

# Implementation Statement

## Civil Service Sports Council Superannuation Scheme

This Implementation Statement has been prepared for the Trustees of the Civil Service Sports Council Superannuation Scheme (the “**Scheme**”) and sets out:

- How the Trustees’ policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 31 December 2024.

### How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds with Legal & General Investment Management (“LGIM”), and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund manager. As set out in the Scheme’s policies on voting and engagement, which forms part of the SIP, the Trustees have agreed to adopt the same stewardship priorities as their investment manager, LGIM. These priorities cover a range of themes including:

- Environment;
- Diversity;
- People & Health;
- Investor Rights;
- Directors’ Pay

The Trustees undertook an initial review of the stewardship and engagement activities of the current manager at their 18 September 2019 meeting with LGIM, and were satisfied that their policies were reasonable, and no remedial action was required at that time. Annually the Trustees receive and review voting information and engagement policies from LGIM, to ensure the Trustees agree with LGIM’s stewardship priorities. This exercise was last undertaken during the 18 December 2024 meeting with LGIM.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager is in alignment with the Scheme’s stewardship policies.

**Prepared by the Trustees of the Civil Service Sports Council Superannuation Scheme  
12 March 2025**

## Voting Data

Voting only applies to funds that hold equities within their portfolio. The Scheme has exposure to equities via their holdings in LGIM's Future World Global Equity Fund - GBP hedged and LGIM's Diversified Fund. As such, the table below provides a summary of voting activity undertaken by LGIM on behalf of these funds for the year to 31 December 2024.

Manager	LGIM	
Fund name	Future World Global Equity Index – 100% GBP Hedged	Diversified Fund
Structure	Pooled	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	5,516	10,851
Number of resolutions the manager was eligible to vote on over the year	55,469	108,048
Percentage of resolutions the manager voted on	99.79%	99.75%
Percentage of resolutions the manager abstained from	0.88%	0.93%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	80.96%	76.67%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	18.16%	22.41%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	9.95%	13.76%

## Significant Votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees 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. Since the Trustees have adopted the same stewardship priorities as LGIM, they have asked the investment manager to continue to determine what they believe to be a significant vote. A summary of the data

provided for each fund is set out in the tables below.

### LGIM Future World Global Equity Index – 100% GBP Hedged

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Apple Inc.	Alphabet Inc.
<b>Date of vote</b>	10 December 2024	28 February 2024	7 June 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.91%	4.46%	1.05%
<b>Summary of the resolution</b>	Report on AI Data Sourcing Accountability	Report on Risks of Omitting Viewpoint and Ideological Diversity from equal employment opportunities (EEO) Policy	Elect Director John L. Hennessy
<b>How the manager voted</b>	For	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	Governance: LGIM believe a vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models	Environmental and Social: LGIM believe 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.	Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.  Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.  Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.
<b>Outcome of the vote</b>	Fail	Fail	Pass

	Vote 1	Vote 2	Vote 3
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
<b>Criteria on which the vote is considered "significant"</b>	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Thematic - Diversity: LGIM views diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

## LGIM Diversified Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Shell Plc	Tencent Holdings Limited	Apollo Global Management, Inc.
<b>Date of vote</b>	21 May 2024	14 May 2024	24 June 2024
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.33%	0.25%	0.21%
<b>Summary of the resolution</b>	Approve the Shell Energy Transition Strategy	Elect Charles St Leger Searle as Director	Elect Director A.B. Krongard
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	Climate change: A vote against is applied by LGIM despite their recognition of the progress the company has made in respect of climate related disclosure and their commitments to reduce emissions from operated assets and oil products. Nevertheless, following its revisions to the Net Carbon Intensity targets and the ambition to grow its gas and LNG business this decade,	Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors.  Climate Impact Pledge: A vote against is applied as the company is deemed to not meet LGIM's minimum standards with regard to climate risk management.	Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.

	Vote 1	Vote 2	Vote 3
	LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050.		
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

## Fund level engagement

The investment manager may engage with investee companies on behalf of the Trustees. The following table displays the engagement information for LGIM at a fund level over the year to 31 December 2024.

Engagement activities are limited for the Scheme's gilt and LDI funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager		LGIM			
Fund name	Future World Global Equity Index – 100% GBP Hedged	Diversified Fund	Buy & Maintain Credit Fund	Absolute Return Bond Fund	
Has the manager engaged with companies to influence them in relation to ESG factors in the year?			Yes		
Number of engagements undertaken on behalf of the holdings in this fund(s) in the year	2,027	3,605	383	392	
Number of entities engaged on behalf of the holdings in this fund in the year	1,282	2,696	183	191	
Number of engagements undertaken at a firm level in the year			4,060		

### Examples of engagements undertaken with holdings in the fund

LGIM's engagement with Qantas Airways began in 2020, following controversies over its treatment of customers and staff during the COVID-19 pandemic, which led to legal action and redress. These issues highlighted governance concerns, alongside climate change, which have been central to their discussions with the company.

In 2024, LGIM addressed over-boarding (directors' time commitments), succession, and remuneration. LGIM met with Qantas four times, including with the new Chair. In response to past controversies, both the Board Chair and Remuneration Committee Chair were replaced, and the board's average tenure was reduced to three years. Their discussions helped us assess board stability, the correction of over-boarding, and accountability for directors and executives.

This informed their AGM votes in October. While LGIM supported the re-election of the new Chair due to his commitments elsewhere, they voted against his re-election at other companies. LGIM also voted for the re-election of a Non-Executive Director (NED) who was on the board during the COVID controversies, as board refreshment and stability were key, and the NED's industry experience was valuable.

LGIM supported the remuneration report, noting that the new Remuneration Committee Chair had taken appropriate action against directors responsible for past misconduct, including recovering AU\$9 million from the former CEO. Overall, the board's significant changes and the steps taken are encouraging. LGIM will continue monitoring governance and engage with Qantas on climate change under their Climate Impact Pledge.