

W Boyes & Co. Limited Retirement Benefits Plan Implementation Statement for the year ended 5 April 2024

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the W Boyes & Co. Limited Retirement Benefits Plan ("the Plan") have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan's investments, and engagement activities during the year ended 5 April 2024 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

In Q3 2019, the former Trustees received training on Environmental, Social and Governance ("ESG") issues from their Investment Adviser, XPS Investment ("XPS") and discussed their beliefs around those issues. This enabled the former Trustees to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers' own equivalent policies. The former Trustees' new policy was first documented in the updated Statement of Investment Principles dated September 2019 and remains in the updated Statement of Investment Principles dated August 2023.

The Trustees' updated policy

The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan's investment managers. The Trustees require the Plan's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting and engagement rights) attached to the Plan's investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, the Plan invested in the Columbia Threadneedle Global Low Duration Credit Fund, the name of this Fund has changed to the Columbia Threadneedle Net Zero Low Duration Credit Fund. This investment is a result of the manager selection exercise that was presented to the Trustees in Q4 2022. The investment aligns with the Trustees ESG policy as the Fund is sustainable and aligned to net zero.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement.

Should the Trustees become aware that an investment manager's engagement and voting practices are inadequate or that the results of such engagement are mis-aligned with the Trustees' expectations, the Trustees will engage with the manager to encourage alignment. If, following engagement, it is the view of the Trustees that the degree of alignment remains unsatisfactory, the Trustees may consider terminating the relationship with that investment manager.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

Over the reporting year the Trustees received assurance from their investment managers that the managers were effectively undertaking stewardship activities on their behalf.

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Plan has specific allocations to private equities, and investments in public equities will also form part of the strategy for the diversified growth funds in which the Plan invests. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below. Based on this summary, the Trustees conclude that the investment managers have exercised their delegated voting rights on behalf of the Trustees in a way that aligns with the Trustees' relevant policies in this regard.

Whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the manager.

As the Plan invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the investment managers.

The Trustees have confirmed this approach to be appropriate for the Plan's investments. The information below is the investment managers' activity in relation to voting.

This voting information has been provided by the investment managers. The Trustees consider votes to be significant on the basis they are linked to key ESG issues including, but not limited to: climate change; other climate issues such as natural capital; executive remuneration; governance; independence; modern slavery or other factors such as the size of the holding.

Where the manager has provided a selection of significant votes, the Trustees have reviewed the rationale for significant votes provided by the managers and are comfortable with the rationale provided, and that it is consistent with their policy. The Trustees, with the help of XPS, have considered the information the investment managers have been able to provide on significant voting, and have deemed the below information as most relevant.

Disclaimer: Neither XPS nor the Trustees have vetted these votes. These summaries have been provided by the investment manager(s) and any reference to "our", "we" etc. is from the investment manager's perspective.

Partners Group Partners Fund

Partners Group Partners Fund			
The manager voted on 100% of resolutions of which they were eligible out of 847 eligible votes.			
Investment Manager Client Consultation Policy on Voting			
We do not consult with clients before voting.			
Investment Manager Process to determine how to Vote			
Our voting is based on the internal Proxy Voting Directive.			
How does this manager determine what constitutes a 'Significant' Vote?			
Size of the holding in the fund			
Does the manager utilise a Proxy Voting System? If so, please detail			
We hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with our Proxy Voting Directive. Wherever the recommendations for Glass Lewis, our proxy voting directive, and the company's management differ, we vote manually on those proposals.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Breitling	As we control the Board, please see below the ESG efforts of the portfolio company.	Board representation	n.a.

<p>Since 2020, Breitling has measured its environmental impact, including greenhouse gas emissions, and developed measures to reduce the negative impact, mainly in its supply chain. In March 2023, the company submitted a target validation request to the Science Based Targets initiative. Breitling aims to minimize its environmental impact, reducing Scope 1 + 2 emissions by 80% by 2032 and achieving net zero by 2050. The company supported various carbon removal and avoidance activities, partnering with Swiss service providers like Southpole and Myclimate.</p>			
Gren	As we control the Board, please see below the ESG efforts of the portfolio company.	Board representation	n.a.
<p>In line with our Sustainability Strategy, we have appointed ESG Responsibles at the board, executive, and leadership levels within 100 days. Our approach covers environmental, social, and governance aspects.</p>			
Wedgewood Pharmacy	As we control the Board, please see below the ESG efforts of the portfolio company.	Board representation	n.a.
<p>Wedgewood Pharmacy is active in the veterinary specialty pharmacy industry and is the largest provider of custom-compounded animal medications for acute and chronic conditions in the US. The company is tying together the marketing and R&D teams on a sustainable packaging initiative and is currently growing its ESG Team to develop further project milestones on their ESG Journey (e.g., cybersecurity)."</p>			
atNorth	As we control the Board, please see below the ESG efforts of the portfolio company.	Board representation	n.a.
<p>atNorth is a Nordic data center services company tackling two of the biggest challenges faced today: sustainability and digitalisation through environmentally responsible, power-efficient, cost-optimized data centers. Some of the ongoing initiatives include improving the frequency and subject matter of supplier evaluations, implementing a climate risk assessment and defining the sustainability risk factors, creating an appropriate action plan.</p>			
Emeria	As we control the Board, please see below the ESG efforts of the portfolio company.	Board representation	n.a.
<p>"Implication: Emeria's board and management have aligned with and committed to PG's Sustainability strategy, with the company launching the "Bien + durable (more sustainable housing)" plan, for which the implementation was kicked off in 2020. As a starting point, a materiality assessment was commissioned to identify and define the key challenges from a sustainability point of view, which then provided a roadmap for Emeria's ESG journey.</p>			

**Partners provide voting information on a semi-annual basis, therefore voting information provided in this implementation statement covers the 12-month period to 31 December 2023.*

Legal and General Investment Management Dynamic Diversified Fund

LGIM Dynamic Diversified Fund	
The manager voted on 99.8% of resolutions of which they were eligible out of 98900 eligible votes.	
Investment Manager Client Consultation Policy on Voting	

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

How does this manager determine what constitutes a 'Significant' Vote?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account. For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
 - Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions. If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

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 we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Toyota Motor Corp.	Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	For (Against Management Recommendation)	15.1% (Fail)
<p>LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. We acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, we believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, we expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. We believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.</p>			
Apple	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Against	% not provided (Fail)
<p>Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.</p>			
Tencent Holdings Limited	Resolution 3a - Elect Jacobus Petrus (Koos) Bekker as Director	Against (against management recommendation)	88.4% (Pass)

Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors.			
Shell PLC	Resolution 25 - Approve the Shell Energy Transition Progress	Against (against management recommendation)	80.0% (pass)
Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.			
Public Storage	Resolution 5 - Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For (against management recommendation)	34.7% (Fail)
Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.			

**Legal and General Investment Management provide voting information on a quarterly basis and could only provide the significant votes during the 12-month period to 31 March 2024.*

Engagement activity

From the next reporting year, in order to monitor engagement undertaken by the investment manager(s), the Trustees will obtain specific examples of engagement data from the Plan's investment managers. The Trustees have demonstrated engagement over this period by conducting a manager selection exercise.

The Trustees confirm that this Implementation Statement is accurate and representative of the Trustees' investment policies followed during the year. For security reasons, signed copies are only available on request.