

Implementation Statement

RC Treatt & Co Limited Pension & Assurance Scheme

This Implementation Statement has been prepared for the Trustees of the R C Treatt & Co Limited Pension & Assurance Scheme (the “**Scheme**”) to set out the following information over the year to 31 December 2023:

- The voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes; and
- How the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year.

Trustee policies on voting and engagement

The Trustees’ Statement of Investment Principles (SIP) in force on 31 December 2023 describes the Trustees’ policy on the exercise of rights (including voting rights) and engagement activities as follows:

“The Trustees’ policy on the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities in respect of the investments is that these rights should be exercised by the investment managers on the Trustees’ behalf. In doing so, the Trustees expect that the investment managers will use their influence as major institutional investors to exercise the Trustees’ rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.”

The Trustees’ SIP was last reviewed in January 2024 to comply with regulations that came into force on 1 October 2020. The SIP has been made available online [here](#).

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such, delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.

Investment rights (including voting rights) have been exercised by the investment managers in line with the investment managers’ general policies on corporate governance, which are provided to the Trustees from time to time, taking into account the financial interests of the beneficiaries. The Trustees also expect the investment managers to have engaged with companies in relation to ESG matters, and to take these into account in the selection, retention and realisation of investments where appropriate.

Through preparation of the Implementation Statement, the Trustees reviewed the stewardship and engagement activities of their investment managers, and were satisfied that the policies followed by the managers were reasonable and in alignment with the Trustees’ own policies. No remedial action was required during the period.

The Trustees intend to annually receive and review voting and engagement information provided by their asset managers, as well as how ESG issues are taken into account for each mandate, to ensure broad alignment with their own policies.

Voting Data

Voting only applies to funds that hold equities within their portfolio. As such, the LGIM Core Plus Fund, LGIM All Stocks Index-Linked Gilts, LGIM Over 15 Year Gilts Index and M&G Total Return Credit Fund does not

participate in voting activities as these funds hold no equities. The Scheme's equity investments are all held through pooled funds. The investment managers for these funds vote on behalf of the Trustees and the votes made over the year are summarised in the following tables.

The table below provides a summary of the voting activity undertaken by each manager over the year to 31 December 2023.

Manager	LGIM	LGIM	Columbia Threadneedle
Fund name	Global Equity Fixed Weights (50:50) Index*	Future World Global Equity Index Fund/Future World Global Equity Index Fund GBP Hedged	Dynamic Real Return Fund*
Structure	Pooled	Pooled	Pooled
Ability to influence voting behaviour of manager	Limited**	Limited**	Limited**
Number of company meetings the manager was eligible to vote at over the year	3,197	5,080	294
Number of resolutions the manager was eligible to vote on over the year	41,099	52,639	4,207
Percentage of resolutions the manager voted on	99.84%	99.92%	98.81%
Percentage of resolutions the manager abstained from	0.13%	0.36%	2.12%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	81.85 %	80.32%	90.35%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	18.02 %	19.32%	7.54%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	12.21%	10.98%	n/a

*The Scheme disinvested from the LGIM Global Equity Fixed Weights (50:50) Index and the Columbia Threadneedle Dynamic Real Return Fund on 18 April 2024. As such the voting data for this fund is given as the year to 31 March 2023.

**The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes. At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy.

LGIM Global Equity Fixed Weights (50:50) Index*

	Vote 1	Vote 2	Vote 3
Company name	Novartis AG	ABB Ltd.	Costco Wholesale Corporate
Date of vote	7 March 2023	23 March 2023	19 January 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.1	1.1	0.1
Summary of the resolution	Reelect Joerg Reinhardt as Director and Board Chair	Reelect Peter Voser as Director and Board Chair	Elect Director Jeffrey S. Raikes
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least one-third of board members being women. LGIM expect companies to increase female participation both on the board and in leadership positions over time.		
Outcome of the vote	n/a	88.5% of shareholders supported the resolution.	n/a
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets managed on the Company's behalf.		

*The Scheme disinvested from the LGIM Global Equity Fixed Weights (50:50) Index Fund on 18 April 2024. As such the voting data for this fund is given as the year to 31 March 2023.

Columbia Threadneedle, Dynamic Real Return Fund*

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc	Uber Technologies, Inc	The TJX Companies, Inc.
Date of vote	25 May 2022	09 May 2022	07 June 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.6	0.2	0.01%
Summary of the resolution	Commission Third Party Report Assessing Company's Human Rights Due Diligence Process.	Report on Lobbying Payments and Policy	Report on Assessing Due Diligence on Human Rights in Supply Chain
How the manager voted	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	Supporting better ESG risk management disclosures		
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of the managers research and investment process.		
Criteria on which the vote is considered "significant"	Vote against management	Vote against management	Vote against management

*The Scheme disinvested from the Columbia Threadneedle Dynamic Real Return Fund on 18 April 2024. As such the voting data for this fund is given as the year to 31 March 2023. Columbia Threadneedle provided only significant votes from 2022.

LGIM, Future World Global Equity Index Fund/Future World Global Equity Fund GBP Hedged

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	Alphabet Inc.	JPMorgan Chase & Co.
Date of vote	24 May 2023	02 June 2023	16 May 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.3%	1.0%	0.9%
Summary of the resolution	Report on Median and Adjusted Gender/Racial Pay Gaps	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets
How the manager voted	For (Against Management Recommendation)		

	Vote 1	Vote 2	Vote 3
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is the manager's policy not to engage with investee companies in the three weeks prior to an AGM as LGIM's engagement is not limited to shareholder meeting topics.	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
Rationale for the voting decision	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as LGIM believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.	Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.	LGIM generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. LGIM believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is considered "significant"	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets we manage on their behalf.	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as the manager pre-declared their intention to support. LGIM continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.

Fund level engagement

The Scheme's investment managers engage with companies on behalf of the Trustees. Information relating to fund level engagement policies were requested from the Scheme's investment managers. LGIM, Columbia Threadneedle and M&G have provided engagement examples at a firm level, rather than at fund level.

Manager	LGIM	LGIM	LGIM	M&G	Columbia Threadneedle*
Fund name	Global Equity Fixed Weights (50:50) Index Fund	Core Plus Fund	Future World Global Equity Index Fund	Total Return Credit Fund	Dynamic Real Return Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	726	96	886	9	Not provided
Number of engagements undertaken at a firm level in the year		2,486		304	177
Examples of engagements undertaken with holdings in the fund	<p>The top engagement topics for LGIM over 2023 were:</p> <ul style="list-style-type: none"> • Deforestation • Climate Change • Remuneration • Ethnic Diversity • Climate Impact Pledge • Income inequality • Board Composition <p>This is demonstrated by LGIM's engagement with Charter Hall Group. LGIM had contacted the company as part of their Climate Impact Pledge engagement campaign. The company is within the quantitative stream of the campaign and is assessed using c.70 metrics under LGIM's Climate Impact Pledge Score. As the company had been identified as lagging minimum expectations</p>			<p>M&G initiated discussions with AIA Group Ltd on improving board diversity (and succession planning) on 9th September 2021. Since then, AIA has added two female directors to its board. Most recently, 20 Sept 2023, AIA announced the appointment of</p>	<p>Columbia Threadneedle had an engagement with NextEra Energy, to gain more insight regarding the impact of the US Inflation Reduction Act (IRA), as well as the implementation of forced labour rules on the solar supply chain in the US.</p>

Manager	LGIM	LGIM	LGIM	M&G	Columbia Threadneedle*
	and therefore subject to a vote against at their AGM, LGIM wrote to the company to notify them. The company responded to LGIM, providing further information, and the manager also had a call with the company, establishing that they do meet the minimum requirements and therefore should not be subject to a vote sanction under the Climate Impact Pledge.			Ms. Nor Shamsiah Binti Mohd Yunus as an Independent Non-executive Director and a member of the Nomination Committee of the Company. The new addition means AIA now has 3 female directors on the board of directors (23% female representation).	<p>The manager's utilities industry equity analyst organised a series of calls with US solar companies on this topic. The call with NextEra was joined by the responsible investment analyst as well as portfolio managers.</p> <p>The call provided valuable insight on the broader developments impacting the US solar industry and NextEra's position within this. Columbia Threadneedle concluded that the company is relatively insulated from the forced labour rules and very well positioned to seize the expansion and growth within solar energy in the US.</p>

*Columbia Threadneedle only provide engagement statistics as at year end. As a result, Columbia Threadneedle's engagements for 2022 are provided.