

Annual Implementation Statement – for scheme year ending 31 December 2020

Thomas & Betts Retirement Benefits Scheme

Introduction and purpose to this statement

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustees of the Thomas & Betts Retirement Benefits Scheme (the “Scheme”) covering the scheme year to 31 December 2020.

The purpose of this statement is to set out the extent to which, in the opinion of the Trustees, the engagement policy under the Plan’s Statement of Investment Principles (“SIP”) has been followed during the year.

A copy of this implementation statement will be made available on the company’s website and included in the Trustees’ annual Report and Financial Statements for the year ended 31 December 2020.

This is the first year of the Scheme providing an Implementation Statement.

Trustees’ engagement policy

In line with the Trustees’ Statement of Investment Principles, the Trustees have delegated all day-to-day investment decisions to the Scheme’s sole investment manager (apart from AVCs) – Legal & General Investment Management (“LGIM”). The Scheme’s assets (excluding AVCs) are entirely passively managed and invested in unit-linked pooled arrangements.

Due to the passive nature of the Scheme’s investments, the Trustees recognise that no material decisions are taken by the investment manager on the holdings to be included in the portfolio. However, the Trustees expect that the extent to which social, environmental or ethical issues may have a fundamental impact on the portfolio will be taken into account by the investment manager in the exercise of their delegated duties.

The Trustees encourage LGIM to discharge their responsibilities in respect of investee companies in accordance with the Stewardship Code published by the Financial Reporting Council. The Trustees will monitor the activities of their manager on a regular basis but appreciate that its applicability may be limited for certain asset classes such as bonds.

The Trustees meet with the investment manager, LGIM, at least once a year to discuss any relevant matters. The Trustees met the manager on 25 February 2021 and discussed LGIM’s approach to sustainable investment. The Trustees are comfortable that the manager is engaging with investee companies in a manner aligned with the Scheme’s long-term investment objectives. Ahead of the meeting the manager shared their ESG guide on the new disclosure requirements, which included links to a number of relevant documents, including LGIM’s 2020 voting record.

This showed that in 2020, the asset manager had engaged with many companies over the past year on sustainability and other issues and held directors of these companies accountable to a high extent relative to comparable managers. LGIM consider their top five engagement themes to be climate change, remuneration, diversity, board composition and strategy.

The Trustees policy is to delegate responsibility to the investment managers for the exercising of rights attaching to investments.

In the Trustees opinion, the Statement of Investment Principles has been followed during the year to 31 December 2020 in relation to engagement.

The Trustees of the Thomas & Betts Retirement Benefits Scheme

April 2021