

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 2023:

- 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 2023 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2023.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2023 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in March 2022 and has been made available online here:

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

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/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, alongside 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

August 2023

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 2023. The cash, LDI and Absolute Return Bond 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 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	669	1,129
No. of eligible votes	9,942	15,916
% of resolutions voted	93.4%	97.5%
% of resolutions abstained	0.5%	0.4%
% of resolutions voted with management¹	87.4%	92.9%
% of resolutions voted against management¹	12.1%	6.8%
Proxy voting advisor employed¹	ISS	
% of resolutions voted against proxy voter recommendation	8.7%	5.2%

¹ 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 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.

abrnd 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 Trustee has selected 3 votes from the manager, 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.

abrnd, Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Berkeley Group Holdings Plc	JD Sports Fashion Plc	Apple Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		Data not provided	
Summary of the resolution	Approve Remuneration Policy	Advisory Vote to Ratify Named Executive Officers' Compensation	Report on Median Gender/Racial Pay Gap
How the manager voted	Against	Against	For
Rationale for the voting decision	abrnd voted against this resolution as the new remuneration policy would facilitate the generous one-off Long Term Incentive Plan award.	abrnd's voting rationale was that there was no commitment to align the pension contribution rate of incumbent executive with the broader workforce. This is not consistent with the Investment Association statement.	abrnd supported a similar resolution at Apple's 2022 annual meeting. The requested report would help investors and other stakeholders to evaluate an important aspect of the company's diversity, equity and inclusion initiatives using a transparent and comparable metric.
Outcome of the vote		Data not provided	
Implications of the outcome		Data not provided	
Criteria on which the vote is considered "significant"	abrnd view votes which reflect significant governance concern to be of significant interest.	abrnd view votes which reflect significant governance concern to be of significant interest.	abrnd view votes which reflect shareholder proposals where they have voted contrary to management recommendations as significant.

abrdn, Multi-Asset Fund

	Vote 1	Vote 2	Vote 3
Company name	SSE Plc	CMC Markets Plc	J Sainsbury Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		Data not provided	
Summary of the resolution	Amend Restricted Stock Plan	Elect Director	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	Against	Against	For
Rationale for the voting decision	SSE consulted with abrdn earlier in the year on increasing the annual grant size of its long term incentive from 200 percent of salary to 250 percent of salary. abrdn took the view that this was not an appropriate time to make such an increase in the context of the cost of living crises which was already developing at that time.	abrdn have concerns regarding the gender diversity of the board and therefore considered a vote against the Chair of the Nomination Committee to be appropriate.	abrdn were content to vote in favour of the remuneration report due to the more conservative approach taken by exercising downward discretion to reduce awards under both the bonus and long term incentive plan. In addition, executive salaries have increased less than that of the wider workforce.
Outcome of the vote		Data not provided	
Implications of the outcome		Data not provided	
Criteria on which the vote is considered "significant"	abrdn view votes which reflect significant governance concern to be of significant interest.	abrdn view votes which reflect significant governance concern to be of significant interest.	abrdn view votes which reflect significant governance concern to be of significant interest.

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	abrdrn*	abrdrn*	LGIM
Fund name	Diversified Growth Fund	Multi-Asset Fund	Absolute Return Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	542	168	133

Manager	abrdn*	abrdn*	LGIM
Number of entities engaged on behalf of the holdings in this fund in the year	239	29	68
Number of engagements undertaken at a firm level in the year	2,484	2,484	1,088

*abrdn have provided engagement data for the year to 31 December 2022.

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

abrdn

Ligand Pharmaceuticals

In 2020, abrdn first engaged with Ligand and outlined three specific milestones to improve the company's ESG approach. In late 2021, they conducted a follow-up to assess any advancements made towards these milestones. Due to the company undergoing a spin-off and resources being allocated elsewhere, progress was minimal. Despite this, abrdn found no significant concerns regarding the company's approach to addressing ESG risks. In June 2022, abrdn held a meeting with Ligand to review the progress made on the three milestones established with the company in 2020. These milestones were:

- the establishment and publication of targets for energy and water usage
- the extension of labour rights policies to the supply chain
- the increase of transparency in product quality and safety accountability.

Since their previous conversation, Ligand explained they had released an updated Corporate Responsibility Report and implemented two new formal policies: an Environment Health & Safety policy and a Global Labour and HR policy. Although the company had not yet published targets to address its energy and water usage, it is actively working to quantify its energy consumption and had made progress in reducing its water usage. abrdn will continue to encourage Ligand to publish its targets for energy and water usage. Additionally, they will push for the development of a dedicated supplier code of conduct (as opposed to referencing its own) and more evidence of how compliance is monitored.

Legal & General

Toyota

LGIM originally started their engagement with Toyota in September 2021, alongside fellow shareholders. Their second meeting was held in 2022 to discuss climate change, board composition (including independence and effectiveness) and capital allocation. They spoke with the company's Chief Sustainability Officer and Investor Relations team. LGIM expressed their concerns around the lack of supervisory function at the board level given the low level of independence, and the company's climate transition strategy and related public policy engagements. In September 2022, LGIM spoke with one of the outside directors on the board and discussed how outside directors add value to the board and the quality of board discussions. Given the company's size, influence and industry associations, LGIM have always questioned the company's lobbying stance and its alignment with a 1.5°C world. LGIM are delighted to see improved transparency from the company as they published their views on climate public policy in December 2021. Nonetheless, they view corporate transparency to be the first step

and hope that this will enable them to have more in-depth conversations regarding its views on climate change and how the company plans to shift its strategy.