

The Northern Ireland Public Service Alliance Retirement and Death Benefits Plan Implementation Statement for the year ended 31 December 2023

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Northern Ireland Public Service Alliance Retirement and Death Benefits Plan (the “Plan”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan’s investments, and engagement activities during the year ended 31 December 2023 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast by the Plan’s investment managers during the reporting year.

The Trustees’ policy on ESG and stewardship of assets

The Trustees believe that good stewardship and environmental, social and governance (“ESG”) issues may have a financially material impact on investment returns, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustees’ policies in relation to ESG and stewardship of assets are documented in their Statement of Investment Principles (‘SIP’). In July 2023, the Trustees, with the assistance of XPS, updated the SIP to reflect changes to the investment strategy that were implemented in January 2023,.

The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan’s investment managers. The Trustees require the Plan’s investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Plan’s investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

Manager selection exercises

One of the main ways in which the Trustees’ policy on ESG and stewardship of assets is expressed is via the appointment of new investment managers. When appointing a new investment manager, the Trustees seek advice from their investment consultant on the extent to which potential investment managers are incorporating views on ESG and climate change risks into their investment management process.

During the reporting year the Trustees implemented the investment of assets according to the strategy review carried out in the previous reporting year. The four new investment mandates are as follows:

Fund	Investment Manager	Asset Class
Future World Global Equity Fund	Legal & General Investment Management (LGIM)	Equity
Future World Multi Asset Fund		Multi-asset
Real Long Matching Core Fund		Liability Driven Investment
Sterling Liquidity Fund		Cash

The LGIM Future World Global Equity Fund and LGIM Future World Multi Asset Fund have an objective to invest in companies which the investment manager considers to be pursuing long-term sustainable business practices. In addition, LGIM has demonstrated a strong active ownership programme with ESG scores being a key driver behind their voting and engagement activities. This focus on sustainable investing and strong active ownership was a key consideration in the appointment of these two mandates.

Ongoing governance

The Trustees, with the assistance of XPS, periodically monitor the processes and operational behaviour of the investment managers, to ensure they remain appropriate and in line with the Trustees' requirements as set out in the SIP. Further, the Trustees have set XPS the objective of ensuring the selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular whilst the Trustees have not, to date introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the investment managers.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers have voting rights is through equities. As at 31 December 2023 the Plan was invested in two funds that invest in equities: an equity fund and a multi-asset fund, both managed by LGIM. See details below:

Fund	Investment Manager	Active / passive	Type of equities
Future World Global Equity Index Fund	Legal and General Investment Management	Passive	Global equities
Future World Multi Asset		The Future World Multi-Asset Fund allocates capital to asset classes actively however implementation of equity assets is done through passive vehicles	Global equities

A summary of the voting behaviour and most significant votes cast by the LGIM for each of the above funds is shown below. This voting information has been provided by the LGIM. The Trustees have selected significant votes on the basis they are linked to key ESG issues including, but not limited to: climate change; other climate issues such as natural capital; executive remuneration; governance; independence; modern slavery or other factors such as the size of the holding. The Trustees, with the help of their Investment Consultant, have considered the information LGIM have been able to provide on significant voting, and have deemed the below information as most relevant.

Please note that all information provided on voting activity has been written by Legal and General Investment Management, and this is reflected in the use of "we/us" throughout. Any views expressed are not necessarily those of the Trustees.

Investment Manager Client Consultation Policy on Voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

How does this manager determine what constitutes a 'Significant' Vote?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held.

We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

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 we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting 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. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

LGIM Future World Global Equity Index Fund significant votes

The manager voted on 99.92% of resolutions of which they were eligible out of 52639 eligible votes.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Amazon.com, Inc.	24/05/2023	1.34%	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps	For (Shareholder recommendation)	29% (Fail)

Why the vote was deemed significant:

Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Where voted against the company, was this communicated:

LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.

Rationale:

A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.

Implication:

LGIM will continue to engage with the company and monitor progress.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Alphabet Inc.	02/06/2023	1.02%	Resolution 18 - Approve Recapitalization Plan for all Stock to Have One-vote per Share	For (Shareholder recommendation)	30.7% (Fail)

Why the vote was deemed significant:

High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Where voted against the company, was this communicated:

LGIM publicly communicates its vote instructions on its website with the 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:

Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.

Implication:

LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
JPMorgan Chase & Co.	16/05/2023	0.88%	Resolution 9 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	For (Shareholder recommendation)	34.8% (Fail)

Why the vote was deemed 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.

Where voted against the company, was this communicated:

LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.

Rationale:

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.

Implication:

LGIM will continue to engage with the company and monitor progress.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Mastercard Incorporated	27/06/2023	0.64%	Resolution 1a - Elect Director Merit E. Janow	For (In line with management recommendation)	98.1% (Pass)

Why the vote was deemed significant:

Thematic - Investor Rights and Engagement: This vote is considered significant due to the focus on the thematic area of engagement on investor rights.

Where voted against the company, was this communicated:

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:

Governance concerns: A vote in favour is applied as no significant concerns were highlighted. While we note the dual-class share structure with A and B shares outstanding, the Company has confirmed that the legacy B shares do not confer any rights and therefore do not negatively affect the rights attached to the commonly traded A shares.

Implication:

LGIM will continue to monitor the development of this issue in the market.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
The Coca-Cola Company	25/04/2023	0.57%	Resolution 7 – Report on Congruency of Political Spending with Company Values and Priorities	For (Shareholder recommendation)	29.1% (Fail)

Why the vote was deemed significant:

Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, we expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.

Where voted against the company, was this communicated:

LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.

Rationale:

LGIM expects companies to be transparent in their disclosures of their lobbying activities and internal review processes involved. While we appreciate the level of transparency Coca-Cola provides in terms of its lobbying

practices, it is unclear whether the company systematically reviews any areas of misalignment between its lobbying practices and its publicly stated values. We believe that the company is potentially leaving itself exposed to reputational risks related to funding organisations that take positions that are contradictory to those of the company's stated values, and potentially attracting negative attention that could harm the company's public image and brand. Producing a report on the congruency of political spending with company values and priorities may help the company to identify and question its previous political spending priorities.

Implication:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

LGIM Future World Multi-Asset Fund significant votes

The manager voted on 99.82% of resolutions of which they were eligible out of 94191 eligible votes.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Shell Plc	23/05/2023	0.34%	Resolution 25 - Approve the Shell Energy Transition Progress	Against (Shareholder recommendation)	80% (Pass)

Why the vote was deemed 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 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Where voted against the company, was this communicated:

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:

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 1.5C trajectory.

Implication:

LGIM continues to undertake extensive engagement with Shell on its climate transition plans

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Toyota Motor Corp.	14/06/2023	0.25%	Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	For (Shareholder recommendation)	15.1% (Fail)

Why the vote was deemed significant:

Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, we expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.

Where voted against the company, was this communicated:

LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.

Rationale:

LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. We acknowledge the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, we believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, we expect Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. We believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.

Implication:

LGIM will continue to engage with the company and monitor progress.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Goodman Group	14/11/2023	0.22%	Resolution 2a - Elect Stephen Johns as Director of Goodman Limited	Against	Pass

Why the vote was deemed significant:

Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Where voted against the company, was this communicated:

LGIM publicly communicates its vote instructions on its website with the 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:

Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least one-third of board members being women. We expect companies to increase female participation both on the board and in leadership positions over time.

Implication:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
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American Tower Corporation	24/05/2023	0.20%	Resolution 1f - Elect Director Robert D. Hormats	Against (Shareholder recommendation)	98% (Pass)
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Why the vote was deemed significant:

Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Where voted against the company, was this communicated:

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:

Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executives officers to include at least 1 female.

Implication:

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Company	Date of Vote	Size of fund holdings	Voting subject	How did the Investment Manager Vote?	Outcome
Tencent Holdings Limited	17/05/2023	0.20%	Resolution 3a - Elect Jacobus Petrus (Koos) Bekker as Director	Against (Shareholder recommendation)	88.4% (Pass)

Why the vote was deemed 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. More information on LGIM's Climate Impact Pledge can be found here: <https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/>

Where voted against the company, was this communicated:

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:

Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors.

Implication:

LGIM will continue to engage with the company and monitor progress.