

Implementation Statement

The Dorchester Hotel Limited Retirement Benefits Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of **the Dorchester Hotel Limited Retirement Benefits Scheme (“the Scheme”)** to set out the following information over the year to **05 April 2023**:

- how the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

The voting behaviour is not given over the Scheme year end to 05 April 2023 because investment managers only report on this data quarterly. We have therefore given the information over the year to 31 March 2023.

Stewardship policy

The Trustees’ Statement of Investment Principles (SIP) in force at July 2022 describes the Trustees’ stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in July 2022 and has been made available online here:

<https://www.dorchestercollection.com/wp-content/uploads/2022-07-Dorchester-SIP.pdf>

At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

How Voting and engagement/stewardship policies have been followed

The Scheme invests entirely in pooled funds, and the Trustees delegate responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.

Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis, which the Trustees review to ensure alignment with their own policies.

The Trustees monitor and engage with the investment managers about relevant matters (including matters concerning an issuer of debt or equity, including business performance, strategy, capital structure, management of conflicts of interest, ESG and corporate governance matters), through the Scheme’s investment consultant.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme’s stewardship policies.

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to 31 March. The LDI funds and liquidity fund with Legal & General Investment Management, and the Absolute Return Bond Fund with BlackRock have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	Columbia Threadneedle Investments	Legal & General Investment Management
Fund name	Threadneedle Dynamic Real Return Fund	World Developed Equity Index Fund World Developed Equity Index Fund – GBP Currency Hedged
Structure	Pooled	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
Number of company meetings the manager was eligible to vote at over the year	48	2,518
Number of resolutions the manager was eligible to vote on over the year	696	32,086
Percentage of resolutions the manager voted on	100.0%	99.8%
Percentage of resolutions the manager abstained from	3.0%	0.2%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	86.8%	78.5%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	10.2%	21.3%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	N/A	14.5%

Source: Columbia Threadneedle and Legal & General Investment Management

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a “significant” vote, so for this Implementation Statement the Trustees have asked the investment managers to determine what they believe to be a “significant vote”. Columbia Threadneedle and Legal & General have provided a selection of votes which they believe to be significant, and in the interest of concise reporting the tables below show 3 of these votes. These are not necessarily seen as the 3 most significant among those identified.

Columbia Threadneedle, Threadneedle Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	General Motors Company	Alphabet Inc.	Alphabet Inc.
Date of vote	2022-06-13	2022-06-01	2022-06-01
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.0%	0.6%	0.6%
Summary of the resolution	Report on the Use of Child Labour in Connection with Electric Vehicles	Commission Third Party Assessment of Company's Management of Misinformation and Disinformation Across Platforms	Report on Metrics and Efforts to Reduce Water Related Risk
How the manager voted	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	Supporting better ESG risk management disclosures		
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of their research and investment process.		

	Vote 1	Vote 2	Vote 3
Criteria on which the vote is considered "significant"	Vote against management on certain environmental or social proposals & >20% dissent.		

Legal & General, World Developed Equity Index Fund and GBP Hedged Fund

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	Alphabet Inc.	Meta Platforms, Inc.
Date of vote	2022-05-25	2022-06-01	2022-05-25
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.9%	1.2%	0.8%
Summary of the resolution	Elect Director Daniel P. Huttenlocher	Report on Physical Risks of Climate Change	Require Independent Board Chair
How the manager voted	Against	For	LGIM voted in favour of the shareholder resolution (management recommendation: against).
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.	Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.
Outcome of the vote	93.3%	17.7%	16.7%

	Vote 1	Vote 2	Vote 3
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and liquidity funds due to the nature of the underlying holdings, therefore engagement information for these assets have not been shown.

Manager	Columbia Threadneedle	Legal & General Investment Management	BlackRock*
Fund name	Firm Wide	World Developed Equity Index Fund World Developed Equity Index Fund – GBP Currency Hedged	BlackRock Absolute Return Bond Fund
Does the manager perform engagement on behalf of the holdings of the fund?	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	N/A*	548	779
Number of engagements undertaken at a firm level in the year	N/A*	1,088	3,963
Number of companies engaged	N/A*	950	413
Number of engagements on environmental topics	N/A*	571	403
Number of engagements on governance topics	N/A*	433	701
Number of engagements on social topics	N/A*	327	316

Manager	Columbia Threadneedle	Legal & General Investment Management	BlackRock*
Examples of engagements undertaken with holdings in the fund	N/A*	<p><i>No fund level examples were provided but an example of LGIM's engagement as a firm is shown below.</i></p> <p>LGIM have been engaging in a variety of different ESG policy topics. LGIM encouraged companies to implement credible decarbonisation policies – they did this by engaging leading chemical companies requesting they formulate strategies to electrify chemical production and processes. LGIM also worked with the Food Foundation to pressure UK ministers regarding food standards.</p>	<p>Blackrock engaged with a range of companies over the year and range of issues including but not limited to: board quality and effectiveness, strategy purpose and financial resilience, incentives aligned with value creation, climate and natural capital, company impacts on people.</p>

Source: Columbia Threadneedle, Legal & General Investment Management and BlackRock

* The data for CT is unavailable this period as CT have changed their reporting systems in January, following a significant company merger. For anything prior to January, CT have said that it would not be reflective of the firm due to them combining 2 businesses into one.

Summary

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

The Trustees and their investment consultant are working with the fund managers to provide additional information in the future, including where indicated above, in order to enhance their ability to assess the fund managers' actions.

Prepared on behalf of the Trustees of The Dorchester Hotel Limited Retirement Benefits Scheme

July 2023