

**British Wool Marketing Board Retirement Benefits Scheme  
Implementation Statement  
Year Ending 30 April 2023**

**Glossary**

BlackRock	BlackRock Investment Management (UK) Limited
ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
Scheme	British Wool Marketing Board Retirement Benefits Scheme
Scheme Year	1 May 2022 to 30 April 2023
SIP	Statement of Investment Principles
SSGA	State Street Global Advisors
UNPRI	United Nations Principles for Responsible Investment

**Introduction**

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustee has 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 Trustee has 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:

- BlackRock Aquila Life (30:70) Currency Hedged Global Equity Fund
- BlackRock Aquila Life Overseas Fixed Benchmark Equity Fund
- BlackRock Dynamic Diversified Growth Fund
- SSGA Strategic Diversified Fund

## The Trustee's Policy Relating to the Exercise of Rights

### Summary of the Policy

The Trustee's 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 Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustee wishes to encourage best practice in terms of stewardship.
- The Trustee invests 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 managers' own policies on such matters.
- When selecting a pooled fund, the Trustee considers, 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 Trustee (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 Trustee 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 Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect their Investment Adviser to raise the Trustee's concerns with the investment manager.

### Has the Policy Been Followed During the Scheme Year?

The Trustee's 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 Trustee's belief regarding the importance of good stewardship.
- The Trustee did not select any new funds during the period.
- During the Scheme Year, the Trustee considered the voting records of the investment managers over the period ending 31 March 2022.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment managers based on the period ending 31 March 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.
- All the investment managers used by the Scheme is UNPRI signatories.

*\*Note the voting analysis was over the year ending 31 March 2023 because this was the most recent data available at the time of preparing this statement. The Trustee is satisfied that the analysis provides a fair representation of the investment managers' voting approach over the Scheme Year.*

## The Investment Managers' Voting Records

A summary of the investment managers' voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
<b>BlackRock</b>	170,000	87%	11%	2%
<b>SSGA</b>	210,000	83%	17%	0%

### Notes

*These voting statistics are based on each manager's full voting record over the 12 months to 31 March 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?
<b>BlackRock</b>	Several Advisers	Proxy advisers provide information but voting is determined by BlackRock
<b>SSGA</b>	ISS	ISS administer votes and provide research but voting is determined by guidelines set by the investment manager.

## The Investment Managers' Voting Behaviour

The Trustee has reviewed the voting behaviour of the investment managers 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 31 March 2023 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment managers' policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the investment managers with their peers over the same period.

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

The Trustee's key observations are set out below.

## Voting in Significant Votes

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine separate categories. The Trustee considers 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 managers are listed in the Appendix. In addition, the Trustee 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

### BlackRock

In previous years BlackRock have been open to criticism given the manager's voting record did not appear to be consistent with its public statements which had indicated a desire to address climate change issues. The position does now seem to have changed; however, they still seem less supportive of shareholder proposals tackling social issues than their peers.

Overall, the Trustee has no material concerns regarding BlackRock's voting record.

### SSGA

SSGA's voting record has previously been open to criticism due to the manager's tendency to be less supportive than its peers of shareholder proposals related to ESG matters. However, in March 2021, SSGA published a revised set of voting and engagement guidelines and their voting record now seems to be more consistent with that of other investment managers.

The Trustee has no material concerns regarding SSGA's voting record. Although, the Trustee's Investment Adviser is encouraging SSGA to improve transparency by publishing voting rationales online and engaging with them regarding this.

## Conclusion

The Trustee will keep the voting actions of the investment managers under review. BlackRock and SSGA's could still be improved relative to some other managers.

DARREN HOWARTH

Date: 3 NOVEMBER 2023

Signed on behalf of Align Pensions Limited as the Trustee of the British Wool Marketing Board Retirement Benefits Scheme

## Significant Votes

The table below records how the Scheme's investment managers voted in the most significant votes identified by the Trustee.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	BlackRock	SSGA
<b>Audit &amp; Reporting</b>						
W. R. BERKLEY CORPORATION	15/06/2022	Ratify KPMG LLP as Auditors	50	50	Not held	For
TOPPS TILES PLC	18/01/2023	Appoint Mazars as the Auditors	63	37	For	For
MODERNA INC	28/04/2022	Appoint the Auditors	75	24	For	Against
INVESCO PERPETUAL UK SMALLER COMPANIES	09/06/2022	Re-appoint Ernst & Young LLP as the auditor of the Company	76	24	For	For
WORLDLINE SA	09/06/2022	Renew Appointment of Deloitte & Associates as Auditor	77	23	For	For
<b>Shareholder Capital &amp; Rights</b>						
PLAYTECH PLC	30/06/2022	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital	58	42	For	For
TOPPS TILES PLC	18/01/2023	Issue Shares with Pre-emption Rights	63	37	For	For
FERRARI NV	13/04/2022	Grant Board Authority to Issue Special Voting Shares	71	29	Against	Against
VIVENDI SA	25/04/2022	Authorize Specific Buyback Program and Cancellation of Repurchased Share	71	29	Against	Against
PLUS500 LTD	03/05/2022	Approve Additional Allotment of Shares to Jacob Frenkel	74	26	Against	For
<b>Pay &amp; Remuneration</b>						
THE COCA-COLA COMPANY	26/04/2022	Advisory Vote on Executive Compensation	50	49	Against	For
THE TJX COMPANIES INC.	07/06/2022	Advisory Vote on Executive Compensation	48	49	For	Abstain
ORANGE S.A	19/05/2022	Approve Remuneration Policy of Chairman and CEO, CEO and Vice-CEOs	50	49	Against	For/Against
TRANSDIGM GROUP INCORPORATED	12/07/2022	Advisory Vote on Executive Compensation	51	48	Against	Against
HENRY SCHEIN INC.	18/05/2022	Advisory Vote on Executive Compensation	51	48	Against	Against
<b>Constitution of Company, Board &amp; Advisers</b>						
INTEL CORPORATION	12/05/2022	Elect Alyssa Henry - Non-Executive Director	50	49	For	Against
MOTOROLA SOLUTIONS INC.	17/05/2022	Elect Egon P. Durban - Non-Executive Director	51	49	For	For
M&T BANK CORPORATION	25/04/2022	Elect John R. Scannell - Non-Executive Director	51	49	Against	Against
CARRIER GLOBAL CORP	14/04/2022	Elect David Gitlin - Chair & Chief Executive	52	48	Not held	For
CENTENE CORP	26/04/2022	Right to Call Special Meeting	47	53	For	For
<b>Merger, Acquisition, Sales &amp; Finance</b>						
BALTIC CLASSIFIEDS GROUP PLC	28/09/2022	Approve Waiver of Rule 9 of the Takeover Code	66	34	For	Not held
LUCECO PLC	12/05/2022	Approve Waiver of Rule 9 of the Takeover Code	74	26	Against	Not held
BOUYGUES SA	28/04/2022	Authorise Board to Issue Free Warrants with Preemptive Rights During a Public	76	24	Against	Against
DASSAULT SYSTEMES SE	19/05/2022	Delegate Power to the Board to Carry Spin-Off Agreements	78	22	Not held	Against
CALEDONIA INVESTMENTS PLC	27/07/2022	Waiver of mandatory offer provisions set out in Rule 9 of the Takeover Code	79	20	For	Against
<b>Climate Related Resolutions</b>						
GLENCORE PLC	28/04/2022	Climate Progress Report	76	24	For	Against
M&G PLC	25/05/2022	Approve Climate Transition Plan and Climate-Related Financial Disclosure	78	20	Not held	For
CENTRICA PLC	07/06/2022	Approve Climate Transition Plan	79	20	For	For
Royal Dutch Shell	24/05/2022	Approve the Shell Energy Transition Progress	77	19	For	For
UNITED UTILITIES GROUP PLC	22/07/2022	Approve Climate-Related Financial Disclosures	80	19	For	Not held
<b>Other Company Resolutions</b>						
TOPPS TILES PLC	18/01/2023	Meeting Notification-related Proposal	63	37	For	Against
INVESTEC PLC	04/08/2022	Investec plc: Approve Political Donations	70	29	For	For
LIONTRUST ASSET MANAGEMENT	22/09/2022	Meeting Notification-related Proposal	66	24	For	Not held
DWF GROUP PLC	28/09/2022	Approve Political Donations	79	19	Not held	For
QUILTER PLC	12/05/2022	Approve Political Donations	82	18	For	For
<b>Governance &amp; Other Shareholder Resolutions</b>						
ABBVIE INC	06/05/2022	Shareholder Resolution: Submit Severance Agreement (Change-in-Control) to	50	49	Against	Against
NORTHROP GRUMMAN CORPORATION	18/05/2022	Shareholder Resolution: Right to Call Special Meetings	50	49	Against	Against
APPLIED MATERIALS INC	09/03/2023	Shareholder Resolution: Right to Call Special Meetings	50	50	Against	Against
GLOBAL PAYMENTS INC	28/04/2022	Shareholder Resolution: Right to Call Special Meetings	50	49	Against	For
INTERCONTINENTAL EXCHANGE, INC.	13/05/2022	Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Call	49	50	Against	Not held
<b>Environmental &amp; Socially Focussed Shareholder Resolutions</b>						
PHILLIPS 66	11/05/2022	Shareholder Resolution: Report on Reducing Plastic Pollution	50	49	For	For
STARBUCKS CORPORATION	23/03/2023	Shareholder Resolution: Assessment of Worker Rights	51	47	Against	For
AMAZON.COM INC.	25/05/2022	Shareholder Resolution: Report on Efforts to Reduce Plastic Use	49	51	For	For
AMERICAN WATER WORKS COMPANY INC.	11/05/2022	Shareholder Resolution: Report on Third-Party Racial Equity Audit	47	50	Against	Against
EXXON MOBIL CORPORATION	25/05/2022	Shareholder Resolution: Report on Scenario Analysis Consistent with International Energy Agency's Net Zero by 2050	46	45	For	Abstain

### 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 Trustee believes 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 Trustee's 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.

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 Trustee is 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 Trustee has 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.