

Appendix - Implementation Statement for the Chartered Institute of Procurement & Supply Pension Scheme

To be Updated

Covering 1 November 2022 to 31 October 2023

1. Background

The Trustee of the Chartered Institute of Procurement & Supply Pension Scheme ("the Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the Scheme's Statement of Investment Principles ("SIP") during the previous Scheme 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 online at <https://www.cips.org/about-us/final-salary-pension-scheme>

2. Voting and Engagement

The Trustee is keen that its managers are signatories to the UK Stewardship Code, which they are.

All of the Trustee's holdings are within pooled funds and the Trustee has delegated to their investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee has not used proxy voting services over the year.

The Scheme is invested in the following funds:

- BNY Mellon Real Return Fund
- Schroder Life Diversified Growth Fund
- Insight Broad Opportunities Fund
- Fidelity Institutional UK Long Corporate Bond Fund
- LGIM LDI Matching Core Long Fund - Nominal
- LGIM LDI Matching Core Long Fund - Real
- LGIM LDI Matching Core Short Fund - Nominal
- LGIM LDI Matching Core Short Fund - Real
- LGIM Sterling Liquidity Fund
- M&G Total Return Credit Investment Fund
- PIMCO GIS Income Fund Hedged

The underlined funds are either predominantly fixed income and do not hold physical equities and hence there are no voting rights and voting data for the Trustees to report on or were disinvested from during the Scheme year, therefore no information has been provided.

Appendix - Implementation Statement for the Chartered Institute of Procurement & Supply Pension Scheme (continued)

a. Description of investment manager's voting processes

BNY Mellon (Newton)

BNY Mellon describe their voting process as follows:

"Newton has established overarching stewardship principles which guide our ultimate voting decision, based on guidance established by internationally recognized governance principles including the OECD Corporate Governance Principles, the ICGN Global Governance Principles, the UK Investment Association's Principles of Remuneration and the UK Corporate Governance Code, in addition to other local governance codes. All voting decisions are taken on a case-by-case basis, reflecting our investment rationale, engagement activity and the company's approach to relevant codes, market practices and regulations. These are applied to the company's unique situation, while also taking into account any explanations offered for why the company has adopted a certain position or policy. It is only in the event that we recognise a material conflict of interest that we apply the vote recommendations of our third-party voting administrator.

Newton seeks to make proxy voting decisions that are in the best long-term financial interests of its clients and which seek to support investor value by promoting sound economic, environmental, social and governance policies, procedures and practices through the support of proposals that are consistent with following four key objectives:

- To support the alignment of the interests of a company's management and board of directors with those of the company's investors;
- To promote the accountability of a company's management to its board of directors, as well as the accountability of the board of directors to the company's investors;
- To uphold the rights of a company's investors to effect change by voting on those matters submitted for approval; and
- To promote adequate disclosure about a company's business operations and financial performance in a timely manner.

In general, voting decisions are taken consistently across all Newton's clients that are invested in the same underlying company. This is in line with Newton's investment process that focuses on the long-term success of the investee company. Further, it is Newton's intention to exercise voting rights in all circumstances where it retains voting authority.

All voting opportunities are communicated to Newton by way of an electronic voting platform.

The Responsible Investment team reviews all resolutions for matters of concern. Any such contentious issues identified may be referred to the appropriate global fundamental equity analyst or portfolio manager for comment. Where an issue remains contentious, Newton may also decide to confer or engage with the company or other relevant stakeholders.

An electronic voting service is employed to submit voting decisions. Each voting decision is submitted via the electronic voting service by a member of the Responsible Investment team but can only be executed by way of an alternate member of the team approving the vote within the same system.

Members of certain BNY Mellon operations teams responsible for administrative elements surrounding the exercise of voting rights by ensuring the right to exercise clients' votes is available and that these votes are exercised.

Where we plan to vote against management on an issue, we may seek to engage with the company on a best-effort basis and depending on the significance of our holding, to share our concerns and to provide an opportunity for our concerns to be allayed. In such situations, we only communicate our voting

intentions ahead of the meeting direct to the company and not to third parties. In some cases, depending on the materiality of our holding and the issue of concern, we alert a company via email regarding an action we have taken at its annual general meeting (AGM) to explain our thought process. We may then hold a call with the board/investor relations teams to gain a better understanding of the situation and communicate further. This can often be in tandem with the global equity analyst.

Where Newton acts as a proxy for its clients, a conflict could arise between Newton (including BNY Mellon funds or affiliate funds), the investee company and/or a client when exercising voting rights. Newton has in place procedures for ensuring potential material conflicts of interests are mitigated, while its clients' voting rights are exercised in their best interests. Newton seeks to avoid potential material conflicts of interest through:

- I. the establishment of these proxy voting guidelines;
- II. the Responsible Investment team;
- III. internal oversight groups; and
- IV. the application of the proxy voting guidelines in an objective and consistent manner across client accounts, based on, as applicable, internal and external research and recommendations provided by third party proxy advisory services and without consideration of any Newton or BNY Mellon client relationship factors.

Where a potential material conflict of interest exists between Newton, BNY Mellon, the underlying company and/or a client, the voting recommendations of an independent third-party proxy service provider will be applied.

A potential material conflict of interest could exist in the following situations, among others:

1. Where a shareholder meeting is convened by Newton's parent company, BNY Mellon;
2. Where a shareholder meeting is convened by a company for which the CEO of BNY Mellon serves as a Board Member;
3. Where a shareholder meeting is convened by a company that is a current client of BNY Mellon and contributed more than 5% of BNY Mellon's revenue as of the end of the last fiscal quarter;
4. Where a shareholder meeting involves an issue that is being publicly challenged or promoted (e.g., a proxy contest) by (i) a BNY Mellon Board member or (ii) a company for which a BNY Mellon Board member serves as Chairman of the Board of Directors, CEO, President, CFO or COO (or functional equivalent); and
5. Where a shareholder meeting is convened by a pooled vehicle with agenda items relating to services provided by (or fees paid to) a BNY Mellon affiliate (e.g., Investment Management Agreement, Custody Agreement, etc);
6. Where an employee, office or director of BNYM or one of its affiliated companies has a personal interest in the outcome of a particular proxy proposal); and
7. Where the proxy relates to a security where Newton has invested in two or more companies that are subject to the same merger or acquisition.

All instances where a potential material conflict of interest has been recognised and Newton engages its proxy voting service provider are reported separately in Newton's publicly available Responsible Investment Quarterly Reports*.

Newton employees are required to identify any potential or actual conflicts of interest and take appropriate action to avoid or manage these and report them to Newton's Conflicts of Interest Committee for review, further information can be found in Newton's Conflicts of Interest Policy**.

* <https://www.newtonim.com/us-institutional/responsible-investment/>

**<https://www.newtonim.com/global/special-document/conflict-of-interest-policy/#:~:text=This%20Conflicts%20of%20Interest%20Policy,controls%20adopted%20to%20manage%20such> ”

Schroders

Schroders describe their voting process as follows:

"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."

Insight

Insight describe their voting process as follows:

"Insight retains the services of Minerva Analytics (Minerva) for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from thousands of market, national and international legal and best practice provisions from jurisdictions around the world. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. In addition, please refer to our Proxy Voting Policy, which sets out in detail our approach to voting on resolutions: <https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/uk-aus-proxy-voting-policy.pdf#ribbonTabs>"

Appendix - Implementation Statement for the Chartered Institute of Procurement & Supply Pension Scheme (continued)

b. Summary of voting behaviour over the year

A summary of the investment managers' voting behaviour over the period is provided in the tables below:

	Summary Info
Manager name	BNY Mellon
Fund name	Real Return Fund
Approximate value of trustee's assets	c.£0.9m as at 31 October 2023
Number of equity holdings in the fund	66
Number of meetings eligible to vote	70
Number of resolutions eligible to vote	1,129
% of resolutions voted	99.3%
% of resolutions voted with management	92.1%
% of resolutions voted against management	7.9%
% of resolutions abstained	0.0%
% of meetings with at least one vote against management	46.0%
% of resolutions voted contrary to the proxy adviser recommendation	4.8%

	Summary Info
Manager name	Schroders
Fund name	Life Intermediated Diversified Growth Fund
Approximate value of trustee's assets	c.£0.9m as at 31 October 2023
Number of equity holdings in the fund	1,114
Number of meetings eligible to vote	1,256
Number of resolutions eligible to vote	15,732
% 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 with at least one vote against management	47.0%
% of resolutions voted contrary to the proxy adviser recommendation	2.0%

*Voting information as at 30.09.2023

Appendix - Implementation Statement for the Chartered Institute of Procurement & Supply Pension Scheme (continued)

	Summary Info
Manager name	Insight
Fund name	Broad Opportunities Fund
Approximate value of trustee's assets	c.£0.9m as at 31 October 2023
Number of equity holdings in the fund	11
Number of meetings eligible to vote	11
Number of resolutions eligible to vote	164
% of resolutions voted	100.0%
% of resolutions voted with management	100.0%
% of resolutions voted against management	0.0%
% of resolutions abstained	0.0%
% of meetings with at least one vote against managements	0.0%
% of resolutions voted contrary to the proxy adviser recommendation	0.0%

*Voting information as at 30.09.2023

c. Most significant votes over the year

BNY Mellon

BNY Mellon define their process for determining the “most significant” votes as follows:

“Newton’s significant holdings universe is determined based on the proportion of a shares of investee companies held, as well as the size of the investment based on its value above certain thresholds. The significant votes will be drawn from this universe and are defined as votes that are likely to generate significant scrutiny from end clients or other stakeholders. They may relate to resolutions that receive a particularly high proportion of dissent from investors or involve a corporate transaction or resolutions raised by shareholders.”

Schroders

Schroders define their process for determining the “most significant” votes as follows:

“We believe that all resolutions when we 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.”

Appendix - Implementation Statement for the Chartered Institute of Procurement & Supply Pension Scheme (continued)**Insight**

Insight, define their process for determining the “most significant” votes as follows:

“The strategy invests in listed closed-end investment companies with a focus on cash-generative investments in social and public, renewable energy and economic infrastructure sectors. The corporate structure of closed-end investment companies held in the strategy includes an independent board which is responsible for providing an overall oversight function on behalf of all shareholders. This governance framework includes a range of aspects including setting out investment objectives, and on an ongoing basis ensuring that the underlying strategy and portfolio activities within it remain within the agreed framework. This governance framework, that is with an independent board acting on behalf of shareholders, generally limits contentious issues that can arise with other listed entities. As a result, examples of significant votes cast that may be comparable to other listed entities are not applicable to the strategy’s exposures.”

Appendix - Implementation Statement for the Chartered Institute of Procurement & Supply Pension Scheme (continued)

d. Most significant votes over the year by Fund

The Trustee was unable to include most significant voting data for Insight and Schroders, however they will continue to work with their advisers and investment managers with the aim of providing more information in future statements.

BNY Mellon

Company name	Barrick Gold Corporation
Date of vote	02-May-23
Summary of the resolution	Elect Director J. Brett Harvey
How you voted	Withhold
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	We voted against the lead director who we consider to be non-independent owing to excessive tenure, given the roles of chair and chief executive officer are combined.
Outcome of the vote	14.32% AGAINST
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	From the company's point of view the dissent is not sufficient for them to engage with shareholders to discuss improvements in governance structures. However, a good part of the shareholder base has taken cognizance that governance structures in particular the board structure can improve. We feel the dissent would only increase if the company doesn't take necessary steps to address these concerns.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	We highlighted this vote as significant as we expect to continue recognising our fundamental governance concerns through our voting and engagement activities.

Company name	ConocoPhillips
Date of vote	16-May-23
Summary of the resolution	Elect Director Robert A. Niblock
How you voted	Against Management
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	We voted against the lead director who we consider to be non-independent owing to excessive tenure, given the roles of chair and chief executive officer are combined.
Outcome of the vote	18.93% AGAINST
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	From the company's point of view the dissent is not sufficient for them to engage with shareholders to discuss improvements in governance structures. However, a good part of the shareholder base has taken cognizance that governance structures in particular the board structure can improve. We feel the dissent would only increase if the company doesn't take necessary steps to address these concerns.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	We highlighted this vote as significant as we expect to continue recognising our fundamental governance concerns through our voting and engagement activities.