Christie, Manson & Woods Limited Pension and Life Assurance Scheme

Implementation Statement

Purpose of this statement

This implementation statement has been produced by the Trustee of the **Christie, Manson & Woods Limited Pension and Life Assurance Scheme ("the Scheme")** to set out the following information over the year to **30 September 2022**:

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

How the Trustee's voting and engagement policies have been met over the year

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- 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.

- As part of ongoing monitoring of the Scheme's investment managers, the Trustee uses ESG ratings information provided by their investment consultant, to assess how the Scheme's investment managers take account of ESG issues. After reviewing the latest information in the ESG monitoring report, the Trustee requested further information from their investment managers on net zero targets for each of the funds. This was discussed at the Trustee meeting on 20 June 2022 and the Trustee was comfortable with the response from their 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.

- 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.

Prepared by the Trustee of the Christie, Manson & Woods Limited Pension and Life Assurance Scheme
March 2023

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. This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustee over the year to 30 September 2022.

Voting is not applicable to the Scheme's Liability Driven Investment ("LDI") holdings with Columbia Threadneedle ("CT") 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 the Invesco Balanced Risk Pension Fund invests 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	Invesco	Newton Investment Management	Ruffer LLP
Fund name	Invesco Global Targeted Returns Fund	Newton Real Return Fund	Ruffer Absolute Return Fund
Funds Structure	Pooled	Pooled	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.		
No. of eligible meetings	270	80	87
No. of eligible votes	3,946	1,330	1,442
% of resolutions voted	98.5%	100.0%	100.0%
% of resolutions abstained[1]	0.1%	0%	0.4%
% of resolutions voted with management[1]	93.6%	88.0%	92.9%
% of resolutions voted against management[1]	6.3%	12.0%	6.7%
Proxy voting advisor employed	Institutional Shareholder Services, Glass Lewis and Institutional Voting Information Services	Institutional Shareholder Services	
% of resolutions voted against proxy voter recommendation	4.0%	8.1%	6.5%

Source: Invesco, Newton Investment Management, Ruffer LLP

[1] As a percentage of the total number of resolutions voted on

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 currently define what constitutes a "significant" vote, so for this Implementation Statement the Trustee has asked the investment managers to determine what they believe to be a "significant vote". Invesco, Newton and Ruffer have provided a selection of votes which they believe to be significant, and in the interest of concise reporting the tables below show 5 of these votes for each fund.

A summary of the significant votes provided over the year to 30 September 2022 is set out below.

Invesco, Invesco Global Targeted Returns Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Origin Energy Limited	Barclays Plc	PT Astra International Tbk	Standard Chartered Plc	ENGIE SA
Date of vote	12 October 2021	25 April 2022	13 April 2022	28 April 2022	14 April 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)			Not provided		
Summary of the resolution	Approve the Amendments to the Company's Constitution	Authorise Issue of Equity in Relation to the Issuance of Contingent Equity Conversion Notes	Approve Changes in Board of Commissioners and Approve Remuneration of Directors and Commissioners	Approve Shareholder Requisition Resolution	Approve Allocation of Income and Dividends of EUR 0.45 per Share
How the manager voted	Against (in line with management)	For (in line with management)	For	Against (in line with management)	Against (in line with management)
Rationale for the voting decision	Invesco voted against because the request to amend the company's constitution is potentially broad with no regulatory framework to oversee shareholder proposals.	Invesco voted for the resolution, although it was not without concerns. although this is not without concern. If the Company were to issue Equity Conversion Notes (ECNs) and a trigger event were to occur, causing them to convert into ordinary	Invesco voted for this resolution as no significant concerns were identified.	Invesco voted against as although the Company will be expected to deliver on its stated climate ambitions in the future, its current climate reporting, which includes short, medium and long-term objectives and targets, is considered to be a sufficient	Invesco voted against these items as specific rationale supporting the proposed allocation of income was not provided.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
		shares, this would result in significant dilution to non-participating shareholders. The main reasons for support were: Such authorities are common proposals at UK banks and are intended to apply in extreme circumstances only; and the conversion into ordinary shares would require the CET1 ratio to fall to a level which would denote significant capital weakness well beyond the Company s current position and minimum regulatory requirements.		and appropriate response to the matters raised in the resolution at this time. The Company's progress will continue to be kept under review.	
Outcome of the vote	Fail	Pass	Pass	Fail	Pending
Implications of the outcome	Invesco took no further action as the outcome was in line with their voting intention.				Vote outcomes haven't been disclosed. Invesco continue to monitor and engage as appropriate.
Criteria on which the vote is considered "significant"	Invesco deemed this a significant vote as it includes a key ESG proposal.		Invesco deemed this a significant vote as it includes a key ESG proposal and part of their ESG watchlist.	Invesco deemed this a significant vote as it includes a key ESG proposal.	

Newton Investment Management, Newton Real Return Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Greencoat UK Wind PLC	BioPharma Credit PLC	Bayer AG	Medtronic plc	TE Connectivity Ltd.
Date of vote	28 April 2022	9 June 2022	29 April 2022	9 December 2021	9 March 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.7%	1.1%	1.1%	1.0%	1.1%
Summary of the resolution	Elect Director, approve issuance of equity or equity-linked securities with or without pre-emptive rights	Approve capital raising (X2), approve issuance of equity or equity-linked securities without pre-emptive rights	Advisory vote to ratify named executive officers' compensation	Approve auditors and authorize board to fix their remuneration	Approve issuance of equity or equity-linked securities with or without pre-emptive rights
How the manager voted	Against	Against	Against	Against	Against
Rationale for the voting decision	Newton voted against the proposed share issuances and the re-election of the chairperson of the board. They raised concerns over the past share issuance undertaken by the trust. Newton believe the share placing was not conducted in a manner that was in the best interests of shareholders and the share placing would be at a discount to NAV had it been recalculated on the back of increasing power prices.	Newton voted against proposals related to share issuance as the authority sought by the company for share issuance with and without pre-emptive rights is high. In addition, the company has not provided a commitment that shares would be issued at a premium to NAV. In the absence of these safeguards for shareholders, there could be scope for significant value dilution.	Newton voted against the company's executive remuneration arrangements. The supervisory board exercised discretion that resulted in pay-outs that are not aligned with the company's performance. The management continues to be rewarded despite the share price lagging the benchmark.	Newton voted against the appointment of the external auditor owing to the firm having served in this capacity for 58 consecutive years.	Newton voted against a proposal to issue shares which may exclude pre-emptive rights. The proposed pool of capital would correspond to 50% of the issued share capital, which is considered excessive.
Outcome of the vote	15% against electing director, 10% and 11% against approval of issuance of equity or equity-linked	Resolution withdrawn	75.9% against the remuneration report	6.6% against approving auditors and authorising	50.3% against approving issuance of shares with or without pre-emptive rights

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
	securities with or without pre-emptive rights			board to fix their remuneration auditors	
Implications of the outcome	The vote outcome demonstrates that a super majority of shareholders are not concerned with the potential valuation dilution. As such, these shareholders' right to complain is lost should the company place new shares with investors that are priced below the share's net asset value.	Newton assumes that the company realised the vote outcome would not be favourable and therefore, withdrew the resolution. While the level of investment means it is unlikely that Newton will engage with the company, they will continue to make voting decisions in the best interests of their clients.	The vote outcome demonstrates the dissatisfaction of the shareholders regarding the pay practices of the company. Such overwhelming dissent cannot be ignored, and Newton expects the company to reach out to shareholders for feedback to be able to effectively allay their concerns.	While the level of opposition to the long-tenured auditor was not material, Newton expect this to increase as audit quality rises up the agenda for investors.	The vote outcome provides a clear message to the company that shareholders are concerned with the potential dilution that would occur should the capital raising proposals be enacted.
Criteria on which the vote is considered "significant"	Newton deemed this significant given the proposal failed to include the industry accepted best practice in terms of pricing of placed shares. In such circumstances, the expected minimum is that the shares would be issued at or above their prevailing net asset value, which would prevent unnecessary value dilution for existing shareholders.	Newton determined this significant given it is highly unusual for resolution proposals to be withdrawn ahead of a meeting.	Newton determined this to be a significant vote given that a majority of shareholders voted against the company's remuneration policy.	Newton expects that shareholders will continue to increase their scrutiny and reflect this in their voting decisions.	Apart from the resolution receiving high level of dissent, Newton consider this a significant vote as it is rare for a company to propose share issuances exceeding 20% of the outstanding shares.

Ruffer LLP, Ruffer Absolute Return Bond Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	BP Plc	Cigna Corporation	Bristol-Myers Squibb Company	Aena	Equinor ASA
Date of vote	12 May 2022	27 April 2022	3 May 2022	18 March 2022	11 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.1%	1.5%	1.2%	0.8%	0.5%
Summary of the resolution	Environmental - Approve Shareholder Resolution on Climate Change Targets	Social - Report on Gender Pay Gap	Governance - Require Independent Board Chair	Governance – board structure & independence/ effectiveness. Vote on election of CEO/Chairman.	Environmental - Approve Company's Energy Transition Plan (Advisory Vote)
How the manager voted	Against	Against	For	Against	For
Rationale for the voting decision	Ruffer have done extensive work on BP's work on the energy transition and climate change, and they think they are industry leading. Ruffer supports management in their effort to provide clean, reliable and affordable energy and therefore Ruffer voted against the shareholder resolution.	Cigna uses an "equal pay for equal work" statistic and reports that there are no material differences in pay data related to gender or race. Although the equal pay for equal work statistic is subjective in that it allows the company to define what it considers an "equal job," the company does report its gender representation statistics and it additionally set a parity goal for leadership positions. As such, shareholders have enough information to assess how effectively company practices are working to eliminate discrimination in pay and	Ruffer's policy is to encourage the separation of the CEO & Chairman roles. This motion calls for the roles to be separated at the end of the current CEO/Chairman's term and these motions have been on the table for years, so the company should have time to manage the transition with limited disruption. Therefore, Ruffer voted for the proposal.	Ruffer voted against the re-election of the Director. Aena has not split the CEO and Chairman roles and does not have a plan to do so. The company's bylaws currently dictate a single person should be both CEO & Chairman. To change this bylaw, they would need an AGM vote and super-majority approval of the board. This doesn't seem like a high bar to enact change and the company has had pressure from minority shareholders to split the roles. But the majority shareholder (the Spanish State) has not	Ruffer voted for Equinor's transition plan because they are supportive of their efforts to decarbonise. Equinor is at the forefront of offshore wind developments, and Ruffer has been impressed by their business success in that area. Equinor are one of few companies who have been profitable in aiming to decarbonise and Ruffer will support that.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
		opportunity in its workforce. Therefore, Ruffer voted against the resolution.		shown interest in supporting the change. Ruffer spoke with Aena's management about their intentions to vote against the CEO and Chairman. This puts pressure on the Spanish State to look at separating the roles.	
Outcome of the vote	The resolution failed with 85.1% votes against.	The resolution failed with 66.8% votes against.	The resolution failed with 54.9% votes against.	The resolution passed with 82.5% votes in favour.	The resolution passed with 96.6% votes in favour.
Implications of the outcome	Ruffer will monitor how the company progresses and improves over time and continue to support credible energy transition strategies and initiatives which are currently in place and will vote against shareholder resolutions which deem as unnecessary.	Ruffer will continue to vote on shareholder resolutions that affect transparency over Diversity, Ethnicity, and Inclusion Efforts.	Ruffer will continue to engage with the company on governance issues and vote in favour of policies that favour a split between the CEO and Chairman roles.	Ruffer will continue to vote against this as they believe these two roles should be separate.	Ruffer will monitor how the company progresses and improves over time and continue to support credible energy transition strategies and initiatives.
Criteria on which the vote is considered "significant"	Ruffer believe this vote will be of particular interest to their clients. They support management in their effort to provide clean, reliable and affordable energy.	Ruffer believe this vote will be of particular interest to their clients. They support management in their effort to provide accurate and transparent information on Gender Pay Gaps.	Ruffer believe this vote will be of particular interest to their clients. The management resolutions aimed to increase the diversity on the board structure by separating out the roles.	Votes against the election of directors for material holdings are significant. These arise after discussion between members of the research, portfolio management and responsible investment teams	Ruffer believe this vote will be of particular interest to their clients. The management resolution aims to increase the transparency of the company's climate transition planning and outcomes.

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 activities undertaken by each of the Scheme's investment managers over the year to 30 September 2022, with examples provided on the following pages.

Manager	Invesco	Newton Investment Management	Ruffer LLP	CT Investments[2]
Fund name	Invesco Global Targeted Returns Fund	Newton Real Return Fund	Ruffer Absolute Return Fund	LDI funds
Number of entities engaged with on behalf of the holdings in this fund in the year	2,300[3]	30	19	19[4]
Number of engagements undertaken on behalf of the holdings in this fund in the year	3,000[3]	41	21	56[4]
Number of entities engaged with at a firm level in the year	49	157	34	1,158
Number of engagements undertaken at a firm level in the year	61	174	36	1,897

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

[2] Data provided on a semi-annual basis and is therefore shown for the year to 30 June 2022

3 Firm-wide engagement provided at the end of each calendar year and the figures represent engagements carried over 2021.

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

Examples of engagement activity undertaken over the year to 30 September 2022

Invesco, Invesco Global Targeted Returns Fund

CRH Plc

Invesco met with Richie Boucher, Chair of the Board, to discuss how the board interacts with the executives on capital allocation, the impact of the Ukraine crisis, sustainability targets, detail on the safety culture and honesty on the outlook for the business.

- Capital Allocation – The threshold for the Acquisitions, Divestments and Finance committee to look at deals is $50m. Whilst this appeared low, it was central to the culture of the business. In Europe, CRH like the Nordic market where there is a lot to learn from Modular building, and also have a reasonable budget for the UK and Ireland, which were set to be good long-term markets.

- Ukraine crisis – CRH's exposure in Ukraine is $250m of capital and $60-70m of earnings, which have come to a halt since the crisis, leading to 800 people of whom 60 families are leaving Ukraine. CRH mentioned they will be ready when the rebuilding of post-war Ukraine starts.

- Health and Safety – Safety is an override for management remuneration. The Chair explained that none of the 4 fatalities in 2021 (1 employee, 1 contractor and 2 third parties) demonstrated a systematic H&S issue at the firm, which would have been required to trigger an override - although he pointed out that the shortage of drivers and turnover over of staff in contractors has meant lower skilled workers, which has raised the risk profile. Nonetheless, as a result of this up-tick in incidents, the board is doing an investigation into how to best manage safety, and particularly transport safety, which was the cause of 3 of those fatalities.

- Executive renumeration – The PSP was seen as the most appropriate way of including sustainability incentives. The PSP goes to the top c.750 people in the business, hence a means with which to drive culture. There are three areas, although the focus was mainly on gender diversity and carbon. Increasing the attractiveness of CRH to women is seen as a great way to address the labour shortage. CRH is 85% men, while in operations it is 93% men. The CEO has championed the focus on women, while it is also felt this will enhance the solutions side of the business. Invesco talked about ethnicity, which isn't in the targets now but will be a focus in the future.

Invesco found the meeting useful to learn about the CRH business from board perspective. Invesco will also review the response of the chair over the Climate Action 100+ flagged resolutions and use it to inform their voting at the AGM.

Newton Investment Management, Newton Real Return Fund

Goldman Sachs

Environment - Climate change; Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)

This was a meeting with Goldman's IR to discuss culture change post the global financial crisis (GFC), the 1MDB scandal and also the company's approach to Net Zero.

The bank underwent a significant transformation post GFC. To identify what needed to change the previous CEO and Chair set up Business Standards Committee. This committee made 39 recommendations to improve the firm's business standards and practices, all of which were adopted. Specifically, they recognised that the firm often weighed its own interests and short-term incentives too heavily in decision making, which came at the cost of client and broader societal outcomes. These recommendations were underpinned by a set of broader culture metrics including data on internal cultural audits, whistleblowing, training, client and employee surveys, attrition rates, legal cases and fines data.

From previous meetings and reviewing disclosures, the bank was keen to stress it's headline sustainable finance target of $750bn by 2030 across a range of areas such as clean energy, sustainable food, ecosystem services, sustainable transport, waste and materials, financial inclusion, communities, accessible healthcare and accessible education. It also highlighted the Environmental and Social Risk Policy that shows the type of financing activities that are subject to enhanced scrutiny or are outright rejected.

Newton asked if the company plans to commit to a Net Zero Scope 3 Financed Emissions target, aligned with a 1.5-degree decarbonisation pathway. It was confirmed that this was a topic of discussion internally, but no decision had been made.

Newton fed back that they would like to see better disclosure of quantitative time series culture metrics and the adoption of an appropriately paced Net Zero target for their financed emissions. Newton also conveyed that the dashboard of metrics contains the right types of data but urged the company to improve disclosures and that these are on a time-series basis. This will help investors gain visibility on quantitative metrics so they can monitor performance rather than relying on qualitative policy information that has proven insufficient in the past.

On climate, in light of the heavily concentrated major emitters who do disclose climate data well, the company should not let the lack of perfect data get in the way of progress and that while recognising the complexity for financial institutions, Newton urged the company to adopt a Net Zero target as soon as possible.

Ruffer LLP, Absolute Return Fund

ArcelorMittal

Environment/ climate impact

Climate Action 100+ has three aims:

- Implement a strong governance framework which clearly articulates the board's accountability and oversight of climate change risk and opportunities.
- Take action to reduce greenhouse gas emissions across their value chain, consistent with the Paris Agreement's goal of limiting global average temperature increase to well below 2 degrees Celsius above pre-industrial levels.
- Provide enhanced corporate disclosure in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Ruffer held a Climate Action 100+ meeting with Annie Heaton (Head of Sustainability Dialogue and Disclosure), Nicola Davidson (Communications), Brad Davey (Executive Officer and EVP), Javier Bonaplata (Head of Strategic Projects) and other senior colleagues. The Climate Action 100+ working group engaged with ArcelorMittal ahead of the AGM in June. In September 2020, the company announced a target to be net-zero by 2050 across its global operations and Ruffer discussed this commitment in the context of other developments in the steel industry. They also addressed the Climate Action 100+ Net-Zero Benchmark which assesses the performance of focus companies against the initiative's three high-level goals: emissions reduction, governance and disclosure, and discussed the company's priorities in meeting this. ArcelorMittal was positive the assessment of its climate lobbying disclosure should improve imminently. When asked about the outstanding Climate Change Report, they were assured that this will be published in the second half of 2021 and will include a response to the Climate Action 100+ Net-Zero Benchmark. Ruffer also received an update on other projects the company is involved in, including the Net Zero Steel Pathway Methodology Project, the IIGCC steel roundtable, the Science Based Targets initiative and the Mission Possible Partnership. Finally, the company discussed the changes and progress made with regards to climate change since Aditya Mittal succeeded Lakshmi Mittal as the CEO in February 2021. Aditya Mittal has been proactive in addressing climate change issues at the Energy Transition Commission and the World Economic Form.

Ruffer will continue to engage with ArcelorMittal on its progress the Climate Action 100+ Net -Zero Benchmark, focusing on climate-related lobbying, governance (in particular, remuneration) and medium-term greenhouse gas emissions reduction targets as their core priorities. Ruffer also plans on supporting the company to make its climate transition plans available at the 2022 AGM for an advisory 'Say on Climate' vote.

CT Investments

Banco Santander SA

Columbia Threadneedle identifies specific objectives for their engagement with investee companies. They record specific outcomes where objectives are achieved as "milestones" and report these to clients. Each milestone is rated on a three-star scale related to the extent to which Columbia Threadneedle assesses it to protect and enhance investor value.

An LDI counterparty, Santander have committed to achieve net-zero greenhouse gas financed emissions by 2050, and to align its power generation portfolio with the Paris Agreement by 2030. As part of this commitment, Santander will also develop and publish decarbonisation targets for other material sectors, including oil & gas, transport and mining & metals. The implementation of these commitments will enhance the bank's response to climate change risks in its lending, advisory and investment activities.