

## Westminster School Retirement Benefit Scheme Implementation Statement Year Ending 31st July 2024

### Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Westminster School Retirement Benefit Scheme
Scheme Year	1st August 2023 to 31st July 2024
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 manager and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustees 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 Future World Global Equity Index Fund
- LGIM Future World Global Equity Index Fund - GBP Hedged

## 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. 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.
- 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 an investment Manager's own policies on such matters.
- When selecting a 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 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 UN Principles for Responsible Investment (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 introduced an allocation to Insight Partially Funded Gilt and Index-Linked Gilt Funds, Insight Fully Funded Index-Linked Gilt Funds, the Allianz Global Multi-Sector Credit Fund and the M&G Total Return Credit Investment Fund. The Trustees considered the ESG characteristics of the funds before selecting them but, because the funds do not include an allocation to equities consideration of the exercise of voting rights was not relevant.
- In addition, during the Scheme Year, the Trustees introduced an allocation to the LGIM Future World Global Equity Index Fund and LGIM Future World Global Equity Index Fund - GBP hedged. The Trustees considered the ESG characteristics of the funds before selecting them and this included consideration of the investment manager's approach towards the exercise of voting rights.
- During the Scheme Year, the Trustees considered the voting records of the investment Manager over the period ending 30 June 2023.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment Manager based on the period ending 30 June 2024\* 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 Manager used by the Scheme are signatories to the UNPRI.

*\*Note the voting analysis was over the year ending 30 June 2024 because this was the most recent data available at the time of preparing this statement. The Trustees are satisfied that the analysis provides a fair representation of the investment Manager voting approach over the Scheme Year.*

## The Investment Manager's Voting record

A summary of the investment Manager's voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
<b>LGIM</b>	120,000	76%	24%	1%

### Notes

Numbers may not sum due to rounding.

These voting statistics are based on the manager's full voting record over the 12 months to 30 June 2024 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?
<b>LGIM</b>	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 capital Voting Behaviour

The Trustees have reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of its voting record 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 it cast in the year to 30 June 2024 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment Manager with its 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 Scheme’s investment manager are listed in the Appendix. In addition, the Trustees considered the investment manager’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

The Trustees note that LGIM’s voting record continues to compare very favourably with its peers. As in previous years, analysis of LGIM’s voting record identifies clear evidence that the manager is willing to vote against company directors on a broad range of issues.

LGIM opposed several climate-related proposals based on an assessment that proposals put forward by a company’s management did not go far enough.

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

**Conclusion**

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

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

Signed by J Woods

Signed: ..... Date: 04/02/2025

For and on behalf of the Trustees of the Westminster School Retirement Benefit Scheme

## Significant Votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustees.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM
<b>Audit &amp; Reporting</b>					
NETAPP INC	13/09/2023	Appoint the Auditors	40	60	Against
PETS AT HOME GROUP PLC	06/07/2023	Re-appoint KPMG LLP as auditor of the Company.	78	22	Against
AKER BP ASA	30/04/2024	Allow the Board to Determine the Auditor's Remuneration	79	21	Against
OCADO GROUP PLC	29/04/2024	Allow the Board to Determine the Auditor's Remuneration	81	19	For
REAL ESTATE CREDIT INVESTMENTS LTD	15/09/2023	Allow the Board to Determine the Auditor's Remuneration	81	19	For
<b>Shareholder Capital &amp; Rights</b>					
CITY OF LONDON INVESTMENT GROUP	23/10/2023	Issue Shares for Cash	55	44	For
BLUEFIELD SOLAR INCOME FUND LIMITED	28/11/2023	Issue Shares with Pre-emption Rights	42	58	Against
TOPPS TILES PLC	18/01/2024	Issue Shares with Pre-emption Rights	63	37	For
PETRA DIAMONDS LTD	14/11/2023	Issue Shares with Pre-emption Rights	63	37	For
METRO BANK PLC	21/05/2024	Issue Shares for Cash	32	67	For
<b>Pay &amp; Remuneration</b>					
AXON ENTERPRISE INC	10/05/2024	Advisory Vote on Executive Compensation	50	49	Against
ALCON AG	08/05/2024	Approve the Remuneration Report	49	49	Against
WARNER BROS DISCOVERY INC	03/06/2024	Advisory Vote on Executive Compensation	53	46	Against
PAYCOM SOFTWARE INC.	29/04/2024	Advisory Vote on Executive Compensation	54	46	Against
3M COMPANY	14/05/2024	Advisory Vote on Executive Compensation	45	54	Against
<b>Constitution of Company, Board &amp; Advisers</b>					
DARKTRACE PLC	07/12/2023	Elect Patrick Jacob - Non-Executive Director	43	56	Against
BUILDERS FIRSTSOURCE	04/06/2024	Elect Cleveland A. Christophe - Non-Executive Director	56	44	Against
UBER TECHNOLOGIES INC	06/05/2024	Elect David I. Trujillo - Non-Executive Director	56	44	Against
ALEXANDRIA R E EQUITIES INC	14/05/2024	Elect James P. Cain - Non-Executive Director	57	43	Against
CUSTODIAN REIT PLC	08/08/2023	Re-elect Ian Thomas Mattioli - Non-Executive Director	58	42	Against
<b>Merger, Acquisition, Sales &amp; Finance</b>					
FORESIGHT GROUP HOLDINGS LIMITED	10/08/2023	Approve the Waiver of Rule 9	52	48	Against
HIKMA PHARMACEUTICALS PLC	25/04/2024	Approval of Buyback Waiver	56	43	Against
HOCHSCHILD MINING PLC	13/06/2024	Approve of the Rule 9 Waiver	63	37	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
<b>Climate Related Resolutions</b>					
Shell plc	21/05/2024	Say on Climate	73	21	Against
REPSOL SA	09/05/2024	Advisory Vote on the Company's Energy Transition Strategy	70	21	Against
PENNON GROUP PLC	20/07/2023	Approve the Climate-related financial disclosures	88	10	For
GLENORE PLC	29/05/2024	Approve the Company's 2024-2026 Climate Action Transition Plan dated 20 March 2024.	83	9	Against
FERROVIAL S.A.	11/04/2024	Say on Climate	90	7	Against
<b>Other Company Resolutions</b>					
CITY OF LONDON INVESTMENT GROUP	23/10/2023	Notice of General Meetings	61	39	For
QUILTER PLC	23/05/2024	Approve Political Donations	73	27	For
BOUYGUES SA	25/04/2024	Approve the Board to Issue Equity Warrants Free of Charge During the Period of a Public Offer for the Company's Shares	73	27	Against
INVESTECH PLC	03/08/2023	Investec plc: Approve Political Donations	76	23	For
ENERGEAN PLC	23/05/2024	Meeting Notification-related Proposal	78	22	For
<b>Governance &amp; Other Shareholder Resolutions</b>					
PROLOGIS INC	09/05/2024	Simple Majority Voting	50	50	For
ABBVIE INC	03/05/2024	Simple Majority Voting	49	51	For
HUMANA INC.	18/04/2024	Introduce Majority Voting for Director Elections	51	49	For
CORPAY, INC	06/06/2024	Introduce an Independent Chair Rule	49	51	For
DEXCOM INC	22/05/2024	Transparency in Lobbying	51	48	For
<b>Environmental &amp; Socially Focussed Shareholder Resolutions</b>					
AMERICAN TOWER CORPORATION	22/05/2024	Disclosure of Racial and Gender Pay Gaps	49	51	For
NETFLIX INC	06/06/2024	Report on Netflix's Use of Artificial Intelligence	43	56	For
QUEST DIAGNOSTICS INCORPORATED	16/05/2024	Climate Change Targets	42	57	For
THE BOEING COMPANY	17/05/2024	Report on Diversity, including pay	38	60	For
APPLE INC	28/02/2024	Report on Use of AI	36	61	For

**Note**

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund 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 a fund 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 proposals; 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==/>