

## Implementation Statement

# The Dorchester Hotel Limited Retirement Benefits Scheme

Scheme year ended 5 April 2022

### 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 2022**.

- how the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year; and
- 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 5 April 2022 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2022.

### How voting and engagement 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

Manager	Columbia Threadneedle Investments	Legal & General Investment Management
<b>Fund name</b>	Threadneedle Dynamic Real Return Fund	World Developed Equity Index Fund World Developed Equity Index Fund – GBP Currency Hedged
<b>Structure</b>	Pooled	Pooled
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
<b>Number of company meetings the manager was eligible to vote at over the year</b>	389	2,440
<b>Number of resolutions the manager was eligible to vote on over the year</b>	4,939	30,430
<b>Percentage of resolutions the manager voted on</b>	100%	99.9%
<b>Percentage of resolutions the manager abstained from</b>	1.6%	0.2%
<b>Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on</b>	93.0%	80.2%
<b>Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on</b>	5.4%	19.6%
<b>Percentage of resolutions voted <i>contrary to the recommendation of the proxy advisor</i></b>	Data not provided	13.4%

Source: Columbia Threadneedle and Legal & General Investment Management

There are no voting rights attached to the other assets of the Scheme, which include liability driven investment ("LDI") funds, liquidity funds and an absolute return bond fund. As such, there is no voting information shown for these assets.

The Scheme completely disinvested from the LongView Global Equity Fund on 12 April 2021. For this reason, the Fund's voting and engagement data have not been included in this Statement.

## 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
<b>Company name</b>	Caterpillar Inc.
<b>Date of vote</b>	09 June 2021
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.03%
<b>Summary of the resolution</b>	Report on Climate Policy; Report on Diversity and Inclusion Efforts.
<b>How the manager voted</b>	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	-
<b>Rationale for the voting decision</b>	The climate and D&I reports aim to support better ESG risk management disclosures.
<b>Outcome of the vote</b>	Fail
<b>Implications of the outcome</b>	Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle’s research and investment process.
<b>Criteria on which the vote is considered “significant”</b>	This was a vote against management and so Threadneedle deem this to be a significant vote.

## Legal & General, World Developed Equity Index Fund

	Vote
<b>Company name</b>	Amazon.com Inc.
<b>Date of vote</b>	26 May 2021
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	2.54%
<b>Summary of the resolution</b>	Elect Director Jeffrey P. Bezos.
<b>How the manager voted</b>	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	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.
<b>Rationale for the voting decision</b>	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair as they believe these two roles to be substantially different and requiring distinct skills.
<b>Outcome of the vote</b>	95% of shareholders supported the resolution.
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies publicly advocate their position on this issue and monitor company and market-level progress.
<b>Criteria on which the vote is considered "significant"</b>	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.

## 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 Investment Management*
<b>Fund name</b>	Firm Wide	Firm Wide	BlackRock Absolute Return Bond Fund
<b>Does the manager perform engagement on behalf of the holdings of the fund?</b>	Yes	Yes	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes	Yes	Yes
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	This data was not provided at a fund level	This data was not provided at a fund level	394
<b>Number of engagements undertaken at a firm level in the year</b>	238	696	3,456
<b>Number of companies engaged</b>	182	593	2,232 (firm wide)
<b>Number of engagements on environmental topics</b>	145	340	305
<b>Number of engagements on governance topics</b>	128	332	322
<b>Number of engagements on social topics</b>	51	271	195
<b>Examples of engagements undertaken with holdings in the fund</b>	<b>Exxon Mobil:</b> Climate change. <b>Tesco Plc:</b> Nutrition (alternative proteins) and Sustainability.	Engaged with a range of companies on issues including: ESG disclosures, Remuneration, Board composition, and Climate Change.	<b>Chevron Corp:</b> Climate Risk Management. <b>Johnson &amp; Johnson:</b> Executive compensation and racial equality.

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

## 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 2022**