

## Implementation Statement

# The A Bilbrough & Co Limited Pension & Life Assurance Scheme

### Purpose of this statement

This implementation statement has been prepared by the Trustees of the **A Bilbrough & Co Limited Pension & Life Assurance Scheme (“the Scheme”)** to set out the following information over the year to **31 December 2023**:

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

### Stewardship priorities

The Trustees have not set stewardship priorities for the Scheme as at 31 December 2023. The Trustees invest through pooled investment vehicles and stewardship responsibilities are delegated to the investment managers. Given this, and the fact that the Scheme’s assets represent a relatively small proportion of the total assets invested in the funds, the Trustees believe that setting stewardship priorities and engaging with managers on them is unlikely to have a material impact on financial outcomes for the Scheme. The Trustees believe that the fund selection and the general approach to stewardship used within those funds is likely to be more material to financial outcomes than engagement with the investment managers on the Trustees’ own stewardship priorities.

The Trustees understand that they are therefore constrained by the policies of the managers. However, the Trustees take stewardship and ESG factors into account as part of manager/fund selection and monitor these characteristics with the assistance of their investment consultant.

### How voting and engagement policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- At the year-end, the investment managers were Legal & General Investment Management (“LGIM”), Partners Group (“Partners”) and CBRE Global Investors (“CBRE”). The Trustees regularly consider the performance of the funds held with each investment manager and any significant developments that arise, as notified by their investment consultant.

- Company shares with voting rights are accessed through equity and multi-asset funds provided by LGIM. The Partners holding also carries voting rights on company shares through holdings in listed and private equity.
- As noted above, the Scheme invests entirely via pooled funds and the Trustees therefore delegate responsibility for carrying out voting and engagement activities to the Scheme's investment managers. The Trustees, as advised by their investment consultant, consider the stewardship and engagements activities of the funds to be suitable and consistent with the financial objectives of the funds held. A summary of some of the key engagements and stewardship policies for LGIM, as the Scheme's main investment manager, can be found in the link below:

<https://www.lgim.com/uk/en/responsible-investing/investment-stewardship/>

- The Trustees, through their investment consultant, reviewed information on the stewardship and engagements activities of their investment managers during the year, and were satisfied that their policies were reasonable, and no remedial action was required at that time.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable that the actions of their fund managers are consistent with the Scheme's stewardship policies, as set out in the Statement of Investment Principles dated October 2023.

A summary providing examples of voting activities undertaken by the investment managers, based on what they regard as being significant votes, is given in the appendix.

**Agreed by the Trustees of the A Bilbrough & Co Limited Pension & Life Assurance Scheme on  
30 04 2024**

## Appendix - voting undertaken on behalf of the Trustees

The Scheme's equity investments are all held through pooled funds. The investment managers of these funds vote on behalf of the Trustees.

This section provides a summary of the voting activity undertaken by the investment managers on behalf of the Trustees over the year to **31 December 2023**, together with information on any key voting priorities and information on the use of proxy voting advisors by the managers.

The LGIM Absolute Return Bond Fund, LGIM Active Corporate Bond All Stocks Fund and LGIM LDI funds have no voting rights and limited ability to engage with key stakeholders given the nature of the mandates. There is no CBRE voting data as CBRE manages indirect private real estate portfolios on behalf of separate accounts and pooled vehicles, with limited, if any, voting rights.

Fund	% of votes cast as a proportion of total possible votes	Does the manager use a proxy voting advisor?	Key voting priorities
LGIM All World Equity Index Fund	99.9%	A proxy-voting advisor (ISS) is used by LGIM, but LGIM actively direct a significant proportion of clients' voting rights.	Focus on improving corporate management of environmental, social and governance issues, including board remuneration and diversity.
LGIM Dynamic Diversified Fund	99.8%		
Partners Group Partners Generation Fund	100.0%	Partners Group have created their own bespoke voting policy, which a proxy advisor (Glass Lewis) then implement on the manager's behalf.	Focus on transparency on carbon emissions, climate change transition plans, diversity and inclusion, and corporate governance.

### Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2022 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, subsequent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes.

Given that the Trustees have decided not to set stewardship priorities / themes because the Scheme solely invests through pooled investment vehicles, the Trustees have delegated the determination of what constitutes a "significant vote" to their investment managers. The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees have not developed a specific voting policy.

The relevant managers have provided a selection of votes which they believe to be significant and, in the interest of concise reporting, the tables below show three of these votes for each fund. The examples provided are intended to cover a range of themes to represent the most significant votes cast on behalf of the Scheme.

## LGIM

In determining significant votes, LGIM's investment stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association ("PLSA"). This guidance dictates significant votes include, but are not limited to:

- A high-profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote, directly communicated by clients to the investment stewardship team at LGIM's Stakeholder roundtable event, or where LGIM notes there has been a significant increase in requests from clients on a particular vote;
- A sanction vote as a result of a direct or collaborative engagement; and
- A vote linked to an LGIM engagement campaign.

### LGIM: All World Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Amazon.com, Inc.	JPMorgan Chase & Co
<b>Date of vote</b>	7 December 2023	24 May 2023	16 May 2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.4%	1.5%	0.7%
<b>Summary of the resolution</b>	Elect director Satya Nadella	Report on Median and Adjusted Gender/Racial Pay Gaps	Report on Climate Transition Plan describing efforts to align financing activities with GHG targets
<b>How the manager voted</b>	Against	For	For
<b>Rationale for the voting decision</b>	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	LGIM voted for the resolution because they expect companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives.	LGIM generally supports resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published targets. LGIM believe detailed information on how a company intends to achieve the targets they have set and published to the market can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders.

	Vote 1	Vote 2	Vote 3
<b>Outcome of the vote</b>	Passed: 94.0% of shareholders supported the resolution	Failed: 29.0% of shareholders supported the resolution	Failed: 34.8% of shareholders supported the resolution
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	LGIM considers this vote to be significant as it is in application of an escalation of their voting policy on the topic of the combination of the board chair and CEO.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.	LGIM considers this vote to be significant and they pre-declared their intention to support it. LGIM continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.

Source: LGIM.

## LGIM: Dynamic Diversified Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Royal Dutch Shell Plc	Eversource Energy	Public Storage
<b>Date of vote</b>	23 May 2023	3 May 2023	2 May 2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.3%	0.1%	0.2%
<b>Summary of the resolution</b>	Approval of the Shell Energy Transition Progress Update	Elect Joseph R. Nolan, Jr as Director	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal
<b>How the manager voted</b>	Against	Against	For
<b>Rationale for the voting decision</b>	LGIM acknowledged the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remained concerned by the lack of disclosure surrounding future oil and gas production plans & targets associated with the upstream and downstream operations,	A vote against was applied because LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	LGIM voted in favour as they expect companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.

	Vote 1	Vote 2	Vote 3
	both of which are key areas to demonstrate alignment with the 1.5°C trajectory.		
<b>Outcome of the vote</b>	Passed: 80.0% voted in favour of the resolution.	Passed: 71.4% voted in favour of the resolution.	Failed: 34.7% voted in favour of the resolution.
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies and will publicly advocate their position on this issue and monitor the company and market level progress.		
<b>Criteria on which the vote is considered "significant"</b>	It is an escalation of LGIM's climate-related engagement activity and their call for credible transition plans to be subject to a shareholder vote.	LGIM considers this vote to be significant as it is in application of an escalation of their voting policy on the topic of the combination of the board chair and CEO.	This shareholder resolution is considered significant due to the relatively high level of support received.

Source: LGIM.

## Partners

Partners deem votes significant depending on the size of the holding of the company, therefore the larger the size of the company in the fund, the more significant. Any missing data was requested from the manager, but they were unable to provide it as they believe the information was not applicable to the private markets sector, e.g. because Partners have control of the Company and the illustrations provided show progress made with respect to responsible investment activities.

### Partners Group: Partners Generations Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Breitling	Gren	Wedgewood Pharmacy
<b>Date of vote</b>	n/a	n/a	n/a
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	n/a	n/a	n/a
<b>Summary of the resolution</b>	As they control the board, see below the ESG efforts of the portfolio company.		
<b>How the manager voted</b>	Control of Board	Control of Board	Control of Board
<b>Rationale for the voting decision</b>	<p>Since 2020, Breitling has measured its environmental impact, including greenhouse gas emissions, and developed measures to reduce the negative impact, mainly in its supply chain.</p> <p>Breitling also released their "Origins" watch series launch, using responsibly sourced and fully traceable precious metals in its watches. For example, the diamonds used in Breitling's Origins series are lab-grown, ensuring the avoidance of conflict diamonds.</p>	<p>Gren's focus was on reducing their carbon footprint, with a plan to decarbonize operations by developing a GHG reduction strategy.</p>	<p>Wedgewood Pharmacy is active in the veterinary specialty pharmacy industry and is the largest provider of custom-compounded animal medications.</p>
<b>Outcome of the vote</b>	n/a	n/a	n/a

	Vote 1	Vote 2	Vote 3
<b>Implications of the outcome</b>	<p>Breitling aimed to minimize its environmental impact, reducing Scope 1 + 2 emissions by 80% by 2032 and achieving net zero by 2050.</p> <p>During 2023, Breitling assessed equal pay for 1,658 employees in 19 countries, considering location, roles &amp; tenure. The company achieved &lt;1% adjusted pay gap in favour of women.</p>	<p>Gren have collaborated with EY (as recommended by Partners) to establish a GHG accounting system for Scope 1 &amp; 2 emissions, aiming to include Scope 3 emissions by 2025. Their targets are to reduce GHG emissions by 73% by 2030 and increase renewable energy production to over 90% by 2030. In partnership with EY and KPMG, they have created a roadmap that includes phasing down or exiting non-sustainable activities, diversifying into wind farms, solar, and green hydrogen.</p>	<p>Wedgewood Pharmacy had completed its Scope 3 footprint assessment for 2022, ensuring that its environmental impact is measured and aligns with its Greenhouse Gas Reduction objectives. The company also identified sustainable materials and packaging alternatives, demonstrating their commitment to eco-friendly practices.</p>
<b>Criteria on which the vote is considered "significant"</b>	Size of holding in the fund.	Size of holding in the fund.	Size of holding in the fund.

Source: Partners.