

Implementation Statement

Staff Pension and Life Assurance Scheme of The Grand Lodge

How voting and engagement policies have been followed

The Trustees have appointed Cazenove Capital Management to carry out the day-to-day investment of the Scheme. Cazenove implement the mandate using primarily pooled funds with a small number of direct holdings.

The Scheme delegates responsibility for carrying out voting and engagement activities to Cazenove.

The Trustees undertook an initial review of the stewardship and engagement activities of Cazenove at their 16 December 2019 meeting and were satisfied that Cazenove's policies were in line with their own policies on voting and engagement and no remedial action was required at that time.

It is worth noting that the data Cazenove provided was again limited, and significantly less detailed than the data provided to us by other investment managers for different schemes. That said, they have been able to provide data for two of the pooled funds they hold, in addition to the direct equity they have previously reported on which is an improvement on last year.

Prepared by the Trustees of the Staff Pension and Life Assurance Scheme of The Grand Lodge

July 2024

Voting Data

This section provides a summary of the voting activity undertaken by the investment manager within the Scheme's growth portfolio on behalf of the Trustees over the year to 31 December 2023. Of the funds invested, Cazenove have been able to provide voting information for their direct equity portfolio, the Schroder Asian Alpha Plus Fund, and the Schroder Global Sustainable Growth Fund.

Manager	Cazenove		
Fund name	Direct UK Equity Portfolio	Schroder Asian Alpha Plus Fund	Schroder Global Sustainable Growth Fund
Structure	Direct Holdings	Pooled	Pooled
Ability to influence voting behaviour of manager	Cazenove implement the mandate using primarily pooled funds, which means there is limited scope for the Trustees to influence the managers' voting behaviour across the mandate as a whole.		
Number of company meetings the manager was eligible to vote at over the year	48	71	44
Number of resolutions the manager was eligible to vote on over the year	997	667	764
Percentage of resolutions the manager voted on	100.0%	98.8%	88.0%
Percentage of resolutions the manager abstained from	0.1%	0.0%	0.4%
Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on	98.1%	93.9%	90.8%
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	1.9%	6.1%	9.2%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	1.9%	4.9%	7.1%

Significant votes

Cazenove Capital consider all votes against management to be classified as a significant vote. Within this, they also believe that resolutions related to certain topics carry particular significance. They rank the significance of their votes against management, firstly by management say on climate votes, secondly environmental and social shareholder resolutions, thirdly any shareholder resolutions and finally by the size of our holding.

Cazenove Capital have been able to provide details of all votes against management during the period between 1 January 2023 and 31 December 2023, for each of the pooled funds included in the table above. They have not

provided specific details for the direct UK equity portfolio. We have picked out three examples of these votes for each fund. Details are provided in the tables below:

Schroder Asian Alpha Plus Fund

	Vote 1	Vote 2	Vote 3
Company name	Woodside Energy Group Ltd.	Shenzhou International Group Holdings Limited	BHP Group Limited
Date of vote	28 April 2023	30 May 2023	01 November 2023
Summary of the resolution	Elect Ian Macfarlane as Director	Authorise Reissuance of Repurchased Shares	Approve Remuneration Report
How the manager voted	Against	Against	Against
Rationale for the voting decision	Schroders typically struggle to find many examples where ex-politicians have had a positive impact as a director of a public company. In addition, the fact that Mr Macfarlane is an ex minister of a portfolio that has a direct impact on Woodside materially increases our unease regarding the influence and potential conflicts that his position on the board could bring.	Excessive dilution without pre-emptive rights.	Schroders believe that the remuneration outcomes have gone beyond an acceptable level, with pay appearing to reflect size of the company rather than truly exceptional performance from management.

Schroder Global Sustainable Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Alphabet Inc.	Thermo Fisher Scientific Inc.	Microsoft Corporation
Date of vote	2 June 2023	24 May 2023	7 December 2023
Summary of the resolution	Report on Framework to Assess Company Lobbying Alignment with Climate Goals	Elect Director Lars R. Sorensen	Report on Risks of Operating in Countries with Significant Human Rights Concerns
How the manager voted	Against	Against	Against
Rationale for the voting decision	Schroders believe that shareholders would benefit from additional disclosure on how the company's lobbying activities align to its climate goals and how it addresses any misalignment with its trade associations and other indirect lobbying activities.	Schroders applied a vote against management on the basis of gender diversity. Less than 33% of the company's board are female.	Schroders believe that shareholders would benefit from further disclosure on how the company mitigates risks in markets in which it operates where there are significant human rights concerns. They believe how they have voted is

Vote 1

Vote 2

Vote 3

in the best financial interests of their clients' investments.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. Of the funds invested, Cazenove have been able to provide engagement data for their direct equity portfolio, the Schroder Asian Alpha Plus Fund, and the Schroder Global Sustainable Growth Fund. The table below provides a summary of the engagement activities undertaken by each manager during the year for these funds.

Manager	Cazenove		
Fund name	Direct UK Equity Portfolio	Schroder Asian Alpha Plus Fund	Schroder Global Sustainable Growth Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	222	112	142
Number of entities engaged with on behalf of the holdings in this fund in the year	37	44	32

Example of engagement undertaken with holdings in the fund (noting that Schroders carry out these engagements on behalf of Cazenove)

Engagement with Microsoft:

During a meeting with the head of ESG engagement and investor relations, Schroders sought to get an update from the company on recent progress on D&I, as well as recent layoff announcements, and better understand company action across human rights.

Regarding the layoff announcements, the company explained how it is attempting to handle the process openly and sensitively with employees, noting that cuts have affected approximately 5% of the workforce. Schroders sought to understand how the company is considering culture and retention of key talent during this time, however it noted that it did not have a full response to this question. Following the sexual harassment and discrimination audit that the company published last year, the company explained that all of the actions and deadlines are currently on track, and it has made a number of improvements already such as publishing the number of claims and dismissals due to misconduct.

They also sought to better understand how the company assesses and addresses human rights risks that may be associated with the use of its products. The company explained that it tried to focus on technology use cases rather than the specific customer, however in response to a shareholder proposal on the topic, it will be shortly publishing a human rights impact assessment on the use of surveillance technology by law enforcement.

Finally, Schroders also questioned how the company is working towards improved purchasing practices, however agreed to follow up via email as the company was unable to answer questions on the topic.