

Following our investment principles

Annual Implementation Statement for the ITV Pension Scheme (Defined Benefit Section C) for the year ending 31 December 2021

This document provides an assessment of how the Trustee has put its Statement of Investment Principles (SIP) into practice during the year.

It covers three main areas: voting rights and voting behaviour; the engagement and monitoring of investment managers; and how responsible investment (referred to as ESG) has been considered as part of the investment decision-making process.

What's covered

Section 1: Introduction	2
Section 2: Review of, and changes to, the SIP	3
Section 3: Adherence to the SIP	4
Section 4: Voting and Engagement	5

Section 1: Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of ITV Pension Scheme (“the Scheme”) covering the Scheme year (“the year”) to 31 December 2021.

The purpose of this statement is to:

- Detail any reviews of the SIP that the Trustee has undertaken, and any changes made to the SIP over the year as a result of the reviews.
- Set out the extent to which, in the opinion of the Trustee, the Scheme’s Statement of Investment Principles (“SIP”) required under section 35 of the Pensions Act 1995 has been followed during the Scheme year.
- Describe the voting behaviour by, or on behalf of, the Trustee during the year and any use of the services of a proxy voter during that year.

A copy of this implementation statement has been made available on the following website: <https://www.itv-pensions.com/documents/itv-db-implementation-statement-c.pdf>

This document focuses on the investments held for the purposes of the Scheme’s Section C Defined Benefits and all references to the Scheme should be interpreted as referring to Section C.

A separate statement relating to the Defined Benefit investments of Section A can be found at the following website: <https://www.itv-pensions.com/documents/itv-db-implementation-statement-a.pdf>

A further statement relating to the Defined Contribution investments can be found at the following website: <https://www.itv-pensions.com/documents/itv-dc-implementation-statement.pdf>

Section 2: Review of, and changes to, the SIP

The Trustee Board will review this SIP at least every three years to coincide with the triennial valuation process, or sooner if there are significant changes in investment policy or there is a material change to the Section's funding position or other circumstances which, the Trustee Board determines, warrant a reconsideration of strategic asset allocation and risk tolerance beyond responses envisaged in the latest statement of investment principles.

The SIP was last reviewed and updated in September 2020. This review and update reflected new regulatory requirements which came into force 1 October 2020, including amendments to the Scheme's stewardship/engagement policy to include explicit references to arrangements with asset managers and other counterparties. During this SIP review the format and content was simplified but there were no other major changes to the policies outlined.

For the purpose of assessing how the Scheme's SIP has been followed, the remainder of this statement specifically focuses on the SIP agreed in September 2020.

Section 3: Adherence to the SIP

The Trustee believes the policies outlined in the SIP have been followed during the Scheme year and the justification for this is set out in the remainder of this section. Please note that this statement only covers sections of the SIP deemed to represent the Trustee's policies, and not introductory or background comments, or statements of fact.

Scheme objectives and investment strategy

The Trustee Board is responsible for the Stewardship of the Scheme's assets and ensures that there are sufficient assets available in the Scheme to meet the payment of pension obligations in full as they fall due.

The Trustee acknowledges that the Scheme is exposed to a series of risks and their policy is wherever possible risks should be reduced or limited as is practicable. The Trustee Board purchased an insurance policy with Pension Insurance Corporation "PIC" to secure all the members' benefits associated with Section C. This policy is consistent with the Sections' long-term objective to provide greater security for payment of members' benefits. The insurance policy is an asset of the Scheme and the pension liability remains with the Scheme.

Further to the above, the Scheme has fully adhered to its risk management policies as outlined in the SIP for the following risks: solvency, mismatching, manager, liquidity, credit, currency interest rate, inflation, custodial, political, sponsor and derivatives. These risks are mitigated through the purchase of the insurance policy to secure the member benefits associated with the Section.

Other investment policies

The Trustee expects its fund managers, where appropriate, to have integrated environmental social and governance (ESG) factors as part of their investment analysis and decision-making process and will review managers in this regard.

The Trustee Board's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The Scheme's investment advisor engages managers on areas for development including improving the breadth and depth of corporate engagements. Further information on the voting and engagement activities is provided in Section 4 of this statement.

The Section's assets are held in an annuity policy that covers all of Section C's members and therefore the Trustee has limited scope to further implement its investment policies. Under the annuity policy consideration of the sustainable investment/ESG characteristics of the annuity portfolio and engagement activities is fully transferred to the annuity provider.

The cost of the annuity is priced into the initial transaction. There is no ongoing management fee and therefore fees and fee structures cannot be assessed and renegotiated. The nature of the annuity pricing means the Scheme does not incur costs from turnover within the annuity portfolio; these fees cannot therefore be assessed.

Section 4: Voting and Engagement

This Section does not hold any public quoted equities and as such has no investments with relevant voting data. As noted above, consideration of engagement activity is fully transferred to the annuity provider under the insurance policy.