

Notes to the Financial Statements (Cont)

Implementation Statement for the Year to 31 March 2022

Purpose

This Implementation Statement has been prepared by Open Trustees and sets out:

- How Open Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of Open Trustees, or that undertaken on their behalf, over the year.

How voting and engagement policies have been followed

During the year, the Scheme's investments (excluding insurance policies) were held in a pooled arrangement with LGIM. In particular, these investments comprised of gilts (through pooled funds structured as life insurance policies), an allocation to LGIM's Sterling Liquidity Fund, and physical cash.

Open Trustees' policy during the year to 31 March 2022, as set out within the Scheme's Statement of Investment Principles ("SIP") was to delegate responsibility (where possible) for the exercising of rights attaching to and engagement on behalf of the Scheme's investments to the fund managers (namely LGIM), then monitor their activity and report upon it within the Scheme's Implementation Statement.

The Scheme's investments during the period did not provide voting rights. Open Trustees therefore understand that LGIM did not carry out any voting activities in relation to Scheme's investments during the year.

The Scheme's investments during the year also provided limited scope for engagement activities. However, a summary of LGIM's engagement activities at a firm level is set out below.

Open Trustees undertook an initial review of the stewardship and engagement activities of LGIM as part of the process of agreeing policies for inclusion in the SIP. Open Trustees was satisfied that LGIM's policies were reasonable for the asset classes held and no remedial action was required at that time. In particular, Open Trustees was comfortable that LGIM attempted to maximise value on behalf of the Scheme as a long-term investor.

Having reviewed the above in accordance with the policies contained within the SIP, Open Trustees is comfortable the actions of LGIM are in full alignment with the Scheme's stewardship policies.

For completeness, Open Trustees held a bulk annuity contract with Pension Insurance Corporation ("**PIC**") during the period. This insurance policy is an asset of the Scheme. However, it is not considered relevant to stewardship given that Open Trustees has limited influence over PIC's stewardship activities and, in the event any concerns were identified, it is unlikely to result in Open Trustees surrendering the policy since doing so could incur significant penalties.

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Engagement activities by LGIM

Manager	LGIM
Does the manager perform engagement activities?	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes
Number of engagements undertaken on behalf of the holdings in the Scheme's funds in the year	n/a
Number of engagements undertaken at a firm level in the year	696

LGIM were involved in a plethora of different engagement topics, with the most common including:

- Remuneration;
- Climate change;
- Diversity; and,
- Company disclosures and transparency.

Examples of engagements undertaken by LGIM at a firm level

An example is LGIM's engagement regarding Experian. In 2021 LGIM engaged with Experian on the topic of social and financial inclusion. Following these engagements, Experian has made improvements to its ESG strategy, set new targets, provided greater reporting disclosure around societal and community investment; and increased the allocation of capital aligned to transforming livelihoods.

Another example is LGIM's engagement with Moderna. In 2021 LGIM filed a shareholder proposal at Moderna, asking the company to publicly disclose how its receipt of government financial support for development and manufacture of a COVID-19 vaccine is being considered when making decisions that affect access to products, such as setting prices. At the beginning of 2022 LGIM continued to engage with Moderna on this topic, following some pushback by the company. This led to the company releasing a press statement, which detailed their pricing policy and rationale behind their decisions. LGIM viewed this as a successful outcome and withdrew their shareholder proposal as a result.

Further detail on LGIM's engagements can be found here: [LGIM Active Ownership 2021](#)