

# Implementation Statement (“IS”)

## Jenner Fenton Slade 1980 Scheme (the “Scheme”) Scheme Year End – 31 March 2024

The purpose of the Implementation Statement is for us, the Trustees of the Jenner Fenton Slade 1980 Scheme, to explain what we have done during the year ending 31 March 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

### Our conclusion

**Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.**

We delegate the management of the Scheme’s assets to our fiduciary manager, Aon Investments Limited (“Aon”). We believe the activities completed by our fiduciary manager to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

We have also reviewed the stewardship activities of the material underlying investment managers appointed by Aon. In our view, most of the Scheme’s material investment managers were able to disclose adequate evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

We will dedicate part of the investment section within a Trustee meeting to a discussion with our fiduciary manager to gain an understanding of the Environmental Social Governance (“ESG”) reporting available to us. We also expect our fiduciary manager to engage with Legal and General to help provide the Trustee with more detailed engagement examples, specific to the Fund the Scheme invests in.

## Changes to the SIP during the year

We reviewed the SIP during the year and updated it in November 2023

The changes made included:

- The increase in the Scheme's investment objective to target the Liability benchmark +1.2% p.a over three year rolling period.
- New wording relating to the stewardship of the Scheme's assets, ensuring compliance with the guidance released by the DWP and TPR.

The Plan's latest SIP can be found [here](#).

## How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

<b>Investment Strategy</b> <ul style="list-style-type: none"> <li>Investment decisions and types of investments to be held</li> <li>Financially material considerations</li> <li>Arrangements with asset managers</li> </ul>	<p>We set the strategic investment objectives and have delegated implementation to Aon.</p> <p>We have received quarterly monitoring of assets and performance reports to ensure the scheme is being managed in a way that is in line with the strategic objectives.</p> <p>In Q4 2023, the Trustees agreed to target a new investment return objective of the Scheme's liability benchmark + 1.2%, an increase from previous target of the liability benchmark +0.6%, in order to achieve full funding within the desired timeframe.</p> <p>To achieve the new return objective, multi-factor equities, core diversifiers and sustainable multi-asset credit were added in the Scheme portfolio. The new portfolio was implemented in October 2023.</p>
<b>Stewardship</b> <ul style="list-style-type: none"> <li>Environmental, social, and governance factors</li> <li>Non-financial considerations</li> </ul>	<p>We received and reviewed annual reports on stewardship activity carried out by Aon, with these reports including detailed voting and engagement information from underlying managers.</p> <p>We delegate various responsibilities to Aon, including the assessment of integration of ESG factors in the investment process of underlying managers. We also expect Aon to influence and engage with underlying managers to ensure the Scheme's assets accordingly.</p>
<b>Cost Monitoring</b> <ul style="list-style-type: none"> <li>Costs incurred from asset managers and overall costs incurred</li> </ul>	<p>We received and reviewed annual cost transparency reports from Aon which included:</p> <ul style="list-style-type: none"> <li>Total investment costs incurred by the Scheme</li> <li>Fees paid to the underlying managers.</li> <li>Portfolio turnover costs</li> <li>Charges incurred through the use of pooled funds</li> <li>The impact of costs on investment return</li> </ul>
<b>Evaluation of performance and remuneration</b> <ul style="list-style-type: none"> <li>Assessment of the performance of the fiduciary manager</li> <li>Remuneration paid to the fiduciary manager and fees incurred from third parties</li> </ul>	<p>We assess the performance of our fiduciary manager against scheme's liability benchmark and investment objective.</p> <p>We receive annual cost transparency reports which detail the remuneration paid to the fiduciary manager and fees incurred by third parties appointed by the fiduciary manager.</p>
<b>Risk Management</b> <ul style="list-style-type: none"> <li>The Trustees recognise risk from a number of perspectives in relation to the Scheme.</li> </ul>	<p>Aon is responsible for managing the level of investment risk to a level commensurate with our return objective. The assets held are appropriately diversified which mitigates a range of investment related risks.</p> <p>Liquidity risk specifically has been managed through Aon closely monitoring the level of cashflows required by the Scheme over specified periods. Furthermore, Aon have performed an enhanced liquidity stress test to ensure the portfolio has sufficient liquidity to maintain its liability hedging, investment objective and other known commitments of the Scheme under stressed scenarios.</p> <p>In relation to Sponsor risk, we receive and review regular updates on employer covenant from the senior staff of the employer.</p>
<b>Compliance with Best Practice</b>	<p>Over the scheme year, we met with our investment adviser on a regular basis and monitored developments both in relation to the Scheme's circumstances and in relation to evolving guidance.</p>

## Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following steps over the next 12 months:

1. While Legal & General Investment Management (LGIM) did provide a comprehensive list on fund level engagements, which we find encouraging, it did not provide detailed engagement examples specific to the fund in which we are invested, as per the Investment Consultants Sustainability Working Group ("ICSWG") best practice industry standard. Our fiduciary manager will continue to engage with LGIM to encourage improvements in its engagement reporting.
2. We will invite our fiduciary manager to a meeting to get a better understanding of the ESG reporting available to us.
3. We will undertake more regular meetings with our fiduciary manager if required, to ensure our fiduciary manager is using its resources to effectively influence positive outcomes in our relevant funds.

## Stewardship and the exercise of our voting rights

We delegate the management of the Scheme's DB assets, including stewardship activities, to our fiduciary manager, Aon. Aon managed the Scheme's assets by investing in a range of pooled funds including (but not limited to) equity, credit, multi-asset, multi-manager and liability matching funds.

Aon selects the underlying investment managers on our behalf, and further delegates the responsibility for the selection, retention and realisation of investments to the appointed underlying investment managers in whose funds we invest. In practice, this means that Aon also delegates stewardship of underlying investments to the appointed investment managers.

### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

*Source: UN PRI*

## Our fiduciary manager's engagement activity

As above, we delegate the management of the Scheme's DB assets to our fiduciary manager, Aon.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. We have reviewed Aon's latest annual Stewardship Report and we believe it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

Over the reporting year, Aon continued progress towards the commitment to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code.

### What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

## Our underlying managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

### Voting statistics

The table below shows the voting statistics for the Scheme's material fund with voting rights for the year to 31 March 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM - Multi-Factor Equity Fund	12,190	99.8%	21.1%	0.2%

*Source: LGIM. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote. Please note that the Scheme was invested in the fund from October 2023 onwards.*

### Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's manager uses proxy voting advisers.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
Legal & General Investment Management (LGIM)	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

*Source: LGIM*

### Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment manager to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

*Source: UN PRI*

### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

## Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
LGIM - Multi-Factor Equity Fund	296	2,500	Environment - Climate Impact Pledge; Climate Change Social - Gender Diversity Governance - Remuneration; Board Composition
PIMCO - Climate Bond Fund	186	1,355	Environment - Climate Change Governance – Board, Management & Ownership Strategy, Financial & Reporting - Capital Allocation; Financial Performance Other - ESG Bonds and Others
Robeco SDG Credit Income Fund	17	319	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Board effectiveness - Other Other - SDG Engagement
Robeco – Global Credits - Short Maturity	28		Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Board effectiveness - Other Other - SDG Engagement
Aegon Asset Management ("Aegon") – European ABS Fund	127	528	Environment - Climate Change Governance - Board effectiveness - Diversity; Leadership - Chair/CEO; Remuneration Other - General Disclosure
M&G - Sustainable Total Return Credit Investment Fund	13	297	Environment - Net Zero/Decarbonisation; Nature and Biodiversity Social - Diversity and Inclusion; Inequality Governance - Board Composition

Source: Managers.

## Data limitations

At the time of writing, the LGIM did not provide all the information we requested. Whilst LGIM provided a comprehensive list of fund-level engagements, which we find encouraging, it did not provide detailed engagement examples specific to the fund in which we are invested.

This report does not include commentary on certain asset classes such as liability driven investments, gilts and cash because of the limited materiality of stewardship to these asset classes.

## Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's manager. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

<b>LGIM - Multi-Factor Equity Fund</b>	<b>Company name</b>	Public Storage
	<b>Date of vote</b>	02 May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.3
	<b>Summary of the resolution</b>	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal
	<b>How you voted?</b>	Votes supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
	<b>Rationale for the voting decision</b>	Shareholder Resolution - Climate change: A vote in favour 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. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.
	<b>On which criteria have you assessed this vote to be most significant?</b>	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Source: LGIM