

R.E.A. Pension Scheme

Implementation Statement for the year ending 31 December 2023

This is the Implementation Statement prepared by the Trustee of the R.E.A. Pension Scheme ("the Scheme") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 December 2023.

At this time, the Trustee has 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 policies have been followed

The Scheme invests solely in a segregated mandate, which has some underlying holdings in pooled funds. The Trustee has delegated the responsibility for carrying out voting and engagement activities to the segregated portfolio investment manager, Cazenove Capital ("Cazenove"). The Scheme was invested in pooled Liability Driven Investment ("LDI") funds with Columbia Threadneedle as at 31 December 2022 (although disinvested from these funds in early 2023). These funds have no voting rights and limited ability to engage with key stakeholders given the nature of the assets.

The Trustee has not explicitly reviewed the stewardship and engagement activities of their current investment managers during the year to 31 December 2023.

Voting undertaken on behalf of the Trustees

Voting only applies to equities held by the Scheme. The Scheme's equity investments are held through pooled funds as well as directly through their segregated mandate. Voting on behalf of the Trustee is delegated to the segregated mandate fund manager and the investment managers of the pooled funds.

In general, the managers were unable to provide data on specific key votes made over the period on request, as information at this level was not readily available.

The table below provides a summary of the voting activity undertaken by Cazenove during the year, together with information on any key priorities and information on the use of proxy voting advisors by the managers.

Fund	Votes cast as a proportion of total possible votes	Does the manager use a proxy voting advisor?	Key voting priorities
Cazenove	Not provided* However, Cazenove state that they endeavored to vote wherever feasibly possible	Cazenove use proxy voting advisors Institutional Shareholder Services Inc. (ISS) and Investment Association's Institutional Voting Information Service (IVIS). However, they do not rely solely on the	Cazenove do not have any key voting priorities in place for the R.E.A. Pension Scheme. However, Cazenove (in conjunction with their parent company, Schroders) are committed to reviewing their voting practices and policies based on what they consider "good governance practice".

recommendations from these advisors. Cazenove conduct their own research (through financial, Corporate Governance and ESG analysts) to influence their final voting decision.

*This data was requested from the manager but was not provided for the preparation of this statement.

Schroders, the parent company of Cazenove, provide headline voting data which is detailed below. Cazenove Capital's investment selection committee collaborate with other Schroders manager selection teams to agree a centralised engagement approach. However, each team has the ability to deviate from the approach where there are specific processes or client requirements.

Schroders	
No. of meetings voted at	7,242
% of resolutions voted	97%
% of resolutions abstained ¹	1%
% of resolutions voted with management ¹	87%
% of resolutions voted against management ¹	12%

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

Cazenove have stated that Schroders, their parent company, publish its voting records at the link below: <https://www.schroders.com/en/sustainability/active-ownership/voting/>

However, they are not able to extract the exact proportions of votes cast given restrictions on their systems.

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 / themes. At this time, the Trustee has 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 Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

Unfortunately, Cazenove Capital have not been able to provide fund level voting data for this report. As such, there is no data on significant votes for inclusion in this statement. Our investment consultants are working with Cazenove to encourage them to provide more detailed voting data for future statements.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by Cazenove’s parent company, Schroders, given Cazenove were unable to provide specific engagement data.

Engagement activities are limited for the Scheme’s LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Schroders	
Number of engagements undertaken in the year	1,448
Number of companies engaged in the year	1,163
Topics engaged in	Community Governance Environment Employees Customers Suppliers Regulators & governments Climate Change Diversity and Inclusion Governance and Oversight Human Capital Management Human Rights Natural Capital and Biodiversity