

Colthrop Board Mill Pension Scheme (the Scheme)

Implementation Statement

Year Ending 31 March 2024

Glossary

DWS	DWS Investments UK Limited
ESG	Environmental, Social and Governance
Investment Advisers	Deutsche Bank Wealth Management (Deutsche Bank) and First Actuarial LLP.
Scheme	Colthrop Board Mill Pension Scheme
Scheme Year	1 April 2023 to 31 March 2024
SIP	Statement of Investment Principles

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustee has followed its policy relating to the exercise of rights (including voting rights) attaching to the Scheme’s investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme’s investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustee has considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

Relevant Investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

- iShares Core FTSE 100 UCITS ETF (BlackRock)
- iShares Core S&P 500 UCITS ETF (BlackRock)
- J O Hambro UK Equity Income Fund
- WS Lindsell Train UK Equity Fund
- Colombia Threadneedle UK Equity Income Fund
- Xtrackers MSCI Emerging Markets Swap UCITS ETF (DWS / Deutsche Bank)
- Xtrackers S&P 500 Equal Weight UCITS ETF (DWS / Deutsche Bank)
- Xtrackers EURO Stoxx 50 UCITS ETF (DWS / Deutsche Bank)

The Trustee's Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustee's policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP, and a summary is as follows:

- The Trustee believes that ESG factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that may apply over the appropriate time horizon.
- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment managers' own policies on such matters.
- When selecting a fund, the Trustee considers amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.

- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with its Investment Advisers) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- If it is identified that a fund's investment manager is not engaging with companies the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect its Investment Advisers to raise the Trustee's concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustee's opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustee's belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- In addition, during the Scheme Year, the Trustee introduced an allocation to a number of new investments of which only the Colombia Threadneedle UK Equity Income Fund had any exposure to equities. The Trustee considered the ESG characteristics of the fund before selecting it and this included consideration of the investment manager's approach towards the exercise of voting rights.
- During the Scheme Year, the Trustees considered the voting records of the investment managers over the period ending 31 December 2022.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment managers based on the period ending 31 March 2024* has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.

**Note the voting analysis was over the year ending 31 March 2024 because this was the most recent data available at the time of preparing this statement. The Trustee is satisfied that the analysis provides a fair representation of the investment managers' voting approach over the Scheme Year.*

The Investment Managers Voting record

A summary of the investment Managers voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
BlackRock	160,000	88%	12%	0%
Colombia Threadneedle	28,000	89%	11%	0%
DWS	57,000	65%	32%	2%
J O Hambro	8,000	92%	6%	2%
Lindsell Train	1000	98%	2%	1%

Notes

These voting statistics are based on each manager's full voting record over the 12 months to 31 March 2024 rather than votes related solely to the funds held by the Scheme.

Values for Lindsell Train are from 2023 proxy voting reports as data up to 31 March 2024 was not yet available.

Split of votes may not sum to 100% due to rounding.

Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
BlackRock	Several Advisers	Proxy advisers provide information but voting is determined by BlackRock
Colombia Threadneedle	Glass Lewis, ISS and IVIS	Proxy advisors provide research but voting decisions are taken by Columbia Threadneedle
DWS	No proxy voting adviser for directly held stocks	N/A
J O Hambro	ISS	ISS provide advice but voting is determined by J O Hambro.
Lindsell Train	Glass Lewis	Glass Lewis administer votes and provide research but voting is determined by guidelines set by Lindsell Train.

The Investment Managers Capital Voting Behaviour

The Trustee has reviewed the voting behaviour of the investment managers by considering the following:

- broad statistics of their voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. “with management” or “against management”);
- the votes they cast in the year to 31 March 2024 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment managers policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the investment managers with their peers over the same period.

Further details of the approach adopted by the Trustee for assessing voting behaviour are provided in the Appendix.

The Trustee’s key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustee’s Investment Advisers, the Trustee has identified significant votes in nine separate categories. The Trustee considers votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply “waved through”. In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme’s investment managers are listed in the Appendix. In addition, the Trustee considered each investment manager’s overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of Voting Behaviour

BlackRock

The Trustee recognises that analysis of BlackRock's latest voting data identifies that the manager has reverted to a stance of supporting directors and generally opposing shareholder proposals aimed at addressing ESG issues.

BlackRock has recently launched a Voting Choice program that enables an investor to direct BlackRock on how to vote on that investor's behalf. BlackRock has reported that 25% of eligible investors have taken up this option and it is possible that the manager has concluded that those investors are likely to be ones who have a strong view on ESG matters. Consequently, it is possible that BlackRock believes that the remaining investors are likely to be those who tend to be supportive of director proposals and that this has been an influence on the change in direction observed in BlackRock's voting pattern.

The Trustee has no material concerns regarding BlackRock's voting record.

Colombia Threadneedle (CT)

CT had a similar ratio to BlackRock in terms of proportion of votes where they voted in line with the recommendations of management. However, they seemed more likely to vote in favour of ESG proposals, and seemed to be encouraged by progress made within this aspect of their investee companies.

Despite the general support for director proposals, there were instances where CT did vote against management. The majority of these were director related (both appointment and remuneration), suggesting that they take appointment of the right directors fairly seriously.

The Trustee has no material concerns regarding CT's voting record.

DWS

From their voting record, DWS seem less likely to vote with management than some other investment managers, which suggest that DWS is taking its stewardship responsibilities seriously. In addition, where they voted in this way, they outlined clear methodology of the reasons behind this decision. The manager's voting policy is also detailed.

The Trustee has no concerns regarding DWS's voting record.

J O Hambro

We have observed that J O Hambro were more likely to vote with management than many of their peers. In addition, they don't have a tendency to outline a clear rationale when they vote against management's recommendation.

The Trustee notes these issues.

Lindsell Train

Lindsell Train do not invest in many companies and therefore did not participate in many closely contested votes.

Whilst it is difficult to draw too many conclusions from the analysis, it can be concluded that Lindsell Train don't tend to vote against management in many instances. Lindsell Train attribute their pro-management voting behaviour to their long-term investment approach and engagement activities with management.

The Trustee notes these issues.

Conclusion

Based on the analysis undertaken, the Trustee has noted some potential issues regarding the voting records of some managers voting on the Scheme's behalf.

The Trustee will keep the voting actions of the investment managers under review, noting that in some instances there are areas that could still be improved.

John Tomkins

Date: 3 September 2024

Signed on behalf of the Trustee of the Colthrop Board Mill Pension Scheme

Significant Votes

The table below records how the Scheme's investment Managers voted in the most significant votes identified by the Trustee.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	BlackRock	Columbia Threadneedle	DWS	J O Hambro Capital	Lindsell Train
Audit & Reporting									
SCOTTISH AMERICAN INVESTMENT COMPANY PLC	06/04/2023	Re-appoint Ernst & Young LLP as Independent Auditor of the Company	49	50	For	Not held	Not held	Not held	Not held
NETAPP INC	13/09/2023	Appoint the Auditors	40	60	For	Not held	Against	Not held	Not held
VEOLIA ENVIRONNEMENT SA	27/04/2023	Appoint the Auditors	72	28	Not held	Not held	Against	Not held	Not held
INVESCO PERPETUAL UK SMALLER COMPANIES	08/06/2023	Re-appoint the auditor, Ernst & Young LLP	76	24	For	Not held	Not held	Not held	Not held
PETS AT HOME GROUP PLC	06/07/2023	Re-appoint KPMG LLP as auditor of the Company.	78	22	For	Not held	Not held	Not held	Not held
Shareholder Capital & Rights									
HAMMERSON PLC	04/05/2023	Issue Shares with Pre-emption Rights	55	45	For	Not held	Not held	Not held	Not held
CITY OF LONDON INVESTMENT GROUP	23/10/2023	Issue Shares for Cash	55	44	For	Not held	Not held	Not held	Not held
PLAYTECH PLC	24/05/2023	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	44	56	For	Not held	Not held	Not held	Not held
BLUEFIELD SOLAR INCOME FUND LIMITED	28/11/2023	Issue Shares with Pre-emption Rights	42	58	Against	Not held	Not held	Not held	Not held
TOPPS TILES PLC	18/01/2024	Issue Shares with Pre-emption Rights	63	37	For	Not held	Not held	Not held	Not held
Pay & Remuneration									
WARNER BROS DISCOVERY INC	08/05/2023	Advisory Vote on Executive Compensation	51	49	Against	Not held	Against	Not held	Not held
WELLTOWER INC	17/05/2023	Advisory Vote on Executive Compensation	52	48	For	Not held	Against	Not held	Not held
BIOGEN INC.	26/06/2023	Advisory Vote on Executive Compensation	52	48	For	Not held	Against	Not held	Not held
PEARSON PLC	28/04/2023	Approve Remuneration Policy	54	46	For	Not held	Not held	Not held	Not held
VISTRY GROUP PLC	18/05/2023	Approve the Remuneration Report.	51	46	Against	Not held	Not held	Not held	Not held
Constitution of Company, Board & Advisers									
DOMINO'S PIZZA GROUP PLC	04/05/2023	Elect Edward Jamieson - Executive Director	50	50	For	Not held	Not held	Not held	Not held
SAMPO OYJ	17/05/2023	Amend Articles: Virtual Meetings	52	48	Not held	Not held	Against	Not held	Not held
SIMON PROPERTY GROUP INC.	04/05/2023	Elect Reuben S. Leibowitz - Non-Executive Director	53	46	Against	Not held	Against	Not held	Not held
CME GROUP INC.	04/05/2023	Elect Charles P. Carey - Non-Executive Director	55	45	Against	Not held	Against	Not held	Not held
FLEETCOR TECHNOLOGIES INC	09/06/2023	Elect Thomas M. Hagerty	55	45	Against	Not held	Against	Not held	Not held
Merger, Acquisition, Sales & Finance									
FORESIGHT GROUP HOLDINGS LIMITED	10/08/2023	Approve the Waiver of Rule 9	52	48	For	Not held	Not held	Not held	Not held
EUROPEAN OPPORTUNITIES TRUST PLC	15/11/2023	Approve the Continuation of the Company	59	36	For	Not held	Not held	Not held	Not held
CALEDONIA INVESTMENTS PLC	19/07/2023	Waiver of mandatory offer provisions set out in Rule 9 of the Takeover Code	64	35	For	Not held	Not held	Not held	Not held
VINACAPITAL VIETNAM OPPORTUNITY FUND LTD	06/12/2023	Approve that the Company Ceases to Continue as Currently Constituted	29	71	Against	Not held	Not held	Not held	Not held
BOUYGUES SA	27/04/2023	Approve Issuance of Debt Securities Giving Access to New Shares of Subsidiaries	73	27	Not held	Not held	Against	Not held	Not held
Climate Related Resolutions									
GLENCORE PLC	26/05/2023	Approve the Company's 2022 Climate Report.	68	30	Against	Not held	Against	Not known	Not held
Shell plc	23/05/2023	Approve Shell's Energy Transition	77	19	For	Not held	For	Not held	Not held
UBS GROUP AG	05/04/2023	Say on Climate	81	15	Not held	Not held	For	Not held	Not held
TOTALENERGIES SE	26/05/2023	Say on Climate	86	11	Not held	Not held	Abstain	Not held	Not held
PENNON GROUP PLC	20/07/2023	Approve the Climate-related financial disclosures	88	10	For	Not held	Not held	Not held	Not held
Other Company Resolutions									
CITY OF LONDON INVESTMENT GROUP	23/10/2023	Notice of General Meetings	61	39	For	Not held	Not held	Not held	Not held
BOUYGUES SA	27/04/2023	Approve the Board to Issue Equity Warrants Free of Charge During the Period of a	74	26	Not held	Not held	Against	Not held	Not held
STV GROUP PLC	27/04/2023	Approve Political Donations	70	25	For	Not held	Not held	Not held	Not held
QUILTER PLC	18/05/2023	Approve Political Donations	75	25	For	Not held	Not held	Not held	Not held
ANHEUSER-BUSCH INBEV SA	26/04/2023	Authorize implementation of approved resolutions and filing of required documents	75	25	Not held	Not held	For	Not held	Not held
Governance & Other Shareholder Resolutions									
WELLS FARGO & COMPANY	25/04/2023	Simple Majority Voting	50	49	Against	Not held	For	Not held	Not held
SYNOPSIS INC	12/04/2023	Right to Call Special Meetings	50	50	Against	Not held	For	Not held	Not held
MCDONALD'S CORPORATION	25/05/2023	Annual Report on Lobbying Activities	50	49	Against	Not held	For	Not held	Not held
THE MOSAIC COMPANY	25/05/2023	Right to Call Special Meetings	50	49	Against	Not held	For	Not held	Not held
MARATHON PETROLEUM CORPORATION	26/04/2023	Simple Majority Voting	51	48	Against	Not held	For	Not held	Not held
Environmental & Socially Focussed Shareholder Resolutions									
THE KROGER CO.	22/06/2023	Racial and Gender Pay Gaps	52	48	For	Not held	For	Not held	Not held
WELLS FARGO & COMPANY	25/04/2023	Annual Report on Prevention of Workplace Harassment and Discrimination	52	43	Against	Not held	For	Not held	Not held
QUEST DIAGNOSTICS INCORPORATED	17/05/2023	Greenhouse Gas Reduction and Transition Plan	48	52	Against	Not held	For	Not held	Not held
THE BOEING COMPANY	18/04/2023	Pay Equity Disclosure	47	52	Against	Not held	One Year	Not held	Not held
EXPEDITORS INTERNATIONAL OF WASHINGTON INC.	02/05/2023	Report on on the effectiveness of the Company's diversity, equity, and inclusion efforts	57	42	For	Not held	For	Not held	Not held

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote. Where a cell says "Not known", we have not been provided with the voting data for this proposal. Where a cell says "One Year", the manager's voting rights on this proposal mature in one year's time.

Methodology for Determining Significant Votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustee believes that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustee's behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis was to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the total number of Significant Votes is large. This is helpful for assessing an investment manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustee has not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustee is satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about an investment manager's voting behaviour. The Trustee has concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

Investment Manager Voting Policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links:

[BlackRock](https://www.blackrock.com/corporate/literature/brochure/voting-choice-voting-policy-comparison.pdf) - <https://www.blackrock.com/corporate/literature/brochure/voting-choice-voting-policy-comparison.pdf>

[Columbia Threadneedle](https://docs.columbiathreadneedle.com/documents/Responsible%20Investment%20-%20Proxy%20voting%20policy.pdf?inline=true) - <https://docs.columbiathreadneedle.com/documents/Responsible%20Investment%20-%20Proxy%20voting%20policy.pdf?inline=true>

[DWS](https://www.dws.com/globalassets/cio/dam-us/pdfs/resources/dws-proxy-voting-policy-and-guidelines.pdf?v=683563205) - <https://www.dws.com/globalassets/cio/dam-us/pdfs/resources/dws-proxy-voting-policy-and-guidelines.pdf?v=683563205>

[J O Hambro](https://www.johcm.com/uk/about-us/654/voting) - <https://www.johcm.com/uk/about-us/654/voting>

[Lindsell Train](https://www.lindselltrain.com/application/files/8517/0531/9999/Lindsell_Train_Proxy_Voting_Policy_-_January_2024.pdf) - https://www.lindselltrain.com/application/files/8517/0531/9999/Lindsell_Train_Proxy_Voting_Policy_-_January_2024.pdf