

ITF Retirement Benefit Scheme Implementation Statement Year Ending 31 December 2023

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	ITF Retirement Benefit Scheme
Scheme Year	1 January 2023 to 31 December 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 Trustees have followed their 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 Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

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 Future World UK Equity Index Fund
- LGIM Future World Developed (ex-UK) Equity Index Fund
- LGIM Future World Developed (ex-UK) Equity Index Fund – GBP Hedged
- LGIM Future World Multi-Asset Fund
- LGIM Diversified Fund

The Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP, and a summary is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustees wish to encourage best practice in terms of stewardship.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment managers' own policies on such matters.
- When selecting a pooled fund, the Trustees consider, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UNPRI.
- If it is identified that a fund's investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustees did not select any new funds during the period.
- During the Scheme Year, the Trustees considered LGIM's voting record over the period ending 31 December 2022.
- Since the end of the Scheme Year, an updated analysis of LGIM's voting record based on the period ending 31 December 2023 has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- All the investment managers used by the Scheme are UNPRI signatories.

The Investment Manager's Voting Records

A summary of the investment manager's voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
LGIM	130,000	76%	24%	0%

Notes

These voting statistics are based on LGIM's full voting record over the 12 months to 31 December 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 Trustees have reviewed LGIM's voting behaviour by considering the following:

- broad statistics of LGIM's 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 they cast in the year to 31 December 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 Trustees have also compared the voting behaviour of the investment manager with its peers over the same period.

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

The Trustees' key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustees' Investment Adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider 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 votes cast on stocks within the funds held by the Scheme are listed in the Appendix. In addition, the Trustees have considered LGIM'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's willingness to vote against directors is consistent with the broad range of policies covered within its corporate governance documentation; each policy provides criteria which can justify a vote against directors.

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).

Conclusion

Based on the analysis undertaken, the Trustees have no concerns regarding LGIM's voting record.

..... Date:

Signed on behalf of the Trustees of the ITF Retirement Benefit Scheme.

Significant Votes

The table below records how LGIM voted in the most significant votes identified by the Trustees.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM
Audit & Reporting					
NETAPP INC	13/09/2023	Appoint the Auditors	40	60	Against
VEOLIA ENVIRONNEMENT SA	27/04/2023	Appoint the Auditors	72	28	Against
PETS AT HOME GROUP PLC	06/07/2023	Re-appoint KPMG LLP as auditor of the Company.	78	22	Against
SWISS LIFE HOLDING	28/04/2023	Appoint the Auditors	78	21	Against
DASSAULT SYSTEMES SE	24/05/2023	Appoint the Auditors	82	18	For
Shareholder Capital & Rights					
HAMMERSON PLC	04/05/2023	Issue Shares with Pre-emption Rights	55	45	For
FERREXPO PLC	25/05/2023	Issue Shares with Pre-emption Rights	34	64	For
VIVENDI SA	24/04/2023	Authorise Share Repurchase of 50% of the Share Capital	69	31	Against
JUPITER FUND MANAGEMENT PLC	10/05/2023	Issue Shares for Cash	71	29	For
TULLOW OIL PLC	24/05/2023	Authorise Share Repurchase	73	27	For
Pay & Remuneration					
BIOGEN INC.	26/06/2023	Advisory Vote on Executive Compensation	52	48	Against
PEARSON PLC	28/04/2023	Approve Remuneration Policy	54	46	Against
VISTRY GROUP PLC	18/05/2023	Approve the Remuneration Report	51	46	Against
AMERICAN EXPRESS COMPANY	02/05/2023	Advisory Vote on Executive Compensation	53	45	Against
ARGEN-X SE	02/05/2023	Approve the Remuneration Report	44	55	Against
Constitution of Company, Board & Advisers					
SAMPO OYJ	17/05/2023	Amend Articles: Virtual Meetings	52	48	Against
SIMON PROPERTY GROUP INC.	04/05/2023	Elect Reuben S. Leibowitz - Non-Executive Director	53	46	Against
FLEETCOR TECHNOLOGIES INC	09/06/2023	Elect Thomas M. Hagerty	55	45	Against
ZALANDO SE	24/05/2023	Elect Kelly Bennett - Vice Chair (Non Executive)	56	44	For
DARKTRACE PLC	07/12/2023	Elect Patrick Jacob - Non-Executive Director	43	56	Against
Merger, Acquisition, Sales & Finance					
LVMH (MOET HENNESSY - LOUIS VUITTON) SE	20/04/2023	Approve Issuance of Debt Securities Giving Access to New Shares of Debt	80	19	Against
DELIVERY HERO SE	14/06/2023	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds	82	17	Against
MERCK KGAA	28/04/2023	Issue Bonds/Debt Securities	88	12	For
HERMES INTERNATIONAL	20/04/2023	Approve Demerger	90	10	Against
ORANGE S.A	23/05/2023	Issue Securities	87	9	For
Climate Related Resolutions					
GLENCORE PLC	26/05/2023	Approve the Company's 2022 Climate Report.	68	30	Against
Shell plc	23/05/2023	Approve Shell's Energy Transition	77	19	Against
UBS GROUP AG	05/04/2023	Say on Climate	81	15	For
TOTALENERGIES SE	26/05/2023	Say on Climate	86	11	Against
FERROVIAL S.A.	12/04/2023	Say on Climate	91	8	Against
Other Company Resolutions					
QUILTER PLC	18/05/2023	Approve Political Donations	75	25	For
INVESTEC PLC	03/08/2023	Investec plc: Approve Political Donations	76	23	For
HSBC HOLDINGS PLC	05/05/2023	Meeting Notification-related Proposal	76	23	For
NCC GROUP PLC	30/11/2023	Approve Political Donations	79	21	For
ENERGEAN PLC	18/05/2023	Meeting Notification-related Proposal	82	18	For
Governance & Other Shareholder Resolutions					
WELLS FARGO & COMPANY	25/04/2023	Shareholder Resolution: Simple Majority Voting	50	49	For
SYNOPSIS INC	12/04/2023	Shareholder Resolution: Right to Call Special Meetings	50	50	For
MCDONALD'S CORPORATION	25/05/2023	Shareholder Resolution: Annual Report on Lobbying Activities	50	49	For
APPLIED MATERIALS INC	09/03/2023	Shareholder Resolution: Right to Call Special Meetings	50	50	For
MARATHON PETROLEUM CORPORATION	26/04/2023	Shareholder Resolution: Simple Majority Voting	51	48	For
Environmental & Socially Focussed Shareholder Resolutions					
STARBUCKS CORPORATION	23/03/2023	Shareholder Resolution: Assessment of Worker Rights	51	47	For
THE KROGER CO.	22/06/2023	Shareholder Resolution: Racial and Gender Pay Gaps	52	48	For
WELLS FARGO & COMPANY	25/04/2023	Shareholder Resolution: Annual Report on Prevention of	52	43	For
QUEST DIAGNOSTICS INCORPORATED	17/05/2023	Shareholder Resolution: Greenhouse Gas Reduction and Transition Plan	48	52	For
THE BOEING COMPANY	18/04/2023	Shareholder Resolution: Pay Equity Disclosure	47	52	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.

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 Trustees believe 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 Trustees' 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.

The Trustees have 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 Trustees 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 Trustees have 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.