

Yattendon Group Pension Scheme Implementation Statement for the year ended 5 April 2024

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustee of the Yattendon Group Pension Scheme (“the Scheme”) has followed their policy in relation to the exercising of rights (including voting rights) attached to the Scheme’s investments, and engagement activities during the year ended 5 April 2024 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

In Q2 2019, the Trustee received training on Environmental, Social and Governance (“ESG”) issues from their Investment Adviser, XPS Investment (“XPS”) and discussed their beliefs around those issues. This enabled the Trustee to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers’ own equivalent policies. The Trustee’s new policy is documented in the Scheme’s Statement of Investment Principles dated December 2023.

The Trustee’s updated policy

The Trustee believes that there can be financially material risks relating to ESG issues. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme’s investment managers. The Trustee requires the Scheme’s investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the investment managers and encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustee seeks advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

Ongoing governance

The Trustee, with the assistance of XPS, monitors the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee’s requirements as set out in this statement. Further, the Trustee has set XPS the objective of ensuring that any selected managers reflect the Trustee’s views on ESG (including climate change) and stewardship.

The Trustee discusses, with XPS, the extent to which ESG considerations are incorporated into the investment processes of the investment manager organisations appointed to the Scheme. These discussions take place at the regular Trustee meetings. One of the areas considered in these discussions is stewardship, which relates to influencing a company in which the Scheme is ultimately invested via the funds held within the Scheme’s portfolio. Companies can be influenced through meaningful engagement and using voting rights to drive long term positive change in their policies and practices. XPS

rates each investment manager organisation in this area and on ESG matters overall. In addition, the Trustee engaged with all of the underlying investment managers, Legal & General Investment Management, Columbia Threadneedle and Schroders at the Trustee meeting held on 25 April 2024 and the managers' approach to ESG integration was discussed (this was shortly after 5 April 2024 year-end).

Beyond the governance work currently undertaken, the Trustee believes that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry. In particular, whilst the Trustee has not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers

Adherence to the Statement of Investment Principles

During the reporting year the Trustee is satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme has exposure to equities through the diversified growth fund it invests in. A summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below. Based on this summary, the Trustee concludes that the investment managers have exercised their delegated voting rights on behalf of the Trustee in a way that aligns with the Trustee's relevant policies in this regard. This voting information has been provided by the investment managers. The Trustee have selected significant votes on the basis they are linked to key ESG issues including, but not limited to: climate change; other climate issues such as natural capital; executive remuneration; governance; independence; modern slavery or other factors such as the size of the holding.

Please note that all information provided on voting activity has been written by the investment managers, and this is reflected in the use of "we" throughout. Any views expressed are not necessarily those of the Trustee.

Signed: _____, Chair of Trustee

Date: _____

Columbia Threadneedle

Voting Information

Columbia Threadneedle Dynamic Real Return Fund

The manager voted on 99% of resolutions of which they were eligible out of 4988 eligible votes.

Investment Manager Client Consultation Policy on Voting

"Generally, we feel that voting consistently across our clients' holdings gives them greater influence to effect positive change. We think carefully about how we vote, be that through execution of our Corporate Governance guidelines, or in discussion with portfolio managers on higher profile or more complex resolutions.

We can, however, accommodate clients' requests to vote on resolutions in a manner different to our policies, when they are invested in a segregated mandate.

Clients who wish to monitor voting decisions outside the normal reporting cycle can receive a preview of voting intentions for their portfolio. Alternatively, clients can be granted access to our voting platform on a read-only basis. For high-profile issues, we can pro-actively advise our clients on our intention to vote well in advance of the meeting. Our clients then have the option to state their preference and vote differently. To ensure transparency, clients receive detailed vote reports including comments on resolutions where we do not support management. Vote reports are publicly available online the day after each shareholder meeting. Finally, annual vote statistics, case studies and other highlights are published on our website in our Stewardship Report.

We continue to investigate technology solutions to enable clients in pooled funds to express their voting intentions."

Investment Manager Process to determine how to Vote

"Our expectations of corporate governance standards at investee companies are embodied in our Global Corporate Governance Guidelines, which have been thoughtfully designed by our Corporate Governance Team, who specialise by market and/or region. These guidelines are translated into detailed proxy voting policies, including 25 market/regional variations that take into consideration local legal and regulatory environments as well as local codes of best practice and domestic investor expectations. We partner with ISS to consistently implement our bespoke voting approach. The policies are underpinned by the following principles of good corporate governance:

- an empowered and effective board and management team
- appropriate checks and balances in company management structures
- effective systems of internal control and risk management covering all significant issues, including corporate responsibility
- a commitment to promoting a culture of transparency and accountability throughout the company that is grounded in sound business ethics; and

- remuneration policies that reward the creation of long-term shareholder value through the achievement of corporate objectives.

In certain cases, vote decisions are arrived at through consultation with our investment teams. Controversial or high-profile meetings may be escalated to the Proxy Working Group, which contains representatives from each part of Columbia Threadneedle's business.

Our engagement activities and voting process consistently reinforce each other, and may include:

- Active engagement with key companies ahead of the vote
- After voting, we actively inform companies of the reasons for voting against or abstentions
- Consultation with companies on voting other ESG matters outside of shareholder meetings"

How does this manager determine what constitutes a 'Significant' Vote?

We consider a significant vote to be any dissenting vote i.e. where a vote is cast against (or where we abstain/withhold from voting) a management-tabled proposal, or where we support a shareholder-tabled proposal not endorsed by management. We report annually on our reasons for applying dissenting votes via our website. Our report on dissenting votes cast across 2019 is available at:

https://www.columbiathreadneedle.co.uk/uploads/2021/03/a3211533327fca86c825bdf2feb17125/en_voting_rationales_2020.pdf"For the purposes of this report, significant votes are selected based on one or more of the following criteria:

- Materiality of issues and the impact on shareholder value
 - Votes against the recommendation of the Board
- Value/size of the shareholding relative to the total portfolio
 - The materiality of the vote to engagement outcomes
 - Size of holdings in the company"

Does the manager utilise a Proxy Voting System? If so, please detail

"We deploy our specialist corporate governance team on the most complex and sensitive cases, while voting on more routine, straightforward votes are cast using the proxy voting platform of Institutional Shareholder Services, Inc. (ISS) who also provide recordkeeping and vote disclosure services. We have also retained Glass, Lewis & Co., IVIS (in the UK) and ISS to provide proxy research services, similar to sell-side or broker research, to ensure quality and objectivity in connection with voting client securities. Other internal and external research is used to support vote decisions as appropriate."

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Amazon.com, Inc.	2023-05-24	1.2%	Report on Impact of Climate Change Strategy Consistent With Just Transition Guidelines.	For	Fail

Why the vote was deemed significant: Vote against management on certain environmental or social proposals & >20% dissent

Where voted against the company, was this communicated: No

Rationale: • Shareholders would benefit from more disclosure on whether and how the company considers human capital management and community relations issues related to the transition to a low-carbon economy as part of its climate strategy. • We are supportive of requests to enhance disclosure and transparency concerning climate risk so long as the resolution does not directly circumvent management discretion or seek to entirely redefine the company's existing business strategy. • To meet the ambition of the Paris Agreement and avoid massive risk to shareholder value, corporations should demonstrate the nexus between their climate aspirations and business strategy via disclosure of credible Paris- or 1.5 degree-aligned emissions reduction targets. Current disclosure does not sufficiently provide investors such information.

Implication: Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.

Shell Plc	23-05-2023	0.5%	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Abstain	Fail
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Why the vote was deemed significant: Vote against management on certain environmental or social proposals & >20% dissent

Where voted against the company, was this communicated: No

Rationale: Whilst we appreciate the progress made by the company and engagement to date, we feel ABSTAINING is the best option to recognise this progress whilst retaining our position that we would prefer to see greater movement towards full Paris alignment in the coming years.

Implication: Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.

TotalEnergies SE	26-05-2023	0.3%	Align Targets for Indirect Scope 3 Emissions with the Paris Climate Agreement (Advisory)	For	Fail
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Why the vote was deemed significant: Vote against management on certain environmental or social proposals

Where voted against the company, was this communicated: No

Rationale: We are supportive of requests to enhance disclosure and transparency concerning climate risk so long as the resolution does not directly circumvent management discretion or seek to entirely redefine the company's existing business strategy. To meet the ambition of the Paris Agreement and avoid massive risk to shareholder value, corporations should demonstrate the nexus between their climate aspirations and business strategy via disclosure of credible Paris- or

<p>1.5 degree-aligned emissions reduction targets. Current disclosure does not sufficiently provide investors such information.</p> <p>Implication: Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.</p>					
The Walt Disney Company	03-04-2023	0.2%	Report on Political Expenditures	Abstain	Fail
<p>Why the vote was deemed significant: Vote against management on certain environmental or social proposals & >20% dissent</p> <p>Where voted against the company, was this communicated: No</p> <p>Rationale: While we generally agree with the sentiment of this proposal, it appears the company provides reasonable disclosure of its political donations, and we are encouraged by the recent efforts to increase transparency on this issue.</p> <p>Implication: Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.</p>					
Microsoft Corporation	07-12-2023	1.9%	Report on Risks of Operating in Countries with Significant Human Rights Concerns	Abstain	Fail
<p>Why the vote was deemed significant: Vote against management on certain environmental or social proposals & >20% dissent.</p> <p>Where voted against the company, was this communicated: No</p> <p>Rationale: The company faces risks related to human rights in its global operations. Good practice includes disclosing further information regarding the human rights assessment process along with a narrative on how impacts are monitored and effectively mitigated.</p> <p>Implication: Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.</p>					

Legal and General Investment Management

Voting Information

LGIM Dynamic Diversified Fund

The manager voted on 99.8% of resolutions of which they were eligible out of 98900 eligible votes.

Investment Manager Client Consultation Policy on Voting

"LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries."

Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

How does this manager determine what constitutes a 'Significant' Vote?

"As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
 - Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

"LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action."

Top 5 Significant Votes during the Period

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Toyota Motor Corp.	2023-06-14	0.2%	Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	For (Against Management Recommendation)	15.1% (Fail)

Why the vote was deemed significant: Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, we expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.

Where voted against the company, was this communicated: LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.

Rationale: LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. We acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, we believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, we expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. We believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.

Implication: LGIM will continue to engage with the company and monitor progress.

Apple Inc.	2024-02-28	0.5%	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Against	Fail
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Why the vote was deemed significant: Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Where voted against the company, was this communicated: LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics

Rationale: Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and nondiscrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.

Implication: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.					
Tencent Holdings Limited	17-05-2023	0.2%	Resolution 3a - Elect Jacobus Petrus (Koos) Bekker as Director	Against (against management recommendation)	88.4% (Pass)
<p>Why the vote was deemed significant: Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors. More information on LGIM's Climate Impact Pledge can be found here: https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/</p> <p>Where voted against the company, was this communicated: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.</p> <p>Rationale: Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors.</p> <p>Implication: LGIM will continue to engage with the company and monitor progress.</p>					
Shell Plc	2023-05-23	0.3%	Resolution 25 - Approve the Shell Energy Transition Progress	Against (against management recommendation)	80% (Pass)
<p>Why the vote was deemed significant: Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.</p> <p>Where voted against the company, was this communicated: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.</p> <p>Rationale: Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.</p> <p>Implication: LGIM continues to undertake extensive engagement with Shell on its climate transition plans.</p>					
Public Storage	2023-05-02	0.2%	Resolution 5 - Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For (against management recommendation)	34.7% (Fail)

Why the vote was deemed significant: High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Where voted against the company, was this communicated: LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale: Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.

Implication: LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.