Implementation Statement

Purpose of this statement

This implementation statement has been produced by the Trustee of the **Solicitors Law Stationery Society Limited Pension Scheme ("the Scheme")** to set out the following information over the period from 6 October 2021 to 5 April 2023:

- How the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the reporting period.
- The voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

During the reporting period, the Scheme had no holdings in funds with voting rights attached.

Investment manager and funds in use

The Trustee has appointed Mobius Life to carry out the day-to-day investment of the assets of the Scheme. The Scheme invests through unit-linked insurance policies offered by Mobius Life and the Scheme's assets are all held via the Mobius Life investment platform.

During the reporting period, the Scheme did not make any changes to its investment strategy. The investment managers and funds in which the Scheme was invested as at 5 April 2023 are set out in the table below:

Manager	Fund	Asset class
Legal & General Investment Management ("LGIM")	Over 15 Year Gilt Index Fund	Gilts
	Over 5 Year Index-Linked Gilts Index Fund	Gilts
	AAA-AA-A Corporate Bond – Over 15 Year Index Fund	Corporate Bonds
	Buy & Maintain Bond Fund	Corporate Bonds
	Cash Fund	Cash

How voting and engagement policies have been followed

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

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund manager.
- The Trustee is comfortable with the managers' strategies and processes for exercising rights and conducting engagement activities to mitigate risk and improve long term returns.
- Having reviewed the above in accordance with the Trustee's policies in the production of this statement, the Trustee is comfortable the actions of the Scheme's investment managers were in alignment with the Scheme's ESG and Stewardship policies at the time of holding these assets.

Implementation Statement (Cont)

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at September 2020 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It has been made available online here:

https://tinyurl.com/SLSS-SIP

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

The Trustee has decided not to set stewardship priorities for the Scheme at this time because:

- the Scheme solely invests through pooled investment vehicles where the Scheme'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.
- None of the Scheme's invested assets have voting rights attached.
- The Scheme is currently in PPF assessment.

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.

Prepared by the Trustee of the Solicitors' Law Stationery Society Limited Pension Scheme September 2023

Implementation Statement (Cont)

Voting Data

There were no voting rights attached to any of the investments the Scheme held over the period covered by this statement, and so no voting data (including data on significant votes) is available for the period.

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 for the relevant funds.

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

Manager	Legal & General Investment Management	
Fund name	Over 15 Year UK corporate bonds (AAA-AA-A)	UK "buy and maintain" bonds
Number of engagements undertaken on behalf of the holdings in this fund in the period*	65	161
Number of entities engaged on behalf of the holdings in this fund in the period*	26	86
Number of engagements undertaken at a firm level in the period	1,519	1,519

**For the fund level engagement, LGIM are only able to provide the data for the one-year period to 31 March 2023.*

Examples of engagement activity undertaken during the reporting period

LGIM were unable to provide engagement examples on a fund level basis for the period. The examples given below are engagements at a firm level and are representative of engagement activity on all LGIM funds over the period.

1. Water pollution in the UK - Environmental

UK water companies have attracted plenty of press attention and criticism in recent months due to increased concerns about their environmental performance, which the UK Environment Agency described as "the worst we have seen for years".

In the first quarter of 2023, LGIM arranged an engagement call with Macquarie Asset Management, Southern Water's majority shareholder, to share its views on the topic. This builds on LGIM's engagement over recent months, including with management at other companies in the sector such as Thames Water and with the regulator, Ofwat. LGIM also signed up to the Ceres investor-led 'Valuing Water Finance Initiative', aimed at engaging water users and polluters to address water risks.

LGIM continues to limit its exposure to the bonds of weaker companies in the sector, pending evidence on progress on operational and financial issues. As one of the largest lenders in the sterling corporate bond market, LGIM directly engages when companies are marketing bonds, and also engages with other sector stakeholders such as regulators and industry bodies as part of their broader aim not just to improve ESG factors at individual companies, but across the global markets in which their clients are invested.

Implementation Statement (Cont)

2. Paid sick leave in the US - Social

Throughout 2022, hundreds of thousands of railway workers were in the midst of negotiating contract terms with the largest railway companies in the US to improve working conditions, particularly around the lack of paid sick leave. While human capital issues have always been a point of focus for LGIM, this was a major concern as the contention nearly led to a nationwide strike that would have crippled the nation's supply chain.

LGIM sent a letter to the four largest railway carriers in the US – Norfolk Southern, Union Pacific, BNSF and CSX. In the letter, LGIM specified the importance of paid sick leave in the face of post-pandemic labour dynamics as well the types of disclosures investors would find helpful, such as the types of benefits available, the usage of such benefits, employee eligibility criteria and others.

Eventually, one by one, the companies LGIM contacted re-ignited negotiations with their workforces. Those negotiations led to deals being struck by three out of the four railways – CSX, Union Pacific and Norfolk Southern – leading to thousands of railway workers obtaining paid sick leave as a benefit. LGIM intends to continue engaging with the holdout railway carrier, BNSF, to understand how worker conditions can be improved so that future strikes and service disruptions are less likely.

3. Capricorn - Governance

The actions of Capricorn's board in 2022 in seeking to merge with other energy companies raised some concerns about the company's governance and decision-making process, given the potential negative impact such decisions could have on Capricorn's shareholders.

The first proposed merger with Tullow Oil was announced in June 2022. LGIM has spoken directly with Capricorn's management team and directors to voice their concerns about the proposed transaction, as it didn't seem to advance the energy transition strategy for Capricorn's shareholders, in light of the increased exposure to oil prices and geographical risks. Additionally, LGIM believe that such merger would have resulted in increased financial leverage and dramatically elevate climate transition risks. The second merger proposal with NewMed was met with rising suspicion and even less support than the first and LGIM met again with Capricorn to voice their concerns.

As a result of these unpopular proposals, one of the major shareholders has called for an Extraordinary General Meeting to be held in January 2023, for shareholders to vote on a complete overhaul of the board while requesting the deposition of seven directors, including the CEO, and the appointment of six new members instead. At the meeting, LGIM has declared its support for the restructure of the board as they believe that there has been a substantial breakdown in relations between the board and its shareholders, to such an extent that a change is now warranted.