

**Implementation Statement for the Freshwater Group Staff Retirement Benefits Plan
Covering 1 August 2022 to 30 July 2023**

1. Background

The Trustee of the Freshwater Group Staff Retirement Benefits Plan (the “Plan”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the Plan’s Statement of Investment Principles (“SIP”) during the previous Plan year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes.

A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIP and has been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found below:

https://highdorn.co.uk/pension_information/SIP%20-%208%20Jan%20signed.pdf

2. Investment Objectives and activity

The Trustee is required to invest the Plan’s assets in the best interest of members, and its main objectives with regard to investment policy are:

- To achieve, over the long term, a return on the Plan’s assets which is sufficient (in conjunction with the Plan’s existing assets, and contributions) to pay all members’ benefits in full;
- To ensure that sufficiently liquid assets are available to meet benefit payments as they fall due; and
- To consider the interests of the Employer in relation to the size and volatility of the Employer’s contribution requirements.

There were no departures from the SIP during the year. The Trustee monitored individual investment manager performance during the year using reports provided by the investment managers.

3. Voting and Engagement

The Trustee is keen that their managers are signatories of the UK Stewardship Code, currently all the investment managers are signatories.

The Trustee has elected to invest in pooled funds and cannot, therefore, directly influence the ESG policies, including the day-to-day application of voting rights, of the funds in which they invest. However, the Trustee will consider these policies in all future selections and will deepen their understanding of their existing managers’ policies over time.

The Plan, over the year, had holdings in the below funds:

- Schroder Sterling Liquidity Plus Fund
- Schroder Matching Synthetic Gilt Fund Range
- Schroder Intermediated Diversified Growth Fund
- BlackRock Global Equity Index
- Rothschild New Court Equity Growth Fund

The underlined funds are fixed income funds therefore do not hold physical equities and hence there are no voting rights and voting data for the Trustee to report on. Voting information in respect of the other funds listed above, which do contain physical equities, is set out in the rest of this statement.

4. Description of Investment Management's voting processes

a. Schroders

Schroders describe their voting process as the below:

"As active owners, we recognise our responsibility to make considered use of voting rights. We therefore vote on all resolutions at all AGMs/EGMs globally unless we are restricted from doing so (e.g. as a result of share blocking). We aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with our published ESG policy.

The overriding principle governing our voting is to act in the best interests of our clients. Where proposals are not consistent with the interests of shareholders and our clients, we are not afraid to vote against resolutions. We may abstain where mitigating circumstances apply, for example where a company has taken steps to address shareholder issues.

We evaluate voting resolutions arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. Our Corporate Governance specialists assess each proposal, applying our voting policy and guidelines (as outlined in our Environmental, Social and Governance Policy) to each agenda item. In applying the policy, we consider a range of factors, including the circumstances of each company, long-term performance, governance, strategy and the local corporate governance code. Our specialists will draw on external research, such as the Investment Association's Institutional Voting Information Services and ISS, and public reporting. Our own research is also integral to our process; this will be conducted by both our financial and Sustainable Investment analysts. For contentious issues, our Corporate Governance specialists consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

We also engage with companies throughout the year via regular face-to-face meetings, written correspondence, emails, phone calls and discussions with company advisors and stakeholders.

In 2022, we voted on approximately 7600 meetings and 96% of total resolutions, and instructed a vote against the board at over 50% of meetings.

Institutional Shareholder Services (ISS) act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with our own bespoke guidelines, in addition, we receive ISS's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

ISS automatically votes all our holdings of which we own less than 0.5% (voting rights) excluding merger, acquisition and shareholder resolutions. This ensures consistency in our voting decisions as well as creating a more formalised approach to our voting process"

b. Blackrock

Blackrock describe their voting process as the below:

"The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Our voting guidelines are market-specific to ensure we take into account a company's unique circumstances by market, where relevant. We inform our vote decisions through research and engage as necessary.

Our engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. We may also update our regional engagement priorities based on issues that we believe could impact the long-term sustainable financial performance of companies in those markets.

We welcome discussions with our clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in our Global Principles, BlackRock determines which companies to engage directly based on our assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting.

We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes."

c. Rothschild

Rothschild describe its voting process as the below:

"The relatively concentrated and low turnover nature of our equity holdings enables us to review all meeting resolutions for our portfolio companies ourselves. Where possible, we have alerts set up so we automatically receive meeting details as soon as they are released. Where this is not available, our close monitoring of portfolio companies means we will pick up details soon after their publication. The initial review of meeting details is usually conducted by one of the responsible investment specialists in our investment team. Their thoughts, along with the meeting documentation is then shared with the lead analyst of the company and at least one of the co-heads of the investment team. Once all involved are comfortable with the direction of the votes, instructions are sent to our operations team for execution. All voting decisions and results are stored by the team"

5. Summary of voting behaviour over the year

a. Schroders

Schroders currently only provide voting data at quarter ends but are working to start providing this data at month end in the near future.

	Summary Info
Manager name	Schroders
Fund name	Intermediated Diversified Growth Fund
Approximate value of trustees' assets	c.£2.4m as at 31 July 2023
Number of Equity holdings	1,066
Number of meetings eligible to vote	1,258
Number of resolutions eligible to vote	15,521
% of resolutions voted	94.0%
% of resolutions voted with management	89.0%
% of resolutions voted against management	10.0%
% of resolutions abstained	0.0%
% of meetings voted at least once against management?	48.0%

**Data provided as at 30 June 2023*

b. Blackrock

A summary of Blackrock's voting behaviour over the period is provided in the table below:	Summary Info
Manager name	Blackrock
Fund name	Global Equity Index
Approximate value of trustees' assets	c.£12.7m as at 31 July 2023
Number of meetings eligible to vote	933
Number of resolutions eligible to vote	14,070
% of resolutions voted	97.0%
% of resolutions voted with management	94.0%
% of resolutions voted against management	5.0%
% of resolutions abstained	0.0%
% of meetings voted at least once against management?	33.0%

c. Rothschild

A summary of Rothschild's voting behaviour over the period is provided in the table below:

	Summary Info
Manager name	Rothschild
Fund name	New Court Equity Growth Fund
Approximate value of trustees' assets	c.£11.6m as at 31 July 2023
Number of meetings eligible to vote	24
Number of resolutions eligible to vote	427
% of resolutions voted	100.0%
% of resolutions voted with management	98.6%
% of resolutions voted against management	1.40%
% of resolutions abstained	0.0%
% of meetings voted at least once against management?	12.5%

6. Most significant votes over the year

a. Schroders

Schroders believe that all resolutions when they vote against the board's recommendations should be classified as a significant vote, for example, votes against the re-election of directors, on executive remuneration, on material changes to the business (such as capital structure or M&A), on climate matters and on other environmental or social issues may all be more or less significant to different client stakeholders.

b. Blackrock

BlackRock Investment Stewardship prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance. Blackrock's year-round engagements with clients to understand their focus areas and expectations, as well as their active participation in market-wide policy debates, help inform these priorities. The themes Blackrock have identified are reflected and updated annually in their Global Principles, market-specific voting guidelines and engagement priorities; these public documents underpin their stewardship activities and form the benchmark against which they look at the sustainable long-term financial performance of investee companies.

BIS periodically published "vote bulletins" on key votes at shareholder meetings to provide insight into details on certain vote decisions they expect will be of particular interest to clients. These bulletins are intended to explain their vote decisions relating to a range of business issues including ESG matters that they consider, based on their global Principles and engagement priorities, potentially material to a company's sustainable long-term financial performance. Other factors they may consider in deciding to publish a vote bulletin include the profile of the issue in question, the level of interest they expect in the vote decision and the extent of engagement they have had with the company. The bulletins include relevant company-specific background, sector or local market context, and engagement history when applicable. Blackrock publishes vote bulletins after the shareholder meeting to provide transparency for clients and other stakeholders on their approach to the votes that they consider to be most significant and thus require more detailed explanation.

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c. Rothschild

Rothschild have no fixed internal definition of what votes constitutes being significant and what votes do not. Qualitatively Rothschild deemed votes against the recommendation of the Board as significant. Likewise given Rothschild's expectations around climate risk management and support of the "Say on Climate" initiative, they also view any resolutions relating to climate as significant.

Rothschild have set a list of expectations from companies on climate-related disclosure. Companies must:

1. Report emissions and climate risks
2. Have a clear and credible plan to get to net zero
3. Monitor and set milestones

These three points are standing items in their discussions with company management and will inform their decision-making on climate-related proxy voting.

Below is a sample of the significant votes made by the managers over the period .

Schroder Intermediated Diversified Growth Fund

Company name	Contemporary Amperex Technology Co., Ltd.	NIKE, Inc.
Date of vote	05 September 2022	09 September 2022
Summary of the resolution	Approve Authorization of the Board to Handle All Related Matters	Advisory Vote to Ratify Named Executive Officers' Compensation
How you voted	Against	Against
Rationale for the voting decision	We do not agree with directors who are involved in the administration of the scheme should be eligible to receive the award.	The majority of the LTI award is not performance-based. We also do not support in-flight changes to the annual bonus and insufficient performance period.
Outcome of the vote	Pass	Pass

Blackrock Global Equity Index Fund

Company name	New World Development Company Limited	Techtronic Industries Co., Ltd.
Date of vote	22 November 2022	12 May 2023
Summary of the resolution	Elect Lee Luen-Wai, John as Director	Approve the Amendments to Share Award Scheme
How you voted	For	Against
Rationale for the voting decision	Director responsible for failing to ensure sufficient board independence	Incentive arrangements do not support the long-term economic interests of shareholders.
Outcome of the vote	Pass	Pass

Rothschild New Court Equity Growth Fund

Company name	Microsoft	Deere
Date of vote	13 December 2022	22 February 2023
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.54%	2.98%
Summary of the resolution	Cost/Benefit Analysis of Diversity and Inclusion	Shareholder proposal for termination payments with an estimated value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus to require shareholder approval
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	N/A	N/A
Rationale for the voting decision	The Board note that they do not provide detailed cost-benefit analyses of other aspects of running the business and believe it is unnecessary and counter product to single out D&I	Deere's current severance program already limits cash severance payments to, in the case of the CEO a maximum of 3 times, and in the case of all other executive officers a maximum of 2 times, base salary and target short-term incentive for the fiscal year in which termination occurs, plus a sum equal to Deere's contributions for the executive under Deere's defined contribution plans. This is also a part of the existing annual vote on executive compensation
Outcome of the vote	Did not pass	Did not pass
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	N/A	N/A
On which criteria have you assessed this vote to be "most significant"?	Vote in relation to a key topic	Vote in relation to a key topic