

Implementation Statement (IS) 2024

Dehns Retirement Benefits Scheme

The Trustees of the Dehns Retirement Benefit Scheme (“the Trustees”) are required to produce this yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in their Statement of Investment Principles (SIP) during the year. The Scheme’s year runs from 1 June 2023 to 31 May 2024 (“Scheme Year”).

This Statement is also required to include a description of the voting behaviour during the 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.

1. Introduction

Following an Investment Strategy Review, the Investment Portfolio was changed in March 2023 to better match the assets and liabilities of the Scheme, this resulted in a shift away from equities to less volatile asset classes. At the same time, the trustees and their advisers undertook a comprehensive review of the SIP, to bring it up to date and reflect the changes in assets held. This was signed and made available to members in March 2024. The SIP will be reviewed at least biennially. The new SIP sets out the voting and engagement policies, in particular at section 7 (“Responsible Investment and Corporate Governance”), which discusses the Trustees approach to stewardship and environmental, social and governance issues.

The scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers. The Trustees have, in their opinion, followed the Scheme’s voting and engagement policies during the year, by continuing to delegate to their investment and fund managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

2. Voting and engagement

At the Scheme year-end, the Scheme’s investment managers were Scottish Widows Limited. The Scheme invests in a mix of pooled funds and the Trustees consider the performance of the funds held with the investment managers on a regular basis, and any significant developments that arise.

When investing, the Scheme investment managers consider their primary objective is to achieve the best investment return while allowing for an acceptable level of risk. In pursuing this objective, they will consider a number of factors that will affect performance including Socially Responsible Investment issues. If they consider that a company’s social, environmental or ethical record will adversely affect its financial performance and result in poor returns, then the stock will not be held in their portfolios.

Having reviewed the above in accordance with their policies, and having regard to the SIP, the Trustees are comfortable the actions of the Scheme’s investment managers are in alignment with the Scheme’s stewardship approach.

Description of voting behaviour during the year

Fund managers acting on behalf of the scheme vote on all resolutions put forward at company meetings, whether Annual or Extraordinary, for the UK companies in which they invest. As the managers of the relevant investment fund, they see voting as one of their fiduciary duties. The managers will support the incumbent board when voting, provided they are satisfied, firstly with its Corporate Governance stance and secondly with its management of the fund's investment as shareholders. Issues of concern will be raised at one of their regular meetings with the senior management of the company involved. The managers will try to resolve matters, either directly with the company, and believe this is usually a more effective approach than open confrontation at a shareholders' meeting.

Noted below are the key voting themes over the year made on behalf of the Trustees in relation to eligible funds for which data is available.

	% of votes cast as a proportion of total possible votes*			
Description of vote category	Aberdeen Standard Investments	Schroders Investment Management	BLACKROCK	TOTAL
The proportion of the total number of possible votes, when voting rights were exercised	97%	100%	93%	95%
Proportion of the total number of possible votes for which the fund manager abstained	3%	1%	0%	1%
Proportion of total votes cast that were against management	10%	9%	3%	7%

* Voting data has been provided over the year to 31 March 2024.

The majority of funds held on behalf of the Trustees are managed by Aberdeen Standard Investments, Schroders Investment Management Limited and BlackRock. Regrettably the Trustees were not able to review and include voting data in respect of most funds. The voting data which was provided was in relation to the so-called Managed Fund and Property

Fund. The Trustees will continue to work with their advisers and investment managers with the aim of providing more complete voting information in future implementation statements.

Engagement activities

As in the prior year, despite our request, we understand that of our Fund Managers only BlackRock, Inc have been able to provide information on engagement activities. BlackRock, Inc report (in respect of their “Climate Transition World Equity” fund and “Global Corporate ESG Insight” Bond) that each year they prioritize their work around engagement themes to encourage sound governance practices and deliver sustainable long-term financial performance for their clients. Their approach emphasizes direct dialogue with companies. Themes include board quality and effectiveness, a purpose driven long-term strategy supporting financial resilience, climate and natural capital (with a focus on the transition to a low carbon economy), and human capital focused on sustainable business practices.

The level, depth and focus of their engagement is, we believe, consistent with our SIP. The data obtained covers the period 1 April 2023 to 31 March 2024 and details 1,255 company engagements covering climate risk management, board composition and effectiveness, corporate strategy, sustainability reporting and human capital management (amongst many other topics).

We understand all relevant data made available to Scottish Widows Limited was provided to the Trustees. We will be working with our advisers and investment managers to improve reporting in the area of engagement, to the extent it is within our power to do so.

Taking the voting and engagement action into account, and recognising that incomplete information has been provided, the Trustees believes that the fund managers have acted in accordance with the Scheme’s stewardship policies.

The lack of data made available by our investment managers in this regard, despite our requests, is a frustration to the Trustees. The new management and advisory structure is expected to assist us in more fully meeting these requirements in future.

3. Future Developments

After the end of the Scheme Year, on 1 June 2024, new investment advisers were appointed (Mercer), as well as new providers of administration services (Aptia), following the termination of the services previously provided by Scottish Widows. The Trustees believe that this change in management structure will be of benefit to the Scheme and its members and are hopeful that improved voting and engagement data will be provided in future.

The new Investment advisers are in the process of moving all the funds from the current Scottish Widows managed funds to new funds with a new investment manager. It is expected that this change will also help in future reporting of voting and engagement data.

For and on behalf of the Trustees:

Rebecca Gardner

December 2024