



# Seetru Limited Pension and Assurance Scheme (‘Scheme’)

31 March 2024 Implementation  
Statement

October 2024

## Introduction

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The Trustee is required to make publicly available online a statement (“the Implementation Statement”) covering the Seetru Limited Pension and Assurance Scheme (the ‘Scheme’) in relation to the Scheme’s Statement of Investment Principles (the “SIP”).

This SIP came into force from July 2023.

A copy of the current SIP dated July 2023 can be found here [Seetru SIP July 2023 \(vidett.com\)](#)

This Implementation Statement covers the period from 1 April 2023 to 31 March 2024 (the “Scheme Year”). It sets out:

- How the Trustee’s policies on stewardship have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including
- The most significant votes cast and any use of a proxy voter during the Scheme Year.

The latest guidance (“the **Guidance**”) from the Department for Work and Pensions (“**DWP**”) aims to encourage the Trustee of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme’s SIP. With the help of the Scheme’s Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP’s statutory guidance.

A copy of this Implementation Statement is available on the following website: [Vidett schemes » Seetru Limited Pension & Assurance Scheme](#)



# Defined Contribution Section

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## **Engagement policy implementation statement for the year ended 5 April 2024**

During the year ended 5 April 2024, the Scheme's investment policies were implemented in line with the principles set out in the Scheme's Statement of Investment Principles for the Defined Contribution ('DC') section.

## **Compliance with the Statement of Investment Principles (SIP) over the year**

The SIP in place during the year was adopted in September 2020. The SIP has not been otherwise reviewed during the Scheme year and there have been no significant changes in investment policy of either the DC section during the Scheme year.

## **Governance**

The Trustee recognises that their ultimate objective is to ensure, as far as possible, that members of the DC section are able to retire on a reasonable level of pension taking into account the contributions previously paid into members' individual accounts and the timescale over which those contributions were paid.

In particular:

- the Trustee will ensure that an objective is set for the selected investment options, including expected risks and returns, and
- when selecting investment options, the Trustee will
  - (i) review the option taking into account the member's preferences, and
  - (ii) review the option to offer a sufficient fund range to satisfy the risk and return combinations reasonable for most members.

To this end, the Trustee has in place a range of investment options that it believes will allow members to strike appropriate balances between long term needs for capital growth and shorter term volatility of returns, especially in the period approaching retirement.

The Trustee has also designed an opt-in lifestyle investment option which is an automated switch facility allowing members to pre-select an investment strategy, which will move their accrued funds into lower risk investments as retirement approaches.

## **Investment Strategy**

The Trustee has appointed Legal & General Investment Management ('LGIM') as investment manager. The Trustee offers money purchase members the option of investing in the following funds:

- Legal & General Multi-Asset Fund – to provide long-term investment growth through exposure to a diversified range of asset classes, excluding physical property.



- Legal & General Global Equity Fixed Weights (60:40) Fund – to provide diversified exposure to UK and overseas equity markets, with a fixed asset allocation between the UK (60%) and overseas (40%).
- Legal & General Future World Annuity Aware Fund (only if opted-in to lifestyle strategy) – to provide diversified exposure to sterling assets that reflect the broad characteristics of investments underlying the pricing of a typical non-inflation linked annuity.
- Legal & General Cash Fund (only if opted-in to lifestyle strategy) – the aim of this fund is to provide capital protection with growth at short term interest rates. The fund invests in short term money markets such as bank deposits and Treasury bills.

### Realisation of Investments

The Trustee will realise assets as required following member requests on retirement or earlier where required, provided that the Trustee is satisfied they are acting in the best interest of members. The Trustee’s policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments.

### Voting by the Underlying Investment Managers

Set out below is the voting statistics and examples for the most material equity holdings during the period that held voting rights. For the DC section, the defined significant votes are those which fit the following criteria:

- The votes relate to companies which comprise at least 0.5% of the underlying fund as at 31/03/2024.

The allocation to the LGIM Cash fund has not been considered.

Asset class	Fund name
Equity	LGIM All World Equity Index Fund
Multi-Asset	LGIM Global Equity Fixed Weights (60:40) Fund

- LGIM use Institutional Shareholder Services, “ISS”, for proxy voting services.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of “Abstain” is also considered a vote against management.

Voting and engagement activity undertaken by the Underlying Managers is set out below:

Equity voting statistics	LGIM Global Equity Fixed Weights (60:40) Index Fund	LGIM Multi-Asset Fund
Total meetings eligible to vote	3,035	9,301
Total resolutions eligible to vote	39,303	94,065



% of resolutions did you vote on for which you were eligible?	99.82%	99.79%
% did vote with management?	81.76%	76.51%
% vote against management?	18.14%	23.17%
% abstained	0.11%	0.32%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	13.30%	14.44%

Source: All data in this section has been provided by the Investment Manager as at 31 March 2024.

### Examples of most significant votes and engagement carried out by the underlying managers:

**Climate, Shell Plc (23/05/2023):** The LGIM Multi-Asset Fund and The LGIM Global Equity Fixed Weights (60:40) Fund held approximately 0.6% & 4.2% respectively of their portfolio in Shell plc at the time of the vote on Resolution 25, which aimed to approve the Shell Energy Transition Progress. LGIM voted against; LGIM 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, they 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. LGIM is publicly supportive of so called "Say on Climate" votes. They 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 they vote against the transition plan. LGIM continues to undertake extensive engagement with Shell on its climate transition plans.

**Governance, BP Plc (27/04/2023):** As of the date of the vote on Resolution 4 - re-electing Helge Lund as Director, the LGIM Multi-Asset Fund held approximately 2.3% in BP Plc. LGIM opted to vote against this resolution, countering management's recommendation. The opposing vote stems from governance concerns and questions around board accountability. With BP's revised oil production targets, shareholders have come to expect a vote on the company's revised climate transition strategy at the 2023 AGM. Concerns have also been raised regarding the governance processes that led to the decision to implement such amendments. While this vote is observed to be of high importance, given LGIM's long-standing engagement with BP on climate issues, LGIM publicly communicates its voting instructions the day following the company meeting on its website, providing a rationale for all votes counter to the management's recommendation. LGIM commits to continuing its engagement with BP Plc and will closely monitor its progress.



## Defined Benefit Section

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The Trustee uses the Fiduciary Management service of **Schroders IM Limited** as their Investment Manager and Adviser (referred to as the “**Fiduciary Manager**” in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as “**Underlying Investment Managers**”) to manage part of the Scheme’s assets, and investments with these managers are generally made via pooled funds, where the Scheme’s investments are pooled with those of other investors.



# 1. How the Trustee's policies on stewardship have been followed over the Scheme Year

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The Trustee's Fiduciary Manager is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The Trustee expects the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Scheme. Therefore, the Trustee's approach to stewardship is to delegate the stewardship activities to the Fiduciary Manager and as such the Trustee has aligned its stewardship priorities with the Fiduciary Manager's; **Climate Change, Natural Capital & Biodiversity** and **Human Rights**.

The UK Stewardship Code describes stewardship as "*the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society.*" Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Scheme's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustee's investment (including stewardship) policies when providing Fiduciary Management services.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed quarterly FM ESG updates during the Scheme Year, as well as the FM Annual ESG Report after the Scheme Year-end, before preparing this Implementation Statement. The quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Scheme's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Scheme's capital. The annual ESG report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustee is satisfied that the expectations outlined in the SIP have been met, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection. Examples of how this has been evidenced over 2023, include:

- ❖ Exclusions of Global Norms Violators as part of the security selection process. This ensures a closer alignment of the Scheme's investments with the Trustee's stewardship priorities, as violators are generally viewed as causing significant harm to People or Planet.
- ❖ Incorporation of SustainEx™ scoring into the core equity allocation process, in both the initial screening process and as a constraint at a total portfolio level. SustainEx™ is Schroders' proprietary tool to translate social and environmental impacts into financial costs.
- ❖ Conducting manager research to identify value-adding, climate-aware equity funds to potentially allocate some of the Scheme's capital to, subject to further due diligence.
- ❖ Approval of a cash fund that offers improved environmental characteristics to the Scheme's existing cash fund, with equivalent cost and return track record. After carrying out appropriate due-diligence in early 2024, the Scheme's existing cash assets have now been invested in this fund.



- ❖ Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials.
- ❖ Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments.
- ❖ Addition of voting and engagement examples to the quarterly ESG reporting provided to the Trustee, facilitating a more regular review throughout the year of the Underlying Investment Managers' stewardship activities.
- ❖ ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth and LDI portfolios. Some examples of the engagements which occurred over 2023 are detailed in a separate Engagement Report, available upon request.
- ❖ Introduction of new 'impact' metrics into quarterly reporting, such as Implied Temperature Rise (measuring the contribution of the Scheme's investments to global warming) and SustainEx™ scoring, to facilitate better Trustee oversight of the impacts of the Scheme's capital on the environment and society.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity (detailed in a separate Engagement Report, available upon request) that took place on the Trustee's behalf during the Scheme Year within the growth asset portfolio, and the liability hedging portfolio, the Trustee is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Scheme's liability hedging programme not only remained robust during the Gilt Crisis of Autumn 2022 and beyond, but the Fiduciary Manager also provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Scheme.

**Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Scheme Year.**





## 2. Voting During the Scheme Year

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The Trustee has delegated responsibility for voting on its behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Scheme's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustee, in line with the Trustee's stewardship policy.

### Voting by the Fiduciary Manager

Over the year to 31 March 2024, regarding clients' pooled fund investments<sup>1</sup>, the Fiduciary Manager voted on 90 resolutions across 16 meetings. The Fiduciary Manager voted against management on 5 resolution (5.6% of total resolutions) and abstained on 32<sup>2</sup> resolutions (35.6% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

### Voting by the Underlying Investment Managers

#### Most Significant Votes

The following criteria must be met for a vote to be considered "significant":

3. Must relate to the **BNY Mellon (Schroder Solutions) Global Equity Fund**;
4. Must be defined as significant by the Fiduciary Manager; and
5. Must relate to the Trustee's three stewardship priority themes.

The **BNY Mellon (Schroder Solution) Global Equity Fund** constitutes more than 16% of the Scheme's Growth Asset portfolio and thus constitutes the majority of the Scheme's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Scheme's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particularly significant for the Scheme. From 1 January 2024, the proxy voting for this fund moved to Schroders' central ESG team which will ensure the voting policy going forward is guided by Schroders' **Engagement Blueprint** and therefore aligns with the Trustee's stewardship priorities.

Of the votes that satisfy these criteria, the Trustee has selected one vote relating to each of the priority themes that it deems most material to the long-term value of the investments. These votes are hereby defined as "most significant votes", and as per DWP guidance, the Trustee has communicated this definition of "most significant votes" to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

***CLIMATE CHANGE*** - *At the annual PACCAR Inc meeting on 25 April 2023, BNY Mellon voted in favour of the shareholder proposal for the Board of Directors to annually issue a report describing how the company's lobbying activities align with the goal of the Paris Agreement. This vote was considered "most significant" as it focuses on climate-related topics and the manager believes PACCAR is not transparent in disclosing their activities in this area. This vote failed, and Mellon will continue to engage with PACCAR and encourage them to disclose more information on lobbying generally, and specifically related to climate.*

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<sup>1</sup> The voting statistics provided pertain to the Fiduciary Manager's Model Growth portfolio and may not fully reflect the pooled fund investments held by the scheme.

<sup>2</sup> The Fiduciary Manager abstained from voting on these resolutions due to the presence of share blocking. If the Manager were to vote on a position, they would then be blocked from selling positions in the security from the voting deadline date until one day post meeting and, in the absence of an instruction from Investors, it is Schroders' policy to retain liquidity of the investment.



**NATURAL CAPITAL & BIODIVERSITY** - On 20 June 2023, BNY Mellon voted against a shareholder proposal for General Motors Company to report on setting sustainable sourcing targets. Mellon's rationale for voting against this proposal was due to their belief that the company has numerous existing initiatives addressing the items contained in the proposal, as well as top class disclosure on other sustainable sourcing data. This vote is considered "most significant" by the Trustee, as it focuses on the natural capital and biodiversity stewardship priority and the manager considers it to be significant since the company are already providing sufficient information in this area. The vote failed, and Mellon intend to continue engagement with General Motors to ensure that all disclosures are kept up to date and are focused on material concerns to the company and their long-term value.

**HUMAN RIGHTS** - At the Nike Inc, shareholder meeting on 12 September 2023, BNY Mellon voted against a shareholder proposal for the company to report on the effectiveness of supply chain management on equity goals and human rights commitments. BNY Mellon voted against the proposal as they believe the company's detailed disclosures already address the ask of the shareholder proposal and support of the proposal would not enhance the long-term shareholder value of the company as it would waste time and resources on information already provided. This vote relating to the Human Rights stewardship priority failed. Mellon will continue to engage with Nike and encourage the company to maintain their disclosures in the current detailed manner they are.

### Summary Voting Statistics

The Fiduciary Manager uses c.30 Underlying Managers; however, only the Scheme's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the 12 months to 31 December 2023 for the most material, active funds held on behalf of the Trustee that had voting rights during the period.

Equity Funds	BNYM Global Equity Fund	Morant Wright Fuji Yield Japanese Fund	FSSA All China Fund (1 Nov 23 – 31 Mar 24)
Total meetings eligible to vote	943	61	25
Total resolutions eligible to vote	11,918	764	139
Of resolutions eligible to vote, % of resolutions voted on	94%	100%	100%
Of voted resolutions, % vote with management	93%	84%	96%
Of voted resolutions, % vote against management	7%	16%	4%
Of voted resolutions, % abstained	1%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	3%	N/A	9%

### Note:

- BNYM, NinetyOne and Morgan Stanley use Institutional Shareholder Services, "ISS", for proxy voting services. BNYM also utilises Glass Lewis for research. The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- BNYM have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.



- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of “Abstain” is also considered a vote against management.
- A new equity fund, **FSSA All China**, held at the Scheme Year-end, was introduced into the Growth portfolio in November 2023. Due to the Scheme’s limited investment period in this fund during this Scheme Year, the Trustee has elected to not include the 12-month voting statistics for this fund, and only report on the activity over the months invested.

<i>Alternative Funds</i>	<b>Lumyna Marshall Wace - TOPS (Market Neutral) Fund</b>	<b>Lumyna Marshall Wace - TOPS Environmental Focus (Market Neutral) Fund</b>	<b>Lumyna Marshall Wace - Systematic Alpha Fund</b>	<b>North Rock Fund</b>
Total meetings eligible to vote	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>	57
Total resolutions eligible to vote	5535	2733	5617	<i>Data not provided</i>
Of resolutions eligible to vote, % of resolutions voted on	100%	100%	100%	100%
Of voted resolutions, % vote with management	79%	63%	81%	100%
Of voted resolutions, % vote against management	11%	8%	11%	0%
Of voted resolutions, % abstained	10%	29%	8%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	8%	5%	8%	0%

**Note:**

- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Lumyna Marshall Wace and North Rock use Glass Lewis for proxy voting services.
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of “Abstain” is also considered a vote against management.
- North Rock voted all resolutions with management or with the recommendations of the proxy advisory service.

**The Trustee is satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities the Trustee has determined during the Scheme Year, hence the Trustee believe it has satisfactorily implemented the Stewardship Policy stated in the Scheme’s SIP.**



## Appendix 1 – ESG, Voting and Engagement Policies

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Links to the voting and responsible investment policies for both the DC section and DB Fiduciary Manager and Underlying Investment Managers of the Scheme's actively managed holdings can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	<a href="#">schroders-esg-policy.pdf</a> <a href="https://www.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf">https://www.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf</a>
Bank of New York Mellon	<a href="https://www.mellon.com/content/dam/mellondotcom/pdf/disclosures/proxy-voting-guidelines-mellon.pdf">https://www.mellon.com/content/dam/mellondotcom/pdf/disclosures/proxy-voting-guidelines-mellon.pdf</a>
Morant Wright	<a href="https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf">https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf</a>
SCOR	<a href="https://www.scor-ip.com/sites/default/files/2023-05/SCOR_IP_Shareholder%20engagement%20policy_EN_052023.pdf">https://www.scor-ip.com/sites/default/files/2023-05/SCOR_IP_Shareholder%20engagement%20policy_EN_052023.pdf</a>
T Rowe Price	<a href="https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf">https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf</a>
Neuberger Berman	<a href="https://www.nb.com/en/global/esg/engagement">https://www.nb.com/en/global/esg/engagement</a>
Legal & General	<a href="#">Investment stewardship &amp; governance   LGIM Institutional</a>

