

Implementation Statement, covering 1 October 2021 to 30 September 2022

The Trustee of the St Paul's Cathedral (1972) Pension & Life Assurance Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles ("SIP") during the year. This is provided in Sections 1 & 2 below.

The 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.

1. Introduction

The SIP was updated during the Scheme year, however no changes were made to the voting and engagement policies in the SIP during the year. The last time these policies were formally reviewed was August 2019.

The Trustee has, in its opinion, followed the Scheme's voting and engagement policies during the year, by continuing to delegate to its investment managers the exercise of rights and engagement activities in relation to investments. The Trustee took a number of steps to review the Scheme's existing managers and funds over the period, as described in Section 2 (Voting and engagement) below.

2. Voting and engagement

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. In the six-monthly monitoring reports that LCP produce, LCP include key investment manager developments that have occurred over the period. In this they include any ESG factors and voting and engagement changes that have been made by the manager. The Trustee monitors the comments and will act if any action needs to be taken. Over the Scheme year no action was taken.

3. Description of voting behaviour during the Scheme Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the year.

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

- Ruffer Absolute Return Fund.

The Scheme was also invested in a range of Legal and General equity funds at the start of the year, however we have not included voting data for these funds as the Scheme fully disinvested from them early in the Scheme year (10 December 2021). Following this disinvestment, the Scheme now has limited exposure to listed equities, with only a portion of the Ruffer Absolute Return Fund invested in the asset class.

In addition to the above, the Trustee contacted the Scheme's other asset managers that don't hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the period. Commentary provided from these managers is set out in Section 3.4

3.1 Description of the voting processes

We provide below descriptions provided by the managers on their voting processes:

Ruffer: *"Ruffer, as a discretionary investment manager, does not have a formal policy on consulting with clients before voting. However, it can accommodate client voting instructions for specific areas of concerns or companies where feasible.*

Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). Ruffer have developed its own internal voting guidelines, however it takes into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers'

voting recommendations, it does not delegate or outsource its stewardship activities when deciding how to vote on its clients' shares.

Each research analyst, supported by Ruffer's responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer."

3.2 Summary of voting behaviour over the Scheme Year

A summary of voting behaviour over the period is provided in the table below.

	Fund
Manager name	Ruffer
Fund name	Absolute Return Fund
Total size of fund at end of reporting period	£4,506m
Value of Scheme assets at end of reporting period (£ / % of total assets)	£2.5m / 12.3%
Number of equity holdings at end of reporting period	46
Number of meetings eligible to vote	87
Number of resolutions eligible to vote	1,442
% of resolutions voted	100%
Of the resolutions on which voted, % voted with management	92.9%
Of the resolutions on which voted, % voted against management	6.7%
Of the resolutions on which voted, % abstained from voting	0.4%
Of the meetings in which the manager voted, % with at least one vote against management	35.6%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	6.5%

3.3 Most significant votes over the year

Commentary on the most significant votes over the period, from the Scheme's asset managers who hold listed equities, is set out below. We have selected some of the votes provided based on their content and the rationale given by the managers.

Ruffer

Ruffer provided the following rationale to explain how it decided which votes it deemed significant:

"We have defined 'significant votes' as those that we think will be of particular interest to our clients. In most cases, these are when they form part of continuing engagement with the company and/or we have held a discussion between members of the research, portfolio management and responsible investment teams to make a voting decision following differences between the recommendations of the company, ISS and our internal voting guidelines."

Ruffer provided details on a number of significant votes that it carried out. These include the following:

- **Cigna Corporation, US, April 2022**

Ruffer voted against a shareholder resolution for Cigna Corporation to issue a report on the gender pay gap due to lack of transparency. In the report Cigna used an "equal pay for equal work" statistic and reported that there are no material differences in pay related to gender or race. However this "equal pay for equal work" metric is subjective, in that it allows the company to define what it considers an "equal job". Cigna already reports its gender representation statistics and it additionally set a parity goal for leadership positions. As such, Ruffer believed that shareholders already have enough information to assess how effectively company practices are working to eliminate discrimination in pay and opportunity in its workforce. Therefore, Ruffer felt a vote against was warranted. The shareholder resolution failed with 66.8% votes against. Ruffer will continue to vote on shareholder resolutions that affect transparency over Diversity, Ethnicity and Inclusion Efforts.

- **Equinor ASA, Norway, May 2022**

Ruffer voted for a resolution to approve the company's energy transition plan. Ruffer voted for Equinor's transition plan because it is supportive of their efforts to decarbonise. Equinor is at the forefront of offshore wind developments and Ruffer have been impressed by their business success in that area. Ruffer have engaged with the company and discussed their plan and disagree with ISS's assessment. Equinor are one of few companies who have been profitable in aiming to decarbonise and we will support that. The shareholder resolution passed with 96.6% votes in favour. Ruffer will monitor how the company progresses and improves over time and continue to support credible energy transition strategies and initiatives.

- **Marks & Spencer Group Plc, UK, July 2022**

Ruffer voted for a resolution to approve the company's remuneration report. Ruffer engaged with the company on this matter. Steve Rowe's (ex-CEO) notice period started on 5th July and not on 10th March when his departure was formally announced to the market. However, this was done to facilitate an orderly handover of responsibilities to the new CEO(s) and Steve was working during this period. Ruffer does not have an issue with this and thus approved the Remuneration Report, against the proxy advisor's advice. The fact that Steve was paid a bonus for the year despite the fact that he was on a notice period is also not an issue as he was deserving of the bonus according to the criteria laid out for the year 2021-22 and even though his departure was formally announced 20 days before the year end, he continued to work until several months after the year end. Finally, the decline in the share price of M&S recently is due to the market concerns of the impact of rise in inflation and not to the performance of M&S which has been very strong even in the current environment. So, Ruffer would deem it unfair to compare the salary of the new co-CEOs to the impact on the share price due to macroeconomic fears in the market. The shareholder resolution passed with 70.9% voted in favour. Ruffer will continue to engage with the company on governance issues and vote on remuneration proposals where it deems it to have material impact to the company.

3.4 Votes in relation to assets other than listed equity

Newton

Newton does not invest in listed equities, but does invest in assets that had voting opportunities during the period. Newton provided the following commentary on the voting opportunities that it had:

“There were two possible votes on holdings for the BNY Mellon Global Dynamic Bond Fund that we actively decided not to participate in, iShares IV plc - iShares China CNY Bond UCITS ETF and Mitchells & Butlers Finance Plc. This decision was made as the custodian would have ‘blocked’ the underlying security which means if we want to trade the holding, it has to be re-registered therefore reducing our ability to freely trade. In the case of this vote, the resolution was not sufficiently contentious to warrant voting against and nor was our support required – therefore, we took an active decision not to vote in order to permit us to be able to trade the holdings freely during the vote period.”

Other managers

There were no voting opportunities over the year for the Scheme’s other managers.