

**Vp Pension Scheme**  
**31 March 2023**  
**Implementation Statement (forming part of the Trustee's annual report)**

**Vp Pension Scheme**  
**Implementation Statement**  
**Year Ending 31 March 2023**

**Glossary**

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Vp Pension Scheme
Scheme Year	1 April 2022 to 31 March 2023
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 Trustee has followed its 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 managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustee has considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

## Vp Pension Scheme Implementation Statement (forming part of the Trustee's report)

### 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 Dynamic Diversified Fund

The DC section assets are invested in the following funds which included an allocation to equities:

- LGIM Diversified Fund
- LGIM Multi-Asset Fund
- LGIM UK Equity Index
- LGIM (60:40) Global Equity Index Fund
- LGIM (70:30) Global Equity Index Fund

### The Trustee's Policy Relating to the Exercise of Rights

The Trustee has assessed its actions over the course of the Scheme Year against the policies set out in the SIP and its conclusion is that it has broadly complied with the SIPs' requirements. In forming this assessment, the following points have been taken into account:

- The Trustee did not review the investment strategies over the Scheme Year.
- The Trustee did not undertake any manager selection work over the Scheme Year.
- The Trustee reviewed the suitability of the matching asset portfolio of the DB section during the Scheme year.
- The Trustee continues to receive and analyse quarterly investment monitoring reports from its investment adviser.
- The Trustee continues to monitor the position of the investment manager with regards to ESG matters.

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- The Trustee has not changed its stance regarding the importance of good stewardship or on the way members' views on engagement should be reflected in the Scheme's investment strategy.
- The investment manager used by the Scheme over the Scheme Year was a signatory to the UNPRI.
- Over the course of the Scheme Year, the Scheme's assets were invested in pooled investment vehicles. Consequently, it remained the case that responsibility for exercising voting rights was mainly the responsibility of the investment managers of these pooled funds.
- The Trustee monitored the governance policies of the Scheme's investment manager during the Scheme year. This was done with the assistance of First Actuarial to prepare an 'Implementation Statement', after the 31 March 2022 Scheme year end, which detailed the analysis of the Trustee of the investment manager's voting behaviour.
- The Trustee does not hold any direct employer-related assets and any indirect exposure is expected to remain less than 5% of total assets.

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### 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
LGIM	150,000	76%	23%	1%

#### Notes

*These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2023 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?
LGIM	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's Voting Behaviour

The Trustee has 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 31 March 2023 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager's policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the investment manager with its peers over the same period.

Further details of the approach adopted by the Trustee for assessing voting behaviour are provided in the Appendix.

The Trustee's key observations are set out below.

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### Voting in Significant Votes

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine separate categories. The Trustee considers 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 Trustee 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 manager's willingness to vote against management is consistent with the broad range of policies covered within its corporate governance documentation; each policy provides a set of criteria which can be used to justify a vote against management.

It should also be noted that LGIM has supported shareholder proposals designed to tackle ESG issues and has held directors to account regarding their energy transition proposals (proposals setting out how greenhouse gas emissions will be reduced).

The Trustee has no concerns regarding LGIM's voting record.

### Conclusion

Based on the analysis undertaken, the Trustee has no material concerns regarding the voting records of the investment manager.

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

Colin Marsh for Vidett Trust Corporation Limited

Date: 30th October 2023

Signed on behalf of the Trustee of the Vp Pension Scheme



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Appendix

## Significant Votes

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

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LetM
<b>Audit &amp; Reporting</b>					
MODERNA INC.	28/04/2022	Appoint the Auditors	75	24	Against
VERTEX PHARMACEUTICALS INCORPORATED	18/05/2022	Appoint the Auditors	77	23	For
PARTNERS GROUP AG	25/05/2022	Appoint the Auditors	84	16	Against
DEUTSCHE TELEKOM	07/04/2022	Ratify Deloitte GmbH as Auditors for Fiscal Year 2022 and for the Review of the Ratify Ernst & Young LLP as Auditors	86	14	For
TYLER TECHNOLOGIES INC.	12/05/2022		88	12	Against
<b>Shareholder Capital &amp; Rights</b>					
FERRARI NV	13/04/2022	Grant Board Authority to Issue Special Voting Shares	71	29	Against
VIVENDI SA	25/04/2022	Authorize Specific Buyback Program and Cancellation of Repurchased Share	71	29	Against
		Authorize Share Repurchase			
BOLYGUES SA	28/04/2022		77	23	Against
UNIVERSAL MUSIC GROUP N.V.	12/05/2022	Issuance of Shares for Long-Term Incentive Plan	78	21	Against
DASSAULT SYSTEMES SE	19/05/2022	Authorize Capital Increase of Up to EUR 10 Million in Connection with	79	21	Against
<b>Pay &amp; Remuneration</b>					
THE COCA-COLA COMPANY	26/04/2022	Advisory Vote on Executive Compensation	50	49	Against
THE TJX COMPANIES INC.	07/06/2022	Advisory Vote on Executive Compensation	49	49	Against
ORANGE SA	19/05/2022	Approve Remuneration Policy of Chairman and CEO, CEO and Vice-CEOs	50	49	Against
BIogen INC.	15/06/2022	Advisory Vote on Executive Compensation	52	48	Against
YUM! BRANDS INC.	19/05/2022	Advisory Vote on Executive Compensation	52	48	Against
<b>Constitution of Company, Board &amp; Advisors</b>					
INTEL CORPORATION	12/05/2022	Elect Alyssa Henry - Non-Executive Director	50	49	Against
LEGRAND SA	25/05/2022	Elect Edward A. Gihuly - Non-Executive Director	57	43	Against
ECOLAB INC.	05/05/2022	Elect John J. Zimmer - Non-Executive Director	58	41	Against
CREDIT SUISSE GROUP	29/04/2022	Discharge the Board for Fiscal 2020	36	60	Against
BIogen INC.	15/06/2022	Elect Eric C. Rowles - Non-Executive Director	60	39	Against
<b>Merger, Acquisition, Sales &amp; Finance</b>					
BOLYGUES SA	28/04/2022	Authorize Board to Issue Free Warrants with Preemptive Rights During a Public	76	24	Against
DASSAULT SYSTEMES SE	19/05/2022	Delegate Power to the Board to Carry Spin-Off Agreements	78	22	Against
ALLIANZ SE	04/05/2022	Issue Bonds	91	9	For
DEUTSCHE POST AG	06/05/2022	Issue Bonds	92	8	For
FRESENIUS SE	13/05/2022	Approve Issuance of Warrants/Bonds	95	5	For
<b>Climate Related Resolutions</b>					
GLENCORE PLC	28/04/2022	Climate Progress Report	76	24	Against
M&G PLC	25/05/2022	Approve Climate Transition Plan and Climate-Related Financial Disclosure	78	20	Against
CENTRICA PLC	07/06/2022	Approve Climate Transition Plan	79	20	For
Royal Dutch Shell	24/05/2022	Approve the Shell Energy Transition Progress	77	19	Against
Barclays PLC	04/05/2022	Approve Barclays' Climate Strategy, Targets and Progress 2022	80	19	Against
<b>Other Company Resolutions</b>					
MONDI PLC	05/05/2022	Meeting Notification-related Proposal	88	12	For
ASTRAZENECA PLC	29/04/2022	Meeting Notification-related Proposal	88	12	For
HIKMA PHARMACEUTICALS PLC	25/04/2022	Meeting Notification-related Proposal	88	12	For
ENERGEAN PLC	26/05/2022	Meeting Notification-related Proposal	89	11	For
SMURFIT KAPPA GROUP PLC	29/04/2022	Meeting Notification-related Proposal	89	11	For
<b>Governance &amp; Other Shareholder Resolutions</b>					
NORTHROP GRUMMAN CORPORATION	18/05/2022	Shareholder Resolution: Right to Call Special Meetings	50	49	For
APPLIED MATERIALS INC.	09/03/2023	Shareholder Resolution: Right to Call Special Meetings	50	50	For
FISERV INC.	18/05/2022	Shareholder Resolution: Submit Severance Agreement (Change-in-Control) to	51	49	For
MCKESSON CORPORATION	22/07/2022	Shareholder Resolution: Adopt Policy on 1025-1 Plans	49	50	For
TESLA INC.	04/08/2022	Shareholder Resolution: Adopt Proxy Access Right	51	48	For
<b>Environmental &amp; Socially Focused Shareholder Resolutions</b>					
PHILLIPS 66	11/05/2022	Shareholder Resolution: Report on Reducing Plastic Pollution	50	49	For
STARBUCKS CORPORATION	23/03/2023	Shareholder Resolution: Assessment of Worker Rights	51	47	For
AMAZON.COM INC.	25/05/2022	Shareholder Resolution: Report on Efforts to Reduce Plastic Use	49	51	For
AMERICAN WATER WORKS COMPANY INC.	11/05/2022	Shareholder Resolution: Report on Third-Party Racial Equity Audit	47	50	For
EXXON MOBIL CORPORATION	25/05/2022	Shareholder Resolution: Report on Scenario Analysis Consistent with International Energy Agency's Net Zero by 2050	46	45	For

### Note

Where the voting record has not been provided at the fund level, we rely on periodic information provided by investment managers to identify the stocks held. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds 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 the Scheme's pooled funds at the date of the vote.

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### 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 Trustee believes 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 Trustee's 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.

Trustee has 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 resolutions; 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 Trustee 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 Trustee's has 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.

The Trustee's primary objective remains to ensure that the assets are sufficient to pay benefits over the long term. The Trustee regularly reviews the appropriateness of the Scheme's assets to ensure that they remain consistent with this primary objective. The Trustee's view is that over the long term environmental factors have the potential to have a material impact on the Scheme. Environmental factors are one of the themes used by the Trustee when assessing an investment manager's voting records.