

# Oldrid & Company Limited Retirement Benefits Scheme

## Implementation Statement

### Scheme year ended 31 January 2024

#### Purpose of this statement

This implementation statement has been produced by the Trustee of the Oldrid & Company Limited Retirement Benefits Scheme ("**the Scheme**") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year to 31 January 2024.
- The voting activity undertaken by the Scheme's investment manager on behalf of the Trustee over the year to 31 December 2023 (the most recent data available at the Scheme's year end, as the investment manager only reports this data quarterly), including information regarding the most significant votes.

#### Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 January 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in June 2023 and has been made available online here:

<https://www.downtownstores.co.uk/pension-scheme>

No changes were made to the stewardship policy over the year.

At the date of this statement, the Trustee has not set stewardship priorities for the Scheme.

The Trustee decided not to set stewardship priorities for the Scheme at this time because:

- The Scheme invests through pooled investment vehicles where the Scheme's assets represent a small proportion of the capital invested in the funds and the Trustee understands that it is constrained by the policies of the manager.
- Only 22% (£8.4m as at 31 January 2024) of the Scheme assets were invested in assets with voting rights attached. Post year end, the allocation to assets with voting rights attached was reduced to 0% given the Scheme's expected time-horizon to buyout.

The Trustee does take stewardship, climate risk, and ESG factors into account at the time of any manager selection. The Trustee also reviews the stewardship and engagement activities of the investment manager annually.

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

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

- At the Scheme's year end, the Scheme's investment manager was Schroder Investment Management (UK) Limited ("Schroders"). The Trustee regularly considers the performance of the funds held with Schroders and any significant developments that arise.
- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to Schroders.
- The Trustee receives reports on engagement annually from Schroders, via its investment consultant, and is comfortable with Schroders' key priority engagement themes of climate change, natural capital and biodiversity, human rights, human capital management, diversity and inclusion, and corporate governance.
- Having reviewed the above in accordance with its policies, the Trustee is comfortable that Schroders' actions are in alignment with the Scheme's stewardship policies.

The tables provided in the remainder of the statement provide an indication of the investment manager's overall voting and engagement activities.

**Prepared by the Trustee of the Oldrid & Company Limited Retirement Benefits Scheme**

**July 2024**

## Voting data

This section provides a summary of the voting activity undertaken by the investment manager within the Scheme's growth portfolio over the year to 31 December 2023 on behalf of the Trustee. The Buy and Maintain ("B&M") credit and LDI portfolios have no voting rights given the nature of the mandates.

Manager	Schroder Investment Management Limited	
<b>Fund name</b>	Diversified Growth Fund	QEP Global Core
<b>Structure</b>	Pooled	Pooled
<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>	1,114	441
<b>No. of eligible votes</b>	14,227	6,309
<b>Percentage of resolutions the manager voted on</b>	93.8%	96.7%
<b>Percentage of resolutions the manager abstained from*</b>	0.5%	0.0%
<b>Percentage of resolutions voted <i>with</i> management*</b>	89.0%	85.9%
<b>Percentage of resolutions voted <i>against</i> management*</b>	11.0%	14.1%
<b>% of resolutions voted against proxy voter recommendation</b>	7.4%	10.5%

*\*as a percentage of total number of resolutions voted on (note that these do not sum to 100% as there is overlap between the categories due to Schroders' approach to classifying votes)*

Source: Schroders

Schroders receive research data from both Institutional Shareholder Services (ISS) and the Investment Association's Institutional Voting Information Services (IVIS), but also carry out their own research into both financial and ESG factors to reach their final voting decisions.

Schroders currently use ISS as their service provider for the processing of all proxy votes. ISS delivers vote processing through their Internet-based platform (Proxy Exchange), and Schroders receive ISS research on resolutions. Schroders complement this with analysis by their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

Schroders have a company-wide policy to vote on every resolution, unless they are restricted from doing so (for example, as a result of share blocking).

There are no voting rights attached to the Scheme's matching assets, and therefore no voting information is shown above for these assets.

## 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.

Post year end, the allocation to assets with voting rights attached was reduced to 0%. Against this backdrop, and given the short expected timeframe to a buyout transaction, the Trustee has not set stewardship priorities / themes for the Scheme, and does not currently have plans to do so.

For this Implementation Statement, the Trustee has asked Schroders to determine what they believe to be a “significant” vote.

Schroders have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected 3 votes for each fund with voting rights, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme.

### Schroders, Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Wells Fargo & Company	JPMorgan Chase & Co.	The Walt Disney Company
<b>Approximate size of fund’s holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>	<i>Not provided</i>	<i>Not provided</i>
<b>Summary of the resolution</b>	Adopt Policy on Freedom of Association and Collective Bargaining	Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting	Report on Political Expenditures
<b>How the manager voted</b>	For	For	For
<b>Rationale for the voting decision</b>	Schroders believed shareholders would benefit from increased transparency and disclosure on how the company is managing human capital and human rights-related risks, including reputational, legal and corresponding financial risks, related to freedom of association.	Schroders believed that setting interim absolute reduction targets would be beneficial to shareholders as it would allow them to better assess how the company is addressing climate risk and potential costs to the business from climate transition trends.	Schroders supported this proposal to better facilitate analysis of the company’s political and electioneering expenditures against its publicly stated values and provide enhanced transparency to shareholders.
<b>Outcome of the vote</b>	<i>Not provided</i>	<i>Not provided</i>	<i>Not provided</i>
<b>Implications of the outcome</b>	<i>Not provided</i>	<i>Not provided</i>	<i>Not provided</i>
<b>Criteria on which the vote is considered “significant”</b>	Voted against management on a governance-related proposal	Voted against management on a climate-related proposal	Voted against management on a social-related proposal

## Schroders, QEP Global Core Equity Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Tenaris SA	The Goldman Sachs Group, Inc.	Microsoft Corporation
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>	<i>Not provided</i>	<i>Not provided</i>
<b>Summary of the resolution</b>	Approve Remuneration Report	Report on Median Gender/Racial Pay Gap	Report on Climate Risk in Retirement Plan Options
<b>How the manager voted</b>	Against	For	For
<b>Rationale for the voting decision</b>	Schroders had concerns regarding a lack of disclosure of bonus targets and believed this did not contribute to an understanding of the alignment between performance and pay.	Schroders believed shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives, and how it is positioning itself to realise the benefits of a diverse workforce.	Schroders believed that provision of additional disclosure around how the company is protecting its employee plan beneficiaries from climate risk would be in the best interest of their clients.
<b>Outcome of the vote</b>	<i>Not provided</i>	<i>Not provided</i>	<i>Not provided</i>
<b>Implications of the outcome</b>	<i>Not provided</i>	<i>Not provided</i>	<i>Not provided</i>
<b>Criteria on which the vote is considered "significant"</b>	Voted against management on a governance-related proposal	Voted against management on a social-related proposal	Voted against management on a climate-related shareholder proposal

Source: Schroders

## Engagement data

Schroders engage with their investee companies on behalf of the Trustee. The table below provides a summary of the engagement activity undertaken by Schroders.

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 has not been shown.

Engagement information has also been shown for the Schroder Matching Plus B&M Credit Sterling Cashflow Over 2032 Fund, which the Scheme was invested in for the majority of the year. In December 2023, the fund (and the Scheme's holding in it) was split across two separate B&M credit funds aiming to cover the periods 2032 – 2040 and over 2037. Schroders do not yet have engagement information in relation to these funds and therefore this has not been shown in the table below.

<b>Manager</b>		<b>Schroder Investment Management Limited</b>		
<b>Reporting date</b>	31 December 2023			
<b>Fund name</b>	Diversified Growth Fund	QEP Global Core	Matching Plus B&M Credit Sterling Cashflow Over 2032	
<b>Does the manager perform engagement on behalf of the holdings of the fund?</b>	Yes	Yes	Yes	
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes	Yes	Yes	
<b>Number of entities engaged on behalf of the holdings in this fund in the year</b>	395	142	Not provided	
<b>Number of entities engaged at a firm level in the year</b>	>4,000			

<b>Example of engagement undertaken</b>	<p><b>Company:</b> Ecora Resources <b>Theme:</b> Climate Change</p> <p><b>Engagement details:</b> Schroders seek constructive and collaborative engagement dedicated to supporting companies' climate transition in order to protect and improve shareholder value.</p> <p>Following engagement from Schroders over 2022 and 2023, Ecora Resources have set emission reduction targets that are aligned with the Paris Agreement's goal of limiting global warming to 1.5°C. This includes reducing scope 1 and scope 2 emissions by 46%, and committing to maintaining carbon neutrality regarding their scope 1, 2 and upstream scope 3 emissions.</p>	<p><b>Company:</b> Verizon Communications Inc <b>Theme:</b> Human Capital Management</p> <p><b>Engagement details:</b> Schroders have identified Human Capital Management as a priority issue and believe disclosure of core human capital metrics is essential for investors to build a full picture of how companies create and sustain human capital, which can give them a key competitive advantage. Schroders engaged after noticing a number of labour-related controversies, and reports of anti-union tactics, to which Verizon was responsive. Verizon noted that all unfair labour practice allegations had been withdrawn and that they recently extended their collective bargaining agreements, covering union represented employees, to 2026.</p>	<p><b>Company:</b> IBM Corp <b>Theme:</b> Diversity</p> <p><b>Engagement details:</b> Schroders believe that boards should promote diversity at board level and throughout the organisation in regard to gender and ethnicity.</p> <p>Schroders encouraged the company to consider appointing more women to meet their minimum expectation of at least 33% female representation on the board and discussed the company's ongoing efforts around ensuring diversity of perspectives in decision-making. They expressed intentions to vote against the re-election of the Chair of the Nominations Committee at the upcoming Annual General Meeting due to the lack of progress on gender diversity.</p>
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Source: Schroders