policy Implementation Statement ("EPIS") has been prepared by the Trustee of the Newsquest Pension Scheme (the "Scheme") and the CN Group Supplementary Pension Plan (the "Plan") (collectively the "Sections") and covers the Scheme year 1 April 2021 to 31 March 2022.

Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (the "Regulations"). The Regulations require that the Trustee produces an annual statement which outlines the following:

- Explain how and the extent to which the Trustee has followed its engagement policy which is set out in the Statement of Investment Principles ("SIP").
- Describe the voting behaviour by or on behalf of the Trustee (including the most significant votes cast) during the Scheme year and state any use of third-party provider of proxy voting services.

Executive summary

Based on the activity over the year by the Trustee and its investment managers, the Trustee believes that the stewardship policy has been implemented effectively. The Trustee notes that its fiduciary manager and most of their investment managers were able to disclose strong evidence of voting and/or engagement activity.

The Trustee expects improvements in disclosures over time in line with the increasing expectations on asset managers and their significant influence to generate positive outcomes for the Sections through considered voting and engagement. In particular, the Trustee expects improvements from LGIM on their reporting of fund level engagement examples. The Trustee's investment advisor, Aon, will engage with LGIM to encourage improvements in their disclosures.

Stewardship policy

The below bullet points summarise the Sections' stewardship policy in force over the majority of the Scheme year to 31 March 2022. The full SIP is available on request and can be found online.

As part of their delegated responsibilities, the Trustee expects the Sections' investment managers to:

- Where appropriate, engage with investee companies with the aim to protect and enhance the value of assets; and
- exercise the Trustee's voting rights in relation to the Sections' assets.

The Trustee regularly reviews the continuing suitability of the appointed investment managers and takes advice from their investment adviser regarding any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.

There were no changes to the stewardship policy over the Scheme year.

Scheme stewardship activity over the year

Ongoing Monitoring

Investment monitoring takes place on a quarterly basis, with monitoring reports being provided to the Trustee by Aon. The Sections' investment managers each present on an annual basis and are specifically briefed by the Trustee's investment advisers on behalf of the Trustee to discuss Environmental, Social & Governance ("ESG") issues at a firm, asset class and mandate-specific level. The Trustee has access to ESG ratings from its investment adviser that highlight any areas of concern, or where action is required. The Trustee is kept abreast of any changes to a fund's ESG rating.

Voting and Engagement Activity

Over the period, the Sections held investments in a number of equity, fixed income and alternative funds. This section provides an overview of the voting (where applicable) and engagement activities of the material investment managers.

Voting and Engagement activity – Equity

The Sections invest in the following equity funds:

Legal & General Investment Management	All World Developed Equity Index Fund (the Scheme only as at year end)
	FTSE RAFI All World 3000 Equity Index Fund (the Scheme only as at year end)
	MSCI World Minimum Volatility Index Fund (the Scheme only as at year end)

In this section there is a summary of voting information and examples of significant voting activity for LGIM. LGIM provided examples of 'significant' votes it participated in over the period. Managers have their own criteria for determining whether a vote is significant. Examples of what might be considered a significant vote are:

- a vote where a significant proportion of the votes (e.g. more than 15%) went against the management's proposal
- where the investment manager voted against a management recommendation or against the recommendation of a third-party provider of proxy voting
- a vote that is connected to wider engagement with the company involved
- a vote that demonstrates clear and considered rationale
- a vote that the Trustee considers inappropriate or based on inappropriate rationale
- a vote that has significant relevance to members of the Sections.

Legal & General Investment Management ("LGIM")

Voting policy

LGIM uses proxy voting adviser Institutional Shareholder Services ("ISS") to execute votes electronically and for research. LGIM also receives research from Institutional Voting Information Service ("IVIS"). This augments LGIM's own research and proprietary ESG assessment tools. LGIM does not outsource any part of the voting decisions to ISS. LGIM has a custom voting policy in place with ISS. This seeks to uphold what LGIM considers to be best practice standards companies should

observe. LGIM can override any voting decisions based on the voting policy if appropriate. For example, if engagement with the company has provided additional information.

The table below shows the voting statistics for the LGIM funds for the year to 31 March 2022.

	All World Developed Equity Index Fund	FTSE RAFI All World 3000 Equity Index Fund	MSCI World Minimum Volatility Index Fund
Number of resolutions eligible to vote on over the period	27,779	43,863	5,597
% of resolutions voted on for which the fund was eligible	99.9%	99.7%	99.7%
Of the resolutions on which the fund voted, % that were voted against management	21.0%	18.6%	21.2%
Of the resolutions on which the fund voted, % that were abstained from	0.3%	0.8%	0.3%

Source: LGIM

Voting Example: FTSE RAFI All World 3000 Equity Index Fund - Apple

In March 2022, LGIM voted in favour of a Resolution to report the Civil Rights Audit for the technology company Apple Inc. LGIM voted in this way because LGIM supports proposals related to diversity and inclusion policies, as it considers these issues to be a material risk to companies. The vote passed 53.6% votes of favour. LGIM deemed this vote significant as LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Voting Example: All World Developed Equity Index Fund - Target

In June 2021, LGIM voted against a resolution to elect the Chief Executive Officer (“CEO”) of Target Corporation, a retailer, to the role of chair of the company’s board. It is LGIM’s policy to advocate for the separation of CEO and board chair roles. LGIM believes these two roles to be substantially different, requiring distinct skills and experiences due to risk management and oversight. Further, LGIM expects a CEO or Non-Executive Director not to hold too many board positions to ensure they can undertake their duties effectively. 93.7% of shareholders voted in favour of the resolution. LGIM considered this vote to be significant because it is an example of how it applied and escalated its voting policy on the topic of combined board chair and CEO role.

Voting Example: MSCI World Minimum Volatility Index Fund – Japan Post

In June 2021, LGIM voted against a resolution to Elect a Director for Japan Post Holdings Co. Ltd, a postal and logistics company. LGIM voted this way because the company is deemed to not meet minimum standards with regards to climate risk management and disclosure. The resolution passed with 96.9% votes in favour. LGIM deemed this vote significant as it is applied under the Climate Impact Pledge. LGIM will continue to engage with the company and monitor progress.

Engagement policy

LGIM has a six-step approach to its investment stewardship engagement activities, broadly these are:

1. Identify the most material ESG issues,
2. Formulate the engagement strategy,
3. Enhancing the power of engagement,
4. Public policy and collaborative engagement,
5. Voting, and
6. Reporting to stakeholders on activity.

LGIM monitors several ESG subjects and conducts engagement on various issues. Its top five engagement topics are climate change, remuneration, diversity, board composition and strategy. LGIM's engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all its clients.

More information can be found on LGIM's engagement policy: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf.

At the time of writing, LGIM had not provided engagement examples specifically in relation to the funds invested in by the Sections. The Trustee's investment advisor, Aon, has engaged with LGIM to encourage it to report on its engagement activities in line with its peers. Aon and the Trustee expect to see improvements in LGIM's reporting next year. The example provided below is at a firm level, i.e. it is not specific to the fund the Sections invest in.

Engagement Example (firm level) – Antimicrobial resistance

Over 2021, LGIM engaged with several companies on the topic of antimicrobial resistance. Antimicrobial resistance occurs when bacteria, viruses, fungi and parasites change over time and no longer respond to medicines making infections harder to treat and increasing the risk of disease. LGIM states that the overuse and inappropriate use of antimicrobials in human activities are often linked to antimicrobial agents getting into the ecosystem. In particular, water sanitation systems have not been designed to address antimicrobial resistance.

LGIM engaged with 20 water utility companies through an open letter to understand if they were aware of the issue of antimicrobial resistance and if they plan to introduce monitoring systems to detect agents such as antibiotic-resistant bacteria. LGIM also had meetings with some of the companies and found that awareness of antimicrobial resistance was generally low. LGIM believed this was due to the lack of regulatory requirements and little perception of the potential business risks.

After these engagements, LGIM found several investee companies were considering their approach to antimicrobial resistance. In particular, one utility company sought to understand what happens to contaminants in its wastewater treatment process and implemented a programme to try to understand improvements it could make to its systems.

Engagement activity – Fixed income, Property and Property Debt funds

Whilst voting rights are not applicable to non-equity mandates, the Trustee recognises that debt investors have significant capacity for engagement with issuers of debt. Debt financing is continuous, and so debt issuers have a vested interest to make sure that investors are happy with the issuer's strategic direction and policies. Whilst upside potential may be limited in comparison to equities, downside risk mitigation and credit quality are critical parts of the investment decision-making process.

The Trustee acknowledges that the ability of fixed income, property and property debt managers to engage with and influence investee companies may be less compared to equity managers. However, it is encouraging to see from the information they provided for the EPIS that the managers are aware and active in their role as stewards of capital.

The Sections invest in the following fixed income, property and property debt strategies.

LGIM	UK Core Plus Fund
	UK Active Corporate Bond Fund (the Scheme only)
	LPI Distribution Property Fund
Aon Investment Limited	Diversified Liquid Credit Strategy (the Scheme only)
BentallGreenOak Real Estate Advisors LP	UK Secured Lending Fund II (the Scheme only)
	UK Secured Lending Fund III (the Scheme only)
CBRE Global Investors	UK Property (the Scheme only)

The following examples demonstrate some of the engagement activity carried out by the Sections' fixed income and property managers over the year.

LGIM

At the time of writing, LGIM had not provided engagement examples specific to the funds. The Trustee's investment adviser, Aon, has engaged at length with LGIM regarding its lack of fund level engagement reporting. LGIM has confirmed it is working towards producing this in the second half of 2022. The Trustee expects to see improvements in LGIM's reporting next year.

LGIM Core Plus and Active Corporate Bond Fund

Engagement policy

LGIM's direct engagement with companies is a way they seek to identify ESG risks and opportunities. On-going dialogue with companies is a fundamental aspect of LGIM's responsible investment commitment. Investment teams and the Corporate Governance team regularly meet companies together. The Corporate Governance team meets with the Active Equity and Fixed Income team on a bi-weekly basis to share information gained from analysis and engagement activity. This is a forum for raising and discussing particular investment and ESG concerns, insights and updates. LGIM aims to raise the performance of the whole market through ESG capability and engagement of companies globally.

LGIM LPI Distribution Property Fund

Engagement policy

LGIM has a tenant liaison policy which requires the managing agents to develop a specially targeted tenant engagement programme for its property assets. This process is incorporated in the green lease clauses which LGIM tries to place into every new lease.

LGIM enhances the level of interaction with tenants by engaging them as far as possible on the operational aspects of the buildings it owns. It believes that by fostering close relationships with tenants, it can influence them to use the buildings LGIM owns in a more efficient and sustainable manner.

Feedback from tenants is gathered through various channels. Each property manager from LGIM's managing agent meets each tenant once a year to gather feedback. From a corporate perspective, LGIM's investment managers have key contacts with larger tenants that they try to develop a corporate relationship to discuss initiatives and gather feedback. All tenant meetings and their responses are recorded.

BentallGreenOak Real Estate Advisors LP (“GreenOak”) - UK Secured Lending Fund II & III

Engagement policy

GreenOak states its sustainable investing approach (which includes engagement activities as a key pillar) is tied to its investment strategies and designed to match a range of client and investor risk and return expectations. GreenOak claims it endeavours to manage ESG risks as part of its investment decision making and prioritises ESG consideration at every stage of a building's lifecycle; development, acquisition, and operations.

With respect to engagement, GreenOak aims to provide the tools and resources its investment and management teams need to effectively operationalise sustainable investing. GreenOak states that it aims to foster meaningful asset occupancy and community engagement and involvement that helps occupants achieve its sustainable investing goals through proactive engagement.

Engagement example: Climate impact risk

In 2021, GreenOak engaged with the objective of understanding the climate impact risk towards the underlying property and the sponsor's business plan in addressing environmental demands through energy performance, certifications, and tenant risks.

The engagement took place through a formal ESG questionnaire. As an outcome of this engagement, GreenOak was able to understand the climate risks associated with the underlying properties and understand the tenants' environmental risks. GreenOak will continue to monitor the company the company later in the year.

CBRE Global Investors (“CBRE”) - Property Segregated Funds

Engagement policy

CBRE invests directly in real estate and engages primarily with the occupiers of its properties. CBRE and its property managers on its behalf, engage with tenants on an ongoing basis. CBRE does not keep statistics on individual engagements.

Engagement example: ODPC

In 2021, CBRE engaged with its tenants and Syzygy, an independent specialist renewable energy consultancy. The engagement involved Old Oak and Park Royal Development Corporation (“OPDC”), which is the Mayor of London's development corporation, working to transform the Old Oak and Park Royal areas of west London and seeking to maximise the use of solar generation in this area.

Syzygy will carry out the technical and financial due diligence and build financial models for rooftop solar systems. The project involves ten sites in the Park Royal area and requires close engagement with sitting tenants in the units that are identified as being suitable for panel installation.

The following outcomes are expected from this project:

- 4,000 kWp¹ of solar panels installed across rooftops;
- Carbon savings of approximately 800 tonnes per year, equivalent to power 1,500 electric cars every year; and
- Between 50-70% net zero offset of energy demand.

Aon Investment Limited (“AIL”) - Diversified Liquid Credit Strategy

Engagement policy

The Sections invest in the AIL Diversified Liquid Credit Strategy, a fund of funds arrangement. The Trustee delegates the monitoring of ESG integration and stewardship quality of the underlying

¹ kWp is the peak power of a PV system or panel. Solar panel systems are given a rating in kilowatts peak (kWp) which is the rate at which they generate energy at peak performance, such as on a sunny day in the afternoon.

managers in the Diversified Liquid Credit to AIL. AIL confirmed that the underlying managers received an ESG rating of 'Integrated' or higher on Aon's ESG rating system. This means that all the appointed asset managers are at least aware of potential ESG risks in the investment strategy and have taken some steps to identify, evaluate and potentially mitigate these risks.

Engagement example: Various

AIL has carried out a considerable amount of engagement activity over the year. AIL held a number of ESG focussed meetings with the underlying managers across all of its strategies. At these meetings, AIL discussed ESG integration, and voting and engagement activities undertaken by the investment managers. This allowed AIL to form an opinion on each manager's strengths and areas for improvement. AIL provided feedback to the managers following these meetings with the goal of improving the standard of ESG integration across its portfolios. AIL continues to execute its ESG integration approach and engage with managers.

This section provides an overview of the voting and engagement activities of some of the underlying managers.

Schroders plc ("Schroders") – International Selection Fund ("ISF") Securitised Credit Fund

Engagement policy

Schroders engages on a broad range of topics including climate risk. Schroders believes that engagement provides it with an opportunity to influence company interactions with their stakeholders; ensuring that the companies it invests in are treating their employees, customers and communities in a responsible way.

In Schroders's ISF Securitised Credit Fund, cashflows from various loans, such as mortgages, car loans and credit card payments, are grouped together into bonds known as asset-backed securities. In its engagements, Schroders engages with the managers of the underlying loan products. Schroders has developed questionnaires specifically for collateralised loan obligations managers and commercial mortgage-backed securities managers, which it issues as part of its engagements. The information received is incorporated into its manager due diligence.

At the time of writing, Schroders did not provide fund-level engagement examples. The Trustee's, investment adviser, Aon, will raise this issue with Schroders at their next meeting. The example provided below is at a firm level, i.e. it is not specific to the fund the Sections invest in.

Engagement example (firm level): FTSE 100

In 2021, Schroders engaged with a number of FTSE 100 companies to inform them that, from 2022 onwards, it will be using its shareholder votes to apply pressure on firms that have failed to meet board diversity targets. Schroders's believes that diversity is important for a company's long-term strategy and success. Further, this will allow for more constructive debate of different views as well as a better representation of wider stakeholders.

Schroders engaged by sending out letters to companies. Since sending out these letters, 25 companies acknowledged receipt, 15 provided a substantial response and one has since appointed a non-white director to its board. Schroders will monitor the progress of companies on this issue.

Barings LLC ("Barings") Active Short Duration

Engagement policy

Barings's engagements involve interactions with current or potential investees on ESG issues. Engagements are undertaken to influence ESG practices and improve ESG disclosure. Through its engagement, Barings aims to enhance the performance of its investments for the benefit of its clients. Barings believes that value is derived from transparent communication with the entities in which it invests, coupled with the expertise and discretion of its experienced investment professionals.

Engagement Example: Gender diversity

In 2021, Barings engaged with an issuer about gender diversity of the company's board. The issuer said it was looking to include a female director among the future members. The issuer also stated that the Board of Directors was undergoing a review by the management. Barings encouraged the issuer to provide updates on this issue. Barings will continue to monitor developments.

Engagement activity – Alternatives

The Trustee acknowledges that the ability of alternative managers to engage with and influence investee companies may be less compared to equity managers. However, it is encouraging to see from the information they provided for the EPIS that the managers are aware and active in their role as stewards of capital.

The Sections invest in the following alternative managers.

Leadenhall Capital Partners	Leadenhall Diversified Fund (Newsquest only)
Innisfree	PFI Secondary Fund (Newsquest only)

Leadenhall Capital Partners (“Leadenhall”) - Diversified Fund (Insurance Linked Securities)

Engagement policy

Leadenhall performs a detailed review of its investment counterparties' ESG policies and controls. Where appropriate Leadenhall will avoid investment counterparties who are not aligned with its own ESG policies. Leadenhall assesses its investment counterparties' alignment with its own ESG principles by considering specific factors including:

- Environmental impact such as pollution prevention, reduced carbon emissions, and adherence to environmental safety standards.
- Social impact including human rights, welfare and community impact issues.
- Governance issues including board structure, remuneration, accounting quality and corporate culture.

Innisfree - PFI Secondary Fund

Engagement policy

Regular and ongoing engagement with the public sector client throughout the concession life is key to the effective working and financial performance of the project. In terms of industry engagement, the PFI industry is small with a handful of familiar participants. The principal means of government/industry engagement is with the Infrastructure and Projects Authority, IPA, on matters such as hand back protocols and climate change.

Innisfree's funds hold the projects for the duration of the concessions and therefore decision-making in the management of assets is made with the perspective of a long-term partnership with the public sector including all stakeholders and asset users. Environmental and sustainability factors with regards to variations and lifecycle are considered at the projects' board level and adopted where possible but ultimately the decision (for example with regard to energy savings from e.g. switching to LED lighting or installing PV panels) often lies with Innisfree's government client as it could entail a change to the building's specification. Where it is possible to replace larger building lifecycle items with greener or more efficient options Innisfree seeks to encourage these.

Appendix

Manager	Fund	Newsquest Pension Scheme	CN Group Supplementary Pension Plan
Legal & General Investment Management	All World (ex UK) Developed Equity Index Fund	✓	Disinvested over Plan year
	FTSE RAFI All World 3000 Equity Index Fund	✓	Disinvested over Plan year
	MSCI World Minimum Volatility Index Fund	✓	Disinvested over Plan year
	UK Core Plus	✓	✓
	UK Active Corporate Bond Fund	✓	
	LPI Distribution Property Fund	✓	✓
CBRE Global Investors	Property - Segregated Funds	✓	
BentallGreenOak Real Estate Advisors	UK Secured Lending Fund II	✓	
	UK Secured Lending Fund III	✓	
Aon Investment Limited	Diversified Liquid Credit Strategy	✓	
Leadenhall Capital Partners	Leadenhall Diversified Fund	✓	
Innisfree	Innisfree PFI Secondary Fund	✓	