

Implementation Statement (“IS”)

Carver Pension Scheme

For the Scheme Year ending 5 April 2024

The purpose of the Implementation Statement is for us, the Trustees of the Carver Pension Scheme (the “Scheme”), to explain what we have done during the year ending 5 April 2024 to achieve our objectives and implement the policies as set out in the Statement of Investment Principles (“SIP”).

It includes:

1. A summary of any review and changes made to the SIP over the year;
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Scheme’s material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

We delegate the management of the Scheme’s Defined Benefit (“DB”) assets to our fiduciary manager, Aon Investments Limited (“Aon”). We believe the activities completed by our fiduciary manager to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations.

Changes to the SIP during the year

We have a policy to review the SIP formally at least every three years, or after any significant change in investment policy.

The SIP was updated during the year to reflect changes to the asset allocation strategy for the DB Section.

The SIP was also updated to reflect changes intended to clarify our stewardship policies in relation to the DB section, following updated guidance issued by the Department for Work and Pensions regarding how it expects trustees to approach stewardship and report on these matter through the SIP.

We sought input on these changes from our investment adviser, Aon, and consulted with the Employers.

The Scheme's latest SIP can be found here: <https://www.carver-group.com/carver-pension-scheme/>

How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

DB Section

Policies and objectives related to the Scheme's investment objectives and strategy	<p>We have established an investment strategy for the DB Section that we believe to be appropriate for the Scheme. We review the investment strategy for the DB section in conjunction with each formal actuarial valuation of the Scheme, or more frequently should the circumstances of the Scheme change in a material way.</p> <p>During the prior Scheme year the Nominal +3% Fund managed by Aon in which the Scheme invested was restructured to target +2% p.a. outperformance of nominal liabilities. Following this change, we made changes to the Scheme's asset allocation strategy to maintain our overall target return of +2% p.a. outperformance of the liabilities. These changes were implemented during the current Scheme year in April 2023.</p> <p>The next triennial review of the investment strategy is expected to take place during 2024, following the completion of the 2023 actuarial valuation.</p> <p>Over the reporting year, we received quarterly monitoring reports from our fiduciary manager, as well as updates on important issues from our investment adviser, Aon, which helped us monitor our investments. These updates covered a number of areas including performance, asset allocation, strategy and risk.</p>
Policies and objectives related to risk management	<p>We recognise the Scheme's assets are exposed to several risks. For the DB section, these comprise primarily of credit risk, currency, interest rate and inflation risk, market risk, liability mismatching risk and other price risks. We consider these risks as part of triennial investment strategy reviews and monitor these risks as part of the preparation of the annual Trustees' Report and Accounts.</p>
Policies and objectives related to investment managers, including environmental, social and governance ("ESG") considerations	<p>We have delegated the management of the Scheme's DB assets, including ongoing monitoring and engagement activities, to our fiduciary manager, Aon.</p> <p>We monitor the engagement activities of our fiduciary manager annually as part of the preparation of this statement. We are satisfied that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests, and that the</p>

	activities completed by Aon to review the underlying managers' voting and engagement policies and activities align with our stewardship expectations.
Policies relating to costs and charges associated with the Scheme	We receive and review annual cost disclosure statements from Aon, which provide a summary and breakdown of the investment costs incurred by each of the investments managed by Aon for each calendar year.

Defined Contribution (“DC”) Section

Policies and objectives related to the Scheme’s investment objectives and strategy, including ensuring appropriate risk management	<p>We offered a range of investment options to members throughout the Scheme year.</p> <p>We initiated a review of the investment strategy for the DC section during the prior Scheme year. This review was completed in January 2024.</p>
Policies and objectives related to investment managers, including environmental, social and governance (“ESG”) considerations	We did not monitor the investment managers' activities in this area during the Scheme year, other than as part of the preparation of this statement, as the DC Section assets are considered immaterial compared to the DB Section assets.
Policies relating to costs and charges associated with the Scheme	The costs and charges borne by members of the DC Section during the Scheme year have been collated as part of the work to produce the Chair’s Statement.

Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following steps over the next 12 months:

1. We will undertake more regular meetings with our fiduciary manager if required, to get a better understanding of how it is monitoring voting practices and engaging with underlying managers on our behalf, and how these help us fulfil our stewardship policies.

The exercise of our voting rights and implementation of our wider stewardship policy

We invest in pooled funds, and as such have delegated responsibility for the selection, retention and realisation of investments to the Scheme's investment managers in whose funds they invest. This includes the delegation of stewardship activities, including voting and engagement.

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for the DB and DC sections' material funds with voting rights for the year to 31 March 2024.

Voting information is only produced by the Scheme's investment managers on a quarterly basis so information for the year to 5 April 2023 was not available at the time of writing this statement. We are comfortable that the information provided (which reflects the 12 months to 31 March 2023) is reflective of the voting carried out on our behalf over the Scheme year to 5 April 2023.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Section	Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DB	LGIM Multi-Factor Equity Fund	12,190	99.8%	21.1%	0.2%
	UBS Global Emerging Markets Equity Climate Transition Fund	1,653	85.6%	20.7%	0.1%
	UBS Global Equity Climate Transition Fund	12,343	95.0%	12.4%	0.1%
DC	Abrdn Diversified Growth and Income Fund	8,546	97.3%	12.7%	0.5%
	LGIM UK Equity Index Fund	10,462	99.8%	5.6%	0.0%
	LGIM Global Emerging Markets Equity Index Fund	39,267	99.9%	19.7%	1.1%

Source: Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
Legal & General Investment Management ("LGIM")	LGIM's Investment Stewardship team uses the Institutional Shareholder Services ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
UBS Global Asset Management ("UBS")	UBS retains the services of SS for the physical exercise of voting rights and for supporting voting research. UBS retain full discretion when determining how to vote at shareholder meetings.
Abrdn	We utilise the services of ISS for all our voting requirements.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the Appendix to this statement.

Our fiduciary manager's engagement activity

We delegate the management of the Scheme's DB assets to our fiduciary manager, Aon. Aon manages the Scheme's assets in a range of funds which can include multi-asset, multi-manager and liability matching funds. Aon selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available.

Section	Funds	Number of engagements		Themes engaged on at a fund level
		Fund level	Firm level	
DB	Abrdn Climate Transition Bond Fund	101	2,008	Other - Climate; Environment; Corporate Governance; Labour Management; Corporate Behaviour
	Aegon Asset Management European Asset Backed Securities Fund	127	528	Environment - Climate Change Governance - Board Effectiveness - Diversity; Leadership - Chair/CEO; Remuneration Other - General Disclosure
	LGIM Multi-Factor Equity Fund	296	2,500	Environment - Climate Impact Pledge; Climate Change Social - Gender Diversity Governance - Remuneration; Board Composition
	Robeco Sustainable Development Goals Credit Income Fund	17	319	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Board Effectiveness - Other Other - SDG Engagement
	UBS Global Emerging Markets Equity Climate Transition Fund	28	471	Environment - Climate Change Social - Human and Labour Rights; Human Capital Management Governance - Remuneration Strategy, Financial & Reporting - Capital Allocation
	UBS Global Equity Climate Transition Fund	183		Environment - Climate Change Social - Human Capital Management Governance - Remuneration; Board Effectiveness - Independence/Oversight Strategy, Financial & Reporting - Capital Allocation
DC	Abrdn Diversified Growth and Income Fund	594	2,008	Other - Climate; Environment; Corporate Governance; Labour Management; Corporate Behaviour
	LGIM UK Equity Index Fund	370	2,500	Environment - Climate Change, Energy Social - Ethnic Diversity, Income Inequality Governance - Remuneration, Nominations and Succession Other - Corporate Strategy
	LGIM Future World Annuity Aware Fund	168		Environment - Climate Change, Climate Impact Pledge Social - Public Health Governance - Remuneration, Board Composition, Activism Other - Corporate Strategy, Company Disclosure & Transparency

LGIM Global Emerging Markets
Equity Index Fund 294

Environment - Climate Impact Pledge,
Deforestation, Climate Change
Social - Gender Diversity
Governance - LGIM ESG Score,
Remuneration
Other - Corporate Strategy

Source: Managers

Data limitations

We note that whilst LGIM provided a comprehensive list of engagements carried out, it did not provide detailed engagement examples specific to the funds in which we are invested.

This report does not include commentary on the Scheme's annuity policies, liability driven investments or cash, because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme’s managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

LGIM Multi-Factor Equity Fund	Company name	The Toronto-Dominion Bank
	Date of vote	20-Apr-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.04
	Summary of the resolution	Resolution 9 - Disclose Transition Plan Towards 2030 Emission Reduction Goals
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.
	Rationale for the voting decision	We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the ‘how’ rather than the ‘what’, including activities and timelines) can further focus the board’s attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
	On which criteria have you assessed this vote to be most significant?	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.
UBS Global Emerging Markets Equity Climate Transition Fund	Company name	Ganfeng Lithium Group Co. Ltd.
	Date of vote	30-Nov-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Approve Adoption of the 2023 Employee Stock Ownership Plan
	How you voted?	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No

Rationale for the voting decision	Full details for the plan and associated proposals have not been disclosed.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We are not planning future steps in regard to the outcome, as the scheme was approved by a majority of shareholders.
On which criteria have you assessed this vote to be most significant?	36% of shareholders voted against the plan and associated proposals.

UBS Global Equity Climate Transition Fund

Company name	The Boeing Company
Date of vote	18-Apr-2023
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
Summary of the resolution	Report on Climate Lobbying
How you voted?	Votes supporting resolution
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Company not advised prior to meeting
Rationale for the voting decision	The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Following the significant support for this proposal we shall be monitoring the next steps from the company.
On which criteria have you assessed this vote to be most significant?	40% of votes cast were in support of this shareholder proposal.

Abrdn Diversified Growth and Income Fund

Company name	Unilever Plc
Date of vote	03-May-2023
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.04
Summary of the resolution	Approve Remuneration Report
How you voted?	Votes against resolution
Where you voted against management, did you communicate your intent to the company ahead of the vote?	We do not track the specific votes where we communicated our intent prior to voting - To enhance our analysis we will often engage with companies held in our active portfolios prior to voting to understand additional context and explanations, particularly where there are concerns related to an agenda. We endeavour to communicate voting intentions and rationale for votes against or abstention to encourage change and maintain a dialogue on matters of concern. Given the concentration of AGMs, we may not always be able to communicate intentions and rationale ahead of a vote. We may therefore follow up after a vote to encourage improvement where it is needed in advance of future general meetings.
Rationale for the voting decision	The incoming CEO's salary has been set higher than his predecessor's and is significantly higher than his current salary at Royal Friesland Campina, and UK market peers. The Company has not provided compelling justification for this remuneration package.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Due to the concentration of votes that we conduct we do not track specific next steps/implications for each vote. We will assess each company and the voting outcomes on a case by case basis. Where necessary we may follow up after a vote to encourage improvement where it is needed in advance of future general meetings. We will continue to monitor the company to ensure sufficient progress against any material issue(s) is being made. If we have serious concerns around a company's approach to certain issues we can and may deploy a number of other escalation strategies.
On which criteria have you assessed this vote to be most significant?	Significant Vote Category 1 ('SV1'): High Profile Votes <ul style="list-style-type: none"> • Focus on votes which received public and press interest with a focus on our large, active holdings • Focus on votes which reflect significant governance concerns regarding the company • Resolutions proposed by Abrdn

LGIM UK Equity Index Fund

Company name	Shell Plc
Date of vote	23-May-2023
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	7.0%
Summary of the resolution	Resolution 25 - Approve the Shell Energy Transition Progress
How you voted?	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5°C trajectory.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM continues to undertake extensive engagement with Shell on its climate transition plans.
On which criteria have you assessed this vote to be most significant?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

LGIM Global Emerging Markets Equity Index Fund

Company name	Tencent Holdings Limited
Date of vote	17-May-2023
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	3.2%
Summary of the resolution	Resolution 3a - Elect Jacobus Petrus (Koos) Bekker as Director
How you voted?	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

Rationale for the voting decision	Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors. Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
On which criteria have you assessed this vote to be most significant?	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors.

Source: Managers