

Implementation Statement

Faccenda Retirement Benefits and Life Assurance Scheme

Purpose of this statement

This Implementation Statement has been prepared by the Trustees of the Faccenda Retirement Benefits and Life Assurance Scheme (the “**Scheme**”) and sets out the following information over the year to 31 March 2024:

- the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes; and
- how the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year.

Stewardship policy

The Trustee’s Statement of Investment Principles (SIP) in force at 31 March 2024 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in September 2023 and has been made available online here:

<https://schemedocs.com/download/faccenda-statement-investment-principles.pdf>

At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

How voting and engagement policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.
- Annually the Trustees receive and review voting information and engagement policies from the asset managers and their investment advisors, which they review to ensure alignment with their own policies.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme’s stewardship policies.

**Prepared by the Trustees of the Faccenda Retirement Benefits and Life Assurance Scheme
July 2024**

Voting Data

A summary of the voting activities carried out by Legal & General Investment Management (LGIM) on behalf of the Scheme over the year to 31 March 2024 shown in the table below. The Scheme was also invested in the LGIM Buy & Maintain Credit Fund, individual fixed and index-linked gilts but there are no voting rights attached to the holdings within these funds.

Manager	LGIM
Fund name	Global Equity 60:40 Index Fund
Structure	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
Number of company meetings the manager was eligible to vote at over the year	3,035
Number of resolutions the manager was eligible to vote on over the year	39,303
Percentage of resolutions the manager voted on	99.8%
Percentage of resolutions the manager abstained from as a percentage of the total number of resolutions voted on	0.1%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	81.8%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	18.1%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	13.3%

Significant votes

The Trustees have delegated to the investment manager to define what a "significant vote" is. A summary of the data they have provided is set out below.

LGIM, Global Equity 60:40 Index Fund (table 1 of 3)

	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Apple Inc.	Shell Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.9	2.7	2.1
Summary of the resolution	Elect Director Satya Nadella	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Approve the Shell Energy Transition Progress
How the manager voted	Against	Against	Against

	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Shareholder Resolution - Environmental and Social: A vote against this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	Climate change: A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, they remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	LGIM will continue to engage with LGIM investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with LGIM investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM continues to undertake extensive engagement with Shell on its climate transition plans.
Related stewardship priorities	Governance	People and governance	Climate

LGIM, Global Equity 60:40 Index Fund (table 2 of 3)

	Vote 4	Vote 5	Vote 6
Company name	BP Plc	Glencore Plc	Amazon
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	27 April 2023	26 May 2023	24 May 2023
Summary of the resolution	Re-elect Helge Lund as Director	Resolution in Respect of the Next Climate Action Transition Plan	Report on Median and Adjusted Gender/Racial Pay Gaps
How the manager voted	Against	For	For
Rationale for the voting decision	LGIM voted against due to governance and board accountability concerns. Given the revision of the company's oil production targets, shareholders expect to be given the opportunity to vote on the company's amended climate	LGIM think that it remains unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal	LGIM voted in favour as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the

	Vote 4	Vote 5	Vote 6
	transition strategy at the 2023 AGM.	(alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives.	progress of the company's diversity and inclusion initiatives.
Outcome of the vote	Pass	Fail	Fail
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.
Related stewardship priorities	Governance	Climate	Diversity

LGIM, Global Equity 60:40 Index Fund (table 3 of 3)

	Vote 7	Vote 8	Vote 9
Company name	Toyota Motor Corp.	Aviva Plc	Alphabet Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	14 June 2023	4 May 2023	2 June 2023
Summary of the resolution	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Approve Climate-Related Financial Disclosure	Approve Recapitalization Plan for all Stock to Have One-vote per Share
How the manager voted	For	For	For
Rationale for the voting decision	LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. LGIM acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years.	LGIM voted for as having reviewed the disclosures they consider the report is aligned with LGIM's climate expectations.	A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.
Outcome of the vote	Fail	n/a	Fail
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.

	Vote 7	Vote 8	Vote 9
		company and market-level progress.	
Related stewardship priorities	Climate	Climate	Governance: Shareholder rights

Fund level engagement

Manager	LGIM	
Fund name	Global Equity 60:40 Index Fund	Buy & Maintain Credit Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	536	177
Number of engagements undertaken at a firm level in the year	2,144	

Firm level engagement examples

LGIM

The key engagement topics at a firm level over the year to 31 March 2024 included:

- Ethnic diversity
- Climate
- Water pollution
- Nutrition
- Deforestation

One example of LGIM's engagement is regarding diversity disclosures in the US. As part of the Midwest Investors Diversity Initiative (MIDI), LGIM is leading on engagement with three companies within the Russell 3000 that are not meeting expectations around diversity disclosure. They sent letters to three companies requesting to meet

and discuss strengthening their policy regarding the consideration of women and people of colour as board candidates, and adopting disclosure best practice regarding the demographic make-up of the companies' workforces.