

**Notcutts Limited Pension and Life Assurance Scheme
Implementation Statement
Year Ending 30 June 2023**

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
Scheme	Notcutts Limited Pension and Life Assurance Scheme
Scheme Year	1 July 2022 to 30 June 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. In addition, the Implementation Statement summarises the voting behaviour of the Scheme’s investment managers 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 Scheme invested in the following funds which included an allocation to equities:

- Baillie Gifford Diversified Growth Fund
- Baillie Gifford Global Alpha Growth Fund

The Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP, and a summary is as follows:

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. A summary of this wording is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustees wish to encourage best practice in terms of stewardship.
- 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 manager's own policies on such matters.
- When selecting a pooled fund, the Trustees consider, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UNPRI.
- If it is identified that a fund's investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the Policy 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' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustees did not select any new funds during the period.
- During the Scheme Year, the Trustees considered the voting records of the investment manager over the period ending 30 June 2022.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment manager based on the period ending 30 June 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 manager used by the Scheme are UNPRI signatories.

**Note the voting analysis was over the year ending 30 June 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 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
Baillie Gifford	14,000	92%	4%	4%

Notes

These voting statistics are based on the manager's full voting record over the 12 months to 30 June 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?
Baillie Gifford	No Proxy Voting Adviser	All done in-house, Manager aims to participate in all votes

The Investment Manager'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 30 June 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 its peers over the same period.

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

The Trustees' 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 each 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

Baillie Gifford

Baillie Gifford has a tendency to support management proposals. To some extent Baillie Gifford's active management style provides justification; it supports the management of companies it has chosen to invest in. Possibly though, the voting record indicates some over-confidence in management boards.

In the wake of poor performance of many of Baillie Gifford's holdings, the manager has been less supportive of high executive pay.

Baillie Gifford has held companies to account on climate change issues and has opposed director proposals in this area which were deemed not to go far enough. There are also signs that Baillie Gifford is adopting a more supportive stance towards shareholder proposals aimed at tackling social issues. However, a failure to support a proposal looking to find out how plastic use by Amazon could be reduced will disappoint some - a message which the Trustees' Investment Adviser has reported back to Baillie Gifford.

The Trustees have no material concerns regarding Baillie Gifford's voting record.

Conclusion

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

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

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 (%)	Baillie Gifford
Audit & Reporting					
THERMO FISHER SCIENTIFIC INC.	24/05/2023	Appoint the Auditors: PwC	90	10	For
BOOKING HOLDINGS INC.	06/06/2023	Appoint the Auditors	91	9	Did Not Vote
MEDTRONIC PLC	08/12/2022	Appoint PwC as the Auditors and Allow the Board to Determine their	92	8	For
ANTHEM INC	10/05/2023	Appoint the Auditors: EY	92	8	Not held
ANALOG DEVICES INC.	08/03/2023	Appoint the Auditors	93	7	For
Shareholder Capital & Rights					
RIO TINTO PLC	06/04/2023	Authorise Share Repurchase	78	20	For
Pay & Remuneration					
ABIOMED INC	10/08/2022	Advisory Vote on Executive Compensation	36	64	Against
SCHNEIDER ELECTRIC SE	04/05/2023	Approve the Remuneration Report for the Chairman & Chief Executive Officer, Mr.	65	34	For
AMAZON.COM INC.	24/05/2023	Advisory Vote on Executive Compensation	68	32	For
ALPHABET INC	02/06/2023	Approve the Frequency of Future Advisory Votes on Executive Compensation	31	69	For
Constitution of Company, Board & Advisers					
VONOVIA SE	17/05/2023	Elect Christian Ulbrich - Non-Executive Director	61	39	Not held
TESLA INC	04/08/2022	Elect Ira Ehrenpreis - Non-Executive Director	63	36	For
HARGREAVES LANSDOWN PLC	19/10/2022	Re-elect Deanna Oppenheimer - Chair (Non Executive)	65	33	For
Merger, Acquisition, Sales & Finance					
DELIVERY HERO SE	14/06/2023	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds	82	17	For
HERMES INTERNATIONAL	20/04/2023	Approve Demerger	90	10	For
KERING SA	27/04/2023	Approve Issuance of Debt Securities Giving Access to Debt Securities	92	6	Against
RWE AG	04/05/2023	Issue Bonds/Debt Securities	96	4	For
TARGET HEALTHCARE REIT PLC	06/12/2022	Approve the Continuation of the Company	100	0	For
Climate Related Resolutions					
SCHNEIDER ELECTRIC SE	04/05/2023	Say on Climate	96	2	For
Other Company Resolutions					
SSP GROUP PLC	16/02/2023	Meeting Notification-related Proposal	83	17	Not held
SEGRO PLC	20/04/2023	Meeting Notification-related Proposal	88	12	For
THE UNITE GROUP PLC	18/05/2023	Meeting Notification-related Proposal	89	10	For
Governance & Other Shareholder Resolutions					
MCDONALD'S CORPORATION	25/05/2023	Shareholder Resolution: Annual Report on Lobbying Activities	50	49	Against
TESLA INC	04/08/2022	Shareholder Resolution: Adopt Proxy Access Right	51	48	Against
ANTHEM INC	10/05/2023	Shareholder Resolution: Right to Call Special Meetings	46	54	Not held
NETFLIX INC	01/06/2023	Shareholder Resolution: Reform the Current Impossible Special Shareholder Meeting Requirements	43	56	Against
UNITED PARCEL SERVICE INC	04/05/2023	Shareholder Resolution: Equitable Voting Rights	33	67	Against
Environmental & Socially Focused Shareholder Resolutions					
STARBUCKS CORPORATION	23/03/2023	Shareholder Resolution: Assessment of Worker Rights	51	47	For
MCDONALD'S CORPORATION	25/05/2023	Shareholder Resolution: Poultry Welfare Disclosure	38	61	Against
AMAZON.COM INC.	24/05/2023	Shareholder Resolution: Report on Packaging Materials	37	62	For
		Shareholder Resolution: Policy on Freedom of Association			
NETFLIX INC	01/06/2023		35	62	For
TESLA INC	04/08/2022	Shareholder Resolution: Report on Water Risk Exposure	35	64	Against

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.

The 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.