

# Christie, Manson & Woods Limited Pension and Life Assurance Scheme

## Implementation Statement

This statement sets out how the Trustee's policies on voting rights and engagement activities, as set out in the Statement of Investment Principles, have been followed over the year to 30 September 2021.

This statement was agreed by the Trustee on 22 February 2022.

## How the Trustees' voting and engagement policies have been met over the year

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

The Trustee, with input from their investment consultant, annually receives and reviews (through their Implementation Statement and ESG monitoring report), the voting information and engagement policies of their investment managers to ensure alignment with their own policies. This exercise was undertaken at the annual governance meeting on 6 December 2021 and subsequently in February 2022 once further voting data was available.

Based on the data presented below and also included in the Scheme's annual ESG monitoring report, the Trustee is comfortable that the actions of the investment managers are in alignment with the Scheme's stewardship policies. However, the Trustee asked each of their investment managers for insight into the possible future direction of the respective fund, specifically in relation to setting ESG objectives (e.g. through using minimum ESG scores or an ESG quality threshold for underlying investments) and/ or climate change objectives. The Trustee also asked Ruffer to provide further information on how ESG research influences stock selection and portfolio construction, as little evidence/ examples have been provided to date. The Trustee is comfortable with their investment managers' responses to these questions but will follow up on net zero targets for each of the funds, with appropriate input from their investment consultant, when further information is expected to be available over the coming months.

## Voting data

The Scheme invests entirely in pooled funds and therefore the Scheme's investment managers vote on behalf of the Scheme's holdings in the pooled funds.

Voting is not applicable to the Scheme's Liability Driven Investment ("LDI") holdings with BMO as these funds invest only in fixed income assets, which have no voting rights. The Newton, Ruffer and Invesco funds invest across a diverse range of asset classes and are therefore included below as the equity holdings carry voting rights. Please note that both the BMO Synthetic Equity Portfolio and the Invesco Balanced Risk Pension Fund invest in equities through derivatives and have no exposure to physical equities. Therefore, these funds do not have voting rights attached and for that reason, no voting information has been shown below.

Manager	Newton Investment Management	Ruffer LLP	Invesco Asset Management
<b>Fund name</b>	Newton Real Return Fund	Ruffer Absolute Return Fund	Invesco Global Targeted Returns Fund
<b>Asset Class</b>	Diversified Growth	Diversified Growth	Diversified Growth
<b>Funds Structure</b>	Pooled	Pooled	Pooled
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.		
<b>Number of resolutions the manager was able to vote at over the year</b>	1,583	1,257	5,414
<b>Percentage of eligible resolutions the manager voted on</b>	98.6%	100.0%	98.5%
<b>Percentage of eligible resolutions the manager abstained from</b>	0.0%	2.2%	0.5%
<b>Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on</b>	15.2%	6.4%	7.8%
<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor (if applicable)</b>	11.6%	7.2%	4.9%

Source: Newton Investment Management, Ruffer LLP, Invesco Asset Management

## Significant votes

The Trustee's ESG policy leaves determining the key votes to their investment managers and also delegating to their managers to define what a "significant vote" is. The Scheme's investment consultant requested key voting data from the investment managers and a summary of the data they have provided is set out on the following page.

## Newton Investment Manager, Newton Real Return Fund<sup>1</sup>

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
<b>Company name</b>	Alphabet Inc.	AstraZeneca Plc	Citigroup Inc.	Zurich Insurance Group AG	CME Group Inc.
<b>Date of vote</b>	2 June 2021	11 May 2021	27 April 2021	7 April 2021	5 May 2021
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	1.0%	1.5%	1.2%	1.0%	1.3%
<b>Summary of the resolution</b>	Elect 4 Directors and Approve Omnibus Stock Plan, Appoint Human Rights Expert to the Board, Link Executive Pay to Sustainable Criteria, Report on Takedown Requests, Report on Whistleblower Policies and Practices, Risk Report on Anti-Competitive Practices.	Elect Directors, Approve Remuneration Policy, Amend Restricted Stock Plan	Amend Proxy Access Right	Transact Other Business (Voting)	Elect 6 Directors, Advisory Vote to Ratify Named Executive Officers' Compensation
<b>How the manager voted</b>	Voting detailed below	Against	Against management proposals and for shareholder proposal	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	No	No	No	Yes	No
<b>Rationale for the voting decision</b>	Newton voted against the proposed compensation plan as they were concerned with the lack of clarity surrounding the executive pay arrangements, which appeared to provide an ability for executives	Newton voted against the proposals as they did not believe that the company had provided the necessary justification for significant increases in the variable pay	Newton decided to vote in favour of one shareholder resolution that management recommended voting against. This was in relation to improving minority	Newton voted against a resolution entitled "other business" as no details were provided in advance as to what these matters may relate.	Newton voted against the executive officers' compensation arrangements as there was a significant proportion of the long-term pay awards not being

<sup>1</sup>Newton provided information on a further five significant votes, more details of these votes are available on request.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
	<p>to be rewarded significantly irrespective of performance.</p> <p>Newton supported several shareholder resolutions including shifting to a single-class share structure; a feasibility study for including sustainability as a performance measure for executive compensation; and the appointment of a board director with human-rights experience.</p> <p>Newton did not support two shareholder proposals as they considered that the company's disclosure of charitable contributions met expectations and the request for Alphabet to become a public-benefit corporation could be legally problematic.</p>	<p>awards that were granted to senior executives.</p>	<p>shareholder rights by the way of providing shareholders with access to propose directors for election to the company's board.</p>		<p>subject to performance. In light of this, Newton also voted against the members of the compensation committee.</p>
<b>Outcome of the vote</b>	<p>20.2%, 21.4%, 11.6% and 11.1% against electing directors; 16.1% against Omnibus stock plan; 31.4% for all stock to have one vote per share; 10.3% for appointing a human rights expert to the board, 12.2% for linking executive pay to sustainable criteria; 13.3% for report on takedown requests; 10.4% for report on whistleblower policies and practices; 12.4% for risk report on anti-competitive practices.</p>	<p>3.4%, 1.3%, 2% and 26% against electing directors; 39.8% against approving remuneration policy, 38.3% against amending restricted stock plan.</p>	<p>32.1% for amending proxy access right.</p>	<p>Not reported</p>	<p>5.5%, 5.7%, 6.1%, 1.7%, 1% and 7.3% against electing directors; 9.4% against advisory vote to ratify named executive officers' compensation.</p>
<b>Implications of the outcome</b>	<p>Given that a majority of the voting rights are controlled by the</p>	<p>UK best practice recognises that shareholder dissent in</p>	<p>Newton noted that the vote outcome, while not a</p>	<p>This is a routine resolution item proposed by Swiss</p>	<p>The vote outcome demonstrates shareholders</p>

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
	<p>company's executives, Newton believes that the vote results for many of the resolutions show a majority of the company's minority shareholders retain fundamental concerns. Over time, the company should recognise that its progress may be impeded should these concerns be ignored. Newton expect to continue voting in support of improvements to the company's governance structure and approach.</p>	<p>excess of 20% on remuneration-related proposals is significant and should result in proactive steps being taken by the company. In this case, with almost 40% of votes against pay proposals, Newton would expect that the company will consult with shareholders to determine and address underlying concerns.</p>	<p>majority, will be understood by the board as a matter of significant interest to the company's shareholders. It is a matter that should be addressed to avoid a further or increased public demonstration of concern.</p>	<p>companies. Without comfort provided as to the nature of matters that may be raised and approved under this item, Newton will continue to vote against its approval.</p>	<p>are not overly concerned with the company's executive pay arrangements. However, Newton expects the company to be open to suggestions from investors as this subject is being scrutinised increasingly by US-based shareholders.</p>
<p><b>Criteria on which the vote is considered "significant"</b></p>	<p>The company was subject to a high number of shareholder proposals surrounding both governance and social aspects where the company is well regarded by investors as requiring improvements.</p>	<p>Newton believes that the level of shareholder dissent merits this vote as significant.</p>	<p>This vote demonstrates an increasing tendency of shareholders to support such proposals. The actual level of support received at this vote is considered significant in its own right by Newton.</p>	<p>This vote highlights a significant insight into the Swiss market and Newton's fundamental approach to protecting the interests of minority investors.</p>	<p>Newton expects that US-based investors will focus more on how pay structures are aligned with generating or supporting company performance.</p>

## Ruffer LLP, Ruffer Absolute Return Bond Fund<sup>2</sup>

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
<b>Company name</b>	Countryside Properties	WHSmith	Walt Disney	Royal Dutch Shell	American Express
<b>Date of vote</b>	5 February 2021	20 January 2021	9 March 2021	18 May 2021	4 May 2021
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	1.3%	0.3%	0.6%	1.3%	0.6%
<b>Summary of the resolution</b>	Governance – board composition and remuneration	Governance – remuneration	Governance – lobbying and succession planning	Management resolution relating to the company's climate transition plan	Social - diversity and inclusion. Vote on shareholder resolution requesting annual D&I report
<b>How the manager voted</b>	Abstain	Against	For	For	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	Yes, via letter and met with a Board member prior to the vote.	Yes, via letter and met with a Board member prior to the vote.	Communicated concerns to the company prior to the AGM.	n/a	No
<b>Rationale for the voting decision</b>	Ruffer met with David Howell (Chair of the Board) and Amanda Burton (Chair of the Remuneration Committee) to discuss the company's capital allocation strategy. Decisions in this area are critical and will ultimately determine its long-term financial performance. Ruffer shared their view that	Ruffer assess a number of factors when determining whether to support a remuneration policy including how management are incentivised, the structure of executive remuneration and the overall quantum.	Ruffer voted for shareholder resolutions in 2018, 2019 and 2020 requesting additional disclosure with respect to the company's lobbying and memberships of trade associations. They voiced their disappointment that the company had not expanded its analysis to cover all trade	Ruffer supported Royal Dutch Shell's first Energy Transition Strategy plan. The decision was made in the context of the progress Shell has made as a result of engagement and the commitment of the company leadership to continue to meaningfully	Whilst American Express is taking meaningful steps to increase its workforce diversity and promote inclusion, reporting of its diversity statistics has room for improvement. Diversity feeds into social considerations when investing, under the guise of

<sup>2</sup>Ruffer provided information on a further six significant votes, more details of these votes are available on request.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
	<p>the company would benefit from a non-executive director with a proven track record in capital allocation. Given the changing strategy of the business, significant changes need to be made to the remuneration policy to ensure management is incentivised to deliver on the revised strategy and, importantly, to align their interests with shareholders.</p> <p>Ruffer shared their thoughts around this, including a total shareholder return measure, a meaningful shareholding requirement and ensuring post-cessation and vesting requirements are in line with the guidance from the Investment Association.</p>	<p>Ruffer voted against management on the approval of the remuneration report at WHSmith as they felt the timing of an executive pay increase in the circumstances was inappropriate. This did not express a negative view of the performance of the CEO and management team during the challenging period, but rather they felt that going ahead with a pre-planned base remuneration increase was not appropriate for a company that was at the time loss-making, had suspended its dividend, raised equity, was potentially going to benefit from government support measures and had made a large number of staff redundant. Ruffer also felt that the disclosure around the personal performance criteria was not clear.</p>	<p>associations, as it is Ruffer's view that this is not an onerous task. They would therefore support the shareholder resolution at the 2021 AGM.</p> <p>Another concern for Ruffer, which they have raised, is the succession planning and specifically the lack of an independent Chair of the Board. They decided to support the re-election of a Board member to provide a continuity in a year where they expect changes to the board.</p>	<p>engage on the remaining areas of Climate Action 100+.</p> <p>Ruffer are committing to continued engagement with the company to work on details of the company's transition plans to ensure absolute emission equivalent targets sit alongside short- and medium-term intensity targets, and the need for further alignment on capital expenditure. In light of the opportunity to vote on the company's transition strategy and the progress made, they did not see a need to vote in favour of the shareholder proposal filed by the NGO Follow This.</p>	<p>human capital and social opportunities and consequently, improvement in disclosure would benefit shareholders in assessing the company's long-term value and reputational and legal risks. As such, Ruffer supported a shareholder resolution requiring the company to publish an annual report assessing Diversity, Equity and Inclusion Efforts.</p>
<b>Outcome of the vote</b>	<p>Re-election proposals passed with a range of 78-93% shareholder approval for votes.</p>	<p>The vote passed with 67.4% shareholder support, however the board has subsequently reviewed the remuneration report and will not include the executive pay increases due to shareholder feedback.</p>	<p>The re-election proposal passed with 97.2% shareholder approval. The shareholder resolution on lobbying failed with only 32.7% approval.</p>	<p>Proposal passed with 88.7% of votes in favour.</p>	<p>The resolution passed with 59.7% of votes in favour.</p>
<b>Implications of the outcome</b>	<p>Whilst Ruffer value the engagements with the non-executive directors so far, they have not received</p>	<p>WHSmith revised their plan based upon shareholder feedback. Ruffer will continue to vote against remuneration</p>	<p>Ruffer are committed to vote on shareholder resolutions that improve transparency and enhanced disclosure.</p>	<p>Ruffer will monitor how the company progresses and improves over time, and will continue to support credible</p>	<p>Ruffer will continue to vote on shareholder resolutions that improve transparency</p>

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
	<p>acknowledgement that their concerns will be addressed. Consequently, Ruffer decided to abstain on voting in relation to the re-election of all non-executive directors. Ruffer wrote to the company explaining their decision prior to the AGM and will continue to engage ahead of the upcoming remuneration consultation.</p>	<p>policies that they deem inappropriate in the context of the circumstances of the company.</p>		<p>energy transition strategies and initiatives.</p>	<p>over Diversity, Equity and Inclusion Efforts.</p>
<b>Criteria on which the vote is considered "significant"</b>	<p>Votes abstaining or against the re-election of directors for material holdings are significant. These arise after discussion between members of the research, portfolio management and responsible investment teams at Ruffer.</p>	<p>Votes against the remuneration policy are significant especially when they alter the proposals. Ruffer engaged with WHSmith prior to the vote to discuss their concerns.</p>	<p>Ruffer believes that the vote will be of particular interest to clients as the shareholder resolutions aimed to increase transparency of the company's climate lobbying activities.</p>	<p>Ruffer believe this vote will be of particular interest to clients as the resolutions aimed to increase the transparency of the company's climate transition planning and outcomes.</p>	<p>The shareholder resolutions aimed to increase the transparency of the company's Diversity, Equity, and Inclusion Efforts and Ruffer believes this vote will be of particular interest to clients.</p>



### Invesco Asset Management, Invesco Global Targeted Return Fund<sup>3</sup>

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
<b>Company name</b>	Yandex NV	Yandex NV	Telecom Italia SpA	Telecom Italia SpA	Woodside Petroleum Ltd.
<b>Date of vote</b>	21 October 2021	21 October 2021	22 March 2021	22 March 2021	6 April 2021
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	More than 1%	More than 1%	More than 1%	More than 1%	More than 1%
<b>Summary of the resolution</b>	Re-elect Arkady Volozh as Executive Director	Grant Board Authority to Issue Class A Shares	Appoint Angelo Rocco Bonisconi as Chairman of Internal Statutory Auditors	Deliberations on Possible Legal Action Against Directors if Presented by Shareholders	Approve the Amendments to the Company's Constitution Proposed by Market Forces
<b>How the manager voted</b>	For (in line with management)	Against management	Against (no management recommendation)	Against (no management recommendation)	Against (in line with management)
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	Dialogue with portfolio companies is a core part of the investment process. Invesco may engage with investee companies to discuss ESG issues throughout the year or on specific ballot items to be voted on. In some instances Invesco may choose to communicate our voting intentions to company's ahead of the shareholder meeting, where appropriate.	n/a	n/a	n/a
<b>Rationale for the voting decision</b>	Invesco believe that a vote for is warranted because nominees are elected for a	Invesco believe that a vote against this resolution is warranted as the authorisation	Invesco voted against the appointment due to regulatory declarations.	Invesco believe that this item warrants a vote against due to the lack of	Invesco believe that a vote against this proposal is warranted because the request

<sup>3</sup>Invesco provided information on a further six significant votes, more details of these votes are available on request.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
	period not exceeding four years; the candidate appears to possess the necessary qualifications; and there is no known controversy concerning the candidate.	to issue shares is not in line with commonly used safeguards regarding volume and duration. The authorisation would last for 60 months.		disclosure regarding the proposed deliberation.	to amend the company's constitution is potentially broad with no regulatory framework to oversee shareholder proposals. The company believes that the current engagement process provides valuable feedback to the company on its strategies, affairs and outlook, providing information and flexibility to adjust both its strategy and its external reporting of that strategy and operations to respond appropriately to the prevailing expectations of its shareholders and stakeholders.
<b>Outcome of the vote</b>	Passed	Passed	Failed	Withdrawn	Failed
<b>Implications of the outcome</b>	The outcome meets Invesco's voting intention and so no further action beyond continued engagement (as appropriate) was taken.	The outcome of the vote did not meet Invesco's desired voting intention. They will continue to monitor the issue and engage as necessary.	The outcome meets Invesco's voting intention and so no further action beyond continued engagement (as appropriate) was taken.	Vote outcomes haven't been disclosed. Invesco will continue to monitor and engage as appropriate.	The outcome of the vote did not meet Invesco's desired voting intention. They will continue to monitor the issue and engage as necessary.
<b>Criteria on which the vote is considered "significant"</b>	The company makes up over 1% proportion of the Fund's portfolio and the resolution is considered a key ESG proposal.				

## Engagement data

The Trustee considers it a part of their investment managers' role to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme.

The table below summarises the engagement undertaken by each of the Scheme's investment managers over the year to 30 September 2021.

Manager	Newton Investment Management	Ruffer LLP	Invesco Asset Management	BMO Global Asset Management*
<b>Fund name</b>	Newton Real Return Fund	Ruffer Absolute Return Fund	Invesco Global Targeted Returns Fund	LDI funds
<b>Does the manager perform engagement on behalf of the holdings of the fund?</b>	Yes	Yes	Yes	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes	Yes	Yes	Yes
<b>Number of entities engaged with on behalf of the holdings in this fund in the year</b>	39	26	Data not provided at fund level	24**
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	58	28	Data not provided at fund level	92**
<b>Number of entities engaged with at a firm level in the year</b>	158	35	1,280	1,017
<b>Number of engagements undertaken at a firm level in the year</b>	214	38	1,731	1,958

Source: Newton Investment Management, Ruffer LLP, Invesco Asset Management, BMO Global Asset Management

\*Data provided on a semi-annual basis and is therefore shown for the year to 30 June 2021

\*\*LDI Portfolios are very different to traditional equity or bond portfolios and BMO's engagement program primarily focuses on trading counterparties and clearing members. BMO's engagement work is structured both in terms of prioritisation (for companies that BMO have the greatest exposure to and for companies that BMO feel have the greatest ESG deficiencies) and in terms of progress monitoring against predefined milestones.