

ST MARY'S WRESTWOOD CHILDRENS TRUST PENSION SCHEME

IMPLEMENTATION STATEMENT

Year to 31 March 2024

1 INTRODUCTION

The Trustees of the St Mary's Wrestwood Children's Trust Pension Scheme ("the Scheme") are responsible for investing the assets of the Scheme, having taken professional advice first. We set out the principles that we have agreed will govern our investment in our Statement of Investment Principles ("SIP").

The Scheme's investments include shares in companies ("equities"). This type of investment conveys rights on the shareholders to vote on matters relating to the governance of those companies. It is important to note, though, that the Trustees are not shareholders in relation to these investments. The Trustees hold a policy of insurance with Mobius Life Limited; in turn Mobius Life invest the Scheme's funds in pooled funds managed by Legal & General Investment Management (LGIM). LGIM hold all shareholder rights and Mobius Life own the units in the pooled funds. The allocation of units to the Scheme is notional and the Trustees have no rights in relation to them, only to their monetary value.

The purpose of this Implementation Statement is to:

- explain how the Trustees have followed their policies on the exercise of rights and engagement activities set out in their SIP during the year and
- describe the voting behaviour carried out in relation to the Trustees' equity investments over the year.

2 HOW THE TRUSTEES HAVE IMPLEMENTED THEIR STEWARDSHIP AND ENGAGEMENT POLICIES DURING THE YEAR

2.1 *Exercise of voting rights*

As explained in the introduction, the Trustees have no voting rights in relation to the underlying assets purchased by the fund managers; it is the fund managers who hold the voting rights. Furthermore, because the Trustees invest through an insurance policy with Mobius Life, they have no right to the underlying voting information from the fund managers; however, LGIM have supplied a record of their voting behaviour over the year and this is summarised in section 3 of this statement below.

2.2 *Policy on engagement activities*

As the Trustees invest through Mobius Life, they are not in a position to engage with the boards of the investee companies. The Trustees are happy for their fund managers to so engage on such basis as they deem appropriate.

You can find more detail on LGIM's engagement policies at:

- <http://www.lgim.com/uk/en/responsible-investing/active-ownership/>.

3 2023-24 VOTING RECORD

The Trustees' insurance policy invests in the following funds that hold shares in companies:

- the Legal & General UK Equity Index Fund and
- the Legal & General World (ex UK) Equity Index Fund.

LGIM use a proxy voting service to cast their votes; the proxy votes in accordance with LGIM's instructions.

LGIM have supplied us with details of how they have exercised their voting rights over the year.

Fund	Number of resolutions eligible to vote on	Proportion of votes cast	Proportion of votes against management
UK Equity Index Fund	10,462	99.80%	5.59%
World (ex UK) Equity Index Fund	34,635	99.86%	21.94%

LGIM provided details of several hundred votes to the Trustees. The vast majority of these votes related to three general policies that were expressed, generally, through voting against the appointment or reappointment of members to the Company Board. These three LGIM policies are set out below, along with some examples of the companies where LGIM voted in relation to these matters.

Climate and Sustainability

- I. LGIM have continued to use their votes to hold directors to account for their management of climate and sustainability risk, applying voting sanctions where they deem necessary. Over the year, LGIM updated their deforestation policy and, for the first time, applied specific deforestation voting sanctions.

Some examples of votes relating to these themes can be seen on the following page.

CEO and Chair separation

- II. LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. LGIM believe these two roles are substantially different, requiring distinct skills and experience. Since 2015 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they have been voting against all combined board chair/CEO roles. Furthermore, they have published a guide for boards on the separation of the roles of chair and CEO and they have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.

There were many companies where LGIM voted against management under this policy, including **Adobe, Meta (Facebook), PepsiCo and Pfizer.**

Diversity of Board

- III. LGIM view diversity of the Board as a financially material issue for their clients, with implications for the assets they manage on clients' behalf. For over ten years they have been using their position to engage with companies on the issue of having greater gender balance. In 2022 this aim was expanded to consider also board-level ethnic diversity.

Companies where LGIM voted against resolutions under this policy include **Netflix, Nvidia, Tesla and Walmart.**

Significant votes under I. above:

Company	Resolution	Vote	Explanation
Aviva	Approve Climate-Related Financial Disclosure	For (with management recommendation)	LGIM considered the report to be aligned with LGIM's climate expectations.
Glencore	Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan"	For (against management recommendation)	LGIM were unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.
Morgan Stanley	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	For (against management recommendation)	LGIM wished to emphasise the need to closely consider the strategy and risk appetite towards fossil fuels in the near future.
Shell	Approve the Shell Energy Transition Progress	Against (against management recommendation)	LGIM were 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, in LGIM's opinion, key areas to demonstrate alignment with the 1.5°C trajectory.
SSE	Approve Net Zero Transition Report	For	The report met LGIM's expectations of a credible transition plan, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 Green House Gas (GHG) emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.
Toyota Motor Corp.	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	For (against management recommendation)	LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment.
InterContinental Hotels Group Plc	Re-elect Graham Allan as Director	Against	The company was deemed not to meet minimum standards with regard to LGIM's deforestation policy.