

Appendix 1

Cambridge University Press Contributory Pension Fund

Implementation Statement

This is the Implementation Statement prepared by the Trustee, Press CPF Limited, of the Cambridge University Press Contributory Pension Fund ("the Fund") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 December 2022.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 December 2022 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in May 2023 and has been made available online here:

https://www.pensions.admin.cam.ac.uk/files/cpf_sip.pdf

There were no changes made to the stewardship policy over the year.

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Fund's investment managers.

At this time, the Trustee has not set stewardship priorities or themes for the Fund but will be considering the extent that they wish to do this in due course, in line with other Fund risks.

How voting and engagement policies have been followed

The Fund invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Fund's fund managers. The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and is supportive of the Code. However, the Trustee cannot usually directly influence the managers' policies on the exercise of investment rights where the Trustee holds assets in pooled funds. This is due to the nature of these investments. The Trustee receives reporting on the voting and engagement policies of the fund managers and considers these as part of manager appointment and review processes.

The Trustee acknowledges the importance of ESG and climate risk within their investment framework and believes that integrating these risks will lead to a better long-term outcome in terms of risk and return.

The Trustee reviewed the stewardship and engagement activities of the current managers during the year, alongside preparation of the Implementation Statement. The Trustee monitors the ESG performance of its managers on a regular basis.

The Trustee considers it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Fund. This applies to the bond-only managers as well as the equity and multi-asset managers.

While the bond managers do not vote on behalf of the Trustee, the Trustee does monitor their investment process with reference to ESG characteristics and the managers' alignment with Principles for Responsible Investment. The Trustee is aware that some bond managers engage with issues on ESG matters and are supportive of them doing so.

The Trustee was satisfied that the managers' policies were reasonable and no further remedial action was required during the period.

Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Fund's stewardship policies.

Voting Data

Voting only applies to equities held in the portfolio. The Fund's equity investments are held through pooled funds, and as such the investment managers of these funds vote on behalf of the Trustee.

As at 31 December 2022, the Fund's equity investments were managed by Baillie Gifford & Co ("Baillie Gifford") and Legal and General Investment Management ("LGIM"). The table below provides a summary of the voting activity undertaken by each manager during the year to 31 December 2022.

Manager	Baillie Gifford*	LGIM
Fund name	Baillie Gifford Diversified Growth Fund	LGIM Future World Global Equity Index Fund – Unhedged and hedged
Structure	Pooled	
Does manager vote at a fund level or at a firm-wide level?	Fund	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	
Number of company meetings the manager was eligible to vote at over the year	106	4,942
Number of resolutions the manager was eligible to vote on over the year	1,140	53,097
Percentage of resolutions the manager voted on	95.8%	99.9%
Percentage of resolutions the manager abstained from	0.8%	1.0%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	95.7%	80.4%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	3.4%	18.6%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	N/A	10.6%

Significant votes

We have delegated to the investment managers to define what a "significant vote" is. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities or themes. A summary of the data they have provided is set out in the appendix 1 to this statement.

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustee. Whilst the Fund's credit holdings do not attach any voting rights, the Trustee focuses on how the investment process and profile of the managers is aligned with the Fund's ESG policies.

The table below provides a summary of the engagement activity undertaken by Baillie Gifford, LGIM, Federated Hermes ("Hermes"), CBRE Global Investors ("CBRE") and Apollo Global Management ("Apollo") during the year. Examples of engagement undertaken have been set out in Appendix 2 to this statement.

The CBRE Osiris Property Fund was terminated with effect from 19th March 2020, and is in the process of an orderly wind up. For this reason, longer term engagement by the manager has ceased.

The Trustee has reviewed the information below and was satisfied that the managers' engagements were reasonable and no further remedial action was required during the period.

Manager	Baillie Gifford	LGIM	LGIM	Hermes	Apollo	Insight
Fund name	Baillie Gifford Diversified Growth Fund	LGIM Future World Global Equity Index Fund – Unhedged and hedged	Short Dated Sterling Corp Bond Index Fund	Hermes Multi Strategy Credit Fund	Apollo Total Return Fund	Maturing Buy and Maintain Credit Funds
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	37	583	125	456	54	2021-2025: 131 2026-2030: 170
Number of engagements undertaken at a firm level in the year	1,255	711	711	4,229	Data not provided by manager	948

The Trustee receives annual independent reporting on the ESG performance of their investment managers and this is used to compare the actual performance to the Trustee's expectations. In addition, the Trustee receives quarterly reporting covering investment performance (net of fees and costs) and highlighting any other governance issues with managers.

Summary

Based on the information received, the Trustee are satisfied that the fund managers have acted in accordance with the Fund's stewardship policies.

Where information is not included, it has been requested but has not been provided in a useable format or at all by the investment manager. The Trustee's investment consultants are in discussion with the managers around how this data will be provided for future statements.

Prepared by the Trustee of the Cambridge University Press Contributory Pension Fund

April 2023

Significant Votes

The change in Investment and Disclosure Regulations that came into force from October 2022 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities or themes. At this time, the Trustee has not set stewardship priorities or themes for the Fund but will be considering the extent that they wish to do this in due course, in line with other Fund risks. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities or themes.

Baillie Gifford have provided a selection of 10 votes which they believe to be significant, and LGIM have provided over 500 votes. In the absence of agreed stewardship priorities or themes, the Trustee has selected 3 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Fund. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

The table below summarises significant votes across all funds held by the Fund during the year.

	Vote 1	Vote 2	Vote 3
Funds affected	Baillie Gifford Diversified Growth Fund	Baillie Gifford Diversified Growth Fund	Baillie Gifford Diversified Growth Fund
Company name	Galaxy Entertainment Group Ltd	Booking Holdings Inc.	CBRE Group, Inc.
Date of vote	12 May 2022	9 June 2022	18 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.06%	5.82%	6.22%
Summary of the resolution	Amendment of Share Capital	Remuneration	Shareholder Resolution - Governance
How the manager voted	Against	Against	Against
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	Baillie Gifford opposed two resolutions which sought authority to issue equity because they believed the potential dilution levels were not in the interests of shareholders.	Baillie Gifford opposed executive compensation due to concerns with adjustments made to the plan and the granting of retention awards.	Baillie Gifford opposed a shareholder resolution to lower the threshold for shareholders to call a special meeting as they consider that the existing threshold is appropriate.
Outcome of the vote	Pass	Fail	Fail
Implications of the outcome	Baillie Gifford have opposed similar resolutions in previous years and will continue to advise the company of their concerns and seek to obtain proposals that they can support.	Baillie Gifford engaged with the company in advance of the AGM, specifically discussing executive compensation. They outlined their concerns that the adjustments to executive pay and the special payments do not align with shareholders' experience or provide appropriate incentives for management. Following that engagement Baillie Gifford decided to oppose the executive compensation resolution and communicated their decision to the company. They intend	Baillie Gifford opposed the shareholder resolution to lower the ownership threshold to call a special meeting as they were comfortable with the current 25% threshold in place and do not believe that lowering it would be reasonable. Ahead of voting, they had an engagement call with the company to discuss the proposed agenda. They were satisfied to learn about the company's efforts to engage with their holders, including the proponent, who according to the

	Vote 1	Vote 2	Vote 3
		to re-engage with the company to learn how it intends to respond to the vote outcome and shareholders' concerns.	company, did not have any particular concerns over CBRE but backs a lower threshold out of principle. They intend to follow up with the company later in the year to speak about governance developments.
Criteria on which the vote is considered "significant"	Baillie Gifford believe this resolution is significant because it received greater than 20% opposition.	Baillie Gifford believe this resolution is significant because it received greater than 20% opposition.	Baillie Gifford believe this resolution is significant because it received greater than 20% opposition.