

## Implementation Statement

# Westcrowns Limited Retirement Benefits Scheme

### Purpose of this statement

This implementation statement has been produced by the Trustees of the Westcrowns Limited Retirement Benefits Scheme ("the Scheme") to set out the following information over the year to 31 March 2023:

- how the Trustees' 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 manager on behalf of the Trustees over the year, including information regarding the most significant votes.

### Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 31 March 2023 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in September 2020 and has been made available online here:

<https://www.westcrownsgroup.com/SIP-10-sept-2020.pdf>

At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

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

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

- The Scheme invests in instruments (such as equities) that have voting rights. However, the Scheme accesses these instruments entirely through investments in pooled funds. Therefore, the Trustees delegate responsibility for carrying out voting and engagement activities to the Scheme's fund manager.
- Our investment advisors have undertaken an initial review of the stewardship and engagement activities of the current manager using their internal research teams. We are satisfied that the manager's policies are reasonable and no remedial action is required.
- The Trustees are comfortable the actions of the fund manager are in alignment with the Scheme's stewardship policies.

The Trustees reviewed the voting policies of their investment manager and were satisfied with their approach to sustainability and stewardship policies.

**Prepared by the Trustees of the Westcrowns Limited Retirement Benefits Scheme  
June 2023**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment manager within the Scheme's growth fund on behalf of the Trustees over the year to 31 March 2023. The Scheme's Liability Aware Funds with abrdn have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	abrdn
<b>Fund name</b>	Global Equity 50:50 Tracker Fund
<b>Structure</b>	Pooled
<b>Ability to influence voting behaviour of manager</b>	This is a pooled fund with many unitholders. The Trustees monitor and evaluate the fund manager's voting behaviour but are not able to directly influence voting.
<b>No. of eligible meetings</b>	2,146
<b>No. of eligible votes</b>	31,245
<b>% of resolutions voted</b>	99.0
<b>% of resolutions abstained<sup>1</sup></b>	0.1
<b>% of resolutions voted with management<sup>1</sup></b>	97.1
<b>% of resolutions voted against management<sup>1</sup></b>	2.9
<b>Proxy voting advisor employed<sup>1</sup></b>	Institutional Shareholder Services (ISS)
<b>% of resolutions voted against proxy voter recommendation<sup>1</sup></b>	0.3

Totals may not sum due to rounding.

<sup>1</sup> 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 Trustees 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 / themes. At this time, the Trustees have not set stewardship priorities / themes for the Scheme, but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustees have asked the investment manager to determine what they believe to be a “significant vote”. The Trustees have not communicated voting preferences to their investment manager over the period, as the Trustees are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

abr dn have provided a selection of 141 votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees have selected 3 votes that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme.

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

### abr dn, Global Equity 50:50 Tracker

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Costco Wholesale Corporation	D.R. Horton, Inc.	Apple Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	Data not available	Data not available	Data not available
<b>Summary of the resolution</b>	Report on GHG Emissions Reduction Targets	Advisory Vote to Ratify Named Executive Officers' Compensation	Report on Median Gender/Racial Pay Gap
<b>How the manager voted</b>	For	Against	Against
<b>Rationale for the voting decision</b>	abr dn believe this addresses material risk(s) and an oversight or disclosure gap, is not overly prescriptive, and is determined to be in the best long-term interest of shareholders.	abr dn believe concerns with one or more of the following: pay and performance alignment, magnitude (quantum) of pay, disclosure, and/or pay structure.	abr dn believe this addresses material risk, but company has already taken sufficient actions and/or has related actions pending to address proponent request.
<b>Outcome of the vote</b>	Pass	Fail	Fail
<b>Implications of the outcome</b>	Data not available	Data not available	Data not available
<b>Criteria on which the vote is considered “significant”</b>	Data not available	Data not available	Data not available

## Fund level engagement

The investment manager may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's Liability Aware Funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown. abrdn report their engagement data on a calendar year basis, so these figures are for the year to 31 December 2022.

Manager	abrdn
<b>Fund name</b>	Global Equity 50:50 Tracker Fund
<b>Number of entities engaged at a fund level in the year</b>	Data not available
<b>Number of entities engaged at a firm level in the year</b>	1,443
<b>Number of engagements undertaken at a firm level in the year</b>	2,484

## Examples of engagement activity undertaken over the year to 31 March 2023

abrdn

**Name of entity:** Cogent Communication Holdings

**Topic:** Disclosure, Diversity & Inclusion

**Background:** In January 2022, abrdn sent a letter to a number of companies regarding their concerns around the lack of racial/ethnic representation at board level. Cogent was one of the recipient companies of this letter. abrdn engaged with Cogent in March 2022 to discuss steps the company has made to address these concerns. They also wanted an update on the company's progress on sustainability reporting.

**Actions:** In March 2022, abrdn held a meeting with Cogent to address their previously outlined concerns and to gather updates on Cogent's sustainability reporting initiatives. When abrdn last engaged with the company in 2020, they had just started their journey in this area. abrdn requested that the company:

- appoint ethnic/racial minority at board level
- publish an EEO-1 report
- publish ESG information using SASB as reference and in general push for improvements around ESG related disclosure

**Outcome and next steps:** After their meeting, abrdn were pleased with Cogent's progress in diversity at the board level. The company had appointed an Asian director and shared plans to appoint a female of colour later in the year, with a goal of having 1/3 of board members be female.

Cogent also shared that it began to publish its first ESG information last year and is working on adding a sustainability section to its website based on SASB standards. abrdn recommended that Cogent considers creating a materiality matrix to better assess and communicate its risks, and they will continue to encourage full EEO-1 report publication.