

Implementation Statement, covering the Scheme Year from 6 April 2023 to 5 April 2024

The Trustees of the Condé Nast Publications Limited Retirement Benefits Scheme (the “Scheme”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Scheme Year. This is provided in Section 1 below.

The Implementation Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustees have had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

1. Introduction

The voting and engagement policies in the SIP were reviewed and updated during the Scheme Year in December 2023 to reflect the Trustees selecting two key priority ESG themes to provide a focus on monitoring and reporting of investment managers’ voting activities. The Trustees chosen ESG themes are climate change and business ethics. As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustees have, in their opinion, followed the Scheme’s voting and engagement policies during the Scheme Year by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

2. Voting and engagement

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. L&G’s policy can be found using the following link:

- **L&G:** [L&G’s Corporate Governance and Responsible Investment Policy](#)

However, the Trustees take ownership of the Scheme’s stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

Following the introduction of DWP’s guidance, the Trustees agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. At the March 2023 meeting, the Trustees discussed and agreed stewardship priorities for the Scheme which were: Climate change and Business Ethics.

These priorities were selected in July 2023 and were deemed to be areas that their investment managers’ voting and engagement actions could have the most material impact. The Trustees communicated these priorities to their managers in July 2023. The Trustees review the themes regularly and update them if appropriate. The priorities remained unchanged throughout the Scheme Year.

The Trustees are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

All of the Trustees’ holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Scheme Year. However, the

Trustees monitor managers' voting and engagement behaviour on an annual basis and would challenge managers where their activity has not been in line with the Trustees' expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities as follows:

- L&G Low Carbon Transition UK Equity Index Fund; and
- L&G Low Carbon Transition Developed Markets Equity Index Fund (including sterling hedged and unhedged versions)

The Trustees have not included any information relating to voting and engagements in the Insight Broad Opportunity Fund as the Scheme redeemed its holding in the fund on 4 August 2023 and therefore was not invested in the fund for the majority of the Scheme Year.

The Trustees have not provided commentary on the Scheme's other mandates, which do not hold any assets with voting opportunities.

The Trustees, using information provided by their advisers, believe the voting policies of the investment managers are suitably aligned with the Trustees' views based on a review of the voting processes, voting behaviour and significant votes included in this statement.

3.1 Description of the voting processes

For assets with voting rights, the Trustees rely on the voting policies which their managers have in place.

Legal & General ("L&G")

L&G provided the following wording to describe its voting practices:

"All decisions are made by [L&G's] Investment Stewardship team and in accordance with [their] relevant Corporate Governance & Responsible Investment policy document which is 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 [their] 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.

[L&G] use ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by [L&G] and [they] do not outsource any part of the strategic decisions. [L&G's] use of ISS recommendations is purely to augment [their] own research and proprietary ESG assessment tools.

To ensure [L&G's] proxy provider votes in accordance with [their] position on ESG, [L&G] have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what [they] consider are minimum best practice standards which [they] believe all companies globally should observe, irrespective of local regulation or practice.

[L&G] retain the ability in all markets to override any vote decisions, which are based on [their] 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 [L&G] to apply a qualitative overlay to [their] voting judgement. [L&G] have strict monitoring controls to ensure [their] votes are fully and effectively executed in accordance with [their] voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform [L&G] of rejected votes which require further action."

3.2 Summary of voting behaviour

A summary of voting behaviour over the one year to 31 March 2024 (closest to the Scheme Year end) is provided in the table below.

Manager name	L&G		
Fund name	Low Carbon Transition UK Equity Index Fund	Low Carbon Transition Developed Markets Equity Index Fund	Low Carbon Transition Developed Markets Equity Index (GBP Hedged) Fund
Total size of fund at end of the Scheme Year	£0.6bn	£1.8bn	£2.1bn
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£4.5m (5.1%)	£9.9m (11.3%)	£9.9m (11.3%)
Number of equity holdings at end of the Scheme Year	79	1,416	
Number of meetings eligible to vote	96	1,607	
Number of resolutions eligible to vote	1,978	22,507	
% of resolutions voted	100.0%	99.8%	
Of the resolutions on which voted, % voted with management	95.9%	78.0%	
Of the resolutions on which voted, % voted against management	4.1%	21.8%	
Of the resolutions on which voted, % abstained from voting	0.0%	0.2%	
Of the meetings in which the manager voted, % with at least one vote against management	41.7%	81.3%	
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	3.4%	16.3%	

Some figures may not sum due to rounding.

3.3 Most significant votes

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below.

The Trustees did not inform their managers which votes it considered to be most significant in advance of those votes.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustees did not identify significant voting ahead of the reporting period. Instead, the Trustees have retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria¹ for creating this shortlist. By informing their managers of their stewardship priorities and through regular interactions with the managers, the Trustees believe that their managers will understand how the Trustees expect them to vote on issues for the companies they invest in on their behalf.

¹ [Vote reporting template for pension scheme implementation statement – Guidance for Trustees \(plsa.co.uk\)](#). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

The Trustees have interpreted “significant votes” to mean those that align with the Trustees’ stewardship priorities.

The Trustees have reported on three of these significant votes per fund only as the most significant votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustees.

L&G

L&G has provided a reason as to why each of the below votes are deemed “most significant”.

L&G Low Carbon Transition UK Equity Index Fund

- **Shell Plc, May 2023.**

Summary of resolution: Approve the Shell Energy Transition Progress.

Relevant stewardship priority: Climate change.

Approximate size of the holding at the date of the vote: ~4.7% of L&G’s fund.

Rationale: L&G offered the following commentary: *“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.”*

Why this vote is considered to be most significant: The holding is a significant size in relation to the fund and the vote relates to one of the Scheme’s stewardship priorities.

Company management recommendation: For. **Fund manager vote:** Against.

Was the vote communicated to the company ahead of the vote: No, L&G publicly communicates their vote instructions on their website the day after the company meeting, with a rationale for all votes against management. It is L&G’s policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

Outcome of the vote and next steps: The resolution was passed. L&G provided the following commentary: *“LGIM continues to undertake extensive engagement with Shell on its climate transition plans”*.

- **Aviva Plc, May 2023.**

Summary of resolution: Approve Climate-Related Financial Disclosure.

Relevant stewardship priority: Climate change.

Approximate size of the holding at the date of the vote: ~0.7% of L&G’s fund.

Rationale: L&G offered the following commentary: *“A vote FOR is warranted, having reviewed the disclosures we consider the report is aligned with LGIM’s climate expectations.”*

Why this vote is considered to be most significant: The vote relates to one of the Scheme’s stewardship priorities.

Company management recommendation: For. **Fund manager vote:** For.

Was the vote communicated to the company ahead of the vote: No, L&G publicly communicates their vote instructions on their website the day after the company meeting, with a rationale for all votes against management. It is L&G’s policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

Outcome of the vote and next steps: L&G did not provide the outcome of the vote. L&G provided the following commentary: *“[L&G] will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress”*.

- **Pearson Plc, April 2023.**

Summary of resolution: To approve the remuneration policy.

Relevant stewardship priority: Business ethics.

Approximate size of the holding at the date of the vote: ~0.4% of L&G’s fund.

Rationale: L&G offered the following commentary: *“The company consulted with LGIM in advance of the publication of their remuneration policy to propose some changes to executive pay. The changes centred*

around the fact that their CEO is based in the US and should therefore be compensated in line with US peers. Thus, there was a higher proposed annual bonus opportunity and long term incentive award. Our main concern was that although the company wants to align the CEO's salary with US peers, they have elected to use UK practices when it comes to his pension. This would result in a pension provision of 16% of salary, which is more than his US peers typically receive. We plan to vote against the policy because we feel the company should not pick and choose the regions (UK/US) to set executive pay based on which region offers the highest opportunity.”.

Why this vote is considered to be most significant: The vote relates to one of the Scheme's stewardship priorities.

Company management recommendation: For. **Fund manager vote:** Against.

Was the vote communicated to the company ahead of the vote: L&G pre-declared its vote intention for this meeting on the L&G blog and a communication was sent to the company ahead of the meeting. The company consulted with L&G in advance of the publication of their remuneration policy to propose some changes to executive pay and represents an escalation of its engagement policy.

Outcome of the vote and next steps: the resolution was passed. L&G provided the following commentary: “[L&G] will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress”.

L&G Low Carbon Transition Developed Markets Equity Index Fund (Sterling Hedged and Unhedged)

- **The Coca-Cola Company Plc, April 2023.**

Summary of resolution: Report on Congruency of Political Spending with Company Values and Priorities.

Relevant stewardship priority: Business ethics.

Approximate size of the holding at the date of the vote: ~0.5% of L&G's fund.

Rationale: L&G offered the following commentary: “[L&G] 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.”.

Why this vote is considered to be most significant: The holding is a significant size in relation to the fund and the vote relates to one of the Scheme's stewardship priorities.

Company management recommendation: Against. **Fund manager vote:** For.

Was the vote communicated to the company ahead of the vote: L&G pre-declared its vote intention for this meeting on the L&G blog and a communication was sent to the company ahead of the meeting.

Outcome of the vote and next steps: The resolution was not passed. L&G provided the following commentary: “[L&G] will continue to engage with the company and monitor progress.”.

- **JPMorgan Chase & Co., May 2023.**

Summary of resolution: Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets.

Relevant stewardship priority: Climate change.

Approximate size of the holding at the date of the vote: ~0.8% of L&G's fund.

Rationale: L&G offered the following commentary: “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.”.

Why this vote is considered to be most significant: The holding is a significant size in relation to the fund and the vote relates to one of the Scheme's stewardship priorities.

Company management recommendation: Against. **Fund manager vote:** For.

Was the vote communicated to the company ahead of the vote: L&G pre-declared its vote intention for this meeting on the L&G blog and a communication was sent to the company ahead of the meeting.

Outcome of the vote and next steps: The resolution was not passed. L&G provided the following commentary: “[L&G] will continue to engage with the company and monitor progress.”.

- **Toyota Motor Corp., June 2023.**

Summary of resolution: Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement.

Relevant stewardship priority: Climate change.

Approximate size of the holding at the date of the vote: ~0.4% of L&G’s fund.

Rationale: L&G offered the following commentary: “[L&G] views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as [L&G] 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.”.

Why this vote is considered to be most significant: the vote relates to one of the Scheme’s stewardship priorities.

Company management recommendation: Against. **Fund manager vote:** For.

Was the vote communicated to the company ahead of the vote: L&G pre-declared its vote intention for this meeting on the L&G blog and a communication was sent to the company ahead of the meeting .

Outcome of the vote and next steps: The resolution was not passed. L&G provided the following commentary: “[L&G] will continue to engage with the company and monitor progress.”.