

# The Honourable Society of the Inner Temple Pension and Life Assurance Scheme Implementation Statement – 31 March 2025

## 1. Purpose

This Implementation Statement reports on how, and the extent to which, the policies as set out in the Scheme's Statement of Investment Principles ("SIP") have been complied with during the year ended 31 March 2025. In preparing this statement, voting and stewardship policies, conflicts of interest and engagement have been reviewed. This review has been conducted by the Scheme's investment adviser and the Trustees have reviewed and approved the conclusions within this statement. This includes the exercise of rights (including voting) and other engagement activities undertaken in respect of the Scheme's investments. The statement also provides a summary of the voting behaviour and most significant votes cast during the reporting year.

## 2. Background

This Statement has been prepared by the Trustees, with the assistance of their Investment Adviser (Quantum Advisory), in line with the current regulatory guidance that was in place at the Scheme year end.

## 3. Executive summary

Over the Scheme year, the Trustees:

- The Trustees' Investment Adviser has reviewed the voting and engagement activity of the funds that invest in equities. The Trustees are generally content with their Investment Adviser's conclusion that the Scheme's investment managers have appropriately carried out their stewardship duties.
- The Trustees are of the opinion that they have complied with the relevant policies and procedures as identified in the SIP. The SIP was last updated in April 2025, following the Scheme year end date, as a result of changes to the Scheme's investment strategy made shortly before the Scheme year end date.
- The Trustees have remained aware of the relevant policies and procedures as identified in the SIP and received input from its Investment Adviser to aid ongoing compliance.

The voting activities for funds that do not hold equities have not been reviewed as part of this exercise, as the Trustees believe there is less scope to influence the practices within such arrangements. However, the general stewardship practices of non-equity managers have been reviewed to ensure that they actively engage with their investments.

## 4. Investment Manager's voting and stewardship policies and activity

### Trustee's voting and stewardship policies

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers.

The Trustees are unable to direct how votes are exercised and have not used a proxy voting services provider over the year. The Trustees have given the investment managers full discretion concerning voting and engagement decisions. As part of this exercise, the Trustees, with the assistance of its Investment Adviser, have reviewed the voting activities and stewardship policies of the funds.

The Trustees reviewed the Scheme's stewardship priorities and decided to not set stewardship priorities. The Trustees will instead monitor the investment managers' stewardship policies and assess whether they have appropriately carried out their duties. Should the voting activities and stewardship policies of an invested fund not be deemed appropriate, the Trustees will escalate these concerns with the relevant investment manager and if necessary, review the Scheme's position within the fund.

Over the scheme year, the voting activities of the following funds have been reviewed by Quantum Advisory on behalf of the Trustees, and the Trustees have approved the conclusions:

- BlackRock Aquila Life Overseas Consensus Equity Fund
- BlackRock Aquila Life Overseas Fixed Benchmark Equity Fund
- BlackRock Aquila Life UK Equity Index Fund
- Morgan Stanley ("MSIM") Global Brands Fund

In addition to this, the general stewardship policies of the above funds and funds listed below have also been reviewed by Quantum Advisory on behalf of the Trustees:

- BlackRock Aquila Life Over 25 Years UK Gilt Index Fund
- BlackRock Aquila Life Over 5 Years UK Index-Linked Gilt Index Fund
- BlackRock Aquila Life 5-15 Year Corporate Bond Index Fund
- BlackRock Aquila Life All Stocks Index Linked Gilt
- Insight Maturing Buy & Maintain 2021 – 2025
- Insight Maturing Buy & Maintain 2026 – 2030

The Trustees have reported on the funds that were held at the Scheme year-end date.

### **Managers' voting and stewardship policies and procedures**

Details of the managers' voting and stewardship policies can be found in Appendix 1. In this Statement, Quantum Advisory has noted the investment managers' stewardship policies and the extent to which the investment managers make use of any proxy advisory and voting services. Quantum Advisory are satisfied that the voting and policies/procedures of the investment managers are reasonable and consistent with industry practice (see appendix 1). The Trustees have approved the conclusion.

## Voting statistics

The table below sets out the key statistics on voting eligibility and action over the year.

Statistic	BlackRock Aquila Life Overseas Consensus Equity Fund	BlackRock Aquila Life Overseas Fixed Benchmark Equity Fund	BlackRock Aquila Life UK Equity Index Fund	MSIM Global Brands Fund
Number of equity holdings	2,827	1,756	545	36
Meetings eligible to vote at	4,481	1,958	690	40
Resolutions eligible to vote on	46,707	25,093	9,801	612
Proportion of eligible resolutions voted on (%)	98	98	99	100
Votes with management (%)	92	94	97	88
Votes against management (%)	7	5	2	12
Votes abstained from (%)	2	<1	<1	<1
Meetings where at least one vote was against management (%)	34	27	14	93
Votes contrary to the recommendation of the proxy adviser (%)	<1	<1	<1	8

Source: Scheme's underlying investment managers.

Quantum Advisory has noted that, as a whole, the voting activity meets expectations (see table above and appendix 2) and the Trustees are satisfied with the voting activity that has been undertaken within the invested funds during the Scheme year.

### **Significant votes over the reporting year**

Quantum Advisory has reviewed the most significant votes cast by the investment managers on behalf of the Trustees and, as a whole, are satisfied that these meet their expectations.

The Trustees have interpreted the most significant votes to mean its choice of votes from an extended list of significant votes provided by each of the investment managers in accordance with the PLSA guidance.

The significant votes provided by investment managers are determined by the stewardship policies they have in place. As the Scheme has not set any stewardship priorities, significant votes will be classified according to these manager policies. However, the Trustees have reviewed and are satisfied with the managers' classifications of significant votes during the Scheme year.

A cross section of the most significant votes cast is contained in Appendix 2.

## **5. Conflicts of interest**

This section reviews whether the managers are affected by the following conflicts of interest, and how these are managed. These conflicts are not specific to the Scheme and relate to the general conflicts of interest within the investment managers.

1. The asset management firm overall having an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding;
2. Senior staff at the asset management firm holding roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings;
3. The asset management firm's stewardship staff having a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding;
4. A situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer; and
5. Differences between the stewardship policies of managers and their clients.

### **BlackRock**

BlackRock stated that they have robust policies in place at the firm level to mitigate situations that may arise due to conflicts of interest. During the period, BlackRock were not aware of any specific situations that have created a conflict of interest affecting the invested equity funds.

BlackRock also refers investors to its conflicts of interest policies, which include several examples of conflicts and how these might be managed.

This accessed further at the following links:

<https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>

<https://www.blackrock.com/corporate/literature/publication/blk-statement-conflicts-of-interest.pdf>

## **MSIM**

MSIM has refrained from directly commenting on which of the conflicts of interest, detailed above, it is impacted by. Instead, MSIM refers investors to its conflicts of interest policies and procedures established to identify and mitigate conflicts of interest related to business activities on a worldwide basis. MSIM tracks these potential conflicts of interest and votes in line with the proxy voting policy, or may abstain, to manage any potential conflicts.

Each of the investment management entities within the Morgan Stanley group, that are managing the Morgan Stanley Investment Funds (including the Global Brands Fund), are subject to a conflict of interest policy and framework designed to ensure that all applicable conflicts of interest pertaining to it and the funds that it manages can be identified, monitored and managed on an ongoing basis so as to promote fair treatment for its clients.

## **Appendix 1 – Investment manager stewardship policies and procedures**

### **BlackRock**

BlackRock have developed high-level principles (“BlackRock’s Global Corporate Governance and Engagement Principles”) which set the framework for their voting. These are publicly accessible on the following website (<https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>).

Their voting guidelines are market specific, and take into account a company’s unique circumstances, where relevant. BlackRock inform their voting decision through research and engage as necessary. BlackRock determines which companies to engage directly based on their assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of their engagement being productive.

BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team (“BIS”), which consists of three regional teams – Americas (“AMRS”), Asia-Pacific (“APAC”), and Europe, Middle East and Africa (“EMEA”) – located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BIS with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Corporate Governance and Engagement Principles and market-specific guidelines.

While BlackRock subscribe to research from the proxy advisory firms ISS and Glass Lewis (also a voting proxy advisory firm), they do not follow any single proxy research firm’s voting recommendations. BlackRock use several other inputs, including a company’s own disclosures, and their record of past engagements, in their voting and engagement analysis.

Blackrock use ISS’s electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, they work with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform their voting decision.

### **MSIM**

MSIM will use its best efforts to vote proxies as part of its authority to manage, acquire and dispose of account assets. MSIM seek to vote proxies in a prudent and diligent manner and in the best interests of clients, consistent with the objective of maximizing long-term investment returns. In addition to research and vote recommendations, MSIM retains Institutional Shareholder Service (“ISS”) to provide vote execution, reporting, and record keeping services.

MSIM routinely engages with the management or board of companies in which they invest on a range of issues. MSIM engages with companies where they have larger positions, voting issues are material or where they believe they can make a positive impact on the governance structure.

MSIM's engagement process, through private communication with companies, allows them to understand the governance structures at investee companies and better inform their voting decisions. MSIM endeavour to integrate governance and proxy voting policy with investment goals, using the vote to encourage portfolio companies to enhance long-term shareholder value and to provide a high standard of transparency such that equity markets can value corporate assets appropriately. MSIM may abstain or vote against on matters for which disclosure is inadequate.

### **Insight**

Insight Investment's philosophy and approach towards responsible investment places an emphasis on the integration of responsible investment and stewardship principles within investment decision-making. Insight has a responsible investment policy to include a corporate conduct statement (outlining what is expected from corporates in which it invests) and has sovereign ESG impact ratings to evaluate how countries are aligned with the UN Sustainable Development Goals.

Insight retains the services of Minerva Analytics for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva Analytics provides research expertise and voting tools. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. Where contentious issues are identified, these are escalated to Insight for further review and direction. Please note, however, that Insight does not have voting rights for the funds held by the Scheme.

## **Appendix 2 – Most significant votes**

The tables on the following pages set out a cross section of significant votes undertaken by the investment managers of the funds held by the Scheme. Information on further significant votes undertaken by the Scheme's investment managers has been reviewed by Quantum Advisory on behalf of the Trustees.

### **Significant vote definitions**

#### **BlackRock**

BlackRock determines its significant votes by working around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance. Their year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes.

#### **MSIM**

MSIM's determined most significant votes to be votes against management or in support of shareholder resolutions.

## Significant votes

### BlackRock Aquila Life Overseas Consensus Equity Fund

Company Name	Berkshire Hathaway Inc.	The Boeing Company
Date of vote	May 2024	May 2024
Summary of the resolution	Disclose Berkshire Hathaway Energy's (BHE's) Emissions and Progress Towards Goal in Consolidated Report	Elect Director David L. Joyce
Size of the holding (% of portfolio)	Not Provided	Not Provided
How the firm voted	For the proposal	Against the proposal
Was the vote against management and was this communicated beforehand?	The vote was against management.  BlackRock does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors' proxy voting decisions.	The vote was against management.  BlackRock does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors' proxy voting decisions.
On which criteria has the vote been deemed as "most significant"?	BlackRock considers this vote significant as it is in relation to climate risk.	BlackRock considers this vote significant as it is in relation to board structure.
Outcome of the vote	The vote failed	The vote passed
Do the Trustees/ asset manager intend to escalate stewardship efforts?	BlackRock did not confirm if they intent to escalate this stewardship effort however they noted that they may engage in follow up meetings with companies regarding an engagement to provide additional clarity.	BlackRock stated that they will continue to engage with members of the Committee and Boeing's executive leadership to understand how these issues are being rectified, and robust practices are being established to safeguard key stakeholders and advance the long-term.

Source: BlackRock.

## BlackRock Aquila Life Fixed Benchmark Equity Fund

Company Name	Tesla, Inc.	Temenos AG
Date of vote	June 2024	May 2024
Summary of the resolution	Elect Director James Murdoch	Approve Remuneration Report
Size of the holding (% of portfolio)	Not Provided	Not Provided
How the firm voted	Against the proposal	Against the proposal
Was the vote against management and was this communicated beforehand?	The vote was against management.  BlackRock does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors' proxy voting decisions.	The vote was against management.  BlackRock does not disclose its vote intentions in advance of shareholder meetings as the team do not see it as its role to influence other investors' proxy voting decisions.
On which criteria has the vote been deemed as "most significant"?	BlackRock considers this vote significant as it is in relation to board structure.	BlackRock considers this vote significant as it is in relation to Board quality and effectiveness.
Outcome of the vote	The vote passed	The vote failed.
Do the Trustees/ asset manager intend to escalate stewardship efforts?	BlackRock will continue to engage and monitor the company on its board's decision-making process, independence, and ability to oversee management	BlackRock will continue to engage and track the company's to discuss its approach to future remuneration structures.

Source: BlackRock.

## BlackRock Aquila Life UK Equity Index Fund

Company Name	Shell Plc	Shell Plc
Date of vote	May 2024	May 2024
Summary of the resolution	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Approve the Shell Energy Transition Progress
Size of the holding (% of portfolio)	Not Provided	Not Provided
How the firm voted	Against the proposal	For the proposal
Was the vote against management and was this communicated beforehand?	The vote was with management.	The vote was with management.
On which criteria has the vote been deemed as “most significant”?	BlackRock considers this vote significant as it is in relation to climate risk.	BlackRock considers this vote significant as it is in relation to climate risk.
Outcome of the vote	The vote failed	The vote passed
Do the Trustees/ asset manager intend to escalate stewardship efforts?	BlackRock recognise the progress made by Shell and will continue to monitor and engage with the company to align with their best long-term economic interests for their clients.	BlackRock recognise the progress made by Shell and will continue to monitor and engage with the company to align with their best long-term economic interests for their clients.

Source: BlackRock.

## MSIM Global Brands

Company Name	Microsoft Corporation	RELX Plc
Date of vote	December 2024	April 2024
Summary of the resolution	Report on AI Data Sourcing Accountability	Authorize the Company to Call EGM with Two Weeks' Notice
Size of the holding (% of portfolio)	7.2%	3.4%
How the firm voted	For the proposal	Against the proposal
Where the vote was against management, was it communicated beforehand?	No, MSIM does not share voting intentions with any parties internally or externally prior to the vote	No, MSIM does not share voting intentions with any parties internally or externally prior to the vote
On which criteria have you assessed this vote to be "most significant"?	MSIM considers a vote against management as potentially significant.	MSIM considers a vote against management as potentially significant.
Outcome of the vote	The vote failed	The vote passed
Do the Trustees/ asset manager intend to escalate stewardship efforts?	MSIM may further engage on the topic if considered a financially material long-term ESG risk or opportunity.	MSIM may further engage on the topic if considered a financially material long-term ESG risk or opportunity.

Source: MSIM.