

## 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 2023.

#### 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 take 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 2023, 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")
<b>Fund name</b>	Global Equity Market Weights (30:70) Index Fund – GBP 75% Currency Hedged	Diversified Growth Fund
<b>Structure</b>	Pooled	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.	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
<b>Number of company meetings the manager was eligible to vote at over the year</b>	7,128	631
<b>Number of resolutions the manager was eligible to vote on over the year</b>	72,933	8,858
<b>Percentage of resolutions the manager voted on</b>	99.9%	97.1%
<b>Percentage of resolutions the manager abstained from</b>	0.5%	0.5%
<b>Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on</b>	81.0%	86.7%
<b>Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on</b>	18.5%	12.8%
<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor</b>	10.6%	9.5%
<b>Proxy voting advisor</b>	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 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 / themes.

At this time, the Trustees have not set stewardship priorities or themes for the Plan. Therefore, 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.

Abrdn and Legal & General have provided a selection of votes which they believe to be significant. The Trustees have selected 3 votes from each manager to represent what it considers the most significant votes cast on behalf of the Plan - a range of significant votes for each fund have been chosen as the most significant, as shown below.

### Abrdn, Diversified Growth Fund

Abrdn consider all votes as significant. However, in line with the Pension and Lifetime Savings association ("PLSA") 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
<b>Company name</b>	National Australia	Microsoft Corporation	GSK
<b>Date of vote</b>	15 December 2023	7 December 2023	3 May 2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	Information not provided	Information not provided	Information not provided
<b>Summary of the resolution</b>	Report on Climate Change: Approve transition plan assessments	Report on gender-based compensation and benefits inequities	Advisory Vote to Ratify Named Executive Officers' Compensation
<b>How the manager voted</b>	Against	Against	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	Abrdn do not track the specific votes where they communicated their intent prior to voting - To enhance their analysis they will often engage with companies held in their active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. Abrdn endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, they may not always be able to communicate intentions and rationale ahead of a vote. They may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.		
<b>Rationale for the voting decision</b>	A vote against the resolution is appropriate as the company has already committed to and publicly disclosed its climate transition plan. This includes but is not limited to joining the Net-Zero Banking Alliance, committing to achieving net zero by 2050 and setting interim targets for its lending portfolio with the most significant carbon exposure.	Abrdn welcome Microsoft's transparency on diversity and inclusion. Its Global Diversity & Inclusion Report discloses median unadjusted pay analysis, and the company provides detailed information on the benefits available to staff. Given the level of disclosure the company already has in place, support for this proposal was not warranted at this time.	The long-term incentive scheme used by the company allows high levels of vesting for the achievement of threshold performance.
<b>Outcome of the vote</b>	Withdrawn	Fail	Pass
<b>Implications of the outcome</b>	Implications of the vote: Due to the concentration of votes that Abrdn conduct they do not track specific next steps/implications for each vote. They will assess each company and the voting outcomes on a case by case basis. Where necessary they may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. Abrdn will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If they have serious concerns around a company's approach to certain issues they can and may deploy a number of other escalation strategies.		
<b>Criteria on which the vote is considered "significant"</b>	SV2	SV2	SV1

## 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 most significant votes based on a range of themes on which the manager voted during the year.

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Shell Plc	Alphabet Inc
<b>Date of vote</b>	07 December 2023	23 May 2023	02 June 2023
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	2.9%	2.1%	0.9%
<b>Summary of the resolution</b>	Elect director Satya Nadella	Approve the Shell energy transition progress	Approve Recapitalisation Plan for all Stock to Have One-vote per Share
<b>How the manager voted</b>	Against	Against (against management recommendation)	For (against management recommendation)
<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 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.		
<b>Rationale for the voting decision</b>	A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remain 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 key areas to demonstrate alignment with the 1.5C trajectory.	A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.

	Vote 1	Vote 2	Vote 3
<b>Outcome of the vote</b>	The vote passed with 94% in favour	The vote passed with 80% in favour	The vote failed to pass with 31% against
<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 continues to undertake extensive engagement with Shell on its climate transition plans.	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.
<b>Criteria on which the vote is considered "significant"</b>	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.	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 of such votes, LGIM deem such votes to be significant, particularly when they vote against the transition plan.	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

## 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
<b>Fund name</b>	Applicable for all of the Plan's LGIM funds	Aberdeen Standard Diversified Growth Fund
<b>Does the manager perform engagement on behalf of the holdings of the fund</b>	Yes	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes	Yes
<b>Number of engagements undertaken at a firm level in the year</b>	2,486	2,008

<b>Examples of engagements undertaken with holdings in the fund</b>	<p>The top engagement topics over 2023 were:</p> <ul style="list-style-type: none"> <li>• Climate impact pledge</li> <li>• Climate change</li> <li>• Remuneration</li> <li>• Ethnic Diversity</li> <li>• Strategy</li> </ul>	<p>The top engagement topics over 2023 were:</p> <ul style="list-style-type: none"> <li>• Climate</li> <li>• Environment</li> <li>• Labour Management</li> <li>• Human Rights &amp; Stakeholders</li> <li>• Corporate Governance</li> </ul>
	<p>An example over the year was LGIM's engagement with Heidelberg Cement. They recognised that the cement industry needs to decarbonise significantly if the world is to reach net zero as it is currently responsible for around 8% of Global carbon emissions. Over Q3 2023 LGIM participated in discussions with Heidelberg's management team to discuss the viability of the company's planned carbon capture and storage (CCS) projects. They discussed the economics and external factors affecting CCS, as well as the demand expectations for 'carbon free cement'. LGIM noted that for Heidelberg, the economics of carbon capture and storage will only become economically viable if there is an increase in the carbon price or if customers are willing to pay a premium for carbon-free cement.</p>	<p>An example at the firm level is Abrdn's engagement to support real-world decarbonisation. Over the year they have identified and engaged with their top 20 highest net financed emitters across their equity and credit holdings. Abrdn looked to seek transparency on progress against clear transition milestones assessed against their proprietary credibility framework which assesses companies on qualitative and quantitative measures such as Climate Action 100+ net zero benchmark.</p>