

**Institute of Materials Pension and Life Assurance Scheme
Implementation Statement
Year Ending 31 December 2023**

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Institute of Materials Pension and Life Assurance Scheme
Scheme Year	1 January 2023 to 31 December 2023
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustees have followed their policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

Assets in the Implementation Statement at the year end don't reflect the strategic asset split in the SIP agreed in June 2023. This is because the Baillie Gifford Multi Asset Growth Fund was sold in November 2023. However, this does not impact the analysis undertaken within the Implementation Statement which is based on the managers who held equity on behalf of the Scheme at the year end.

In preparing this statement, the Trustees, in conjunction with their investment advisor, have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

Relevant Investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

- LGIM World Equity Index Fund
- Partners Group Generations Fund *
- Prudential Cash Accumulation *

* Both the Partners Group Generations Fund and the Prudential Cash Accumulation Fund hold listed equities. However, they represent relatively small allocations in respect of the Scheme's total assets, and both have therefore been excluded from analysis on the grounds of immateriality.

The Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustees wish to encourage best practice in terms of stewardship.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment manager's own policies on such matters.
- When selecting a pooled fund, the Trustees consider, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UNPRI.

- If it is identified that a fund’s investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees’ concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustees’ opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees’ belief regarding the importance of good stewardship.
- The Scheme’s invested assets remained invested in pooled funds over the period.
- During the Scheme Year, the Trustees selected the LGIM 5 to 15 Year Index Linked Gilt Index Fund, LGIM Over 15 Year Index Linked Gilts Index Fund and LGIM Over 15 Year Gilts Index Fund. These funds do not include an allocation to equities so the manager’s voting policy was not a relevant consideration for the Trustees as part of the selection exercise.
- During the Scheme Year, the Trustees considered the voting records of the investment manager over the period ending 31 December 2022.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment manager based on the period ending 31 December 2023 has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment managers used by the Scheme are UNPRI signatories.

The Investment Manager’s Voting Records

A summary of the investment manager’s voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
LGIM	130,000	76%	24%	0%

Notes

These voting statistics are based on each manager’s full voting record over the 12 months to 31 December 2023 rather than votes related solely to the funds held by the Scheme.

Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
LGIM	ISS and IVIS	ISS and IVIS provide research and ISS administer votes. However, all voting is determined by guidelines set by LGIM.

The Investment Manager's Voting Behaviour

With the assistance of the investment advisor, the Trustees have reviewed the voting behaviour of LGIM by considering the following:

- broad statistics of their voting records such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes they cast in the year to 31 December 2023 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager's policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees, with assistance from the investment advisor, have also compared the voting behaviour of LGIM with their peers over the same period.

Further details of the approach adopted by the Trustees for assessing voting behaviour are provided in the Appendix.

The Trustees' key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustees' Investment Adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the LGIM are listed in the Appendix. In addition, the Trustees considered LGIM's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of Voting Behaviour

LGIM

LGIM's willingness to vote against directors is consistent with the broad range of policies covered within its corporate governance documentation; each policy provides criteria which can justify a vote against directors.

LGIM has supported shareholder proposals designed to tackle ESG issues and has held directors to account regarding their energy transition proposals (proposals setting out how greenhouse gas emissions will be reduced).

LGIM have also invested in Tumelo; a technology provider aiming to allow investors in pooled funds the ability to cast their own votes at shareholder meetings. The Trustees' Investment Adviser is currently exploring how this technology might enhance LGIM's stewardship offering and benefit the Scheme.

The Trustees have no concerns regarding LGIM's voting record.

Conclusion

Based on the analysis undertaken, the Trustees have no material concerns regarding the voting records of LGIM.

The Trustees will keep the voting actions of the investment manager under review.

Significant Votes

The table below records how the LGIM voted in the most significant votes identified by the Trustees.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM
Audit & Reporting					
SCOTTISH AMERICAN INVESTMENT COMPANY PLC	06/04/2023	Re-appoint Ernst & Young LLP as Independent Auditor of the Company	49	50	For
NETAPP INC	13/09/2023	Appoint the Auditors	40	60	Against
TOPPS TILES PLC	18/01/2023	Appoint Mazars as the Auditors	63	37	For
VEOLIA ENVIRONNEMENT SA	27/04/2023	Appoint the Auditors	72	28	Against
INVESCO PERPETUAL UK SMALLER COMPANIES	08/06/2023	Re-appoint the auditor, Ernst & Young LLP	76	24	For
Shareholder Capital & Rights					
HAMMERSON PLC	04/05/2023	Issue Shares with Pre-emption Rights	55	45	For
CITY OF LONDON INVESTMENT GROUP	23/10/2023	Issue Shares for Cash	55	44	For
PLAYTECH PLC	24/05/2023	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	44	56	For
BLUEFIELD SOLAR INCOME FUND LIMITED	28/11/2023	Issue Shares with Pre-emption Rights	42	58	Against
TOPPS TILES PLC	18/01/2023	Issue Shares with Pre-emption Rights	63	37	For
Pay & Remuneration					
WARNER BROS DISCOVERY INC	08/05/2023	Advisory Vote on Executive Compensation	51	49	Against
WELLTOWER INC	23/05/2023	Advisory Vote on Executive Compensation	52	48	Against
BIOGEN INC.	26/06/2023	Advisory Vote on Executive Compensation	52	48	Against
PEARSON PLC	28/04/2023	Approve Remuneration Policy	54	46	Against
VISTRY GROUP PLC	18/05/2023	Approve the Remuneration Report	51	46	Against
Constitution of Company, Board & Advisers					
DOMINO'S PIZZA GROUP PLC	04/05/2023	Elect Edward Jamieson - Executive Director	50	50	For
SAMPO OYJ	17/05/2023	Amend Articles: Virtual Meetings	52	48	Against
SIMON PROPERTY GROUP INC.	04/05/2023	Elect Reuben S. Leibowitz - Non-Executive Director	53	46	Against
CME GROUP INC.	04/05/2023	Elect Charles P. Carey - Non-Executive Director	55	45	Against
FLEETCOR TECHNOLOGIES INC	09/06/2023	Elect Thomas M. Hagerty	55	45	Against
Merger, Acquisition, Sales & Finance					
FORESIGHT GROUP HOLDINGS LIMITED	10/08/2023	Approve the Waiver of Rule 9	52	48	Against
EUROPEAN OPPORTUNITIES TRUST PLC	15/11/2023	Approve the Continuation of the Company	59	36	For
CALEDONIA INVESTMENTS PLC	19/07/2023	Waiver of mandatory offer provisions set out in Rule 9 of the Takeover Code	64	35	Against
VINACAPITAL VIETNAM OPPORTUNITY FUND LTD	06/12/2023	Approve the Continuation of the Company	29	71	Against
BOUYGUES SA	27/04/2023	Approve Issuance of Debt Securities Giving Access to New Shares of Subsidiaries	73	27	Against
Climate Related Resolutions					
GLENCORE PLC	26/05/2023	Approve the Company's 2022 Climate Report.	68	30	Against
Shell plc	23/05/2023	Approve Shell's Energy Transition	77	19	Against
UBS GROUP AG	05/04/2023	Say on Climate	81	15	For
TOTALENERGIES SE	26/05/2023	Say on Climate	86	11	Against
PENNON GROUP PLC	20/07/2023	Approve the Climate-related financial disclosures	88	10	For
Other Company Resolutions					
CITY OF LONDON INVESTMENT GROUP	23/10/2023	Notice of General Meetings	61	39	For
TOPPS TILES PLC	18/01/2023	Meeting Notification-related Proposal	63	37	For
BOUYGUES SA	27/04/2023	Approve the Board to Issue Equity Warrants Free of Charge During the Period of a	74	26	Against
STV GROUP PLC	27/04/2023	Approve Political Donations	70	25	For
QUILTER PLC	18/05/2023	Approve Political Donations	75	25	For
Governance & Other Shareholder Resolutions					
WELLS FARGO & COMPANY	25/04/2023	Shareholder Resolution: Simple Majority Voting	50	49	For
SYNOPSIS INC	12/04/2023	Shareholder Resolution: Right to Call Special Meetings	50	50	For
MCDONALD'S CORPORATION	25/05/2023	Shareholder Resolution: Annual Report on Lobbying Activities	50	49	For
APPLIED MATERIALS INC	09/03/2023	Shareholder Resolution: Right to Call Special Meetings	50	50	For
THE MOSAIC COMPANY	25/05/2023	Shareholder Resolution: Right to Call Special Meetings	50	49	For
Environmental & Socially Focused Shareholder Resolutions					
STARBUCKS CORPORATION	23/03/2023	Shareholder Resolution: Assessment of Worker Rights	51	47	For
THE KROGER CO.	22/06/2023	Shareholder Resolution: Racial and Gender Pay Gaps	52	48	For
WELLS FARGO & COMPANY	25/04/2023	Shareholder Resolution: Annual Report on Prevention of	52	43	For
QUEST DIAGNOSTICS INCORPORATED	17/05/2023	Shareholder Resolution: Greenhouse Gas Reduction and Transition Plan	48	52	For
THE BOEING COMPANY	18/04/2023	Shareholder Resolution: Pay Equity Disclosure	47	52	For

Note

Where the voting record has not been provided at the fund level, we rely on periodic information provided by investment managers to identify the stocks held. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within the Scheme's pooled funds at the date of the vote.

Methodology for Determining Significant Votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustees believe that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustees' behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis was to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the total number of Significant Votes is large. This is helpful for assessing an investment manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustees have not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder resolutions; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustees are satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about an investment manager's voting behaviour. The Trustees' have concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

Investment Manager Voting Policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links:

[LGIM](https://vds.issgovernance.com/vds/#/MjU2NQ==/) – <https://vds.issgovernance.com/vds/#/MjU2NQ==/>