

Implementation Statement for the period from 1 January 2024 to 31 December 2024

The Trustees' voting and engagement policies were last updated in consultation with the Employer in the March 2023 Statement of Investment Principles ("SIP"). They have not been changed in subsequent SIPs.

The Trustees have followed the Scheme's voting and engagement policies by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

Voting and engagement

The Scheme's selection and retention of investment managers includes an assessment of each manager's approach to voting, engagement and financially material considerations (including ESG and climate change).

In 2022 the Trustees set stewardship priorities to focus monitoring and engagement with their investment managers on specific environmental, social and governance ("ESG") factors. These are: climate change, diversity, equity & inclusion and remuneration.

Relative to its investment portfolio, including the Aviva bulk annuity policy, the Scheme's investment in listed equities over the Scheme Year was small, and in October 2024 it was fully redeemed in preparation for a full insurer buy-in with Aviva, which took place in February 2025.

Description of voting behaviour during the Scheme Year

The Trustees' holdings in listed equities were in L&G's Low Carbon Transition Global Equity pooled fund. The Trustees have delegated to L&G the exercise of voting rights over the period of this investment.

L&G's voting and engagement activities are driven by ESG professionals and are reviewed annually incorporating feedback from its clients. Every year, L&G holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the Investment Stewardship team. The views expressed at this event are key to L&G's development of its voting and engagement policies.

All decisions are made by L&G's Investment Stewardship team in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company.

The team uses ISS's 'ProxyExchange' electronic voting platform to vote electronically. L&G does not outsource any part of its voting or strategic decisions. It uses ISS recommendations purely to augment its own research and proprietary ESG assessment tools. The team also uses the research reports of Institutional Voting Information Services to supplement the research reports it receives from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with L&G's position on ESG, L&G has put in place a custom voting policy with specific voting instructions that apply to all markets globally. L&G retains the ability in all markets to override any vote decisions, which are based on its custom voting policy.

A summary of voting behaviour over the Scheme Year is provided in the table below.

In October 2024, the Trustees disinvested from the L&G Low Carbon Transition Global Equity Index Fund and transferred the proceeds to the Columbia Threadneedle Sterling Liquidity Fund. As L&G was not able to provide voting data for the invested period only, we have included voting data for the whole Scheme Year.

L&G	
Fund name	Low Carbon Transition Global Equity Index Fund
Total size of fund at end of the Scheme Year	£5,806m
Value of Scheme assets at end of the Scheme Year (£)	-

Number of equity holdings at end of the Scheme Year	2,719
Number of meetings eligible to vote	4,786
Number of resolutions eligible to vote	47,788
% of resolutions voted	99.8%
Of the resolutions on which voted, % voted with management	79.5%
Of the resolutions on which voted, % voted against management	19.5%
Of the resolutions on which voted, % abstained from voting	1.0%
Of the meetings in which the manager voted, % with at least one vote against management	62.2%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	11.1%

Figures may not sum due to rounding.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustees did not identify significant voting ahead of the reporting period. Instead, they have, through their investment advisers, retrospectively created a shortlist of most significant votes by requesting L&G to provide a shortlist of votes cast using the PLSA's criteria¹ for creating it.

This includes but is not limited to (a) high profile votes of sufficient controversy producing high client and/or public scrutiny (b) votes where there is significant interest in a vote which has been directly communicated by clients to the Investment Stewardship team (c) sanction votes as a result of a direct or collaborative engagement and (d) votes linked to an L&G engagement campaign in line with its 5-year ESG priority engagement themes.

This statement includes a report on three of these votes which the Trustees have decided are the most significant. More voting information is available upon request from the Trustees. The three votes were:

Alphabet Inc., 7 June 2024

- **Summary of resolution:** Elect Director John L. Hennessy
- **Relevant stewardship priority:** Diversity, Equity & Inclusion
- **Approximate size of the fund's holding at the date of the vote:** 1.5%
- **Why this vote is considered to be most significant:** L&G views gender diversity as a financially material issue for its clients, with implications for the assets they manage on their behalf.
- **Fund manager vote:** Against resolution.
- **Rationale:** L&G expects a company to have at least one-third women on the board.
- **Was the vote communicated to the company ahead of the vote:** Yes.
- **Outcome of the vote and next steps:** This resolution passed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Tesla Inc., 13 June 2024

- **Summary of resolution:** Advisory Vote to Ratify Named Executive Officers' Compensation
- **Relevant stewardship priority:** Remuneration
- **Approximate size of the fund's holding at the date of the vote:** 1.3%
- **Why this vote is considered to be most significant:** Because it pertains to one of L&G's key stewardship 'sub-themes', executive pay.
- **Fund manager vote:** Against resolution.

¹ [Vote reporting template for pension scheme implementation statement – Guidance for Trustees \(plsa.co.uk\)](#). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

- **Rationale:** L&G believes that the approved remuneration policy should be sufficient to retain and motivate executives. While most named executive officers received modest or no compensation for 2023, one executive was granted an outsized, time-based stock option award upon his promotion, the magnitude and design of which are not adequately explained. The grant does not require the achievement of pre-set performance criteria in order to vest and the value is considered to be excessive.
- **Was the vote communicated to the company ahead of the vote:** Yes.
- **Outcome of the vote and next steps:** This resolution passed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Broadcom, Inc., 22 April 2024

- **Summary of resolution:** Elect Director Henry Samueli
- **Relevant stewardship priority:** Climate change
- **Approximate size of the fund's holding at the date of the vote:** 0.9%
- **Why this vote is considered to be most significant:** L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors.
- **Fund manager vote:** Against resolution.
- **Rationale:** Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.
- **Was the vote communicated to the company ahead of the vote:** Yes.
- **Outcome of the vote and next steps:** This resolution passed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Votes in relation to assets other than listed equity

The following comments were provided by the Scheme's asset managers who do not hold listed equities, but invest in assets that had voting opportunities in **Alcentra's European Direct Lending Fund II**.

Below is some commentary by Alcentra on its voting and engagement behaviours:

"As a credit manager, proxy voting is not material within the context of our activities. The number of occasions when Alcentra will be engaged in proxy voting will be limited. It is most likely to occur with high yield bond investments, where an allocation may take on formal voting rights. In such instances, Alcentra uses the opportunity to vote on matters concerning governance and corporate responsibility. Alcentra generally will not be called upon to vote for proxies for its syndicated loan and Direct Lending investments because of the nature of the instruments involved in the investment strategy (i.e., loans rather than securities). An exception may be when Alcentra holds loan investments which could be converted to voting securities.

Proxy votes are also not generally conducted for corporate bonds. In addition, proxy votes may take place from time to time on Structured Credit investments where our fund holds the equity tranche. When engaged by a client to provide discretionary advisory services, Alcentra is typically delegated the responsibility to vote on matters considered at portfolio companies' shareholder meetings, usually by means of a proxy ballot ("proxy voting"). In these instances, Alcentra has a duty to monitor corporate events and to vote proxies in the best interest of its client and not subordinate the interests of its clients to its own interests.

This generally means voting with a view toward enhancing the economic value of the investment. When it has voting responsibility, Alcentra will make every attempt to vote when given an opportunity to do so. However, there may be instances when the Firm is unable or unwilling to vote because of legal or operational difficulties or because it believes the administrative burden and/or associated cost exceeds the expected benefit to a client. Alcentra reviews the circumstances for each vote to determine which stance would best serve its clients and aims to act accordingly."