

# Wall Colmonoy Limited Retirement Benefits Scheme

## Trustee's Report and Financial Statements

Year Ended 30 June 2023

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### 14. Appendix – Implementation Statement

## Implementation Statement

### Wall Colmonoy Limited Retirement Benefit Scheme

#### Purpose of this statement

This implementation statement has been produced by the Trustee of the **Wall Colmonoy Limited Retirement Benefit Scheme ("the Scheme")** to set out the following information over the year to **30 June 2023**:

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.

#### Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at December 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](#).

At this time, the Trustee has decided not to set stewardship priorities for the Scheme but may consider doing so in due course.

#### How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's fund 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 delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

Annually, the Trustee receives and reviews voting information and engagement policies from the Scheme's asset manager, which is reviewed to ensure alignment with the Trustee's stewardship policies. The Trustee believes that the voting and engagement activities undertaken by the asset manager on their behalf have been in the members' best interests. This exercise was undertaken in the production and review of this statement.

**Prepared by the Trustee of the Wall Colmonoy Limited Retirement Benefit Scheme  
October 2023**

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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 2023.

Manager	abrdn	
Fund name	Diversified Growth Fund	Global Equity 50:50 Tracker Pension Fund
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	
<b>No. of eligible meetings</b>	611	54
<b>No. of eligible votes</b>	8,740	716
<b>% of resolutions voted</b>	97.2%	99.4%
<b>% of resolutions abstained</b>	0.6%	0.6%
<b>% of resolutions voted with management<sup>1</sup></b>	85.1%	82.0%
<b>% of resolutions voted against management<sup>1</sup></b>	14.3%	17.4%
<b>Proxy voting advisor employed*</b>	ISS	ISS
<b>% of resolutions voted against proxy voter recommendation</b>	10.7%	14.6%

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

<sup>1</sup> As a percentage of the total number of resolutions voted on

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### 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. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities. At this time, the Trustee has decided not to set stewardship priorities for the Scheme. So, for this Implementation Statement, the Trustee has asked the investment manager to determine what it believes to be a significant vote. The Trustee has not communicated voting preferences to the investment manager over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee may consider the most significant votes in conjunction with any agreed stewardship priorities, if set. 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.

#### abrdn, Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Berkeley Group Holdings Plc	Apple Inc.	Mitsubishi UFJ Financial Group, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>		abrdn did not provide any data	
<b>Summary of the resolution</b>	Approval of the company's long-term option plan	Publication of the company's median gender/racial pay gap	Disclosure of fossil fuel financing
<b>How the manager voted</b>	Against	For	Against
<b>Rationale for the voting decision</b>	abrdn were concerned that the long-term incentive scheme was a significant one-off award which would allow full vesting on change of control. abrdn's voting policy does not support one-off awards, so they voted against the resolution.	They welcomed Apple's existing disclosure on pay equity and representation data, including its decision to make public its EEO-1 data; however, the requested report would help investors and other stakeholders evaluate an important aspect of the company's diversity, equity and inclusion initiatives using a transparent and comparable metric.	abrdn agreed with the proponent that it is appropriate that the company discloses details of its climate goals and transition plans. The company has clearly set out these targets in accordance with TCFD reporting standards and has committed to the standards of the Net Zero Banking Alliance. However, the vote was considered onerous and abrdn voted against the resolution.
<b>Outcome of the vote</b>		abrdn did not provide any data	
<b>Implications of the outcome</b>		abrdn did not provide any data	
<b>Criteria on which the vote is considered "significant"</b>	This was considered to be what abrdn classify as a 'High Profile' vote and focused on an area which reflects significant governance concerns regarding the company.	This was considered to be what abrdn classify as a 'Shareholder and Environmental & Social Resolutions' vote and focused on an area surrounding management-presented E&S proposals.	This was considered to be what abrdn classify as a 'Shareholder and Environmental & Social Resolutions' vote and focused on an area in which they have engaged with the proponent on the resolution.

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### abrdn, Global Equity 50:50 Tracker Pension Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Merck & Co, Inc.	The Charles Schwab Corporation	The Home Depot, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>		abrdn did not provide any data	
<b>Summary of the resolution</b>	Transparency Report on Access to COVID-19 Products	Report on Risks Related to Discrimination Against Individuals Including Political Views	Report on Political Expenditures Congruence
<b>How the manager voted</b>	For	Against	For
<b>Rationale for the voting decision</b>	abrdn felt it was unclear what changes will be applied to existing emergency use authorisations and what impact this could have on the company. It was also not entirely clear how public funding has been used for existing COVID-19 products. abrdn believed improved transparency would benefit both investors and the company and, as a result, a vote in favour of the report was cast.	abrdn believed the company had already clearly set out its commitment to tackle discrimination in its Code of Business Conduct and Ethics, where it clearly states that it does not tolerate harassment or discrimination based on many factors, including religion. The proponent's request was considered onerous and as a result abrdn voted against the proposal.	The company sets out standards for political activity participation in its Political Activity and Government Relations report. However, abrdn encourages the company to assess potential misalignment of its political activities with its public positions and values. A vote for this resolution was warranted as a report would provide transparency of potential misalignment between Home Depot's political activities and its public commitments.
<b>Outcome of the vote</b>		abrdn did not provide any data	
<b>Implications of the outcome</b>		abrdn did not provide any data	
<b>Criteria on which the vote is considered "significant"</b>	This was considered to be what abrdn classify as a 'Shareholder and Environmental & Social Resolutions' vote and focused on an area surrounding management-presented E&S proposals.		

## 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 is for the year to 31 December 2022.

Manager	abrdn
<b>Reporting Date</b>	31 December 2021
<b>Number of engagements undertaken at a firm level in the year</b>	2,484

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### Examples of engagement activity undertaken over the year to 30 June 2023

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Manager

abrdn

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#### Engagement theme

Fair pay to UK supermarket staff

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#### Rationale for the engagement theme

abrdn recognise the crucial link between a company's workforce practices and its long-term success. The majority of FTSE100 companies are now accredited payers of the real living wage, but, as yet, none of the UK's largest supermarkets have joined them. Over 2022, they engaged in conversations with a number of large UK supermarkets and the British Retail Consortium (BRC) to discuss efforts the sector was making to ensure employees were being paid the real living wage. Their engagement was initiated as a response to the shareholder resolution filed by a coalition of ten investors coordinated by ShareAction calling on Sainsbury's to become an accredited real living wage employer and to ensure that its third-party suppliers also committed to paying the real living wage. The UN SDG's were not a driver for this work but there are clear links to SDG 8 'Decent work and economic growth'.

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#### What has abrdn done?

In response to the resolution, abrdn entered into careful engagement with Sainsbury's to discuss the resolution and explore the reasons for the Board's opposition to the proposal. At the time, Sainsbury's was already paying the real living wage within London and above the rate outside London, while many of its peers had yet to achieve these rates. After careful consideration, we voted against the resolution proposed by the coalition of investors because we believed that the third-party supplier commitment would punish a supermarket that was leading in this area. We felt comfortable with Sainsbury's total compensation package and the consideration given to wider employment standards. Following this engagement with Sainsbury's they continued to engage in conversations with other large UK supermarkets, including Asda, Iceland and Tesco, as well as meeting with the BRC to ensure their asks were in line with what they would expect from their members. These engagements helped to unearth the initiatives the sector is using to ensure fair compensation and satisfied employees.

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#### What were the outcomes?

Every supermarket abrdn spoke to highlighted inflation and the challenge of balancing customer needs against employee compensation during the current cost of living crisis. They explained the inflationary pressures were a result of various factors such as supply-chain cost pass-through, increased energy bills and, significantly, the anticipated rise in business rates. They brought to Tesco's attention that their London hourly wage was lower compared to their peers, and three weeks later, they increased it, achieving one of the milestones they had set with them. Although many UK supermarkets are not paying employees the real living wage, abrdn recognise that hourly wage is just one aspect of pay and supermarkets play a crucial role in alleviating the cost-of-living crisis for both their staff and their customers. As investors, abrdn will continue to pressure supermarkets to offer employees competitive and fair compensation packages, to report on contractor wages, and to align contractor compensation packages with those of supermarket employees. Their goal is to promote fair compensation and to ensure that employees are satisfied in the supermarket sector. They will follow up on the milestones they have set with companies to ensure sufficient progress on this issue is being made.

Overall, they very much believe that working with investee companies can achieve better outcomes than simply tabling resolutions, or divesting. They believe that their work is one of many contributing factors in driving strategic change.