

Gleeds Retirement Benefits Scheme Implementation Statement Year Ending 31 May 2024

Glossary

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|--------------------|--|
| ESG | Environmental, Social and Governance |
| Investment Adviser | First Actuarial LLP |
| LGIM | Legal & General Investment Management |
| Scheme | Gleeds Retirement Benefits Scheme |
| Scheme Year | 1 June 2023 to 31 May 2024 |
| SIP | Statement of Investment Principles |
| UNPRI | United Nations Principles for Responsible Investment |

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustees have followed their policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments of the DB section.

In addition, the statement provides an assessment of how, and the extent to which, the policies described in the Money Purchase section of the SIP were followed over the Scheme Year.

The Implementation Statement summarises the voting behaviour of the Scheme's investment manager (for both the DB and DC sections) and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

Relevant Investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the DB section of the Scheme invested in the following fund which included an allocation to equities:

- LGIM Diversified Fund

The Scheme's Settlement Distribution Trust (SDT) assets are entirely invested in the L&G Diversified Fund (which has a very similar investment strategy to the LGIM Diversified Fund) and are treated as part of the 'DB section' assets throughout this statement.

Within the Money Purchase section, the five funds below offer equity exposure:

- LGIM World Equity Index Fund
- LGIM World Equity Index Fund – GBP Hedged
- LGIM UK Equity Index Fund
- LGIM (60:40) Global Equity Fund
- LGIM Diversified Fund

The Money Purchase assets are considered by the LGIM section outlined later in this document.

The Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

A summary of the Trustees' policy relating to the Exercise of Rights for the DB section is as follows:

DB section

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that may apply over the appropriate time horizon.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment managers' own policies on such matters.

- The Trustees expect that each investment manager should discharge its responsibilities in respect of investee companies in accordance with that investment manager's own corporate governance policies and current best practice, such as the UK Stewardship Code and the UN Principles for Responsible Investment.

A general summary of the Trustees' policy for the DC section is as follows:

DC section

- Offering an appropriate range of investment options – The range of funds that is offered is intended to offer sufficient investment flexibility for members of all ages.
- Offering suitable lifestyle strategies – The Trustees consider the likely form of benefits that will be paid to members and determine the lifestyle strategies accordingly.
- Offering a default investment option – The Trustees set a default investment option which will be used by those members who do not select their own investment strategy.

Have the Policies Been Followed During the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' beliefs regarding the importance of good stewardship.
- The Scheme's invested assets (for both the DB section and DC section) remained invested in pooled funds over the period.
- During the Scheme Year, the Trustees introduced an allocation to the LGIM World Equity Index Fund and the LGIM World Equity Index Fund – GBP Hedged in the DC section of the Scheme. As the Scheme (both DB and DC sections) already hold various equity holdings with LGIM, the manager's voting policy was reconsidered pragmatically. It was agreed that LGIM's voting tendencies tend to be favourable in comparison to many other managers.
- During the Scheme Year, the Trustees considered the voting records of the investment manager over the period ending 31 March 2023..
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment manager based on the period ending 31 March 2024* has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment managers used by the Scheme are UNPRI signatories.

**Note the voting analysis was over the year ending 31 March 2024 because this was the most recent data available at the time of preparing this statement. The Trustees are satisfied that the analysis provides a fair representation of the investment manager's voting approach over the Scheme Year.*

The Trustees are content that the policies outlined in the SIP were adhered to during the Scheme Year.

The Investment Manager Voting record

A summary of the investment Manager voting record is shown in the table below.

| Investment Manager | Number of votes | Split of votes: | | |
|--------------------|-----------------|-----------------|--------------------|-------------------------|
| | | For | Against / withheld | Did not vote/ abstained |
| LGIM | 120,000 | 76% | 24% | 0% |

Note

These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2024 rather than votes related solely to the funds held by the Scheme.

Use of Proxy Voting Advisers

| Investment Manager | Who is their proxy voting adviser? | How is the proxy voting adviser used? |
|--------------------|------------------------------------|--|
| LGIM | ISS and IVIS | ISS and IVIS provide research and ISS administer votes. However, all voting is determined by guidelines set by LGIM. |

LGIM's Voting Behaviour

The Trustees have reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of its voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes it cast in the year to 31 March 2024 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment manager with its peers over the same period.

Further details of the approach adopted by the Trustees for assessing voting behaviour are provided in the Appendix.

The Trustees' key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustees' Investment Adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider votes to be more significant if they are closely contested, i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment manager are listed in the Appendix. In addition, the Trustees considered the investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of Voting Behaviour

LGIM

The Trustees note that LGIM's voting record continues to compare very favourably with its peers. As in previous years, analysis of LGIM's voting record identifies clear evidence that the manager is willing to vote against company directors on a broad range of issues.

LGIM opposed several climate-related proposals based on an assessment that proposals put forward by a company's management did not go far enough.

The Trustees have no concerns regarding LGIM's voting record.

Conclusion

Based on the analysis undertaken, the Trustees have no concerns regarding the voting records of LGIM.

The Trustees will keep the voting actions of the investment manager under review.

Signed on behalf of the Trustees of the Gleeds Retirement Benefits Scheme

Significant Votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustees.

| Company | Meeting Date | Proposal | Votes For (%) | Votes Against (%) | LGIM |
|--|--------------|---|---------------|-------------------|---------|
| Audit & Reporting | | | | | |
| SCOTTISH AMERICAN INVESTMENT COMPANY PLC | 06/04/2023 | Re-appoint Ernst & Young LLP as Independent Auditor of the Company | 49 | 50 | For |
| NETAPP INC | 13/09/2023 | Appoint the Auditors | 40 | 60 | Against |
| VEOLIA ENVIRONNEMENT SA | 27/04/2023 | Appoint the Auditors | 72 | 28 | Against |
| INVESCO PERPETUAL UK SMALLER COMPANIES | 08/06/2023 | Re-appoint the auditor, Ernst & Young LLP | 76 | 24 | For |
| PETS AT HOME GROUP PLC | 06/07/2023 | Re-appoint KPMG LLP as auditor of the Company. | 78 | 22 | Against |
| Shareholder Capital & Rights | | | | | |
| HAMMERSON PLC | 04/05/2023 | Issue Shares with Pre-emption Rights | 55 | 45 | For |
| CITY OF LONDON INVESTMENT GROUP | 23/10/2023 | Issue Shares for Cash | 55 | 44 | For |
| PLAYTECH PLC | 24/05/2023 | Issue Shares for Cash for the Purpose of Financing an Acquisition or Other | 44 | 56 | For |
| BLUEFIELD SOLAR INCOME FUND LIMITED | 28/11/2023 | Issue Shares with Pre-emption Rights | 42 | 58 | Against |
| TOPPS TILES PLC | 18/01/2024 | Issue Shares with Pre-emption Rights | 63 | 37 | For |
| Pay & Remuneration | | | | | |
| WARNER BROS DISCOVERY INC | 08/05/2023 | Advisory Vote on Executive Compensation | 51 | 49 | Against |
| WELLTOWER INC | 23/05/2023 | Advisory Vote on Executive Compensation | 52 | 48 | Against |
| BIOGEN INC. | 26/06/2023 | Advisory Vote on Executive Compensation | 52 | 48 | Against |
| PEARSON PLC | 28/04/2023 | Approve Remuneration Policy | 54 | 46 | Against |
| VISTRY GROUP PLC | 18/05/2023 | Approve the Remuneration Report | 51 | 46 | Against |
| Constitution of Company, Board & Advisers | | | | | |
| DOMINO'S PIZZA GROUP PLC | 04/05/2023 | Elect Edward Jamieson - Executive Director | 50 | 50 | For |
| SAMPO OYJ | 17/05/2023 | Amend Articles: Virtual Meetings | 52 | 48 | Against |
| SIMON PROPERTY GROUP INC. | 04/05/2023 | Elect Reuben S. Leibowitz - Non-Executive Director | 53 | 46 | Against |
| CME GROUP INC. | 04/05/2023 | Elect Charles P. Carey - Non-Executive Director | 55 | 45 | Against |
| CORPAY, INC | 09/06/2023 | Elect Thomas M. Hagerty | 55 | 45 | Against |
| Merger, Acquisition, Sales & Finance | | | | | |
| FORESIGHT GROUP HOLDINGS LIMITED | 10/08/2023 | Approve the Waiver of Rule 9 | 52 | 48 | Against |
| EUROPEAN OPPORTUNITIES TRUST PLC | 15/11/2023 | Approve the Continuation of the Company | 59 | 36 | For |
| CALEDONIA INVESTMENTS PLC | 19/07/2023 | Waiver of mandatory offer provisions set out in Rule 9 of the Takeover Code | 64 | 35 | Against |
| VINACAPITAL VIETNAM OPPORTUNITY FUND LTD | 06/12/2023 | Approve that the Company Ceases to Continue as Currently Constituted | 29 | 71 | Against |
| BOUYGUES SA | 27/04/2023 | Approve Issuance of Debt Securities Giving Access to New Shares of Subsidiaries | 73 | 27 | Against |
| Climate Related Resolutions | | | | | |
| GLENCORE PLC | 26/05/2023 | Approve the Company's 2022 Climate Report. | 68 | 30 | Against |
| Shell plc | 23/05/2023 | Approve Shell's Energy Transition | 77 | 19 | Against |
| UBS GROUP AG | 05/04/2023 | Say on Climate | 81 | 15 | For |
| TOTALENERGIES SE | 26/05/2023 | Say on Climate | 86 | 11 | Against |
| PENNON GROUP PLC | 20/07/2023 | Approve the Climate-related financial disclosures | 88 | 10 | For |
| Other Company Resolutions | | | | | |
| CITY OF LONDON INVESTMENT GROUP | 23/10/2023 | Notice of General Meetings | 61 | 39 | For |
| BOUYGUES SA | 27/04/2023 | Approve the Board to Issue Equity Warrants Free of Charge During the Period of | 74 | 26 | Against |
| STV GROUP PLC | 27/04/2023 | Approve Political Donations | 70 | 25 | For |
| QUILTER PLC | 18/05/2023 | Approve Political Donations | 75 | 25 | For |
| ANHEUSER-BUSCH INBEV SA | 26/04/2023 | Authorize implementation of approved resolutions and filing of required | 75 | 25 | For |
| Governance & Other Shareholder Resolutions | | | | | |
| WELLS FARGO & COMPANY | 25/04/2023 | Simple Majority Voting | 50 | 49 | For |
| SYNOPSIS INC | 12/04/2023 | Right to Call Special Meetings | 50 | 50 | For |
| MCDONALD'S CORPORATION | 25/05/2023 | Annual Report on Lobbying Activities | 50 | 49 | For |
| THE MOSAIC COMPANY | 25/05/2023 | Right to Call Special Meetings | 50 | 49 | For |
| MARATHON PETROLEUM CORPORATION | 26/04/2023 | Simple Majority Voting | 51 | 48 | For |
| Environmental & Socially Focussed Shareholder Resolutions | | | | | |
| THE KROGER CO. | 22/06/2023 | Racial and Gender Pay Gaps | 52 | 48 | For |
| WELLS FARGO & COMPANY | 25/04/2023 | Annual Report on Prevention of Workplace Harassment and Discrimination | 52 | 43 | For |
| QUEST DIAGNOSTICS INCORPORATED | 17/05/2023 | Greenhouse Gas Reduction and Transition Plan | 48 | 52 | For |
| THE BOEING COMPANY | 18/04/2023 | Pay Equity Disclosure | 47 | 52 | For |
| EXPEDITORS INTERNATIONAL OF WASHINGTON INC. | 02/05/2023 | Report on the effectiveness of the Company's diversity, equity, and inclusion | 57 | 42 | For |

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote

Methodology for Determining Significant Votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustees believe that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustees' behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis was to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the total number of Significant Votes is large. This is helpful for assessing an investment manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustees have not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustees are satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about an investment manager's voting behaviour. The Trustees have concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

The Trustees' primary objective remains to ensure that the assets are sufficient to pay benefits over the long term. The Trustees regularly review the appropriateness of the Scheme's assets to ensure that they remain consistent with this primary objective. The Trustees' view is that over the long term environmental factors have the potential to have a material impact on the Scheme. Environmental factors are one of the themes used by the Trustees when assessing an investment manager's voting records.

LGIM Voting Policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links:

[LGIM](https://vds.issgovernance.com/vds/#/MjU2NQ==/) – <https://vds.issgovernance.com/vds/#/MjU2NQ==/>