

Implementation Statement, covering the Scheme Year from 30 June 2023 to 30 June 2024 (the “Scheme Year”)

The Trustee of the Thomas Miller & Co Ltd Retirement Benefits Scheme (the “Scheme”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Scheme Year (the latest SIP is available online and dated 25 June 2024). This is provided in Section 2 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. The Scheme did not invest in any funds which held listed equities over the Scheme Year, so we have not included any data in the IS on voting behaviour.

In preparing the Statement, the Trustee has had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year. The last time these policies were formally reviewed was April 2023, to reflect the Trustee’s choice of high-level stewardship priority themes, in response to DWP’s new guidance.

The Trustee has, in its opinion, followed the Scheme’s voting and engagement policies during the Scheme Year.

2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Scheme’s stewardship by monitoring and engaging with managers and escalating as necessary as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement. During the Scheme Year, the Trustee received quarterly updates on ESG and stewardship related issues from its investment adviser. The Scheme’s only invested asset following the buy-in insurance transaction in early May 2024, and as at the end of the Scheme Year, is the CTI Sterling Liquidity Fund, which is a money market cash based asset, with limited ESG and stewardship related issues.

Following the introduction of DWP’s guidance, the Trustee agreed to set stewardship priorities to focus monitoring and engagement with its investment managers on specific ESG factors. At the Q1 2023 meeting, the Trustee discussed and agreed stewardship priorities for the Scheme which were:

- Climate change;
- Biodiversity loss; and
- Corporate Transparency.

These priorities were selected because they are market-wide risks that are financially material for the investments and can be addressed by good stewardship. Therefore, the Trustee believes it is in its members’ best interests that the Scheme’s managers adopt strong practices in these areas. The Trustee has communicated these priorities to the Scheme’s investment managers. In this communication, the Trustee set out its expectation that its investment managers should:

- take account of financially material factors (including climate change and other ESG factors) when investing its assets, and to improve their ESG practices over time, within the parameters of your mandate;
- undertake voting and engagement on its behalf in line with their stewardship policies, considering the long-term financial interests of the Trustee; and
- provide information on their stewardship policies, activities and outcomes, as requested by LCP from time to time, to enable the Trustee to monitor them.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with its managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

Over the Scheme Year, the Scheme did not invest in any funds which held listed equities. The Scheme's only invested asset post buy-in, and as at the end of the Scheme Year, is the CTI Sterling Liquidity Fund. Therefore, we have not included any information on voting behaviour as it is not relevant for the Scheme anymore.