

Implementation Statement

The Pension and Life Assurance Plan for the Non-Teaching Staff of Oundle School

This Implementation Statement has been prepared by the Trustees of the Pension and Life Assurance Plan for the Non-Teaching Staff of Oundle School ("the Plan") 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 2022.

Stewardship policy

The Plan invests solely through pooled investment vehicles and are constrained by the policies on the investment manager, therefore no explicit stewardship priorities were set for this reporting year. However, the Trustees takes the stewardship priorities, climate risk, and ESG factors into account during a manager selection process. The Trustees also review the stewardship and engagement activities of the investment managers annually.

How voting and engagement policies have been followed

The Plan invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan's fund 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, 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 receive and review voting and engagement information provided by their asset manager as well as how ESG issues are taken into account for each mandate, to ensure broad alignment with their own policies.

Voting Data

Voting only applies to funds that hold equities in their portfolio. The Plan's equity investments are all held through pooled funds. The investment managers for these funds vote on behalf of the Trustees.

The table below provides a summary of the voting activity undertaken by each manager over the year to 31 December 2022, together with information on any key voting priorities and information on the use of proxy voting advisors by the managers.

Manager	Legal & General Investment Management ("LGIM")	Aberdeen Standard Investments ("Aberdn")
Fund name	Global Equity Market Weights (30:70) Index Fund – GBP 75% Currency Hedged	Diversified Growth 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.	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	7,259	605
Number of resolutions the manager was eligible to vote on over the year	75,300	8,561
Percentage of resolutions the manager voted on	99.9%	97.5%
Percentage of resolutions the manager abstained from	1.2%	0.6%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	80.5%	86.3%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	18.3%	13.1%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	9.7%	9.3%
Proxy voting advisor	ISS	ISS

There are no voting rights attached to the other assets held by the Plan. Therefore, no voting information is shown for these assets in the table above or in the significant votes section below.

Significant votes

The Trustees' ESG policy leaves determining what is considered as a "significant vote to their asset managers. The Plan's investment adviser requested key voting data from the asset managers, which is summarised below.

Abrdn, Diversified Growth Fund

Aberdeen Standard consider all votes as significant. However, in line with the Pension and Lifetime Savings association ("PSLA") requirements, they have provided us with some high level information on some of the votes they deem to be the most significant across their holdings. They split their votes into the following Significant Vote ("SV") categories:

- SV1: High profile votes
- SV2: Shareholder and Environmental & Social (E&S) resolutions
- SV3: Engagement
- SV4: Corporate transactions
- SV5: Votes contrary to custom policy

The below examples demonstrate the range of significant votes on which the manager voted during the year.

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	Berkeley Group Holdings Plc	Rio Tinto Plc	KLA Corporation	General Mills, Inc.
Date of vote	6 September 2022	8 April 2022	2 November 2022	27 September 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Information not provided	Information not provided	Information not provided	Information not provided
Summary of the resolution	Approve Long-Term Option Plan	Accept Financial Statements and Statutory Reports	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Report on Absolute Plastic Packaging Use Reduction
How the manager voted	Against the resolution (against management)	Abstained (management recommended voting for)	For the resolution (against management)	For the resolution (with management)
If the vote was against management, did the	Information not provided	Information not provided	Information not provided	Not applicable – voted with management

	Vote 1	Vote 2	Vote 3	Vote 4
manager communicate their intent to the company ahead of the vote?				
Rationale for the voting decision	<p>Abrdn were concerned that this long-term incentive scheme was a significant one-off award which would allow full vesting on change of control. Abrdn's voting policy does not support one-off award so they voted against this resolution.</p>	<p>Abrdn are supportive of the work that the company has undertaken in both issuing the Broderick Report, facilitating engagement with its executive team & Chair, and the action plan put in place to address the areas in the report. However, in light of the severity and nature of the report's findings, Abrdn believe that it would not be reflective of their clients' interests to support the financial statements and statutory reports. On this basis they abstained on this resolution.</p>	<p>Most of the Company's GHG emissions come from Scope 3 emissions, but it has yet to set a target for reducing Scope 3 emissions. The Company also lags its peers by not participating in the SBTi. While the Company is in the process of developing a decarbonisation strategy for its Scope 3 emissions, there is no guarantee that this strategy would be in line with the Paris Agreement. As such, the proposal will help make sure that the Company's climate transition plan is aligned with the Paris Agreement.</p>	<p>The environmental impacts of plastic are a growing societal concern, with regulators taking action in multiple jurisdictions. While the company's targets on recycled packaging are strong, information on absolute plastic packaging would help shareholders to better assess potential risks and competitive positioning.</p>
Outcome of the vote	Pass	Pass	Fail	Pass
Implications of the outcome	Information not provided	Information not provided	Information not provided	Information not provided
Criteria on which the vote is considered "significant"	This vote falls under category "SV1"	This vote falls under category "SV1"	This vote falls under category "SV2"	This vote falls under category "SV2"

Legal and General Investment Management (LGIM), Global Equity Market Weights (30:70) Index Fund – GBP 75% Currency Hedged

LGIM provided a list of what they believed to be the most significant votes over the year. We have chosen the below examples to demonstrate the range of issues on which the manager voted during the year.

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	BP Plc	Glencore Plc	NVIDIA Corporation	Exxon Mobil Corporation
Date of vote	12 May 2022	28 April 2022	2 June 2022	25 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.94%	0.79%	0.51%	0.40%
Summary of the resolution	Approve Net Zero - From Ambition to Action Report	Approve Climate Progress Report	Elect Director Harvey C. Jones	Set GHG Emissions Reduction targets Consistent With Paris Agreement Goal
How the manager voted	LGIM voted for the resolution (with management).	LGIM against the resolution.	LGIM against the resolution.	LGIM voted for the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports 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 engagement is not limited to shareholder meeting topics.			
Rationale for the voting decision	While LGIM note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is their view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, LGIM	A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While LGIM note the progress the company has made in strengthening its medium-term emissions reduction targets to 50% by 2035, they remain concerned over the company's activities around thermal coal and lobbying, which they deem inconsistent with the required ambition to stay within the 1.5°C trajectory.	A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. LGIM are targeting the largest companies as they believe that these should demonstrate leadership on this critical issue. A vote against is also applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence,	A vote in favour is applied in the absence of reductions targets for emissions associated with the company's sold products and insufficiently ambitious interim operational targets. LGIM expects companies to introduce credible transition plans, 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 GHG emissions and short-, medium- and long-term

	Vote 1	Vote 2	Vote 3	Vote 4
	remain committed to continuing their constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.		relevant skills, experience, tenure, and background.	GHG emissions reduction targets consistent with the 1.5 C goal.
Outcome of the vote	88.5% of shareholders supported the resolution.	76.3% of shareholders supported the resolution.	83.3% of shareholders supported the resolution.	27.1% of shareholders supported the resolution.
Implications of the outcome	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 continues to engage with companies on remuneration both directly and via IVIS, the corporate governance research arm of The Investment Association. LGIM annually publishes remuneration guidelines for UK listed companies.	LGIM will continue to engage on this important ESG issue.
Criteria on which the vote is considered "significant"	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.

Fund level engagement

Data Limitations

Information relating to fund level engagement policies was requested from LGIM and Abrdn. The data was provided at a firm level, rather than at fund level.

Manager	LGIM	Abrdn
Fund name	Applicable for all of the Plan's LGIM funds	Aberdeen Standard Diversified Growth 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 at a firm level in the year	1,308	2,484
Examples of engagements undertaken with holdings in the fund	<p>The top engagement topics over 2022 were:</p> <ul style="list-style-type: none"> • Climate change • Remuneration • Board composition • Strategy • Energy <p>An example is LGIM's engagement regarding the actions of Capricorn's board in seeking to merge with other energy companies. This raised some concerns about the company's governance and decision-making process, given the potential negative impact such decisions would have on Capricorn's shareholders.</p> <p>LGIM's Investment Stewardship and Climate Solutions teams spoke directly with Capricorn's management team and directors to voice their concerns about the proposed transaction, as it didn't seem to advance the energy transition strategy for Capricorn's shareholders, in light of the increased exposure to oil prices and geographical risks. In further conversations with Capricorn, LGIM asked detailed questions about the process they had gone through in terms of deciding on this merger and whether other alternatives were considered.</p>	<p>Frequent engagement topics over 2022 were:</p> <ul style="list-style-type: none"> • Climate • Environment • Labour management • Human rights & stakeholders • Corporate behaviour • Corporate governance <p>An example at the firm level is Abrdn's engagement with Jet2. Abrdn believe that growth in Jet2's market capitalisation and business operations over the last 5 years has significantly increased the importance of developing robust governance structures within the company. In May of 2022, Abrdn met with the Chair to express their concerns regarding the governance structures of the company. During the meeting, Abrdn presented a series of ESG-related action points to Jet2 that focused on the governance and social pillars, in order to improve outcomes for all stakeholders.</p> <p>During their meeting, the Chair made several commitments in response to Abrdn's requests. The Chair agreed to recruit a new Independent Non-Executive Director to join the audit committee, with the intention of enhancing board diversity through this appointment. Additionally, the Chair committed to enlarging the audit committee to three members. By having an existing non-executive director (who is not independent) step down from the audit committee, the committee would then be fully independent. The</p>

Manager

LGIM

Abrdn

Chair also agreed to discuss the possibility of appointing a Senior Independent Director.