Implementation Statement

Royal Blind Group Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustee of the Royal Blind Group Pension 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 Trustee over the year, including information regarding the most significant votes.

Stewardship policy

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.

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 January 2022.

How the SIP has been followed over the year

In the Trustee's opinion, the SIP has been followed over the year in the following ways:

- The Trustee uses reports provided by their investment consultants to monitor the performance of the strategy and the funds used on a quarterly basis, to assess performance relative to the Trustee's objectives.
- The Trustee regularly reviews the ESG capabilities of the funds used as part of the annual monitoring process.
- The Trustee has made no new manager appointments over the year.

How voting and engagement/stewardship policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.

Annually the Trustee receives and reviews voting information and engagement policies from the asset managers, which they review as part of manager appointment and review processes. The Trustee believes that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests. This exercise was undertaken for the year to 31 March 2022, with the next update in preparation at time of writing.

Prepared by the Trustees of the Royal Blind Group Pension Scheme
September 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 Trustee over the year to 31 March 2023. The Scheme's equity investments are managed by Aberdeen Standard Investments ("ASI") and Legal & General Investment Management ("LGIM"). The Gilt and Cash Funds with LGIM have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. The Scheme holds funds with Janus Henderson Investors ("Janus Henderson") in the Multi Asset credit Fund which has minimal voting capabilities and therefore has been excluded from this section. However, details on the engagement the Fund undertakes is included in the Engagement section.

Manager	Abrdn	LGIM
Fund name	Diversified Growth	World Equity Index (Hedged and Unhedged)
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	5,067
No. of eligible votes	9,942	54,368
% of resolutions voted	93.4%	99.9%
% of resolutions abstained	0.5%	1.0%
% of resolutions voted with management	87.4%	80.4%
% of resolutions voted against management	12.1%	18.6%
Proxy voting advisor employed	ISS	ISS
% of resolutions voted against proxy voter recommendation	8.7%	10.5%

Some voting percentages quoted above may not sum to 100%. Managers assure us that this is due to classifications of votes and abstentions both internally and across different jurisdictions.

LGIM's Investment Stewardship team uses the Institutional Shareholder Services ("ISS") "ProxyExchange" electronic voting platform to electronically vote on clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.

ASI also use ISS for their proxy voting requirements, and have listed company stewardship guidelines to provide a framework for engagement and proxy voting for companies worldwide.

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.

LGIM and Abrdn 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 from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme.

LGIM, Future World Equity Index

LGIM provided a list of what they believed to be the most significant votes over the year. We have chosen the below examples to demonstrate the range of issues on which the manager voted during the year.

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	McDonald's Corporation	Alphabet Inc.
Date of vote	25 May 2022	26 May 2022	1 June 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.7%	0.4%	0.9%
Summary of the resolution	Elect Director Daniel P. Huttenlocher	Report on Public Health Costs of Antibiotic Use and Impact on Diversified Shareholders	Report on Physical Risks of Climate Change
How the manager voted	Against	For	For
Rationale for the voting decision	A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.	As last year, LGIM voted in favour of the proposal. While LGIM note the company's past efforts to reduce the use of antibiotics in its supply chain, LGIM believe Antimicrobial resistance (AMR) is a financially material issue for the company and other stakeholders, and that concerted action is needed sooner rather than later. By supporting this proposal, LGIM want to signal to the company's board of directors the importance of this topic and the need for action.	LGIM voted in favour of the resolution as LGIM expects companies to be taking sufficient action on the key issue of climate change.
Outcome of the vote	Pass	Fail	Fail

	Vote 1	Vote 2	Vote 3
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.		LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.

Abrdn, Diversified Growth

	Vote 1	Vote 2	Vote 3
Company name	General Mills, Inc.	Berkeley Group Holdings Plc	KLA Corporation
Date of vote	27 September 2022	6 September 2022	2 November 2022
Summary of the resolution	Require Independent Board Chair	Approve Executive Share Option Plan	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal
How the manager voted	For	Against	For
Rationale for the voting decision	Abrdn believed that an independent Board Chair would enhance board structure.	Abrdn were concerned that this long-term incentive scheme was a significant one-off award which would allow full vesting on change of control. Abrdn's voting policy does not support one-off award so they voted against this resolution.	Most of the Company's GHG emissions come from Scope 3 emissions, but it has yet to set a target for reducing Scope 3 emissions. The Company also lags its peers by not participating in the SBTi. While the Company is in the process of developing a decarbonisation strategy for its Scope 3 emissions, there is no guarantee that this strategy would be in line with the Paris Agreement. As such, the proposal will help make sure that the Company's climate transition plan is aligned with the Paris Agreement.
Outcome of the vote	Fail	Pass	Fail
Criteria on which the vote is considered "significant"	Significant Vote Category 2 ('SV2'): Shareholder and Environmental & Social (E&S) Resolutions	Significant Vote Category 1 ('SV1'): High Profile Votes	Significant Vote Category 2 ('SV2'): Shareholder and Environmental & Social (E&S) Resolutions

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beyond the expected

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	Abrdn	LGIM	Janus Henderson
Fund name	Aberdeen Life Diversified Growth Fund and Cash Fund	World Equity Index (MSCI), Gilt Funds, LDI, Sterling Liquidity Fund	Multi Asset Credit Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	510	Not provided	56
Number of entities engaged on behalf of the holdings in this fund in the year	234	Not provided	32
Number of engagements undertaken at a firm level in the year	2,484*	1,088	680*

**ASI and Janus Henderson provide firm level engagement data over the year to 31 December 2022.

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

Manager	Engagement undertaken
Abrdn (firm-level)	**Rio Tinto PLC**: Abrdn have had ongoing engagement with Rio Tinto on multiple ESG issues for many years. This has included several meetings with the group following allegations of sexual discrimination and harassment at its fly in fly out sites, and a subsequent inquiry by a Western Australian parliamentary committee. The parliamentary inquiry into sexual harassment found significant issues and encouraged the company to carry out a full review. The company launched an independent review led by former Australian Sex Discrimination Commissioner Elizabeth Broderick which was published externally and included 26 recommendations. Abrdn discussed in detail the outcomes of the recommendations and the steps that the company was going to put in place. The company put together a strategy to address the outcomes of the parliamentary review and committed to implement all 26 recommendations and publicly report on its progress against them. Abrdn were supportive of the steps that the company was taking to address the issues at its fly in fly out sites and its openness to both discuss the issues and recognise that it needed to change practices. However, in light of the serious nature of the issues highlighted they abstained on the approval of the company's annual report & accounts at the 2022 AGM.
LGIM (firm-level)	**Capricorn:** LGIM has undertaken numerous engagements with the Capricorn board over the past nine months to express their widespread concerns with the transactions the board has proposed, including the NewMed transaction. In particular, they noted the timing of the proposed meetings as a matter of grave concern. The decision to hold the company's meeting before a shareholder

Manager	Engagement undertaken
	requisitioned meeting appeared to be a direct attempt to undermine due process. It was LGIM's view that meaningful board change was needed to restore investor confidence. The process to date has raised serious questions about the ongoing suitability and fitness of the entire board – and the chair and senior independent director in particular – to serve as directors of a listed company. As a result, the company announced the resignation of the seven directors who were proposed to be removed, and in the shareholder EGM held on 1 February 2023, all six directors proposed by the proponent were elected by an overwhelming majority of 99.2% of the votes cast. The newly constituted board intended to conduct a comprehensive strategic review of Capricorn's business and potential directions for the future, with a priority given to the NewMed transaction. Following the strategic review, and given shareholders' views, the board and NewMed have agreed to terminate the business combination.
Janus Henderson (fund-level)	**Volkswgen ("VW"):** Janus Henderson engaged with the company following MSCI's recent move to flag VW as a "FAIL" in respect of Global Compact Compliance Principle 4 "Businesses should uphold the elimination of all forms of forced and compulsory labour". This stemmed from allegations, refuted by VW, of the use of forced labour, specifically Uyghur minorities (42 employees), at its JV plant in Urumqi, Xinjiang, China, and in the plant's supply chain. The manager's objective for this engagement was to gain further background to the issue. They discussed what direct oversight VW has of the factory given it is operated by SAIC and what steps are being taken directly by VW senior management to investigate the claims and ensure policies are in force. VW is not aware of any cases where employees were in internment camps however accept that they have limited oversight of the plant. A board management visit to the plant is planned for after the China reopening. VW has notified the UNGC and MSCI's decision is based on its own methodology of compliance with the principles and is not endorsed by the UN. Whereas the plant produces a very small number of vehicles per annum, the matter could become financially material for VW, if future financing is hampered by the 'FAIL' flag from MSCI as funds with ESG restrictions are unable to invest in the company's bonds. From an ABS perspective, there is less concern than from a credit perspective due to de-linkage from the corporate as a vehicle producer, given the ABS are effectively financing individual/commercial acquisition of a vehicle that happens to be produced by VW. There is some risk that remains via servicing operations and Janus Henderson are cognisant that there is still some possible contagion from credit to ABS as they saw with Dieselgate but our current exposure is limited. They regard VW's response as appropriate and satisfactory and recognise the difficulty of disproving allegations. They have made no change to their ESG quadrant ratings for the time being. The manager will continue to monitor the situation and engage with MSCI to understand its methodology in greater detail. They will also follow up with VW and have encouraged a site visit. They also expressed to VW that they would like them to provide more transparency over worker background and composition.