

# Implementation Statement

## Timsons Retirement Benefit Scheme

### Purpose of this statement

This implementation statement has been produced by the Trustees of the Timsons Retirement Benefit Scheme ("the Scheme") to set out the following information over the year to 31 March 2024:

- 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 Trustees over the year, including information regarding the most significant votes; and

The voting behaviour is not given over the Scheme year end to 30 April 2024 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2024.

### Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. The current SIP in force is dated March 2022 and has been made available online in the link below. The Scheme is due to update the SIP post year-end following the completion of its investment strategy updates.

<https://www.timsonsenvironment.com/wp-content/uploads/2022/05/2022-03-Timsons-SIP-v1.0.pdf>

The Trustees decided not to set stewardship priorities for the Scheme because the Scheme predominantly invests through pooled investment vehicles where the Scheme's assets only represent a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. However, the Trustees do take managers' stewardship priorities, climate risk, and ESG factors into account as part of the manager selection process. The Trustees also review the stewardship and engagement activities of the investment managers periodically.

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

Based on the information provided by the Scheme's investment managers, the Trustee's believe that their 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.
- The Trustees receive reporting on the voting and engagement policies of the fund managers and considers these as part of manager appointment and review processes, and also as part of regular manager presentations and were satisfied that their policies were reasonable and no remedial action was required at that time.

- The Trustees have reviewed the stewardship and engagement activities of their investment managers during the year, as part of the preparation of the Implementation Statement.
- The Trustees were satisfied that the managers' policies were reasonable and no further remedial action was required during the period.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable that the actions of the fund managers are aligned with the Scheme's stewardship policies.

**Prepared by the Trustees of the Timsons Retirement Benefits Scheme**

**June 2024**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to 31 March 2024. The cash, LDI, bond and Absolute Return Bond Plus holdings with LGIM have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager		abrdn
Fund name	Diversified Growth and Income Fund	Multi-Asset Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
No. of eligible meetings	606	2,507
No. of eligible votes	8,546	29,146
% of resolutions voted	97.3%	93.6%
% of resolutions abstained	0.5%	0.7%
% of resolutions voted with management <sup>1</sup>	86.8%	89.1%
% of resolutions voted against management <sup>1</sup>	12.7%	10.2%
Proxy voting advisor employed <sup>1</sup>	ISS where Abrdn have a bespoke policy in place	
% of resolutions voted against proxy voter recommendation	9.6%	6.4%

<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 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 decided not to set stewardship priorities / themes for the Scheme. 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.

Abrdn have provided a selection of 10 votes for both the Diversified Growth Fund and Multi-Asset Fund which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees have selected 3 votes from each manager to represent what it considers the most significant votes cast on behalf of the Scheme - the votes of the largest distinct holdings relating to each fund have been chosen as the most significant, as shown below.

### Abrdn, Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Apple Inc	Deere & Company	Unilever Plc
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.56%	0.04%	0.04%
<b>Summary of the resolution</b>	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Report on GHG Reduction Policies and Their Impact on Revenue Generation	Approve Remuneration Report
<b>How the manager voted</b>	Against	Against	Against
<b>Rationale for the voting decision</b>	Abrdn's voting rationale was that Apple's disclosure, policies and practices are aligned to current industry standard and explicitly state it does not tolerate discrimination based on political affiliation, thus a vote in favour of this proposal is not warranted at this time.	Abrdn's voting rationale was that Deere & Company's climate policy appears to be robust and in line with TCFD recommendations including board oversight, metrics and targets. The company certified its emissions targets with the Science Based Targets Initiative in October 2022 in line with a 1.5 Degrees pathway, which address the full scope of the company's emissions. Considering the company's sufficient disclosures and approach, a vote against is warranted at this time.	Abrdn believe the incoming CEO's salary has been set higher than his predecessor's and is significantly higher than his current salary at Royal FrieslandCampina, and UK market peers. The Company has not provided compelling justification for this remuneration package.
<b>Outcome of the vote</b>	Fail	Fail	Fail
<b>Implications of the outcome</b>	Data not provided		

	Vote 1	Vote 2	Vote 3
<b>Criteria on which the vote is considered "significant"</b>	Abrdn view votes on shareholder and environmental & social resolutions be of significant interest.	Abrdn view votes on shareholder and environmental & social resolutions be of significant interest.	Abrdn believe that votes which can be seen as 'high profile' should be considered significant.

### Abrdn, Multi-Asset Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Unilever Plc	Coca-Cola HBC AG	GSK Plc
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	2.1%	0.9%	0.1%
<b>Summary of the resolution</b>	Approve remuneration report	Reappoint PricewaterhouseCoopers AG as auditors	Approve remuneration report
<b>How the manager voted</b>	Against	Against	Against
<b>Rationale for the voting decision</b>	Abrdn believe the incoming CEO's salary has been set higher than his predecessor's and is significantly higher than his current salary at Royal FrieslandCampina, and UK market peers. The Company has not provided compelling justification for this remuneration package.	Abrdn have concerns regarding the length of auditor tenure, which could impede independence.	Abrdn believe the long-term incentive scheme used by the company allows high levels of vesting for the achievement of threshold performance.
<b>Outcome of the vote</b>	Fail	Pass	Pass
<b>Implications of the outcome</b>	Data not provided		
<b>Criteria on which the vote is considered "significant"</b>	Abrdn believe that votes which can be seen as 'high profile' should be considered significant.	Abrdn believe that votes which can be seen as 'high profile' should be considered significant.	Abrdn believe that votes which can be seen as 'high profile' should be considered significant.

### Fund level engagement

The investment managers 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 LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	Abrdn	Abrdn	LGIM
Fund name	Diversified Growth and Income Fund	Multi-Asset Fund	Absolute Return Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	593	1514	156
Number of entities engaged on behalf of the holdings in this fund in the year	264	693	75
Number of engagements undertaken at a firm level in the year	2,008*		2,144

\*Abrdn have provided engagement data for the year to 31 December 2023.

## Examples of engagement activity undertaken over the year to 31 March 2024

### Abrdn

#### Thungela Resources Ltd

In 2023 Abrdn continued to engage with Thungela Resources, a leading South African thermal coal producer and exporter. They recognised the need for the company to address its environmental, social, and governance (ESG) strategy, targets, and disclosures in light of the global transition towards cleaner energy sources.

The engagements began in early 2022 and continued throughout 2023 where Abrdn met once again with Thungela's management. The engagement focus with Thungela has evolved over time, with increasing focus on climate change and energy transition.

Abrdn were pleased to see that in February 2023 Thungela published new targets to reduce Scope 1 and 2 GHG emissions by 30% by 2030, followed by its first dedicated climate change report in April 2023. They believe these new targets and disclosures help both investors and the company assess the risks and opportunities for Thungela which, as a coal miner, must address the fact that while coal remains an essential part of the energy system for many parts of the world, especially in lower income countries, in the coming decades coal's role is likely to fade as policy measures to fight climate change grow. Abrdn therefore continue to engage with Thungela, focussing on the implementation of the decarbonisation targets and the company's scenario planning for different energy transition scenarios.

They will continue to engage with management of Thungela in separate meetings devoted to ESG.

### Legal & General

#### Volkswagen

LGIM engaged with Volkswagen following MSCI assigning a red controversy flag to the firm due to allegations of forced labour in their plant in Xinjiang, China. As a consequence, LGIM increased their dialogue with the company and have engaged on human rights with the company's senior management including investor relations, the CFO, and the head of treasury. The engagement with Volkswagen has been well-received and Volkswagen obtained an independent audit of the Xingjiang plant in December 2023.

The completion of the audit resulted in the removal of MSCI's red controversy flag. LGIM will continue to engage with Volkswagen on the subject of human rights and other governance topics, including the long-term future of the plant in Xinjiang and retain an open dialogue with the company and its management.