

Implementation Statement

Selwood Group Pension Scheme

Plan year ending 5 April 2023

Purpose of this statement

This implementation statement has been produced by the Trustee of the Selwood Group Pension Scheme (“the Scheme”) to set out the following information over the year to 5 April 2023:

- how the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year; and
- 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.

The voting behaviour is not given over the Scheme year end to 5 April 2023 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2023. For the purpose of this statement, we excluded the AVC’s held by the Scheme as these are not considered significant in relation to the overall investments of the Scheme.

Stewardship policy

The Trustee’s Statement of Investment Principles (SIP) in force from July 2022 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It is available online here:

https://www.selwood.co.uk/sites/default/files/2022_06_selwood_statement_of_investment_principles_-_main_body_v1.0.pdf

Please note, the SIP was reviewed during 2023 following a change in investment strategy. The updated SIP is currently being reviewed by the Trustee and will be made available online in due course.

None of the Scheme assets are now invested in assets with voting rights attached given the Scheme has purchased a bulk annuity policy with Aviva, and that the remaining investments are in the Sterling Liquidity Fund held with Columbia Threadneedle Investments, therefore there is very limited benefit for the Trustee to set stewardship priorities. To the extent that there are any stewardship responsibilities, the Trustee has delegated the setting and implementation of stewardship activities to Columbia Threadneedle and reviews these activities annually where possible.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- As at the Scheme year end (5 April 2023), the Scheme's assets were almost entirely invested in a bulk annuity policy with Aviva, with the remaining money (£325,599 as at 31 March 2023) invested in the CT Sterling Liquidity Fund. The Sterling Liquidity Fund and bulk annuity policy have no voting rights.
- The Scheme was invested in the Blackrock Dynamic Diversified Growth Fund and Schroders Diversified Growth Funds until 28 April 2022. Due to the fact they were invested in these funds for less than a month over the year, we do not believe this is a sufficiently long period of time to consider these material investments to evaluate voting and engagement behaviour over the year.
- The Trustee is comfortable with the stewardship policies of Columbia Threadneedle, in which they hold the remainder of their assets which have not been invested in a bulk annuity policy. This is shown in Appendix 1.

**Prepared by the Trustees of the Selwood Group Pension Scheme
19 September 2023**

Appendix 1 – Columbia Threadneedle Investments

The Scheme’s investments in the Sterling Liquidity Fund have no voting rights therefore the engagement of Columbia Threadneedle Investments (“CT”) is the only metric under review.

Fund level engagement

The investment manager may engage with their investee companies on behalf of the Trustee. The table below provides a summary of engagement activities undertaken by CT during the year to 31 March 2023.

Manager	Columbia Threadneedle Investments
Fund name	Sterling Liquidity Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	Data not provided*
Number of entities engaged on behalf of the holdings at a firm level the year	286**
Number of engagements undertaken at a firm level in the year	357**

Source: Columbia Threadneedle. *Data is unavailable due to CT and BMO combining processes, described below. Consequently, the SLF data was not provided during the year. **BMO was taken over by Columbia Threadneedle and consequently BMO stopped producing data after 31 December 2022. Columbia Threadneedle however combined their two engagement processes and started a new method as at 1 January 2023. The data shown is Q1 2023 data at a firm level.

Engagement activity undertaken over the year to 31 March 2023

Columbia Threadneedle (Firmwide)

Climate Change and Biodiversity

Their engagement on climate change focused on the planned phasing out of ‘unabated’ coal generation, whose emissions are not mitigated by carbon capture and storage technologies. This is due in the developed world by 2030, and by 2050 in developing markets, in line with the Paris Agreement. While their engagement is in all sectors, they concentrated on mining and utilities, identifying laggard countries as well as companies. They continued their ongoing work with the Climate Action 100+ coalition and on energy efficiency in the Real Estate sector.

On biodiversity, Columbia Threadneedle stepped up their engagement in the critical sectors, including food and drinks, ‘extractives’ such as mining and quarrying, materials, transport and finance. They look for strategies, targets and metrics for mitigating biodiversity risks.