

RSPCA Pension Scheme Implementation Statement for the year ended 31 March 2023

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustee of the RSPCA Pension Scheme ("the Scheme") has followed the policies documented in its Statement of Investment Principles ("SIP") during the year ended 31 March 2023 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

Over 2019 and 2020, the Trustee received training on Environmental, Social and Governance ("ESG") issues from its Investment Adviser, XPS Investment Limited ("XPS") and discussed its beliefs around those issues. The training was in relation to voting and engagement issues which enabled the Trustee to refine its policies in relation to such issues.

At the beginning of the Scheme year, the Trustee implemented the previously agreed de-risking of the investment strategy by reducing the strategic allocation to return-seeking assets to 55% and increasing the allocation to liability matching assets and cash to 45% using the current Investment Managers the Scheme is invested with. This was intended to be a temporary measure to reduce risk in the portfolio whilst the Trustee received further training on possible new asset classes to be invested in to reduce risk further. However, the Trustee did not implement any new asset classes during the reporting year. The Scheme deviated from this strategic allocation during the Scheme year as a result of gilt yield volatility experienced in September and October 2022 in order to source sufficient collateral to support the Scheme's LDI portfolio. However, at the Trustee meeting in on 3 March 2023, the Trustee consciously decided to maintain the increased allocation to cash in order to maintain the collateral buffer for the LDI portfolio (subsequently reducing the level of expected return of the portfolio), as the Scheme's funding position had improved more than the Recovery Plan had anticipated. This position will be re-assessed by the Trustee once the Fiduciary Management tender exercise has been completed.

The Trustee's latest policy in relation to ESG and voting issues is documented in the SIP for the DB Section dated March 2023. The updated SIP also reflects the strategy decisions outlined above made by the Trustee.

Manager selection exercises

One of the main ways in which the Trustee's ESG policy is expressed is via manager selection exercises: the Trustee seeks advice from XPS on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

There have been no such manager changes or selection exercises undertaken during the year. ESG issues will be kept under review as part of the quarterly monitoring process and the Trustee will communicate any concerns with the relevant investment manager organisations when, for example, they present at meetings.

Ongoing governance

The Trustee generally meets quarterly to discuss investment matters. The Trustee receives reports from XPS on the investment performance for the DB Section of the Scheme, including an annual performance report on the Scheme's AVC funds. The progression of the DB Section's funding position is also discussed at Trustee meetings.

The Trustee, with the assistance of XPS, monitored the processes and operational behaviour of the investment managers throughout the reporting year, to ensure they remained appropriate and in line with the Trustee's requirements.

The Trustee has set XPS the objective of ensuring that, over time, selected managers reflect the Trustee's views on ESG (including climate change) and stewardship.

Beyond the governance work currently undertaken, the Trustee believes that its approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustee has not, to date, introduced specific stewardship priorities, it will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers. Stewardship and ESG matters are regularly discussed at Trustee meetings.

Adherence to the Statement of Investment Principles

During the reporting year the Trustee was satisfied that it followed its policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and expects them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to public and private equities, in UK and overseas markets. Investments in equities will also form part of the strategy for the diversified growth funds in which the Scheme invests. Therefore, a summary of the voting behaviour and most significant votes cast by each of the investment manager organisations for the relevant funds is shown below.

DB

Voting Information*
Partners Group Partners Fund
The manager voted on 100% of resolutions of which it was eligible out of 853 eligible votes.
Investment Manager Client Consultation Policy on Voting
Partners Group does not consult with clients before voting.
Investment Manager Process to determine how to Vote
Partners Group's voting is based on the internal Proxy Voting Directive.
How does this manager determine what constitutes a 'Significant' Vote?
Size of the holding in the fund.
Does the manager utilise a Proxy Voting System? If so, please detail
Partners Group hires services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with Partners Group's Proxy Voting Directive. Wherever the recommendations for Glass Lewis, Partners Group's proxy voting directive, and the company's management differ, Partners Group votes manually on those proposals.

Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Confluent Health	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	N/A - Partners own a controlling interest of the company in question, therefore giving it significant influence over the company, allowing it to direct strategic and operational decisions	N/A
Confluent has also expanded its stakeholder benefits program. For instance, in 2022, the company launched stock options for all physical therapists and made significant investments in benefits, including reduced Eligible Employee premiums and increased communication around its wellness programs.			
EyeCare Partners	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	N/A - Partners own a controlling interest of the company in question, therefore giving it significant influence over the company, allowing it to direct strategic and operational decisions	N/A
<p>Several initiatives were implemented to improve stakeholder benefits. For instance, significant investment in benefits were made in 2021 and 2022. In addition, the company increased communication around its ECP Cares Foundation, a non-profit organization dedicated to giving back to ECP team members in need. Meanwhile, Incident Frequency Rate (IFR) measures were established and are being captured to drive root-cause analysis and drive prevention strategies. This has engaged employees and helped to increase employee retention to 31% (exceeding the target of 27%).</p> <p>Lastly, baselines and specific initiatives were established based on the doctor and employee engagement surveys conducted during the first half of 2022.</p>			
Pharmathen	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	N/A - Partners own a controlling interest of the company in question, therefore giving it significant influence over the company, allowing it to direct strategic and operational decisions	N/A
The company has a strong ESG culture as reflected in its core mission of making a positive impact on the lives of people by ensuring that they enjoy better health.			
PremiStar	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	N/A - Partners own a controlling interest of the company in question, therefore giving it significant influence over the company, allowing it to direct strategic and operational decisions	N/A
PremiStar has engaged a third party ESG consultant to identify material sustainability topics and craft a longer term ESG journey and strategy.			

Premistar is looking to hire an ESG manager and sales strategy employee, as the company aims to launch an energy efficiency sales strategy with customers.			
Rovensa	Partners Group controls the Board, please see below the ESG efforts of the portfolio company	N/A - Partners own a controlling interest of the company in question, therefore giving it significant influence over the company, allowing it to direct strategic and operational decisions	N/A
<p>Health and Safety (H&S) remains a top priority for Rovensa, as illustrated by the roll out of its 'STAR Program' across all manufacturing plants globally to achieve a zero-harm culture adoption worldwide.</p> <p>The board and management are aligned on the importance of H&S and have been working with the H&S team on the STAR Program to reduce the company's lost time injury frequency rate (LTIFR). In 2022, Rovensa has reduced its LTIFR by around 40% compared to the prior-year period.</p>			

Voting Information

Columbia Threadneedle Global Select Equity Fund (Hedged)

The manager voted on 94% of resolutions of which it was eligible out of 839 eligible votes.

Investment Manager Client Consultation Policy on Voting

N/A for pooled vehicles.

Investment Manager Process to determine how to Vote

Proxy voting decisions are made in accordance with the principles established in the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles (Principles) document, and its proxy voting practices are implemented through its Proxy Voting Policy.

For those proposals not covered by the Principles, or those proposals set to be considered on a case by case basis (i.e., mergers and acquisitions, share issuances, proxy contests, etc.), the analyst covering the company or the portfolio manager that owns the company will make the voting decision. Columbia Threadneedle utilises the proxy voting research of ISS and Glass Lewis & Co., which is made available to its investment professionals, and its RI team will also consult on many voting decisions.

The administration of Columbia Threadneedle's proxy voting process is handled by a central point of administration at the firm (the Global Proxy Team). Among other duties, the Global Proxy Team coordinates with Columbia Threadneedle's third-party proxy voting and research providers.

Columbia Threadneedle Investments utilises the proxy voting platform of Institutional Shareholder Services, Inc. (ISS) to cast votes for client securities and to provide recordkeeping and vote disclosure services. Columbia Threadneedle has

retained both Glass, Lewis & Co. and ISS to provide proxy research services to ensure quality and objectivity in connection with voting client securities.

In voting proxies on behalf of its clients, Columbia Threadneedle votes in consideration of all relevant factors to support the best economic outcome in the long run. As an organisation, its approach is driven by a focus on promoting and protecting clients' long-term interests; while Columbia Threadneedle is generally supportive of companies management, it can and does frequently take dissenting voting positions. While final voting decisions are made under a process informed by the RI team working in collaboration with portfolio managers and analysts, Columbia Threadneedle's Global Proxy Team serves as the central point of proxy administration with oversight over all votes cast and ultimate responsibility for the implementation of its Proxy Voting Policy. Columbia Threadneedle's voting is conducted in a controlled environment to protect against undue influence from individuals or outside groups.

How does this manager determine what constitutes a 'Significant' Vote?

Columbia Threadneedle considers a significant vote to be any dissenting vote i.e. where a vote is cast against (or where it abstains/withholds from voting) a management-tabled proposal, or where it supports a shareholder-tabled proposal not endorsed by management. Columbia Threadneedle reports annually on its reasons for applying dissenting votes via its website. The report on dissenting votes cast across 2021 is available at:
<https://docs.columbiathreadneedle.com/documents/en-Voting-Rationales-2021.pdf?inline=true>

Does the manager utilise a Proxy Voting System? If so, please detail

As active investors, well informed investment research and stewardship of its clients' investments are important aspects of Columbia Threadneedle's responsible investment activities. Its approach to this is framed in the relevant Responsible Investment Policies that it maintains and publishes. These policy documents provide an overview of Columbia Threadneedle's approach in practice (e.g., around the integration of environmental, social and governance (ESG) and sustainability research and analysis).

As part of this, acting on behalf of its clients and as shareholders of a company, Columbia Threadneedle is charged with responsibility for exercising the voting rights associated with that share ownership. Unless clients decide otherwise that forms part of the stewardship duty Columbia Threadneedle owes its clients in managing their assets. Subject to practical limitations, Columbia Threadneedle therefore aims to exercise all voting rights for which it is responsible, although exceptions do nevertheless arise (for example, due to technical or administrative issues, including those related to Powers of Attorney, share blocking, related option rights or the presence of other exceptional or market-specific issues). This provides Columbia Threadneedle with the opportunity to use those voting rights to express its preferences on relevant aspects of the business of a company, to highlight concerns to the board, to promote good practice and, when appropriate, to exercise related rights. In doing so Columbia Threadneedle has an obligation to ensure that it does that in the best interests of its clients and in keeping with the mandate it has from them.

Corporate governance has particular importance to Columbia Threadneedle in this context, which reflects its view that well governed companies are better positioned to manage the risks and challenges inherent in business, capture opportunities that help deliver sustainable growth and returns for its clients. Governance is a term used to describe the arrangements and practices that frame how directors and management of a company organise and operate in leading and directing a business on behalf of the shareholders of the company. Such arrangements and practices give effect to the mechanisms through which companies facilitate the exercise of shareholders' rights and define the extent to which these are equitable for all shareholders.

Columbia Threadneedle recognises that companies are not homogeneous and some variation in governance structures and practice is to be expected. In formulating its approach, Columbia Threadneedle is also mindful of best practice

standards and codes that help frame good practice, including international frameworks and investment industry guidance. While it is mindful of company and industry specific issues, as well as normal market practice, in considering the approach and proposals of a company, it is guided solely by the best interests of its clients and will consider any issues and related disclosures or explanations in that context. While analysing meeting agendas and making voting decisions, Columbia Threadneedle uses a range of research sources and consider various ESG issues, including companies' risk management practices and evidence of any controversies. Its final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations such as ISS, IVIS and Glass Lewis as well as MSCI ESG Research. Proxy voting is effected via ISS.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
General Motors Company	Report on the Use of Child Labor in Connection with Electric Vehicles	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			
Alphabet Inc.	Commission Third Party Assessment of Company's Management of Misinformation and Disinformation Across Platforms	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			
Amazon.com, Inc.	Report on Protecting the Rights of Freedom of Association and Collective Bargaining	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			
Uber Technologies, Inc.	Report on Lobbying Payments and Policy	For	Resolution Failed
Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			
Alphabet Inc.	Report on Metrics and Efforts to Reduce Water Related Risk	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			

Voting Information

Columbia Threadneedle Dynamic Real Return Fund

The manager voted on 100% of resolutions of which it was eligible out of 696 eligible votes.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Alphabet Inc.	Report on Climate Lobbying	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			
Amazon.com, Inc.	Report on Lobbying Payments and Policy	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			
Alphabet Inc.	Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			
Amazon.com, Inc.	Report on Protecting the Rights of Freedom of Association and Collective Bargaining	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			
General Motors Company	Report on the Use of Child Labor in Connection with Electric Vehicles	For	Resolution Failed
Supporting better ESG risk management disclosures. Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.			

Voting Information

Ruffer Total Return Fund

The manager voted on 100% of resolutions of which it was eligible out of 1,496 eligible votes.

Investment Manager Client Consultation Policy on Voting

Ruffer, as a discretionary investment manager, does not have a formal policy on consulting with clients before voting. However, Ruffer can accommodate client voting instructions for specific areas of concerns or companies where feasible.

Investment Manager Process to determine how to Vote

Ruffer has internal voting guidelines as well as access to proxy voting research, currently from Institutional Shareholder Services (ISS), to assist in the assessment of resolutions and the identification of contentious issues. Although it is cognisant of proxy advisers' voting recommendations, Ruffer does not delegate or outsource its stewardship activities when deciding how to vote on its clients' shares. Ruffer's research analysts are responsible, supported by Ruffer's responsible investment team, for reviewing the relevant issues on a case-by-case basis and exercising their judgement, based upon their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer. Ruffer look to discuss with companies any relevant or material issue that could impact its investments. Ruffer will ask for additional information or an explanation, if necessary, to inform its voting discussions. If Ruffer decides to vote against the recommendations of management, it will endeavour to communicate this decision to the company before the vote along with its explanation for doing so.

How does this manager determine what constitutes a 'Significant' Vote?

Ruffer have defined 'significant votes' as those that it believes will be of particular interest to its clients. In most cases, these are when they form part of continuing engagement with the company and/or Ruffer have held a discussion between members of the research, portfolio management and responsible investment teams to make a voting decision following differences between the recommendations of the company, ISS and Ruffer's internal voting guidelines.

Does the manager utilise a Proxy Voting System? If so, please detail

Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). Ruffer has developed its own internal voting guidelines, however it takes into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer is cognisant of proxy advisers' voting recommendations, it does not delegate or outsource its stewardship activities when deciding how to vote on its clients' shares.

Each Ruffer research analyst, supported by the responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.

As discussed above, Ruffer uses ISS as an input into its decisions. In the 12 months to 31 March 2023, of the votes in relation to holdings in the Ruffer Total Return Fund, Ruffer voted against the recommendation of ISS 6.2% of the time.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Equinor ASA		For	Resolution passed (96.6% votes in favour)

	Environmental - Approve Company's Energy Transition Plan (Advisory Vote)		
Ruffer voted for Equinor's transition plan because it is supportive of their efforts to decarbonise. Equinor is at the forefront of offshore wind developments and Ruffer has been impressed by their business success in that area. Ruffer have engaged with the company and discussed their plan and disagree with ISS's assessment. Equinor are one of few companies who have been profitable in aiming to decarbonise and Ruffer will support that. Ruffer will monitor how the company progresses and improves over time and continue to support credible energy transition strategies and initiatives.			
Cigna Corporation	Social - Report on Gender Pay Gap	Against	Resolution failed (66.8% votes against)
Cigna uses an "equal pay for equal work" statistic and reports that there are no material differences in pay data related to gender or race. Although the equal pay for equal work statistic is subjective in that it allows the company to define what it considers an "equal job," the company does report its gender representation statistics and it additionally set a parity goal for leadership positions. As such, shareholders have enough information to assess how effectively company practices are working to eliminate discrimination in pay and opportunity in its workforce. Therefore, support for this resolution is not warranted at this time. Ruffer will continue to vote on shareholder resolutions that affect transparency over Diversity, Ethnicity, and Inclusion Efforts.			
BP Plc	Environmental - Approve Shareholder Resolution on Climate Change Targets	Against	Resolution failed (85.1% votes against)
Ruffer voted in line with ISS and management. Ruffer has done extensive work on BP's work on- the energy transition and climate change and it thinks they are industry leading. Ruffer supports management in their effort to provide clean, reliable and affordable energy and therefore Ruffer voted against the shareholder resolution. Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which deem as unnecessary.			
Barclays Plc	Environmental -Approve Barclays' Climate Strategy, Targets and Progress 2022	For	Resolution passed (80.8% votes in favour)
Ruffer have had a number of meetings with Barclays over the last 18 months with respect to their climate strategy, existing targets, data analysis and the plans for setting new targets on a number of new sectors. Ruffer supported the group's climate resolution in 2020 and voted against a too narrow Market Forces resolution at last year's AGM. The new progress reports, set out ahead of this "Say on Climate" vote makes further intermediate commitments, targets and hurdles to be achieved as part of its membership of the Net- Zero Banking Alliance which has a headline 2050 target. Ruffer have assessed the progress made in the context of its discussions with the company and whilst there are certain elements (phase out of thermal coal financing; financing unconventional oil and gas, amongst others) which remain unsatisfactory, the overall policy, new targets and tracking warrant a Vote for this resolution. Ruffer will continue its engagement with the company on this topic. Ruffer have a list of follow up questions which it uses as a basis for continuation of its engagement with the company on these issues.			
Meta Platforms, Inc	Social - Provide Report on Child Sexual Exploitation Online	For	Resolution failed (82.7% votes against)
The company has experienced some recent controversy related to its alleged failure to catch hundreds of cases of child exploitation on its platform. There are also concerns that the company's plans to apply end-to-end encryption by default across its messaging platforms will severely hinder investigations of child predators. Although the company says that in some instances, Facebook Safety Advisory Board members are informed about future product launches in order			

to share their insights on the company's approach to safety before the products are released, the company does not provide indication that this includes the safety of end-to-end encryption technologies as they are developed. Given the potential financial and reputational impacts of potential controversies related to child exploitation on the company's platforms, shareholders would benefit from additional information on how the company is managing the risks related to child sexual exploitation, including risks associated with end-to end encryption technologies. Ruffer will continue to vote on shareholder resolutions that affect transparency over Diversity, Ethnicity, and Inclusion Efforts.

*Partners Group only provides voting information for its funds for the year to 31 December. Therefore, the voting information used for the Partners Group Partners Fund is for the year to 31 December 2022. Partners Group focused exclusively on their private markets investments over the reporting year, and as such its engagement is not via voting. Partners Group has therefore provided case studies on its significant direct hands-on engagements.

Signed: Wayne Phelan, Chair of Trustee Directors

Date: 17 October 2023