

14. Appendix – Implementation Statement



Implementation Statement

Wall Colmonoy Limited Retirement Benefit Scheme

Scheme year ending 30 June 2022

Purpose of the Implementation Statement

The Implementation Statement has been prepared by the Trustee of the Wall Colmonoy Limited Retirement Benefit Scheme ("the Scheme") and sets out the following information over the year to **30 June 2022**:

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

How voting and engagement policies have been followed

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 manager, abrdn.

Annually the Trustee receives and reviews information about voting and engagement activities from the investment manager, which are reviewed to ensure alignment with the Scheme's policies. This exercise was undertaken in the production of this statement. The Trustee has reviewed the voting and stewardship policies of the investment manager in the production of this statement.

Having reviewed the above in accordance with the Scheme's policies, the Trustee is comfortable the actions of the investment manager is in alignment with the Scheme's stewardship policies.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at February 2022 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It has been made available online here:

<https://www.opentrustees.com/wp-content/uploads/sites/14/2022/03/Wall-Colmonoy-Limited-Retirement-Benefit-Scheme-statement-of-investment-principles-dated-15-February-2022.pdf>

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment manager.

**Prepared by the Trustee of the Wall Colmonoy Limited Retirement Benefit Scheme
October 2022**

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Voting Data

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

Manager	abrdn	
Fund name	Diversified Growth Fund	Global Equity 50:50 Pension Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	
No. of eligible meetings	616	47
No. of eligible votes	8,640	597
% of resolutions voted	97.5%	98.3%
% of resolutions abstained¹	0.7%	0.7%
% of resolutions voted <i>with</i> management¹	86.4%	93.2%
% of resolutions voted <i>against</i> management¹	12.9%	6.1%
Proxy voting advisor employed	ISS	ISS
% of resolutions voted against proxy voter recommendation	9.6%	6.3%

abrdn use Institutional Shareholder Services (ISS) for proxy advisory services. Recommendations from ISS make one of the number of inputs used in their vote analysis process.

The Vanguard UK Investment Grade Bond Index Fund, Standard Life Deposit and Treasury Fund, and abrdn Liability Aware Funds would not normally be expected to hold assets with voting rights attached and no voting data has been provided by abrdn for these funds.

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". abrdn have provided a selection of 10 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.

A summary of the significant votes provided is set out below.

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

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abrdn, Global Equity 50:50 Tracker Pension Fund

	Vote 1	Vote 2	Vote 3
Company name	Motorpoint Group Plc	Spire Healthcare Group Plc	BAWAG Group AG
Date of vote	27 July 2021	19 July 2021	27 August 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a	n/a
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Approve Scheme of Arrangement	Elect Supervisory Board Member Gerrit Schneider
How the manager voted	For the proposal	For the proposal	For the proposal
Rationale for the voting decision	abrdn were consulted by the company on the significant salary rise and some other changes last year. abrdn agreed to the changes and supported last year. The changes were delayed by the context of the pandemic and they will now proceed.	n/a	abrdn engaged with the company who confirmed that Gerrit Schneider is an independent non-executive director. abrdn discussed the skillset that she brings, and with her financial background she will be appointed as Chair of the Audit Committee. abrdn were comfortable with her election to the board particularly in view of the increased diversity her appointment will bring.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	abrdn will vote for compensation rises for executives which they feel are appropriate and fair considering the context.	n/a	The vote by abrdn showed the importance they place on skilled and diverse board members.

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abrdn, Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Severn Trent Plc	Campbell Soup Company	Lundin Energy AB
Date of vote	8 July 2021	1 December 2021	31 March 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.01%	0.01%	0.01%
Summary of the resolution	Approve the Company's Climate Change Action Plan	Adopt Simple Majority Vote	Re-elect Ian H. Lundin as Director
How the manager voted	For the proposal	For the proposal	Abstain
Rationale for the voting decision	abrdn are supportive of Severn Trent's Climate Change Action Plan. The Plan presents clear, ambitious, science-based targets for 2030; including becoming net zero emissions as part of the 'Triple Carbon Pledge'.	Elimination of the supermajority vote requirement would enhance shareholder rights.	In November 2021, the Swedish Prosecution Authority announced that Ian Lundin had been indicted in a long running investigation into the company's complicity in war crimes in Southern Sudan between 1997-2003. The company has recently announced the board composition of the renewables business, and abrdn note that Ian will not sit on the board. Given the need for continuity until the transaction is complete, abrdn consider an abstention to be appropriate.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	abrdn's vote in favour of the proposal signalled their support for strong and ambitious environmental proposals from companies.	The vote for the proposal highlighted abrdn's desire to enhance shareholder rights where possible.	The abstention from abrdn reflected the acknowledgement of the controversy around the director, but also the nuance of the need for continuity given the context of the company.

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Fund level engagement

The investment manager may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by abrdn during the year at a firm wide level. abrdn only provide engagement information for complete calendar years and so the information shown above is for the year to 31 December 2021.

Manager	abrdn
Reporting Date	31 December 2021
Number of engagements undertaken at a firm level in the year	2,585

abrdn did not provide example engagements at a fund level. However, at a firm-level, abrdn have provided details of collaborative engagements. For example, they have worked with the Farm Animal Investment Risk and Return (FAIRR) initiative on climate change issues.

Summary

Based on the information received, the Trustee believes that the investment manager has acted in accordance with the Scheme's stewardship policies.

The Trustee and the investment consultant are working with the investment manager to provide additional information in the future, including where indicated above, in order to enhance their ability to assess the investment manager's actions.

Prepared by the Trustee of the Wall Colmonoy Limited Pension Scheme

October 2022