

## Implementation Statement

### Simmons & Simmons Staff Pension Fund

This Implementation Statement has been prepared by the Trustee of the Simmons and Simmons Staff Pension Fund ("the Fund") and sets out the Trustee's approach to, and implementation of, the ESG policies as set out in the Fund's Statement of Investment Principles over the year to 28 February 2025.

The voting behaviour is not given over the Fund year-end to 28 February 2025 because investment managers only report on this data quarterly. Similar to last year, information has been provided to the nearest quarter end before the year-end i.e., to 31 December 2024.

#### Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 28 February 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in February 2024 and has been made available online in the policy section here:

[Microsoft Word - 2022 06 Simmons Statement of Investment Principles v2.0](#)

The Trustee decided not to set stewardship priorities for the Fund because the Fund solely invests through pooled investment vehicles where the Fund's asset only represents a small proportion of the capital invested in the funds. The Trustee understands that they are constrained by the policies of the managers. Additionally, only 29% (£16.9m as at 28 February 2025) of the Fund's assets were invested in assets with voting rights attached. Given the Fund's intended time horizon to buy-out and plans to reduce the allocation to these assets over time, the Trustee decided not to set stewardship priorities. However, the Trustee takes the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustee also reviews the stewardship and engagement activities of the investment managers annually.

#### Trustee policies on voting and engagement

The Trustee's Statement of Investment Principles ("SIP") in force as at 28 February 2025 describes the Trustee's policy on the exercise of rights (including voting rights) and engagement activities as follows:

*"The Trustee expects investment managers to be voting and engaging on behalf of the Fund's holdings and the Trustee monitors this activity within the Implementation Statement in the Fund's Annual Report and Accounts. The Trustee does not expect ESG considerations to be disregarded by the investment managers in an effort to achieve any short-term targets."*

#### How voting and engagement/stewardship policies have been followed

Based on the information provided by the Fund's investment managers, the Trustee believe that its policies on voting and engagement have been met in the following ways:

- The Fund invests entirely in pooled funds, and as such the Trustee delegate responsibility for carrying out voting and engagement activities to the Fund's investment managers.

- The Trustee, with input from their investment consultant, annually receive and review (through their Sustainability monitoring report and this Implementation Statement), the voting information and engagement policies of their investment managers to ensure alignment with their own stewardship priorities. The Trustee believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests. This exercise was undertaken in October 2024.
- While the Trustee considers stewardship priorities/themes for the Fund, they rely on the voting policy of their asset managers. The Trustee is comfortable that the asset managers' voting behaviours were broadly aligned with the Fund's stewardship beliefs.
- As part of ongoing monitoring of the Fund's investment managers, the Trustee uses ESG and sustainability rating information available within the pensions industry or provided by its investment consultant, to assess how the Fund's investment managers take account of ESG issues.

Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the investment managers are in alignment with the Fund's stewardship policies.

**Prepared by the Trustee of the Simmons & Simmons Staff Pension Fund  
April 2025**

## Voting Data

This section provides a summary of the voting activity undertaken by the Fund's equity and diversified growth investment managers within the Fund's Growth Portfolio on behalf of the Trustee over the year to 31 December 2024. The funds in the multi-asset credit fund within the Growth Portfolio and the Protection Portfolio have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	LGIM	BNY Mellon - Newton
<b>Fund name</b>	LGIM Future World Global Equity Index Fund – GBP Hedged	Real Return 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 Trustee to influence the manager's voting behaviour.	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.
<b>Number of company meetings the manager was eligible to vote at over the year</b>	5,516	72
<b>Number of resolutions the manager was eligible to vote on over the year</b>	55,469	1,035
<b>% of resolutions the manager voted on</b>	99.8%	99.2%
<b>% of resolutions the manager abstained from</b> <sup>Error! Bookmark not defined.</sup>	0.9%	0.0%
<b>% of resolutions voted with management<sup>1</sup></b>	81.0%	94.4%
<b>% of resolutions voted against management</b> <sup>Error! Bookmark not defined.</sup>	18.2%	5.6%
<b>Proxy voting advisor employed</b>	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 they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.	Newton utilises an independent voting service provider (ISS) for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Its voting recommendations are not routinely followed; it is only in the event that Newton recognise a potential material conflict of interest that the recommendation of their external voting service provider will be applied.
<b>% of resolutions voted against proxy advisor</b>	10.0%	4.9%

<sup>1</sup> As a percentage of the total number of resolutions voted on

Manager

LGIM

BNY Mellon - Newton

**recommendation**<sup>Error!</sup>

Bookmark not defined.

## 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 Trustee 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 Fund’s stewardship priorities / themes. The Trustee has decided to not set stewardship priorities/ themes for the Fund for the reasons given above. So, for this Implementation Statement, the Trustee has asked LGIM and Newton to determine what it believes to be a “significant vote”. The Trustee has not communicated voting preferences to its investment manager over the period, as the Trustee does not have a specific voting policy.

LGIM and Newton have provided a selection of votes which they believe to be significant for each fund. In the absence of agreed stewardship priorities / themes, and in the interest of concise reporting, the Trustee has selected three votes from the LGIM fund and three votes from the Newton fund. These votes cover a range of themes to represent what it considers the most significant votes cast on behalf of the Fund. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

A summary of the significant votes provided is set out below.

### LGIM Future World Global Equity Index Fund – GBP Hedged

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.9%	4.5%	1.8%
<b>Summary of the resolution</b>	Report on AI Data Sourcing Accountability	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Report on Customer Due Diligence
<b>How the manager voted</b>	For	Against	For
<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 on its website with the rationale for all votes against management. It is LGIM’s policy not to engage with investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	LGIM believe a vote for this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to	LGIM believe that a vote against this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and	A vote in favour is applied as LGIM believe that enhanced transparency over material risks to human rights is key to understanding the company’s functions and organisation. While the company has disclosed that they internally review these for some products

	Vote 1	Vote 2	Vote 3
	responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models	ideology in EEO policies does not appear to be a standard industry practice.	and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.
<b>Outcome of the vote</b>	Fail	Fail	n/a
<b>Implications of the outcome</b>	LGIM will continue to engage with their investee companies, publicly advocate our position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	LGIM considers this vote to be significant due to it being a high profile meeting and there being a relatively high level of support received.	LGIM views diversity as a financially material issue for clients, with implications for the assets LGIM manage on their behalf.	This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, LGIM believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain.

## BNY Mellon, Newton Real Return Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	AstraZeneca PLC	Shell Plc	Amazon.com, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	1.0%	1.8%	1.4%
<b>Summary of the resolution</b>	Approve Remuneration Report	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Commission a Third Party Audit on Working Conditions
<b>How the manager voted</b>	For	Against	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	N/a	N/a	N/a
<b>Rationale for the voting decision</b>	<p>Newton decided to support the CEO pay package based on the CEO's proven track record of creating significant value for shareholders and turning around a company once considered beyond recovery. For many years, he has been compensated below global peers in the industry, despite his accomplishments, and has also hinted at possibly leaving previously. At this juncture, where execution is critical, Newton want to avoid any potential disruptions that a change in leadership might bring. Newton's decision to support CEO pay aligns with their broader investment case for AZ, as they believe under Pascal's leadership, the company is well-positioned to continue executing on its strategic initiatives and delivering value to shareholders.</p>	<p>Newton did not support a shareholder proposal for a report on GHG (greenhouse gas) emission-reduction targets aligned with the Paris Agreement as they believed the company has disclosed enough information for shareholders to assess the related risks. Moreover, the company has disclosed a partial Scope 3 target which is considered an appropriate response to the proponent's asks.</p>	<p>Newton voted for the shareholder proposal requesting a third-party audit on working conditions as they consider it to add value for shareholders at this stage.</p>

	Vote 1	Vote 2	Vote 3
<b>Outcome of the vote</b>	Pass	Pass	Pass
<b>Implications of the outcome</b>	The level of support behind this vote signifies shareholder confidence in executive leadership at this juncture. It also brings the company closer to global peers regarding executive pay. Newton will continue to monitor performance to ensure it aligns with their interests as shareholders.	While Newton do find some merits to the proponent's asks and legitimate concerns, aligning Scope 3 targets at Shell to a 1.5 degree scenario would mean a significant loss of customers to competitors. Such a decision is best in the hands of management, and the disclosure of a partial Scope 3 target shows some responsiveness from the company to Newton's concerns, tackling mainly the emissions it directly has control of. Shareholders have signalled a significant buy-in to management's strategy.	Newton considers the issue of working conditions material to the company, and the conclusion of an audit would help the board understand potential shortcomings and respond adequately to shareholder concerns. Moreover, this will support our engagement efforts with the company.
<b>Criteria on which the vote is considered "significant"</b>	Newton deem this vote as significant due to its strategic importance, impact on shareholder value, risk of leadership disruption, industry benchmarking, and strong shareholder support. It aligns with Newton's investment case, emphasizing the need to retain and compensate effective leadership.	As a significant GHG emitter, it is critical for Shell to have a credible transition plan.	The issue of working conditions is a material risk to understand and reign in for the company. It is also an engagement topic.

## Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year to 31 December 2024 for the relevant funds.

Engagement activities are limited for the Fund's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM	BNY Mellon – Newton	M&G Investments
<b>Fund name(s)</b>	LGIM Future World Global Equity Index Fund - GBP Hedged	Real Return Fund	M&G Sustainable Total Return Credit Fund
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	2,027	15	11

Manager	LGIM	BNY Mellon – Newton	M&G Investments
<b>Number of engagements undertaken at a firm level in the year</b>	4,060	41	406

## Examples of engagement activity undertaken over the year to 31 December 2024

### Legal & General Investment Management

LGIM report engagement data at a firm-level, with information and examples on ESG considerations and stewardship activities provided in their quarterly ESG Impact Reports, which are available on their website ([Investment stewardship & governance | LGIM Institutional](#)). An example from the Q4 2024 ESG Impact report is provided below.

**Name of entity engaged: Quantas Airways**

**Type of engagement:** Firm-level

**Topic:** Governance

**Rationale for the engagement:** LGIM’s engagement with Qantas dates back to 2020, since which time the Australian airline has faced a number of controversies over its treatment of both customers and staff during the COVID-19 pandemic (for both of which the company has been ordered, through legal action, to provide redress). These controversies highlighted governance issues that have been a staple ingredient of our engagement with the company (alongside climate change). On governance, the specific issues we addressed in 2024 were: Over-boarding (time commitment of directors); Succession; Remuneration.

**Actions:** LGIM met with Qantas four times during 2024, including discussions with the new Chair. Since the controversies mentioned above, both the Board Chair and the Chair of the Remuneration Committee have been replaced and the board has undergone a degree of refreshment, bringing average tenure down to three years. LGIM’s discussions with the company helped them to gain a closer understanding of stability of the board, the timeframes over which over-boarding of the chair can reasonably be corrected, and the steps taken by the remuneration committee to hold relevant directors and executives accountable for their actions. This was reflected in LGIM’s voting decisions at the company’s AGM at the end of October. While over-boarding was a concern for the new board chair, LGIM understood that he cannot abruptly end his tenure at the other companies where he has board seats. As a consequence, LGIM voted for the re-election of Chair at Qantas (but note that they voted against his re-election at other companies where he serves on the board).

**Outcomes and next steps:** LGIMs engagement with Qantas has been well received and LGIM are happy with the significant changes to the board and view the new steps being taken at Qantas as encouraging. While there are a number of areas that LGIM will continue to monitor, LGIM take a positive view of the changes the company has made. In addition to LGIM’s focus on governance, they will also continue their engagements on climate change with the company, under our Climate Impact Pledge, and monitor progress.

## Newton Investment Management, Real Return Strategy

**Name of entity engaged:** Shell Plc

**Type of engagement:** Firm-level

**Topic:** Environmental – Climate Change

**Rationale for the engagement:** Newton met the company to discuss how planning and actively managing the just transition to a low carbon economy for Shell can unlock opportunities and help in preparing their workforce in the earlier stages of a non-linear transition.

**Actions:** Newton met Shell's Chair and discussed in detail Shell's recent increase in focus back on fossil fuels after a period of focus on decarbonisation. Newton believe that workforce management is a critical element of this, with reports of employee dissatisfaction by what was seen as a scaling back on ambitions. Moreover, organisation efficiency is one of the current CEO's top priorities, leading to changes to the workforce. Finally, engagement with stakeholders, notably communities and governments, is critical to preserve shareholder value through a complex and Just Transition.

**Outcomes and next steps:** Newton believe that the company has responded positively by establishing a proper governance framework around the Just Transition and integrating the thinking in its general policies. The process undertaken by the company to understand shareholders on this topic is significant, and the result is an approach the company is comfortable with, presenting better much of what it already does. The 15k jobs 2035 is a tangible KPI within the general planning.

Newton's next steps involve discussing the principles and guidance for different stakeholder groups, evidence of implementation, continued partnerships, and metrics for UK Energy Transition Hubs. through which Shell is doing a lot of upskilling work. Future feedback will occur in writing before a meeting second half of 2025.

## Schroder Investment Management

Please note that Schrodgers have not been included in the table above as detailed engagement reporting is not provided (given the nature of the underlying holdings).

**Name of entity engaged:** Banco de Chile

**Type of engagement:** Firm-level

**Topic:** Governance - Board effectiveness – Diversity

**Rationale for the engagement:** In 2023, Schrodgers engaged with this Latin American financial institution on the topic of board composition. The engagement focused on two key areas: increasing the number of independent directors and improving gender diversity at the board level. The objective was to align the company's governance structure with global standards, building on a foundation of good corporate responsibility and business ethics. Schrodgers believe that companies should strive to create diverse and inclusive organisations. Diversity across multiple dimensions brings a valuable range of outlooks and opinions, and when paired with an inclusive culture, can lead to higher-quality work, better decision-making and

problem-solving, and greater team satisfaction. Schroders believes that inclusion is what allows diversity to thrive.

**Actions:** In February, Schroder's Emerging Markets Equity desk initiated the engagement by sending a formal letter to the Board Chair encouraging changes to the company's board composition and informing the company of our voting intentions ahead of the 2023 AGM. The letter encouraged an increase in the number of independent directors and an improvement in female representation on the board. Schroders asked the company to reach at least 30% female representation and highlighted our exercise of shareholder rights with votes against appointments of all-male boards in all geographies globally since 2022.

The following month, we Schroders with the company's Investor Relations team to discuss the number of independent directors on the board and the average tenure of board members, as well as minority shareholder representation. The company explained their board composition and mentioned the nomination of a female director at the upcoming Annual General Meeting (AGM), although she would not be considered independent due to her employment with an affiliate company. Schroders reiterated the or expectations on board diversity and the need for additional independent directors.

**Outcomes and next steps:** At the March 2023 AGM, the company elected two female directors, bringing female representation to 17%. Until this point, there were no women at all on the board. Moreover, one of the new board members was wholly independent of the company, bringing the total number of independent directors to two, according to the Schroders definition. Over the course of the engagement, the company met Schroders minimum expectations on board independence and female representation, therefore Schroders continue to hold the company. Schroders welcome this improvement and look forward to monitoring future progress.

## M&G Investments

**Name of entity engaged:** Ørsted A/S

**Type of engagement:** Strategy-level

**Topic:** Environment -Nature and Biodiversity

**Rationale for the engagement:** Given the potential negative biodiversity impacts of offshore wind, M&G engaged with Ørsted to ensure that the Danish offshore wind specialist was advancing its approach to biodiversity - given its nature positive by 2030 target - and that a biodiversity metric was included in executive remuneration. Also, in relation to the company's climate targets, M&G requested the publication of forward looking milestones that could be used to measure progress.

**Outcomes and next steps:** M&G met with the company's global sustainability team climate lead and its global sustainability team biodiversity lead (who were doing the work on the ground to implement Ørsted's approach) as well as a member of investor relations. M&G ran through the Nature Action 100 benchmark, which involves ambition / assessment / targets/ implementation / governance / and engagement to ascertain Ørsted's progress in each of these areas.

In summary, Ørsted has been working on this issue for the past two and a half years. The company has engaged a biodiversity consultancy, and is leaning against existing frameworks, particularly those from central Europe

and the UK, which it sees as the most ambitious. It is working out what are the highest and lowest bars and then figuring out which it will have to meet, and launched a measurement framework in June of this year. It is also identifying platforms that can plug and play.

Currently the company is gathering feedback from NGOs, academia and others, with the aim to implement its framework in January, with a first set of metrics by the end of 2025. It currently has a list of potential metrics, including extent and condition of habitat and population density of endangered species, but is currently looking at the feasibility of all of the metrics at its disposal to focus in on those that make sense. Importantly, this is aligned with the Environmental Impact Assessment the company already has to undertake for new projects, and it wants to fully integrate this within its biodiversity framework.

Once the company has its framework and metrics in place, it said it was happy to consider biodiversity in executive remuneration, which is something M&G will need to revisit. And in terms of climate (which was discussed as a small proportion of the meeting), it said it was happy to consider publishing forward looking milestones in the run up to its SBTi approved targets.

Overall, M&G were very satisfied that Ørsted was taking biodiversity extremely seriously, and will follow up after the initial framework and metrics have been published next year.