

# Implementation Statement

## Minit Pension Fund

### Purpose of this statement

This Implementation Statement has been prepared by the Trustees of the Minit Pension Fund (the "Fund") and sets out:

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

### Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 31 March 2024 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in September 2022 and has been made available online here: <https://schemedocs.com/download/minit-pension-fund-statement-investment-principles.pdf>.

Post-year end the Trustees updated the Statement of Investment Principles to reflect the change in manager; and the updated version will be available online in due course.

At this time, the Trustees have not set stewardship priorities / 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/stewardship policies have been followed

The Trustees delegate responsibility for carrying out voting and engagement activities to the Fund's investment managers.

Investment rights (including voting rights) have been exercised by the investment managers in line with the investment managers' general policies on corporate governance, which reflect the recommendations of the UK Stewardship Code, and which are provided to the Trustees from time to time, taking into account the financial interests of the beneficiaries. The Trustees also expect the investment managers to have engaged with companies in relation to ESG matters, and to take these into account in the selection, retention and realisation of investments where appropriate.

The Trustees are comfortable with the investment managers' strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor.

The Trustees invite the investment managers from time to time to provide an update on the assets they manage, including ESG-related matters. At the November 2022 Trustees meeting, the Trustees agreed to remove Rothschild as the growth manager and invested into Legal and General's Future World Equity Index range of funds, with one of the key reasons being a higher degree of ESG integration. This was mostly completed in the

previous accounting period, however, several small illiquid allocations were disinvested at the beginning of this accounting period.

The Trustees have requested their investment advisors, Barnett Waddingham, to provide tailored reporting on ESG activities and processes undertaken by the investment managers to help ensure they are in alignment with the Fund's stewardship policies.

Additional information on the voting and engagement activities carried out for the Fund's investments are provided on the following pages.

**Prepared by the Trustees of the Minit Pension Fund  
July 2024**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Fund's Growth Portfolio on behalf of the Trustees over the year to **31 March 2024** and focuses on the equity funds held by **Legal and General Investment Management**. The **cash, LDI and corporate bonds** held by the Fund have no voting rights.

Manager	LGIM
<b>Fund name</b>	Future World Global Equity Index Fund (currency hedged and unhedged)
<b>Structure</b>	Pooled
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
<b>No. of eligible meetings</b>	5,134
<b>No. of eligible votes</b>	52,212
<b>% of resolutions voted</b>	99.9%
<b>% of resolutions abstained</b>	0.3%
<b>% of resolutions voted with management<sup>1</sup></b>	80.2%
<b>% of resolutions voted against management<sup>1</sup></b>	19.5%
<b>Proxy voting advisor employed<sup>1</sup></b>	ISS
<b>% of resolutions voted against proxy voter recommendation</b>	11.1%

<sup>1</sup> As a percentage of the total number of resolutions voted on

## 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 Fund’s stewardship priorities / themes. At this time, the Trustees have not set stewardship priorities / 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 Trustees have asked the investment managers to determine what they believe to be a “significant vote”. The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

**LGIM** have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities/themes, the Trustees have 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 are used.

A summary of the significant votes provided is set out overleaf.

## LGIM, Future World Global Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Amazon.com, Inc	Alphabet Inc.	JPMorgan Chase & Co.
<b>Approximate size of fund's holding as at the date of the vote (as % of unhedged portfolio)</b>	1.34%	1.02%	0.88%
<b>Summary of the resolution</b>	Resolution 13 – Report on median and adjusted gender/racial pay gaps	Resolution 18 - Approve recapitalisation plan for all stock to have one-vote per share	Resolution 9 - Report on climate transition plan describing efforts to align financing activities with greenhouse gas emissions targets
<b>How the manager voted</b>	For (against management recommendation)	For (against management recommendation)	For (against management recommendation)
<b>Rationale for the voting decision</b>	LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. LGIM believe this is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives and is a crucial step towards building a better company, economy and society.	LGIM expects companies to apply a one-share-one-vote standard.	LGIM generally support resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published targets. LGIM believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders.
<b>Outcome of the vote</b>	29.0% voted for the resolution	30.7% voted for the resolution	34.8% voted for the resolution
<b>Implications of the outcome</b>	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.	LGIM will continue to engage with the company and monitor progress.
<b>Criteria on which the vote is considered "significant"</b>	LGIM pre-declared its vote intention for this meeting and views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	This shareholder resolution is considered significant due to the relatively high level of support received.	LGIM considers this vote to be significant as they pre-declared their intention to support. LGIM continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.

## Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Fund's LDI and cash 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 Fund	Buy and Maintain Credit Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	795	177
Number of entities engaged on behalf of the holdings in this fund in the year	530	83
Number of engagements undertaken at a firm level in the year	2,144	

## Examples of engagement activity undertaken over the year to 31 March 2024

### LGIM, Future World Global Equity Index Fund

#### Nestlé

As the largest food company in the world, Nestle sets an example to the industry in terms of driving positive change and raising food standards. LGIM co-signed a letter to Nestle encouraging the company to do more in areas such as:

- Transparency around their nutrition strategy
- Demonstrating progress on their nutrition strategy
- Committing to disclosures around the proportion of the company's portfolio and sales associated with healthy food and drinks products.
- Setting targets to increase the proportion of these sales.

Following the letter, LGIM, along with the Healthy Markets Initiative, met with Nestle to discuss the issues raised in the letter. After this engagement Nestle announced they would report on their global portfolio using the nutrient profiling system Health Star Rating (HSR). LGIM were encouraged by this progress and have continued to engage with Nestle following these changes.

Nestle recently announced a new nutrition target which LGIM do not believe is ambitious enough, with their main concerns being:

- The new target is broadly in line with the company's current overall growth guidance, meaning if sales of unhealthier products increase in line with this guidance, there would be no improvement linked to consumer health and diets.

- Some products counted as 'nutritious' by Nestle are outside the scope of the government-endorsed nutrient profile models (including commercial baby foods and coffee). By increasing sales of out-of-scope products classified by Nestlé as nutritious, the company could meet its target without having any positive impact on public health.

LGIM have escalated their concerns by co-filing a shareholder resolution at Nestle's AGM, calling the company to:

1. set key performance indicators regarding the absolute and proportional sales for food and beverage products according to their healthfulness
2. provide a timebound target to increase the proportion of sales derived from healthier products.

LGIMs requests are intended to address their main concerns and to strengthen the link between Nestle's targets and real-world impact by increasing the proportion of healthier food available in consumer markets.

LGIM will continue to monitor the company's response and actions, and continue to engage with them on this issue.