

**Gleeds Retirement Benefits Scheme
Implementation Statement
Year Ending 31 May 2023**

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Gleeds Retirement Benefits Scheme
Scheme Year	1 June 2022 to 31 May 2023
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 Money Purchase section) 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 also entirely invested in the L&G Diversified Fund and are treated as part of the 'DB Section' assets throughout this statement.

Within the Money Purchase Section, the three funds below offer equity exposure:

- LGIM Diversified Fund
- LGIM (60:40) Global Equity Fund
- LGIM UK Equity Index Fund

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

The Trustees' Policy

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 will normally select investment managers who are signatories to the UNPRI and who publish the results of their annual UNPRI assessment.

A general summary of the Trustees' policy for the Money Purchase Section are as follows:

Money Purchase 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 Money Purchase Section) remained invested in pooled funds over the period.
- During the Scheme Year, the Trustees introduced an allocation to the LGIM Matching Core Fixed Short Fund and the LGIM Matching Core Fixed Long Fund. As the funds do not include an allocation to equities, consideration of the exercise of voting rights was not relevant. The Scheme already holds funds in the LGIM Matching Core Fund range and monitor the ESG risks of these funds on an ongoing basis.
- During the Scheme Year, the Trustees considered the voting records of the investment manager over the period ending 31 March 2022.
- 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 2023* 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 2023 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 Money Purchase Section of the SIP were adhered to during the Scheme Year (including those relating to the Exercise of Rights outlined earlier in this document in relation to the DB Section).

The Investment Manager's Voting Records

A summary of the investment manager’s voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
LGIM	150,000	76%	23%	1%

Note

These voting statistics are based on the manager’s full voting record over the 12 months to 31 March 2023 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 their voting records 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 they cast in the year to 31 March 2023 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager’s 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 their peers over the same period.

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

The Trustee’s 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

The manager’s willingness to vote against management is consistent with the broad range of policies covered within its corporate governance documentation; each policy provides a set of criteria which can be used to justify a vote against management.

It should also be noted that LGIM has supported shareholder proposals designed to tackle ESG issues and has held directors to account regarding their energy transition proposals (proposals setting out how greenhouse gas emissions will be reduced).

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

Conclusion

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

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

.....**Ross Savage**..... Date: ...**20 December 2023**....

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					
WORLDLINE SA	09/06/2022	Renew Appointment of Deloitte & Associates as Auditor	77	23	Against
VERTEX PHARMACEUTICALS INCORPORATED	18/05/2022	Appoint the Auditors	77	23	For
GRIFOLS SA	09/06/2022	Renew Appointment of KPMG Auditores as Auditor of Consolidated Financial	83	17	Against
PARTNERS GROUP AG	25/05/2022	Appoint the Auditors	84	16	Against
GEBERIT AG	13/04/2022	Appoint the Auditors	61	15	Against
Shareholder Capital & Rights					
FERRARI NV	13/04/2022	Grant Board Authority to Issue Special Voting Shares	71	29	Against
VIVENDI SA	25/04/2022	Authorize Specific Buyback Program and Cancellation of Repurchased Share	71	29	Against
		Issuance of Shares for Long-Term Incentive Plan	78	21	Against
UNIVERSAL MUSIC GROUP N.V.	12/05/2022		78	21	Against
DASSAULT SYSTEMES SE	19/05/2022	Authorize Capital Increase of Up to EUR 10 Million in Connection with Contribution	79	21	Against
RIO TINTO PLC	08/04/2022	Authorise Share Repurchase	79	20	For
Pay & Remuneration					
THE COCA-COLA COMPANY	26/04/2022	Advisory Vote on Executive Compensation	50	49	Against
THE TJX COMPANIES INC.	07/06/2022	Advisory Vote on Executive Compensation	48	49	Against
ORANGE S.A	19/05/2022	Approve Remuneration Policy of Chairman and CEO, CEO and Vice-CEOs	50	49	Against
SYMRISE AG	03/05/2022	Approve the Remuneration Report	53	47	Against
STELLANTIS N.V.	13/04/2022	Approve the Remuneration Report	43	47	Against
Constitution of Company, Board & Advisers					
INTEL CORPORATION	12/05/2022	Elect Alyssa Henry - Non-Executive Director	50	49	Against
LEGRAND SA	25/05/2022	Elect Edward A. Gilhuly - Non-Executive Director	57	43	Against
CREDIT SUISSE GROUP	29/04/2022	Discharge the Board for Fiscal 2020	36	60	Against
CSX CORPORATION	04/05/2022	Elect John J. Zillmer - Chair (Non Executive)	61	38	Against
TESLA INC	04/08/2022	Elect Ira Ehrenpreis - Non-Executive Director	63	36	Against
Merger, Acquisition, Sales & Finance					
DASSAULT SYSTEMES SE	19/05/2022	Delegate Power to the Board to Carry Spin-Off Agreements	78	22	Against
BASF SE	29/04/2022	Approve Issuance of Convertible Bonds and Bonds without Preemptive Rights and	87	9	For
ALLIANZ SE	04/05/2022	Issue Bonds	91	9	For
DEUTSCHE POST AG	06/05/2022	Issue Bonds	92	8	For
FRESENIUS SE	13/05/2022	Approve Issuance of Warrants/Bonds	95	5	For
Climate Related Resolutions					
GLENCORE PLC	28/04/2022	Climate Progress Report	76	24	Against
CENTRICA PLC	07/06/2022	Approve Climate Transition Plan	79	20	For
Royal Dutch Shell	24/05/2022	Approve the Shell Energy Transition Progress	77	19	Against
Barclays Plc	04/05/2022	Approve Barclays' Climate Strategy, Targets and Progress 2022	80	19	Against
STANDARD CHARTERED PLC	04/05/2022	Approve Net Zero Pathway	83	17	Against
Other Company Resolutions					
SEGRO PLC	21/04/2022	Meeting Notification-related Proposal	86	14	For
RECKITT BENCKISER GROUP PLC	20/05/2022	Meeting Notification-related Proposal	87	12	For
ANGLO AMERICAN PLC	19/04/2022	Meeting Notification-related Proposal	87	12	For
MONDI PLC	05/05/2022	Meeting Notification-related Proposal	88	12	For
ASTRAZENECA PLC	29/04/2022	Meeting Notification-related Proposal	88	12	For
Governance & Other Shareholder Resolutions					
ABBVIE INC	06/05/2022	Shareholder Resolution: Submit Severance Agreement (Change-in-Control) to	50	49	For
NORTHROP GRUMMAN CORPORATION	18/05/2022	Shareholder Resolution: Right to Call Special Meetings	50	49	For
APPLIED MATERIALS INC	09/03/2023	Shareholder Resolution: Right to Call Special Meetings	50	50	For
FISERV INC.	18/05/2022	Shareholder Resolution: Submit Severance Agreement (Change-in-Control) to Shareholder Vote	51	49	For
TESLA INC	04/08/2022	Shareholder Resolution: Adopt Proxy Access Right	51	48	For
Environmental & Socially Focused Shareholder Resolutions					
STARBUCKS CORPORATION	23/03/2023	Shareholder Resolution: Assessment of Worker Rights	51	47	For
AMAZON.COM INC.	25/05/2022	Shareholder Resolution: Report on Efforts to Reduce Plastic Use	49	51	For
AMERICAN WATER WORKS COMPANY INC.	11/05/2022	Shareholder Resolution: Report on Third-Party Racial Equity Audit	47	50	For
EXXON MOBIL CORPORATION	25/05/2022	Shareholder Resolution: Report on Scenario Analysis Consistent with International Energy Agency's Net Zero by 2050	46	45	For
WASTE MANAGEMENT INC	10/05/2022	Shareholder Resolution: Report on Civil Rights Audit	54	45	For

Note

Where the voting record has not been provided at the fund level, we rely on periodic information provided by investment managers to identify the stocks held. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds 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 the Scheme's pooled funds 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.

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 resolutions; 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.