

**Colthrop Board Mill Pension Scheme
Implementation Statement
Year Ending 31 March 2023**

Glossary

DWS	DWS Investments UK Limited
ESG	Environmental, Social and Governance
Investment Adviser	Deutsche Bank
Scheme	Colthrop Board Mill Pension Scheme
Scheme Year	1 April 2022 to 31 March 2023
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

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.

Note that not all data was available to 31 March 2023 so the analysis has been carried out to 31 December 2022 which still provides meaningful analysis on the manager’s voting record and stewardship policy over the Scheme year.

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
- LF Lindsell Train UK Equity Fund
- Morgan Stanley Asia Opportunity Fund
- Xtrackers Euro Stoxx 50 UCITS ETF (DWS / Deutsche Bank)
- Xtrackers MSCI Emerging Markets Swap UCITS ETF (DWS / Deutsche Bank)
- Xtrackers S&P 500 Equal Weight UCITS ETF (DWS / Deutsche Bank)

There were also other funds with allocations to equities, however the allocation to these funds is very small and we do not feel they are material enough to be included in this paper.

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 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 the investment managers' own policies on such matters.
- When selecting a pooled 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 Adviser) 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 Adviser 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.
- During the Scheme Year, the Trustee selected a number of pooled funds. As part of the selection process, the Trustee considered the investment manager's voting policy. Pooled funds are selected from the Trustee's Investment Advisers approved list and internal due diligence is carried out by the Investment Adviser.
- During the Scheme Year, the Trustees considered the voting records of the investment managers over the period ending 31 March 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 December 2022* 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 December 2022 because this was the most date that all data was 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 Records

A summary of the investment managers' voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
BlackRock	170,000	88%	10%	2%
DWS	41,000	69%	29%	2%
J O Hambro	9,000	90%	8%	2%
Lindsell Train	1000	97%	2%	0%

Notes

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

These voting statistics are based on the managers' full voting record over the 12 months to 31 December 2022. The statistics over the 12 months to 31 March 2023 are not expected to be materially different from those shown above.

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
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' Voting Behaviour

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

- broad statistics of their voting records 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 December 2022 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 Adviser, 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

Previous analysis had identified that BlackRock's voting record did not appear to be consistent with the investment manager's public statements. An expressed desire to address climate change issues was not particularly consistent with the way votes were cast. More recent data suggests that the position may be starting to change and, during the year, BlackRock supported two closely contested shareholder proposals relating to plastic pollution and a vote at Apple which requested information on the company's impact on civil rights.

BlackRock tended to oppose shareholder-brought votes intended to improve shareholder influence and voted against two closely contested proposals requiring companies to report on racial inequality.

The Trustee notes that there is evidence that BlackRock is starting to take a more considered approach towards the exercise of its voting rights. Nothing in the analysis of BlackRock's voting record caused the Trustee undue concern.

DWS

We have observed that DWS were less likely to vote with management and where they voted against the manager's recommendation, they outlined clear methodology of the reasons behind this decision. The manager's voting policy is also detailed.

DWS opposed directors in 29% of votes during 2022. Compared to other fund managers, this level of opposition is high suggesting that DWS is taking its stewardship responsibilities seriously.

J O Hambro

In contrast t to DWS, we have observed that J O Hambro were more likely to vote with management. They don't have a tendency to outline a clear rationale when they vote against the manager's recommendation.

J O Hambro opposed directors in 8% of votes during 2022. Compared to other fund managers, this level of opposition is low which suggests that J O Hambro is not taking its stewardship responsibilities as seriously relative to other managers.

LF Lindsell

LF Lindsell 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 LF Lindsell don't tend to vote against management in many instances. Their portfolios are very concentrated meaning that they only invest in a select few companies. This could possibly explain their small number of votes against management as they only invest in a small number of companies that they hold in high regard.

Conclusion

Based on the analysis undertaken, the Trustee has no material concerns regarding the voting records of BlackRock, DWS, J O Hambro or LF Lindsell.

The Trustee will keep the voting actions of the investment managers under review, noting that J O Hambro's voting records could be improved relative to some other managers.

..... Date:

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	DWS	J O Hambro Capital
Audit & Reporting							
W. R. BERKLEY CORPORATION	15/06/2022	Ratify KPMG LLP as Auditors	50	50	For	Against	Not held
PALACE CAPITAL PLC	29/07/2022	Receive the Annual Report	68	31	For	Not held	Not held
MODERNA INC	28/04/2022	Appoint the Auditors	75	24	For	Against	Not held
INVESCO PERPETUAL UK SMALLER COMPANIES	09/06/2022	Re-appoint Ernst & Young LLP as the auditor of the Company	76	24	For	Not held	Not held
WORLDLINE SA	09/06/2022	Renew Appointment of Deloitte & Associates as Auditor	77	23	Not held	Against	Not held
Shareholder Capital & Rights							
TULLOW OIL PLC	25/05/2022	Issue Shares for Cash	56	44	For	Not held	Not held
PLAYTECH PLC	30/06/2022	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital	58	42	For	Not held	Not held
		Issue Shares with Pre-emption Rights					
PALACE CAPITAL PLC	29/07/2022		62	37	For	Not held	Not held
SHAFTESBURY PLC	04/02/2022	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital	70	29	For	Not held	Not held
FERRARI NV	13/04/2022	Grant Board Authority to Issue Special Voting Shares	71	29	Not held	Against	Not held
Pay & Remuneration							
THE COCA-COLA COMPANY	26/04/2022	Advisory Vote on Executive Compensation	50	49	Against	Against	Not held
THE TJX COMPANIES INC.	07/06/2022	Advisory Vote on Executive Compensation	48	49	For	Against	Not held
ORANGE S.A	19/05/2022	Approve Remuneration Policy of Chairman and CEO, CEO and Vice-CEOs	50	49	Not held	Against	Not held
TRANSDIGM GROUP INCORPORATED	12/07/2022	Advisory Vote on Executive Compensation	51	48	Against	Against	Not held
HENRY SCHEIN INC.	18/05/2022	Advisory Vote on Executive Compensation	51	48	Against	0	Not held
Constitution of Company, Board & Advisers							
TE CONNECTIVITY LTD	09/03/2022	Amend Article 5	50	50	Against	Against	Not held
INTEL CORPORATION	12/05/2022	Elect Alyssa Henry - Non-Executive Director	50	49	For	Against	Not held
MOTOROLA SOLUTIONS INC.	17/05/2022	Elect Egon P. Durban - Non-Executive Director	51	49	For	Against	Not held
M&T BANK CORPORATION	25/04/2022	Elect John R. Scannell - Non-Executive Director	51	49	Against	Against	Not held
CARRIER GLOBAL CORP	14/04/2022	Elect David Gitlin - Chair & Chief Executive	52	48	Against	For	Not held
Merger, Acquisition, Sales & Finance							
FORESIGHT GROUP HOLDINGS LIMITED	10/08/2022	Approve the Waiver of Rule 9	53	47	For	Not held	Not held
BALTIC CLASSIFIEDS GROUP PLC	28/09/2022	Approve Waiver of Rule 9 of the Takeover Code	66	34	For	Not held	Not held
LUCECO PLC	12/05/2022	Approve Waiver of Rule 9 of the Takeover Code	74	26	Against	Not held	Not held
		Auditorise Board to Issue Free Warrants with Preemptive Rights During a Public Tender Offer					
BOUYGUES SA	28/04/2022		76	24	Not held	Against	Not held
DASSAULT SYSTEMES SE	19/05/2022	Delegate Power to the Board to Carry Spin-Off Agreements	78	22	Not held	Against	Not held
Climate Related Resolutions							
GLENCORE PLC	28/04/2022	Climate Progress Report	76	24	For	Against	For
M&G PLC	25/05/2022	Approve Climate Transition Plan and Climate-Related Financial Disclosure	78	20	For	Not held	Not held
CENTRICA PLC	07/06/2022	Approve Climate Transition Plan	79	20	For	Not held	Not held
Royal Dutch Shell	24/05/2022	Approve the Shell Energy Transition Progress	77	19	For	For	Not held
UNITED UTILITIES GROUP PLC	22/07/2022	Approve Climate-Related Financial Disclosures	80	19	For	Against	Not held
Other Company Resolutions							
TE CONNECTIVITY LTD	09/03/2022	Allow Proxy Solicitation	62	38	For	Against	Not held
INVESTEC PLC	04/08/2022	Investec plc: Approve Political Donations	70	29	For	Not held	Not held
LIONTRUST ASSET MANAGEMENT	22/09/2022	Meeting Notification-related Proposal	66	24	For	Not held	Not held
SSP GROUP PLC	04/02/2022	Meeting Notification-related Proposal	79	21	For	Not held	Not held
EASYJET PLC	10/02/2022	Approve Political Donations	78	19	For	Not held	For
Governance & Other Shareholder Resolutions							
ABBVIE INC	06/05/2022	Shareholder Resolution: Submit Severance Agreement (Change-in-Control) to	50	49	Against	For	Not held
NORTHROP GRUMMAN CORPORATION	18/05/2022	Shareholder Resolution: Right to Call Special Meetings	50	49	Against	Abstain	Not held
GLOBAL PAYMENTS INC	28/04/2022	Shareholder Resolution: Right to Call Special Meetings	50	49	Against	For	Not held
APPLIED MATERIALS INC	10/03/2022	Shareholder Resolution: Right to Call Special Meetings	49	49	Against	For	Not held
INTERCONTINENTAL EXCHANGE, INC.	13/05/2022	Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Call	49	50	Against	Against	Not held
Environmental & Socially Focussed Shareholder Resolutions							
PHILLIPS 66	11/05/2022	Shareholder Resolution: Report on Reducing Plastic Pollution	50	49	For	For	Not held
AMAZON.COM INC.	25/05/2022	Shareholder Resolution: Report on Efforts to Reduce Plastic Use	49	51	For	For	Not held
MONDELEZ INTERNATIONAL INC	18/05/2022	Shareholder Resolution: Oversee and Report on a Racial Equity Audit	48	51	Against	For	Not held
		Shareholder Resolution: Civil Rights Audit					
APPLE INC	04/03/2022		53	46	For	For	Not held
AMERICAN WATER WORKS COMPANY INC.	11/05/2022	Shareholder Resolution: Report on Third-Party Racial Equity Audit	47	50	Against	Abstain	Not held

Note

Where the voting record has not been provided at the fund level, we rely on periodic information provided by investment managers to identify the stocks held. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds 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 the Scheme's pooled funds at the date of the vote.

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.

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 resolutions; 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.