

# **IMPLEMENTATION STATEMENT**

## **Grosvenor Pension Fund**

The Trustee of the Grosvenor Pension Fund has prepared this implementation statement in compliance with the governance standards introduced under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended). Its purpose is to demonstrate how, and the extent to which, the Fund's Statement of Investment Principles (SIP) dated October 2023 has been followed, if there has been any review of the SIP and how the policies on voting, stewardship and engagement have been followed. This statement covers the period 1<sup>st</sup> April 2023 to 31 March 2024.

### **A. Voting and Engagement Policy**

The policy as set out in the SIP in respect of voting, stewardship and engagement is in summary as follows:

- i. The Fund only invests via pooled investment funds, meaning that the Fund's investments are pooled with those of other investors. It can be harder for those invested in pooled funds to exert their influence, given the other investors with a stake, but the Trustee still monitors and engages as much as possible.
- ii. Voting decisions on stocks are delegated to the investment manager of the pooled funds held by the Fund.
- iii. SEI, the Fund's Fiduciary Manager, or the investment manager of a third party pooled fund, has full discretion for undertaking engagement activities in respect of the investments.
- iv. Where the investment manager is SEI, they have pooled their holdings in their funds with other investors and employed a specialist proxy voting service provider for voting and engagement services.
- v. SEI will report on voting and engagement activity to the Trustee on a periodic basis together with its adherence to the UK Stewardship Code. The Trustee will consider whether the approach taken was appropriate or whether an alternative approach is necessary. The Fiduciary Manager is a signatory to the UK Stewardship Code 2020.
- vi. The Trustee will assess the Fiduciary Manager's performance against objectives annually including how well the Fiduciary Manager is aligned with the SIP in terms of ESG factors.

The Trustee is of the opinion that this policy has been followed during the year. In particular:

- The Trustee has received and reviewed quarterly reports from SEI that set out
  - How SEI has voted on all the shares where SEI has voting rights including number of votes for, against and abstentions. For votes against, details of the issue to which the vote relate is provided.
  - The number of companies engaged and the number of milestones achieved by engagement issue.

- The Trustee reviewed the above quarterly reports throughout the Fund year and monitored performance. The Trustee was satisfied with the content of the report and that SEI's performance was in line with the SIP and the Trustee's expectations.
- The Trustee has considered SEI's voting practices and stewardship policies noting that they are a signatory to the UN Principles for Responsible Investment.
- The Trustee has a process in place to review SEI's performance against objectives, including ESG factors.

SEI's engagement priorities which for 2023 included priorities in each of the following categories:

- Climate change
- Sustainable Agriculture
- Modern Slavery
- Future of Work
- Board Governance

SEI's engagement efforts are primarily focused on public equities; however, many companies represented in our engagement efforts are also held in fixed income strategies. SEI believes that these fixed income funds also benefit from the positive progress that results from productive shareholder engagement. The engagement on climate change through SEI's collaboration with their engagement partner spans both equity and fixed income.

In light of the above and otherwise, the Trustee has considered their policy in regard to voting and stewardship and concluded that

- SEI's voting and stewardship policies and implementation on behalf of the Trustee remains aligned with the Trustee's views on these matters.
- The current policy is appropriate and no further action is required at this stage, albeit the Trustee will continue to monitor the performance of this policy and SEI's performance in the future.

## **B. Voting Record**

All underlying securities in pooled funds that have voting rights are managed by SEI with SEI having the legal right to the underlying votes. SEI in turn use Glass Lewis as a proxy voting service provider for all voting. SEI provide Glass Lewis with the holdings across all SEI's pooled funds and the proxy votes are cast according to a policy set out by SEI. During the period from 1<sup>st</sup> April 2023 to 31 March 2024, across the Fund's holdings<sup>1</sup> SEI voted<sup>2</sup> as follows, including the percentage of overall votable items voted on:

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<sup>1</sup> SEI has shown voting data for the relevant quarters the fund was invested in.

<sup>2</sup> Source: SEI and Glass Lewis

<b>Fund Name</b>	<b>Global Managed Volatility</b>	<b>Factor Allocation Global Equity</b>	<b>Global Select Equity</b>	<b>Dynamic Asset Allocation</b>
ISIN	IE00B19H3542	IE00BDD7WJ18	IE00B295X008	IE00B5NNKL10
Number of Votable Meetings	515	162	462	550
Number of Votable Items	8052	1790	7779	12386
% of Items Voted	92%	93%	96%	90%
For	87%	89%	88%	90%
Against	11%	9%	8%	8%
Abstain/ Withheld/ Other	2%	2%	4%	2%
% of votes with management	90%	89%	91%	92%
% of votes against management	10%	9%	8%	8%
% of votes other	0%	2%	1%	1%
Voting Against/Abstain by Category				
Capital Related	8%	1%	4%	8%
Board/Directors/Governance	46%	60%	38%	51%
Remuneration Related	16%	17%	21%	25%
Shareholder Proposals	27%	15%	33%	15%
Other	4%	8%	4%	1%

<b>Fund Name</b>	<b>UK Fundamental Equity</b>	<b>UK Quantitative Equity</b>
ISIN	IE00B3KF4Q98	IE00B3KF5229
Number of Votable Meetings	52	176
Number of Votable Items	989	3316
% of Items Voted	100%	99%
For	97%	98%
Against	2%	2%
Abstain/ Withheld/ Other	1%	0%
% of votes with management	98%	98%
% of votes against management	2%	2%
% of votes other	0%	0%
Voting Against/Abstain by Category		
Capital Related	0%	0%
Board/Directors/Governance	31%	35%
Remuneration Related	27%	52%
Shareholder Proposals	15%	8%
Other	27%	5%

## C. Significant Votes

A highlight of some of the significant votes<sup>2</sup> during the period are shown in the table below. These votes are considered to be significant as they have a material impact on the company or the wider community. SEI selects votes based on one or more of the following criteria:

- Votes SEI consider to be high profile which have such a degree of controversy that there is high client and/ or public scrutiny.
- Votes relating to companies with a high or severe ESG risk rating.
- Votes relating to our 2022 thematic priorities as described in section A.

To date the Trustee has accepted SEI's position on what constitutes a significant vote but this will be kept under consideration.

Company Name	Held in Fund(s) (% size of holding) <sup>3</sup>	Theme	Date of Vote and Outcome	Vote Decision and Significance of vote
Amazon	Dynamic Asset Allocation (<0.01%)  Factor Allocation Global Equity (<0.01%)  Global Select Equity (<0.01%)	Corporate Governance	Date: 24/05/2023  Outcome: For	Voted For the 'Shareholder Proposal Regarding Report on Working Conditions'. Amazon has faced scrutiny and exposure to a variety of risks on account of its worker health and safety. An analysis of work-related injury data from the Occupational Safety and Health Administration ("OSHA") showed that the Company's warehouse jobs can be more dangerous than comparable warehouses, as the Company has reported a higher rate of serious injury incidents that caused employees to miss or shift work duties more than other retail warehouses since 2017. Amazon has been fined in recent years for violating workplace safety laws by requiring warehouse employees to perform repetitive motions at a fast pace, increasing their risk of injury. This vote is considered significant because Amazon is a high profile company and if the company does not provide appropriate working conditions it can face regulatory action, legal fines and reputational harm which are often reported in the media. Additionally, high turnover and problems attracting workers can lead to the erosion of shareholder value. The additional disclosure and independent audit report would likely allow employees to provide an honest assessment of their experiences and would provide some assurance to shareholders that the working conditions are being evaluated. Amazon has a high ESG risk rating.

<sup>3</sup> % holding as at last day of the quarter in which vote occurred.

ArcelorMittal SA	Dynamic Asset Allocation (<0.01%)  Factor Allocation Global Equity (<0.01%)  Global Select Equity (<0.01%)	Corporate Governance	Date: 02/05/2023  Outcome: Against	Voted Against the 'Ratification of Board Acts'. ArcelorMittal SA has had ongoing health and safety related incidents in recent years with a number of fatal accidents, resulting in fines and industrial action as well as negative media coverage. In 2022, ArcelorMittal reported 22 work-related deaths, five of which were caused by a methane explosion in ArcelorMittal's Karaganda coal mine in November 2022. This vote is deemed significant because there are substantial concerns regarding the oversight of health and safety matters at ArcelorMittal SA which the board is responsible. The continued occurrence of work site fatalities and other safety-related issues, indicates the Company may have failed to meaningfully address these issues in a way that satisfies shareholders' interests. The Company continues to be exposed to significant legal and reputational risk as a result of legal and regulatory proceedings and controversies it is involved in. It is therefore not in the shareholders' best interests to ratify the actions of the Company's directors under these circumstances. ArcelorMittal SA has a high ESG risk rating.
Axon Enterprise Inc	Dynamic Asset Allocation (<0.01%)  Global Select Equity (<0.01%)  Factor Allocation Global Equity (<0.01%)	Social Governance	Date: 31/05/2023  Outcome: Against	Voted For the 'Shareholder Proposal Regarding Discontinuation of Plans for a Remotely-Operated, Non-Lethal Taser Drone System'. After a number of mass shootings in the United States, Axon Enterprise Inc announced that it had begun the development of a non-lethal, remotely-operated TASER drone system as part of a long-term plan to stop mass shootings, particularly in schools. The lack of disclosure on ethical considerations and safety precautions pertaining to the launch of the TASER drone system is a concern. This vote is considered significant because the taser drone has had substantial media coverage on how effective it would be and failing to gain the support of stakeholders and local communities prior to launching this product could present significant challenges for the Company. Axon Enterprise Inc has a severe ESG risk rating.
Exxon Mobil Corp.	Dynamic Asset Allocation (<0.01%)  Global Managed	Environmental Incident	Date: 31/05/2023  Outcome: Against	Voted For the 'Shareholder Proposal Regarding Report of Guyanese Operations'. Exxon Mobil Corp. operates one of the largest oil fields discovered in the past decade, offshore of the South American country Guyana. Concerns were raised that the Company had disregarded

	Volatility (<0.01%)  Global Select Equity (<0.01%)  Factor Allocation Global Equity (<0.01%)			safety-related issues and failed to adequately prepare for possible disasters in the region. This vote is considered significant because Exxon Mobil Corp's responsibility and potential liability with respect to its response to an oil spill are of concern to shareholders and an oil spill would have wider environmental and public impact. The production of a report evaluating the economic, human, and environmental impacts of a worst-case oil spill from its operations offshore of Guyana would help provide shareholders with reassurance that these matters were being handled in a way that served their best interests and would provide more insight into how it intends to mitigate safety-related risks. Exxon Mobil Corp. has a severe ESG risk rating.
Meta Platforms Inc	Dynamic Asset Allocation (<0.01%)  Global Select Equity (<0.01%)	Social Governance	Date: 31/05/2023  Outcome: For	Voted For the 'Shareholder Proposal Regarding Targets and Report on Child Safety Impacts'. Meta Platforms Inc is the world's largest social media company with billions of children and teen users, and the Company's platforms, including Facebook, Instagram, Messenger, and WhatsApp, have been linked to numerous child safety impacts and social policy challenges. In 2021, nearly 29 million cases of online child sexual abuse material were reported, and nearly 27 million of those (92%) stemmed from the Company's platforms. This vote is deemed significant as Meta Platforms Inc is a high profile company and it has no publicly available, Company-wide child safety or harm reduction performance targets for shareholders and stakeholders to judge the effectiveness of the Company's policies and actions. Therefore, the adoption of metrics could help the shareholders evaluate the Company's current actions and further mitigation of child safety cases on their platforms. Meta Platforms Inc has a high ESG risk rating.
Chevron Corp.	Dynamic Asset Allocation (<0.01%)  Global Managed Volatility (<0.01%)	Environmental Governance	Date: 31/05/2023  Outcome: For	Voted For the 'Shareholder Proposal Regarding Recalculated Emissions Baseline'. Since 2016, Chevron Corp. reports a 4.7% reduction in its portfolio carbon intensity, but between 2017 and 2021, it sold more assets than any other American oil and gas company, and it is unclear how the Company accounts for these divestitures in its emissions reporting. Shareholders cannot determine whether the Company's reported GHG reductions are the result of operational improvements or of transferring emissions

	Global Select Equity (<0.01%)  Factor Allocation Global Equity (<0.01%)			off its books. This vote is deemed significant as disclosure of a recalculated baseline emissions figure could provide useful context to shareholders concerning the Company's progress on its goals and climate targets and would ensure accuracy and comparability of emissions reporting. Chevron Corp. has a high ESG risk rating.
J.B. Chemicals & Pharmaceuticals Ltd.	Emerging Market Equity (<0.01%)	Governance	Date: 24/08/2023  Outcome: For	Voted Against the 'Shareholder Proposal to Approve Revised Remuneration of Nikhil Chopra (CEO & Whole-Time Director)'. J.B. Chemicals & Pharmaceuticals Ltd. is proposing a significant increase in Mr. Chopra's remuneration from approximately INR 41,811,120 per annum to approximately INR 72,339,869 per annum as a fixed component along with an increase to the bonus and incentives from approximately INR 24,555,732 per annum as a variable component to approximately INR 42,485,320. The significant increase in remuneration can be seen as controversial especially since the company has failed to provide sufficient justification for the increase. The company had already proposed an increase to Mr. Chopra's remuneration at the Company's AGM last year in August 2022 which was heavily opposed by the shareholders (60.91% voted against).
Tyson Foods, Inc.	Dynamic Asset Allocation (<0.01%)  Global Select Equity (<0.01%)  US Small Companies (<0.01%)	Modern Slavery	Date: 08/02/2024  Outcome: For	Voted For the proposal to request 'that Tyson Foods, Inc. commission an independent third-party audit assessing the effectiveness of its policies and practices to prevent illegal child labour. In March 2023, a Department of Labour ("DOL") investigation found the use of illegal child labour in the Company's Arkansas and Tennessee facilities, where these children, employed by the Company's contractor Packers Sanitation Services Inc., worked during the night shifts and were exposed to dangerous chemicals and meat processing equipment like back saws and head splitters. This vote is deemed significant as shareholders remain concerned the illegal use of child labour poses significant financial, reputational, legal, and human rights risks throughout the Company's value chain. An independent audit of child labour policies could help to protect shareholder interests, additionally regular reporting with progress and meaningful consultation with workers, suppliers, and other relevant stakeholders would enable the company to inform appropriate solutions and ensure

				compliance with federal child labour requirements.
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## D. Engagement Activity

A highlight of some of the engagements during the period are shown in the table below. SEI conducts shareholder engagement collaboratively through third party specialists Sustainalytics and Columbia Threadneedle Investment reo. Each case study<sup>4</sup> describes a milestone achieved relating to our engagement priorities as described in section A.

Company Name	Held in Fund(s)	Theme	Objective	Description
ASM International NV	Dynamic Asset Allocation	Climate Change	Set a science-based target.	<p>Through ongoing engagement, Columbia Threadneedle Investments reo® encouraged Dutch semiconductor manufacturer ASM International to set ambitious emissions reduction targets.</p> <p>While ASM International had previously set a net zero target, the company's Scope 3 emissions had not been included in carbon-footprinting or goal-setting. In its 2022 annual report, ASM International disclosed that it had completed a full assessment of its Scope 3 emissions and had submitted targets aligned to 1.5°C to the Science Based Targets Initiative (SBTi). The company is awaiting approval from SBTi, expected in the second half of 2023.</p>
Southwest Airlines	Dynamic Asset Allocation	Climate Change	Set emissions reduction targets, publish a sustainable aviation fuel procurement policy, and address contrail emissions.	<p>Columbia Threadneedle Investments reo® has been engaging with Southwest Airlines since the beginning of 2022, and the company has been receptive and open to dialogue on a number of climate-related issues.</p> <p>While Southwest Airlines had already set a target to reduce its emissions intensity by 20% by 2030, the company lags many industry peers that have set targets aligned with a below-2°C scenario. Much of the company's efforts will rely on incorporating sustainable aviation fuel (SAF) into its fuel mix, but it had not provided clarity on how ESG risks related to SAF use would be managed through procurement. Additionally, the company had not been</p>

<sup>4</sup> Source: SEI and Sustainalytics

				<p>actively engaged in efforts to manage contrail emissions.</p> <p>In Columbia Threadneedle's meeting with Southwest in the first quarter of 2023, the company shared that it anticipated publishing enhanced climate targets in the near future, and updated investors that it had published the five criteria of its SAF policy that lays out which types of SAF the company will use. Additionally, Southwest has become a founding member of the Contrail Impact Task Force that is working to address contrail emissions in the industry. Columbia Threadneedle will continue to engage the company on these issues going forward.</p>
Archer-Daniels-Midland	<p>Global Managed Volatility</p> <p>Factor Allocation Global Equity Fund</p> <p>Dynamic Asset Allocation</p>	Thematic engagement – Sustainable agriculture	Setting goals to eliminate deforestation	<p>Archer-Daniels-Midland (ADM) is an American multinational food processing and commodities corporation that Sustainalytics has been engaging since 2021, focusing on biodiversity, deforestation, and pesticides &amp; fertilizers. As one of the world's largest agricultural processors and food ingredient providers, ADM has an important role to play in setting sustainable industry standards.</p> <p>In May 2023, Sustainalytics held a call with the Chief Sustainability Officer of ADM, discussing their sustainability governance and progress in eliminating deforestation. ADM published its latest sustainability report the same month, outlining progress on the company's goal to eliminate deforestation from all of its supply chains by 2025. 86% of the soy supply chain and 62% of the palm supply chain are now third-party verified deforestation-free. ADM advised that they have conducted a risk assessment for other commodities, but have chosen to focus on soy and palm due to the associated deforestation and human rights risks. In the final year of the engagement, Sustainalytics will focus on management of land use impacts, biodiversity, and soil health in the company's agricultural supply chain.</p>
Roche Holding AG	<p>Global Managed Volatility</p> <p>Factor Allocation Global Equity Fund</p>	Thematic engagement – Climate change	Set targets in alignment with the Science Based Targets initiative (SBTi) and increase disclosure	<p>Roche is a Swiss multinational company and one of the world's largest pharmaceutical companies. Columbia Threadneedle Investments reo has been engaging with Roche for many years on a number of environmental, social, and governance topics, with a strong focus on climate change.</p>

	Dynamic Asset Allocation			<p>In a meeting in the second quarter, Roche shared their 2023 aspirations, including the prioritization of resource allocation towards long-term sustainability goals and the appointment of a Chief Sustainability Officer. Disclosure has been a significant focus of engagement efforts with the company, which recently announced plans to refine and further develop its reporting strategy. They plan to submit emission reduction targets to the Science Based Targets initiative before the end of 2023. However, at this time Roche is still not considering a particular demand to participate in the CDP survey. Columbia Threadneedle will continue to engage Roche on improving transparency and additional climate issues going forward.</p>
RWE AG	Dynamic Asset Allocation	Thematic - Climate change	Engaging on the company's decarbonisation strategy	<p>RWE is a German utility company engaged in the generation, transmission, and distribution of electricity and gas, and is one of the last European utility players with coal mine and power assets. RWE has emissions targets in place covering Scope 1, 2, and 3 emissions which have been validated as well-below 2°C-aligned and carbon neutral for 2040. They await verification for a new set of 1.5°C-aligned targets, recently submitted to the Science Based Targets initiative. As a result, the focus of engagement has been on their decarbonisation strategy.</p> <p>Recent discussions with the company have focused on RWE's coal phase-out timelines and end-of-life strategy for these assets, as well as their approach to hydrogen and carbon capture, usage, and storage. The climate component of their executive remuneration and progress on renewable targets have also been topics of discussion. RWE confirmed that they have agreed with the German government to a 2030 coal phase-out, an improvement from their original goal of 2038. The company is in the process of developing "green conversion" roadmaps for these assets. Engagement efforts have encouraged further disclosure on the end-of-life plans for the referenced assets. A meeting will take place in early 2024 to discuss progress on these disclosures.</p>
Johnson & Johnson (J&J)	Dynamic Asset Allocation	Global standards – Product quality and safety	Remedy deficiencies in the company's quality	<p>Johnson &amp; Johnson is an American multinational pharmaceutical company that has been implicated repeatedly in quality and safety issues related to several of its offerings, including talc-based products. Sustainability has engaged with the</p>

	<p>Global Select Equity</p> <p>Factor Allocation Global Equity</p> <p>Global Managed Volatility</p>		<p>management system</p>	<p>company over the last five years to ensure that the lessons learned from the numerous product quality issues have been incorporated into company protocols and procedures to minimize the risk of future litigation.</p> <p>Over the years the company has improved its ESG disclosures on clinical trial data, quality management, and product stewardship. Reductions in both FDA activity against the company and subsequent product recalls suggest improved quality control. It is reported that J&amp;J still faces a high number of lawsuits, so the potential for future litigation cannot be discounted. However, in August 2022 the company announced that it was discontinuing worldwide sales of talc-based products by the end of 2023. Considering improvements in product quality and safety management, and a lack of any new severe product quality and safety issues, Sustainalytics decided to resolve the case.</p>
Corteva Inc.	Dynamic Asset Allocation	Thematic – Sustainable Agriculture	<p>Encourage Corteva to embark on a transition towards more sustainable practices and develop holistic responses to the environmental challenges and contribute to a more sustainable trajectory for the future of food.</p>	<p>Corteva, a U.S.-based agricultural chemical company, is a leader in the development of new seed and crop chemicals products. Sustainalytics has been engaging with Corteva for the past year-and-a-half on its approach to sustainable food production, which includes climate-risk mitigation, biodiversity strategy, water consumption, and product development. The company recently embedded sustainability criteria into its product innovation process, including reducing greenhouse gas emissions, improving soil quality, and protecting biodiversity and ecosystems. Corteva noted that, in 2022, 100% of its new seed product offerings met this sustainable innovation criteria. It also has incorporated sales of sustainable crop protection products in its short-term incentive programs for executives, which should help encourage company managers to prioritize the sale of such items. In addition, Corteva has developed carbon intensity targets which it is in the process of having validated by the Science-Based Targets Initiative.</p> <p>During a fourth-quarter 2023 call, Sustainalytics reviewed Corteva's engagement with the Taskforce on Nature-related Financial Disclosures (TNFD) framework. Corteva noted that it currently is focusing on the "Locate" phase of the</p>

				four-stage TNFD LEAP framework (Locate, Evaluate, Assess, Prepare), whereby the company has located its nature-related footprint and is prioritizing high-impact sites for further evaluation. Most recently, Corteva agreed to join the virtual roundtable on regenerative agriculture that Sustainalytics is planning for May 2024, to continue a dialogue around sustainable food production.
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*The information relating to the significant votes is derived from public third party source(s). While the information is believed to be reliable, SEI has not sought to verify it independently. This material is intended to be for information purposes only and has been provided to SEI's client at their request. This data is not intended as promotional material in any respect.*