

# Implementation Statement

## Elim Ministers Pension Fund

### Scheme year ended 31 December 2020

This implementation Statement has been prepared by the Trustees of the Elim Ministers Pension Fund (“the Scheme”) and sets out:

- How the Trustees’ policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 31 December 2020.

### How voting and engagement policies have been followed

The Trustees consider their voting and engagement policies to have been met in the following ways:

- At the Scheme year-end, the Scheme’s investment managers were Brewin Dolphin and Cantab Asset Management (collectively “the managers”). The Scheme also has a large allocation to directly held residential property which is managed by the Investment Committee. The Trustees regularly consider the performance of the investments held and any significant developments that arise.
- The Scheme invests through segregated accounts with the managers, where some holdings are directly held by the Scheme, but it also invests in pooled investment vehicles. The Trustees delegate responsibility for carrying out voting and engagement activities to the managers in its direct holdings, and this responsibility is further delegated to the underlying sub-managers for pooled investment vehicles. Investment rights (including voting rights) have been exercised by the managers in line with the managers’ general policies on corporate governance. The Trustees also expect the managers and the sub-managers to have engaged with the companies in which they invest in relation to ESG matters.
- The Trustees undertook an initial review of the ESG stances, stewardship and engagement activities of the current asset managers as part of their review of the Scheme’s Statement of Investment Principles in September 2020, and were satisfied that their policies were reasonable and no remedial action was required at that time.
- The Trustees are comfortable with the managers’ strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor. The Trustees receive reports on engagement and voting annually from their investment managers and review this to ensure alignment with their own policies.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the managers are in alignment with the Scheme’s ESG and Stewardship policies.

Additional information on the voting and engagement activities carried out for the Scheme’s investments are provided on the following pages.

## Voting Data

The table below sets out the voting data collated for the Scheme for the year to 31 December 2020. Voting data was requested in relation to the portfolio managed by Cantab Asset Management, however this information was not provided.

Manager	Brewin Dolphin	Cantab Asset Management
<b>Structure</b>	Segregated account	
<b>Ability to influence voting behaviour of manager</b>	The segregated accounts follow the managers' voting policies, so there is limited scope for the Trustees to influence the managers' voting behaviour	
<b>Number of resolutions the manager was eligible to vote on over the year</b>	362	Data not provided
<b>What % of resolutions did you vote on for which you are eligible?</b>	100.0%	Data not provided
<b>What % of resolutions, for which you were eligible to vote, did you abstain from?</b>	0.0%	Data not provided
<b>Of the resolutions, on which you voted, what % did you vote with management?</b>	100.0%	Data not provided
<b>Of the resolutions, on which you voted, what % did you vote against management?</b>	0.0%	Data not provided
<b>What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)*</b>	0.3%	Data not provided

*\*as a percentage of possible votes*

Source: Brewin Dolphin.

Brewin Dolphin employ the use of Institutional Shareholder Services ("ISS") as a proxy voting service. The votes are monitored by Brewin Dolphin and they are able to overrule ISS if they have a different view.

Brewin Dolphin also pay for the use of Sustainalytics and BMO reo as ESG service providers.

## Significant votes

The Trustees have delegated the task of defining what a “significant vote” is to the managers. A summary of the key voting action they have provided is set out below.

### Brewin Dolphin

	Vote 1	Vote 2
<b>Company name</b>	Unilever	GlaxoSmithKline
<b>Date of vote</b>	12 October 2020	6 May 2020
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	1.5%	1.3%
<b>Summary of the resolution(s)</b>	The aim of the meeting was to vote on the merger between the two listings to create a single listing structure.	The aim of the meeting was to vote for a suitable remuneration policy.
<b>How the manager voted</b>	Brewin Dolphin voted <b>for</b> the resolution.	Brewin Dolphin voted <b>for</b> the resolution.
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	Not applicable.	
<b>Rationale for the voting decision</b>	Brewin Dolphin felt that the dual structure was an impediment to Unilever's ability for M&A (for example the divestment of the tea business is hampered by the dual structure). A simplification would also act to free management time.	ISS, the proxy voting recommendation provider used by Brewin Dolphin, recommended abstaining from the vote due to concerns over the size of the company pension contribution to a single director. Brewin Dolphin felt this was not excessive and reflected his skills, which were required at the time.
<b>Outcome of the vote</b>	99% of shareholders supported the resolution.	99% of shareholders supported the resolution.
<b>Implications of the outcome</b>	Not applicable.	
<b>Criteria on which the vote is considered “significant”</b>	The meeting held was a ‘special meeting’.	Brewin Dolphin voted differently to their proxy voting recommendation provider, ISS.

## Fund level engagement

The managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activity undertaken by each manager during the year to 31 December 2020.

As with the voting data, engagement data for the portfolio managed by Cantab Asset Management was not provided.

Manager	Brewin Dolphin	Cantab Asset Management
<b>Structure</b>	Segregated account	
<b>Does the manager perform engagement on behalf of the holdings of the fund</b>	Yes	Data not provided
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	Data not provided	Data not provided
<b>Number of engagements undertaken at a firm level in the year</b>	Brewin Dolphin engaged with 9 companies with an ESG related objective and participated in 3 collective engagements.	Data not provided
<b>Example of engagement</b>	Prior to the Vodafone AGM in the summer, Brewin Dolphin raised concerns with Vodafone's Investor Relations team regarding the re-election of a board member. They felt that this board member's commitments outside of his Vodafone position were too great and that he could not dedicate enough attention to his role at Vodafone. These concerns were also felt by ISS, who recommended a vote against his re-election. Ultimately, the board member himself recognised that he was too committed elsewhere, or 'over boarded' and decided to step down ahead of the AGM.	Data not provided

Source: Brewin Dolphin

## Summary

Based on the information received, the Trustees believe that Brewin Dolphin have acted in accordance with the Scheme's stewardship policies over the year. The Trustees are supportive of the key voting action taken by Brewin Dolphin over the period to encourage positive governance changes in the companies in which they hold shares.

The Trustees and their investment consultant are working with Cantab Asset Management to provide information in the future in order to enhance their ability to assess Cantab Asset Management's voting and engagement actions.

**Prepared by the Trustees of the Elim Ministers Pension Fund  
February 2022**