CWG Limited Retirement Benefits Scheme Implementation Statement for the year ended 31 December 2022

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the CWG Limited Retirement Benefits Scheme (“the Scheme”) have 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 31st December 2022 (“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 2020, the Trustees 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 Trustees 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 Trustees’ updated policy has been documented in the Statement of Investment Principles dated September 2020.

The Trustees’ updated policy

The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme’s investment managers. The Trustees require 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 Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the investment managers and encourage 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 Trustees seek 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.

There have been no such manager selection exercises during the period.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees’ requirements as set out in this statement. Should the Trustees become aware that an investment manager’s engagement and voting practices are inadequate or that the results of such engagement are mis-aligned with the Trustees’ expectations, the Trustees will engage with the manager to encourage alignment. If, following engagement, it is the view of the Trustees that the degree of alignment remains unsatisfactory, the Trustees may consider terminating the relationship with that investment manager.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have 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 Trustees are 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 specific allocations to private equities, and investments in public equities will also form part of the strategy for the diversified growth funds in which the Scheme invests. Therefore, 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 Trustees conclude that the investment managers have exercised their delegated voting rights on behalf of the Trustees in a way that aligns with the Trustees’ relevant policies in this regard.

The information below has been provided directly from each respective manager.

**Schroders Diversified Growth Fund**

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| **Schroders Diversified Growth Fund** | | | |  |
| The manager voted on 95.73% of resolutions of which they were eligible out of 15081 eligible votes. | | | |  |
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| **Investment Manager Client Consultation Policy on Voting** | | | |  |
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| The corporate governance analysts input votes based on their proprietary research in line with Schroders’ house voting policy and do not take voting instruction from our clients. We report transparently on our voting decisions with rationales on our website. | | | |  |
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| **Investment Manager Process to determine how to Vote** | | | |  |
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| As active owners, we recognise our responsibility to make considered use of voting rights. We therefore vote on all resolutions at all AGMs/EGMs globally unless we are restricted from doing so (e.g. as a result of share blocking).  We aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with our published ESG policy.  The overriding principle governing our voting is to act in the best interests of our clients. Where proposals are not consistent with the interests of shareholders and our clients, we are not afraid to vote against resolutions. We may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues.  We evaluate voting resolutions arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. Our Corporate Governance specialists assess each proposal, applying our voting policy and guidelines (as outlined in our Environmental, Social and Governance Policy) to each agenda item. In applying the policy, we consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Our specialists will draw on external research, such as the Investment Association’s Institutional Voting Information Services and ISS, and public reporting. Our own research is also integral to our process; this will be conducted by both our financial and Sustainable Investment analysts. For contentious issues, our Corporate Governance specialists consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.  We also engage with companies throughout the year via regular face-to-face meetings, written correspondence, emails, phone calls and discussions with company advisors and stakeholders.  In 2022, we voted on approximately 7600 meetings and 96% of total resolutions, and instructed a vote against the board at over 50% of meetings.  Institutional Shareholder Services (ISS) act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with our own bespoke guidelines, in addition, we receive ISS’s Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.  ISS automatically votes all our holdings of which we own less than 0.5% (voting rights) excluding merger, acquisition and shareholder resolutions. This ensures consistency in our voting decisions as well as creating a more formalised approach to our voting process. | | | |  |
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| **How does this manager determine what constitutes a 'Significant' Vote?** | | | |  |
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| We believe that all resolutions when we vote against the board’s recommendations on how to vote should be classified as a significant vote, for example, votes against the re-election of directors, on executive remuneration, on material changes to the business (such as capital structure or M&A), on climate matters and on other environmental or social issues may all be more or less significant to different client stakeholders | | | |  |
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| **Does the manager utilise a Proxy Voting System? If so, please detail** | | | |  |
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| Institutional Shareholder Services (ISS) act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with our own bespoke guidelines, in addition, we receive ISS’s Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers. | | | |  |
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| **Top 5 Significant Votes during the Period** | | | |  |
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| Company | Voting Subject | How did the Investment Manager Vote? | Vote against management? |  |
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| **Chamberlin Plc** | **Re-elect Keith Butler-Wheelhouse as Director** | **Against** | **Voted Against Management** |  |
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| Lack of gender diversity on the board. Keith chairs the nomination committee and should be held accountable. | | | |  |
| **XJ Electric Co., Ltd.** | **Approve Amendments to Articles of Association** | **Against** | **Voted Against Management** |  |
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| The Party Committee may be granted legitimate authority to assert undue influence over the board and/or its key committees, compromising their independence and objectivity in decision making and exposing shareholders to governance risks. | | | |  |
| **Aeris Industria e Comercio de Equipamentos para Geracao** | **Approve Restricted Stock Plan** | **Against** | **Voted Against Management** |  |
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| Performance conditions are not disclosed. | | | |  |
| **Micron Technology, Inc..** | **Ratify PricewaterhouseCoopers LLP as Auditors** | **Against** | **Voted Against Management** |  |
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| Excessive auditor tenure. | | | |  |
| **China Tower Corporation Limited** | **Elect Gao Tongqing as Director** | **Against** | **Voted Against Management** |  |
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| Non-independent NED and less than half of the board can be considered independent and no women on the board. | | | |  |

**Partners Group Generations Fund**

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| **Partners Group Generations Fund** | | | |  |
| The manager voted on 100% of resolutions of which they were eligible out of 959 eligible votes. | | | |  |
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| **Investment Manager Client Consultation Policy on Voting** | | | |  |
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| We do not consult with clients before voting. | | | |  |
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| **Investment Manager Process to determine how to Vote** | | | |  |
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| Our voting is based on the internal Proxy Voting Directive. | | | |  |
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| **How does this manager determine what constitutes a 'Significant' Vote?** | | | |  |
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| Size of the holding in the fund | | | |  |
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| **Does the manager utilise a Proxy Voting System? If so, please detail** | | | |  |
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| We hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with our Proxy Voting Directive. Wherever the recommendations for Glass Lewis, our proxy voting directive, and the company's management differ, we vote manually on those proposals. | | | |  |
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| **Top 5 Significant Votes during the Period** | | | |  |
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| Company | Voting Subject | How did the Investment Manager Vote? | Result |  |
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| **Axia Women's Health** | **As we control the Board, please see below the ESG efforts of the portfolio company.** | **Control of board** | **n.a.** |  |
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| The company has launched its first sophisticated employee engagement survey with 73% participation and will use the results to craft specific employee engagement initiatives. Furthermore, Axia Women's Health has established a Risk & Audit committee (including cybersecurity), while ensuring ownership and accountability at executive and board level, and establishing a cyber baseline with regular reporting. | | | |  |
| **EyeCare Partners** | **As we control the Board, please see below the ESG efforts of the portfolio company.** | **Control of board** | **n.a.** |  |
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| Meanwhile, several initiatives were implemented to improve stakeholder benefits. For instance, significant investment in benefits were made in 2021 and 2022. In addition, the company increased communication around its ECP Cares Foundation, a non-profit organization dedicated to giving back to ECP team members in need. Meanwhile, Incident Frequency Rate (IFR) measures were established and are being captured to drive root-cause analysis and drive prevention strategies. This has engaged employees and helped to increase employee retention to 31% (exceeding the target of 27%). Lastly, baselines and specific initiatives were established based on the doctor and employee engagement surveys conducted during the first half of 2022. | | | |  |
| **Pharmathen** | **As we control the Board, please see below the ESG efforts of the portfolio company.** | **Control of board** | **n.a.** |  |
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| The company has a strong ESG culture as reflected in its core mission of making a positive impact on the lives of people by ensuring that they enjoy better health. | | | |  |
| **PremiStar** | **As we control the Board, please see below the ESG efforts of the portfolio company.** | **Control of board** | **n.a.** |  |
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| In the meantime, Premistar has engaged a third party ESG consultant to identify material sustainability topics and craft a longer term ESG journey and strategy. Premistar is looking to hire an ESG manager and sales strategy employee, as the company aims to launch an energy efficiency sales strategy with customers. | | | |  |
| **Techem** | **As we control the Board, please see below the ESG efforts of the portfolio company.** | **Control of board** | **n.a.** |  |
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| Elsewhere, Techem contributes to a climate-neutral building stock through its business activities. The focus is on efficient and smart building technology, which effectively reduces energy consumption and CO2 emissions for heat and hot water by involving both owners and tenants. For instance, across Europe, the team has set a goal of having more than 10'000 charging stations in service and operating with green electricity by 2025. To reduce environmental impact, Techem has introduced a series of initiatives: development of sustainable product design, use of recycling materials and the same types of plastic. Techem's decarbonization plan aims to reduce CO2 emissions by 42% by 2030 and achieve a long-term reduction of 90% by 2045. The decarbonization plan is based on Techem's carbon footprint according to the GHG protocol. | | | |  |

**I confirm that this Implementation Statement is accurate and representative of the Trustees’ investment policies followed during the year.**

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

On behalf of the Trustees of the CWG Limited Retirement Benefits Scheme

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_