



# Students' Union Superannuation Scheme (‘Scheme’)

30 June 2023 Implementation  
Statement

October 2023

**Schroders' Solutions Disclaimer:**

The Implementation Statement is a regulatory requirement under the 2018 changes to the Occupational Pension Schemes (Investment) Regulations 2005. It is important that the Trustees of the Scheme understand and consider financially material Environmental, Social and Governance ("ESG") factors and consider their own stewardship obligations. A failure to do this puts the Trustees at risk of breaching their legal duties.

This is a Trustee document, and the Trustees must review the Implementation Statement draft provided by their investment adviser and confirm that they have considered the content prepared and reviewed any associated documentation, such as voting policies.

# 1. Introduction

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The Trustees are required to make publicly available online a statement (“the Implementation Statement”) covering the Students’ Union Superannuation Scheme (the ‘Scheme’) in relation to the Scheme’s Statement of Investment Principles (the “SIP”).

The SIP was not amended during the year ending 30 June 2023, and the changes made were predominantly for the change of Investment Managers and Investment Adviser. In addition, the SIP was updated to reflect the change in overall investment target return.

This SIP came into force from 2 August 2023.

A copy of the current SIP signed and dated 2 August 2023 can be found here [weareigg.com/wp-content/uploads/2023/08/2023-SUSS-Statement-of-Investment-Principles.pdf](https://weareigg.com/wp-content/uploads/2023/08/2023-SUSS-Statement-of-Investment-Principles.pdf)

This Implementation Statement covers the Scheme year from 1 July 2022 to 30 June 2023 (the “Scheme Year”). It sets out:

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

A new set of guidance (“the Guidance”) from the Department for Work and Pensions (“DWP”) has been issued with a series of statutory & non-statutory guidance. They aim to encourage the Trustees of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme’s SIP. This Implementation Statement has been prepared to provide the details on how the Trustees of the Scheme, with the help of the Scheme’s Fiduciary Manager, have complied with the new statutory guidance set by DWP.

During the Scheme Year, the Trustees appointed a Fiduciary Manager, Schroders, and the Scheme’s assets were transitioned from their Legacy Investment Managers. The Fiduciary Manager has been managing the Scheme’s assets since 31 May 2023; for the purposes of the Implementation Statement, the Scheme’s legacy holdings that were held for eleven months of the Scheme Year have been included. The majority of the Implementation Statement reflects the policies now in force under the Fiduciary Management approach, but as the assets had not fully transitioned until the end of the Scheme Year, the voting and engagement statistics are based on the legacy assets.

A copy of this Implementation Statement is available on the following website: [Implementation Statement \(schemedocs.com\)](https://schemedocs.com)

## 2. How the Trustees' policies on exercising voting rights and engagements have been followed over the Scheme Year

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The Trustees use the Fiduciary Management service of **Schroders IS Limited** as their Investment Manager and Adviser (it is referred to as the "**Fiduciary Manager**" in the Implementation Statement). The Fiduciary Manager has been managing the Scheme's assets since 31 May 2023; for the purposes of the Implementation Statement, the Scheme's legacy holdings that were held for eleven months of the Scheme Year have been included. Schroders Group, a global asset manager, has a long history of engagement and active ownership, dating back to 1998 when it appointed its first governance resource, and has recorded and monitored ESG engagements since then. Further credentials include:

- Signatory to the UK Stewardship code
- A+ rating for UN Principles for Responsible Investment
- A- rating for Carbon Disclosure Project
- Advanced ESG recognition from Morningstar
- Engagement Blueprint awarded ESG Engagement Initiative of the Year at Environmental Finance's Sustainable Investment Awards 2022
- Best Investor Engagement recognition from IR Society Best Practice Award for 2021

The Fiduciary Manager can appoint other investment managers to manage part of the Scheme's assets (these are referred to as "**Underlying Investment Managers**"). The Scheme invests in some assets with voting rights attached (e.g. equities) and with engagement possible in relation to most asset classes. Whilst the Trustees have delegated responsibility to the Fiduciary Manager and Underlying Managers for voting and engaging on its behalf, the Trustees regularly review the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustees' beliefs and objectives.

A copy of the Scheme's SIP has been provided to the Fiduciary Manager, and the Fiduciary Manager is expected to follow the Trustees' investment policies when providing Fiduciary Management services. However, given that the investments with the Underlying Investment Managers are generally made via pooled funds (where the Scheme's investments are pooled with those of other investors), the Fiduciary Manager does not have direct control over voting or engaging with the companies that issue the underlying securities. This process lies with the Underlying Investment Manager, who may have different engagement priorities than the Trustees. Therefore, the Trustees require the Fiduciary Manager to integrate stewardship activities such as voting and engagement, and Environmental, Social and Governance (ESG) factors including climate change, into the selection or monitoring of Underlying Investment Managers. The Trustees believe it is appropriate to delegate the decision of appointing and monitoring Underlying Investment Managers to the Fiduciary Manager, who will be able to influence the Underlying Investment Manager's voting and engagement policies. Consequently, the Trustees can largely exercise their stewardship policy as set out in the Scheme's SIP.

During the Scheme Year, the Trustees have received training on the latest DWP Guidance. To support the Trustees in meeting the new requirements, the Trustees also received training on Schroders' Engagement Blueprint, which sets out the six engagement themes the Scheme's Fiduciary Manager believes to be most financially material. These are the themes the Fiduciary Manager will align the majority of its own engagement of underlying managers with. To agree on which of these themes the Trustees prioritise in its own stewardship activities, the Trustees completed a survey selecting three engagement themes it will use for engagement and monitoring of the Fiduciary Manager's activities. The Trustees of the Scheme have determined their stewardship priorities over 2023 as Climate Change, Natural Capital & Biodiversity, and Human Rights.

The Trustees believe these themes are issues material to the long-term value of the investments. These issues also reflect expectations and trends across a range of stakeholders, and by strengthening relationships with

these stakeholders, business models become more sustainable, which ultimately should enhance the value added to the Scheme's investment and hence benefit the Scheme's members and beneficiaries. Therefore the Trustees believe that companies that address those issues, when they are material and relevant, will drive improved financial performance for the Scheme.

On behalf of the Trustees, the Fiduciary Manager carries out regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments. Additionally, with the help of the Fiduciary Manager, the Trustees monitor the performance of the Underlying Investment Managers against the agreed performance objectives at Trustee meetings held during the Scheme Year.

In addition, the Trustees also received other training on topics such as Climate Risk, ESG Regulation and how their Fiduciary Manager integrates ESG into its investment processes.

**Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the DWP Guidance over the Scheme Year.**

### 3. Voting and Engagement Summary

This section of the Implementation Statement focuses on the Scheme’s holdings with the Legacy Investment Managers, that were held for the majority of the Scheme Year, 1 July 2022 to 31 May 2023. The Scheme’s investment managers during this period were as follows:

- Legal and General Investment Management (“LGIM”);
- Baillie Gifford Asset Management (“Baillie Gifford”);
- Schroder Investment Management (“Schroders”);
- Janus Henderson Global Investors (“Janus Henderson”);
- Partners Group (Guernsey) Limited (“Partners”); and
- Insight Investment Management (“Insight”).

During the period, the Scheme invested entirely in pooled funds, and, as such, delegated responsibility for carrying out voting and engagement activities to the Scheme’s Legacy Investment Managers. The voting rights and engagement regarding the Scheme’s investments relate to underlying securities within pooled funds. At a general meeting of a company, the Legacy Investment Managers exercise voting rights and engage with the company issuing the security in line with their policies. The Trustees receive and review voting information and engagement policies from the Scheme’s Legacy Investment Managers (summarised in this document), which were reviewed to ensure they aligned with the Trustees’ policies stated in the Statement of Investment Principles.

#### Voting by the Underlying Investment Managers on securities held on behalf of the Trustees

The majority of the voting data collated for the Scheme is given over the year to 31 March 2023 as the most reflective period that the Legacy Investment Managers were held. The voting data provided by all managers is specific to the pooled version of the funds in which the Scheme invests.

#### Most Significant Votes

The Trustees have delegated to the Legacy Investment Managers to define what a “significant vote” is. Data on significant votes was requested from the Legacy Investment Managers of all the funds in which the Scheme invests that have invested in equities over the nine months to 31 March 2023. A selection of key voting action the managers have provided is below.

	Baillie Gifford Multi Asset Growth Fund	Schroders Life Intermediated Diversified Growth Fund	Partners Fund <sup>1</sup>
Company name	Duke Realty Corporation	Apple Inc.	Techem
Date of vote	28 September 2022	10 March 2023	Not provided by the manager
Approximate size of the fund’s holding as at the date of the vote (% of the portfolio)	0.88%	0.16%	Not provided by the manager

<sup>1</sup> The data provided by Partners covers the period 1 January 2023 to 30 June 2023.

<b>Summary of the resolution</b>	Remuneration of Named Executive Officers.	Shareholder proposal to report on median gender/race pay gap.	Partners control the Board, the ESG efforts of the portfolio company are described below.
<b>How the manager voted</b>	Against	For	The manager controls the board of Techem
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	No	Schroders may tell the company of their intention to vote against the recommendations of the board before voting, in particular if they are large shareholders or if they have an active engagement on the issue. They always inform companies after voting against any of the board's recommendations.	N/A
<b>Rationale for the voting decision</b>	While the manager was supportive of the proposed merger with Prologis, they were uncomfortable with the compensation arrangements planned for Duke Realty NEOs in connection with the merger and therefore opposed this resolution, which ultimately received 92% dissent from shareholders.	Shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives.	Techem's published its second Corporate Sustainability Report in July 2022, covering the entire Techem Group. The report highlights key ESG achievements, with a clear focus on achieving climate neutrality by 2045 and the Diversity & Inclusion roadmap.
<b>Outcome of the vote</b>	Fail (aligned with Baillie Gifford vote)	Fail (not aligned with Schroders vote)	N/A
<b>Implications of the outcome</b>	The resolution failed to be passed. Further to this, Baillie Gifford also attempted to engage the company on its approach to compensation at this year's AGM but was unsuccessful on that occasion. They state they will continue efforts to do so going forward.	Schroders monitor voting outcomes particularly if they are large shareholders or if they have an active engagement on the issue. If they think that the company is not sufficiently responsive to a vote or their other engagement work, they may escalate their concerns by starting, continuing or intensifying an engagement. As part of this activity they may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.	Elsewhere, Techem contributes to a climate-neutral building stock through its business activities. The focus is on efficient and smart building technology, which effectively reduces energy consumption and CO2 emissions for heat and hot water by involving both owners and tenants. For instance, across Europe, the team has set a goal of having more than 10,000 charging stations in service and operating with green electricity by 2025.  Techem's decarbonization plan aims to reduce CO2 emissions by 42% by 2030

and achieve a long-term reduction of 90% by 2045. The decarbonization plan is based on Techem's carbon footprint according to the GHG protocol.

<b>On what criteria was the vote considered “most significant”</b>	This resolution is significant because it received greater than 20% opposition and was a vote against management.	Voted against management and focuses on identifying and mitigating potential human capital risks at the company which could impact the long-term value of the company.	Significant size of holding in fund
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### LGIM Equity Portfolio

Company name	Emerson Electric Co.	Twitter, Inc.	Accenture PLC
Date of vote	7 February 2023	13 September 2022	1 February 2023
Approximate size of the fund’s holding as at the date of the vote (% of the portfolio)	0.11%	0.05%	0.78%
Summary of the resolution	Elect Director Martin S. Craighead	Advisory Vote on Golden Parachutes	Elect Director Julie Sweet
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their 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.		
Rationale for the voting decision	<p>Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.</p> <p>Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis.</p>	<p>Remuneration: A vote against is applied as LGIM does not support the use of golden parachutes. As a long-term and engaged investor, we entrust the board to ensure executive directors’ pay is fair, balanced and aligned with the strategy and long-term growth and performance of the business, where this is not the case we will use our vote.</p>	<p>Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.</p>
Outcome of the vote	Pass (not aligned with LGIM’s vote)	Pass (not aligned with LGIM’s vote)	Pass (not aligned with LGIM’s vote)
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly	It is worth noting that in Twitters 2022 AGM, LGIM voted against their say on	LGIM will continue to engage with their investee companies, publicly



	advocate their position on this issue and monitor company and market-level progress.	pay proposal, as did 42% of shareholders. LGIM will continue to engage with our investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	advocate their position on this issue and monitor company and market-level progress.
On what criteria was the vote considered “most 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.	High Profile Meeting: LGIM considers Twitter to be significant given the high-profile nature of the meeting. Golden parachute payments are lucrative settlement payments to top executives in the event that their employment is terminated. This is an issue we assess across all companies and is particularly pertinent for Twitter at the moment as the proposed takeover by Elon Musk continues to evolve.	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

LGIM Equity Portfolio			
Company name	Canon, Inc.	Novartis AG	Ninety One plc
Date of vote	30 March 2023	7 March 2023	26 July 2022
Approximate size of the fund’s holding as at the date of the vote (% of the portfolio)	0.49%	3.01%	0.03%
Summary of the resolution	Elect Director Mitarai, Fujio	Re-elect Joerg Reinhardt as Director and Board Chair	Approve Climate Strategy
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their 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.		
Rationale for the voting decision	Independence: A vote against is applied due to the lack of independent directors on the board. Independent directors	Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least one-third of board members	Climate: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris

	bring an external perspective to the board. Bringing relevant and suitably diverse mix of skills and perspectives is critical to the quality of the board and the strategic direction of the company. LGIM would like to see all companies have a third of the board comprising truly independent outside directors.  Diversity: A vote against is applied due to the lack of meaningful diversity on the board.	being women. LGIM expects companies to increase female participation both on the board and in leadership positions over time.	goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.
Outcome of the vote	Pass (not aligned with LGIM's vote)	Pass (not aligned with LGIM's vote)	Pass (not aligned with LGIM's vote)
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
On what criteria was the vote considered "most significant"	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	Engagement - Climate: LGIM consider this climate transition plan did not meet their minimum expectations. LGIM consider it is important that Climate Transition plans are credible and ambitious.

LGIM Equity Portfolio			
Company name	Royal Mail plc	Capricorn Energy Plc	Royal Dutch Shell
Date of vote	20 July 2022	1 February 2023	24 May 2022
Approximate size of the fund's holding as at the date of the vote (% of the portfolio)	0.02%	0.67%	4.55%
Summary of the resolution	Re-elect Director Keith Williams	Approve NewMed Acquisition	Approve the Shell Energy Transition Plan
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate	LGIM publicly communicates its vote instructions on its website	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part	LGIM voted in line with management

<p>their intent to the company ahead of the vote?</p>	<p>with the rationale for all votes against management. It is their general policy not to engage with our investee companies in the three weeks prior to an AGM so to not limit their engagement to shareholder meeting topics and vote decisions.</p>	<p>of this process, a communication was set to the company ahead of the meeting.</p>	
<p>Rationale for the voting decision</p>	<p>Diversity: A vote against was applied as the company has an all-male Executive Committee. From 2022, we have applied voting sanctions to the FTSE 100 companies that do not have at least one woman on their executive committee, with the expectation that there should be a minimum of 33% over time</p>	<p>LGIM has undertaken numerous engagements with the Capricorn board over the past nine months to express their widespread concerns with the transactions the board has proposed, including the NewMed transaction. Further detail can be found in their Q4 2022 Quarterly Impact Report. LGIM's view had consistently been that the proposed combination with NewMed had weak strategic rationale and would not lead to meaningful synergies; rather, it would create significant new risks for Capricorn shareholders. In particular, they noted the timing of the proposed meetings as a matter of grave concern. The decision to hold the company's meeting before the shareholder requisitioned meeting appeared to be a direct attempt to undermine due process.</p>	<p>Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.</p>
<p>Outcome of the vote</p>	<p>Pass (not aligned with LGIM's vote)</p>	<p>Fail (aligned with LGIM's vote)</p>	<p>Pass (not aligned with LGIM's vote)</p>
<p>Implications of the outcome</p>	<p>LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.</p>	<p>The newly constituted board intended to conduct a comprehensive strategic review of Capricorn's business and potential directions for the future, with a priority given to the NewMed transaction. Following the strategic review, and given shareholders' views, the</p>	<p>LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.</p>

		board and NewMed have agreed to terminate the business combination.	
On what criteria was the vote considered “most significant”	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients. This vote is deemed significant due to the escalation and expansion of their diversity vote to all-male Executive Committees.	Pre-Declaration and Engagement: LGIM considers this vote to be significant as it is in application of an escalation of their engagement activity. The overall engagement demonstrates how LGIM’s Investment Stewardship, Investment and Climate Solutions teams work together in pushing for a better financial and environmental outcome for stakeholders, and through the vote outcomes it demonstrates the power of combined shareholder action.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

## Summary Voting Statistics

Below are the voting statistics for the most material funds held on behalf of the Trustees that had voting rights during the period, the voting statistics cover the nine-month period to 31 March 2023 as the most reflective period that the Legacy Investment Managers were held.

	Baillie Gifford Multi Asset Growth Fund	Schroders Life Intermediated Diversified Growth Fund	Partners Fund <sup>2</sup>
Total meetings eligible to vote	84	1,270	61
Total resolutions eligible to vote	885	15,662	877
% of resolutions did you vote on for which you were eligible?	97%	95%	100%
% did vote with management?	95%	89%	92%
% vote against management?	4%	10%	5%
% abstained	1%	0%	3%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	N/A	2%	1%

	LGIM Equity Portfolio <sup>3</sup>					
	Future World Emerging Market Equity Index	Future World Asia Pacific (ex Japan) Developed Equity Index	Future World Japan Equity Index	Future World Europe (ex UK) Equity Index	Future World North America Equity Index	Future World UK Equity Index
Total meetings eligible to vote	3,037	177	332	431	617	473
Total resolutions eligible to vote	26,163	1,382	4,236	7,617	7,812	7,158
% of resolutions did you vote on for which you were eligible?	100%	100%	100%	100%	99%	100%
% did vote with management?	80%	70%	89%	82%	65%	94%
% vote against management?	18%	30%	11%	17%	35%	6%
% abstained	2%	0%	0%	0%	0%	0%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	7%	18%	9%	10%	26%	5%

**The Trustees are satisfied that the voting and engagement activities undertaken by the Legacy Investment Managers and agree they align with the stewardship priorities the Trustees have**

<sup>2</sup> The data provided by Partners covers the period 1 January 2023 to 30 June 2023.

<sup>3</sup> The voting data in the LGIM table is only covers the unhedged versions of the LGIM Future World Funds. The voting data for the hedged versions, that the Scheme also holds, would be the same.

determined during the Scheme Year. The Trustees are looking to update the SIP next year to include the engagement priorities it has agreed to following the transition to its Fiduciary Manager.

## Appendix 1 – ESG, Voting and Engagement Policies

Links to the voting and engagement policies for both Investment Manager and Underlying Investment Managers of the Scheme’s largest holdings can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders	<a href="#">schroders-esg-policy.pdf</a>
Legal and General Investment Management	<a href="#">UK Stewardship Code 2022 (lgim.com)</a>
Baillie Gifford Asset Management	<a href="#">Our Stewardship Approach: ESG Principles and Guidelines 2023 (bailliegifford.com)</a>
Janus Henderson Global Investors	<a href="#">JH+Proxy+Voting+Policy+and+Procedures+-+March+2023+Revisions.pdf (janushenderson.com)</a>
Partners Group (Guernsey) Limited	<a href="#">20230425_PG_Corporate_Sustainability_Report_2022_vF.pdf (partnersgroup.com)</a>
Insight Investment Management	<a href="#">eu---insight-uk-stewardship-code-2022.pdf (insightinvestment.com)</a>