

The General Council of the Bar Pension and Life Assurance Fund

Engagement Policy Implementation Statement for the year ending 30 September 2023

Introduction

The Trustee of The General Council of the Bar Pension and Life Assurance Fund (the 'Fund') has a fiduciary duty to consider its approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustee, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 30 September 2023. This statement also describes the voting behaviour by, or on behalf of, the Trustee including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustee, in conjunction with their investment consultant, appoints its investment managers and chooses the specific pooled funds to use in order to meet specific policies. It expects that its investment managers make decisions based on assessments about the financial performance of underlying investments, including environmental, social and governance (ESG) factors, and that they engage with issuers of debt or equity to improve their performance (and thereby the Fund's performance) over an appropriate time horizon.

The Trustee has decided not to take non-financial matters into account when considering its policy objectives.

Stewardship - monitoring and engagement

The Trustee recognises that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustee acknowledges that the concept of stewardship may be less applicable to some of its assets, particularly for short-term money market instruments and gilts. As such the Fund's investments in these asset classes are not covered by this engagement policy implementation statement.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The Trustee has not set out their own voting policy but follow that of the investment managers. Each investment manager is expected to provide regular reports detailing their voting activity.

The Trustee also delegates responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustee seeks to appoint managers that have strong stewardship policies and processes and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
BlackRock	Yes	Yes
LGIM	Yes	Yes

The Trustee reviews each investment manager prior to appointment and monitor them on an ongoing basis through the regular review of the manager's voting and engagement policies, their investment consultant's ESG rating, and a review of each manager's voting and engagement behaviour.

The Trustee will seek to appoint investment managers that take a responsible and sustainable investment approach to investment and have identified the following priorities for monitoring and engagement with each investment manager:

- Climate change and environmental impact
- Labour conditions including gender equality, living wage and modern-day slavery
- Corporate governance, including board composition and executive remuneration.

The Trustee believes that monitoring and engaging on these stewardship priorities will result in better long term returns for the Fund and better outcomes for Fund members.

The Trustee will engage with a manager should they consider that manager's voting and engagement policy to be inadequate or if the voting and engagement undertaken is not aligned with the manager's own policies, or if the manager's policies diverge significantly from any stewardship policies identified by the Trustee from time to time.

If the Trustee finds any manager's policies or behaviour unacceptable, it may agree an alternative mandate with the manager or decide to review or replace the manager.

As all of the investments are held in pooled vehicles, the Trustee does not envisage being directly involved with peer-to-peer engagement in investee companies.

Investment manager engagement policies

The Fund's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustee with information on how the investment managers engage in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager’s engagement policy or suitable alternative is provided in the Appendix.

The latest available engagement information provided by the investment managers (for mandates that contain publicly quoted equities or bonds) is as follows:

Engagement				
	LGIM UK Equity Index Fund	LGIM World (ex UK) Equity Index Fund	LGIM Over 10 Year Active Corporate Bond	BlackRock Dynamic Diversified Growth
Period	01/10/2022 – 30/09/2023	01/10/2022 – 30/09/2023	01/10/2022 – 30/09/2023	01/10/2022 – 30/09/2023
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.			
Number of companies engaged with over the year	224	497	45	249
Number of engagements over the year	371	722	106	434

The Trustee is comfortable that these policies are broadly in line with the Fund’s chosen stewardship approach.

Exercising rights and responsibilities

The Trustee recognises that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and to report on the use of proxy voting advisers.

The Trustee has selected the three votes affecting the largest asset holdings for inclusion in this statement. The Trustee did not communicate with the manager in advance about the votes it considered to be the most significant.

The investment managers publish online the overall voting records of the firm on a regular basis.

All investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustee does not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustee considers the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers (for mandates that contain publicly quoted equities) is as follows:

Voting behaviour			
	LGIM UK Equity Index Fund	LGIM World (ex UK) Equity Index Fund	BlackRock Dynamic Diversified Growth
Period	01/10/2022 – 30/09/2023	01/10/2022 – 30/09/2023	01/10/2022 – 30/09/2023
Number of meetings eligible to vote at	660	2,862	595
Number of resolutions eligible to vote on	10,239	34,959	7414
Proportion of votes cast	100.0%	99.9%	93.1%
Proportion of votes for management	94.3%	77.9%	88.1%
Proportion of votes against management	5.7%	22.0%	5.0%
Proportion of resolutions abstained from voting on	0.0%	0.2%	1.5%

Trustee assessment

The Trustee has, in its opinion, followed the Fund's voting and engagement policies during the year, by continuing to delegate to each investment manager, 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.

The Trustee has considered the environmental, social and governance rating for each investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities.

The Trustee has reviewed the significant voting and engagement behaviour of each investment manager and believe that this is broadly in line with their stated policies.

The Trustee recognises that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the Engagement Policies for each of the investment managers can be found here:

Investment manager	Engagement Policy (or suitable alternative)
Legal & General Investment Management	https://www.lgim.com/landq-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf
BlackRock Investment Management	https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf

Information on the most significant votes for each of the funds containing public equities is shown below.

BlackRock consider the votes chosen to be materially significant with regards to sustainable long-term performance.

LGIM UK Equity Index Fund	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	BP Plc	Glencore Plc
Date of Vote	23/05/2023	27/04/2023	26/05/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.0	3.8	2.4
Summary of the resolution	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 4 - Re-elect Helge Lund as Director	Resolution 19: Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan"
How the fund manager voted	Against (against management recommendation)	Against (against management recommendation)	For (against management recommendation)

<p>Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote</p>	<p>LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.</p>	<p>LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, there was regular communication with the company ahead of the meeting.</p>	
<p>Rationale for the voting decision</p>	<p>Climate change: 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.</p>	<p>Governance: A vote against is applied due to governance and board accountability concerns. Given the revision of the company's oil production targets, shareholders expect to be given the opportunity to vote on the company's amended climate transition strategy at the 2023 AGM. Additionally, we note concerns around the governance processes leading to the decision to implement such amendments.</p>	<p>In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.</p>

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Outcome of the vote	80% (Pass)	n/a	29.2% (Fail)
Implications of the outcome	LGIM continues to undertake extensive engagement with Shell on its climate transition plans.	LGIM will continue to engage with the company and monitor progress.	
Criteria on which the vote is assessed to be "most significant"	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We 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 LGIM votes against the transition plan.	High Profile Meeting and Engagement: We consider this vote to be significant given our long-standing engagement with the company on the issue of climate.	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.

LGIM World (ex UK) Equity Index Fund	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	NVIDIA Corporation	Alphabet Inc.
Date of Vote	24/05/2023	22/06/2023	02/06/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.7	1.6	1.3

Summary of the resolution	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps	Resolution 1i - Elect Director Stephen C. Neal	Resolution 18 - Approve Recapitalization Plan for all Stock to Have One-vote per Share
How the fund manager voted	For (Against Management Recommendation)	Against (against management recommendation)	For (against management recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	
Rationale for the voting decision	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic	Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.

	backgrounds – is a crucial step towards building a better company, economy and society.		
Outcome of the vote	29% (Fail)	n/a	30.7% (Fail)
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.
Criteria on which the vote is assessed to be “most significant”	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	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: This shareholder resolution is considered significant due to the relatively high level of support received.
BlackRock Dynamic Diversified Growth	Vote 1	Vote 2	Vote 3
Company name	KLA Corporation	National Australia Bank Limited	Siemens AG
Date of Vote	02/11/2022	16/12/2022	09/02/2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a	n/a

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Summary of the resolution	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Approve Climate Risk Safeguarding	Amend Articles Re: Participation of Supervisory Board Members in the Annual General Meeting by Means of Audio and Video Transmission
How the fund manager voted	Against	Against	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	n/a	n/a	n/a
Rationale for the voting decision	n/a	n/a	n/a
Outcome of the vote	Fail	Withdrawn	Pass
Implications of the outcome	n/a	n/a	n/a
Criteria on which the vote is assessed to be "most significant"	Significant Vote Proposal	Significant Vote Proposal	Significant Vote Proposal

Information on the most significant engagement case studies LGIM participated in during the year ending 31 December 2022 is shown below.

LGIM	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	ExxonMobil	BP Plc	J Sainsbury Plc

Topic	Environment: Climate change (Climate Impact Pledge)	Environment: Climate change (Climate Impact Pledge)	Social: Income inequality - living wage (diversity, equity and inclusion)
Rationale	<p>As one of the world's largest public oil and gas companies in the world, we believe that Exxon Mobil's climate policies, actions, disclosures and net zero transition plans have the potential for significant influence across the industry as a whole, and particularly in the US.</p> <p>At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in 20 climate-critical sectors. We select roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies</p>	<p>As one of the largest integrated oil and gas producers in the world, BP has a significant role to play in the global transition to net zero, hence our focus on this company for in-depth engagements. As members of the CA100+ we commit to engaging with a certain number of companies on their focus list and on account of our strong relationship with BP, we lead the CA100+ engagements with them.</p> <p>At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in 20 climate-critical sectors. We select roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet</p>	<p>Ensuring companies take account of the 'employee voice' and that they are treating employees fairly in terms of pay and diversity and inclusion is an important aspect of our stewardship activities. As the cost of living ratchets up in the wake of the pandemic and amid soaring inflation in many parts of the world, our work on income inequality and our expectations of companies regarding the living wage have acquired a new level of urgency.</p> <p>LGIM's expectations of companies:</p> <p>i) As a responsible investor, LGIM advocates that all companies should ensure that they are paying their employees a living wage and that this requirement should also be extended to all firms with whom they do business across their supply chains.</p> <p>ii) We expect the company board to challenge decisions</p>

<p>within the sector, and in supply chains. Our in-depth engagement is focused on helping companies meet these minimum expectations, and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions).</p>	<p>leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. Our in-depth engagement is focused on helping companies meet these minimum expectations, and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions).</p>	<p>to pay employees less than the living wage.</p> <p>iii) We ask the remuneration committee, when considering remuneration for executive directors, to consider the remuneration policy adopted for all employees.</p> <p>iv) In the midst of the pandemic, we went a step further by tightening our criteria of bonus payments to executives at companies where COVID-19 had resulted in mass employee lay-offs and the company had claimed financial assistance (such as participating in government-supported furlough schemes) in order to remain a going concern.</p>
<p>UN SDG 13: Climate action</p>	<p>UN SDG 13: Climate action</p>	<p>With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury's is one of the largest supermarkets in the UK. Although Sainsbury's is currently paying higher wages than many other listed supermarkets, the</p>

			<p>company has been selected because it is more likely than many of its peers to be able to meet the requirements to become living wage accredited.</p> <p>UN SDG 8: Decent work and economic growth</p>
<p>What the investment manager has done</p>	<p>LGIM has been engaging with Exxon Mobil since 2016 and they have participated willingly in LGIM's discussions and meetings. Under LGIM's Climate Impact Pledge, they identified a number of initial areas for concerns, namely: lack of Scope 3 emissions disclosures (embedded in sold products); lack of integration or a comprehensive net zero commitment; lack of ambition in operational reductions targets and lack of disclosure of climate lobbying activities.</p> <p>LGIM's regular engagements with Exxon Mobil have focused on their minimum expectations under the Climate Impact Pledge. The improvements made have not so far been</p>	<p>LGIM been engaging with BP on climate change for a number of years, during the course of which LGIM have seen many actions taken regarding climate change mitigation.</p> <p>BP has made a series of announcements detailing their expansion into clean energy. These include projects to develop solar energy in the US, partnerships with Volkswagen (on fast electric vehicle charging) and Qantas Airways (on reducing emissions in aviation), and winning bids to develop major offshore wind projects in the UK and US.</p> <p>LGIM's recommendation for the oil and gas industry is to primarily focus on reducing its own emissions (and production) in line with global climate targets before</p>	<p>Sainsbury's has recently come under scrutiny for not paying a real living wage. LGIM engaged initially with the company's [then] CEO in 2016 about this issue and by 2021, Sainsbury's was paying a real living wage to all employees, except those in outer London. We joined forces with ShareAction to try to encourage the company to change its policy for outer London workers. As these engagements failed to deliver change, we then joined ShareAction in filing a shareholder resolution in Q1 2022, asking the company to becoming a living wage accredited employer.</p> <p>This escalation succeeded insofar as, in April 2022, Sainsbury's moved all</p>

sufficient in LGIM's opinion, which has resulted in escalations. The first escalation was to vote against the re-election of the Chair, from 2019, in line with LGIM's Climate Impact Pledge sanctions.

Subsequently, in the absence of further improvements, LGIM placed Exxon Mobil on their Climate Impact Pledge divestment list (for applicable LGIM funds) in 2021, as we considered the steps taken by the company so far to be insufficient for a firm of its scale and stature. Nevertheless, LGIM's engagement with the company continues. In terms of further voting activity, in 2022 LGIM supported two climate-related shareholder resolutions (i.e. voted against management recommendation) at Exxon's AGM, reflecting LGIM's continued wish for the company to take sufficient action on climate change in line with our minimum expectations.

Levels of individual typically engaged with include lead

considering any potential diversification into clean energy. BP has also announced that it would be reducing its oil and gas output by 40% over the next decade, with a view to reaching net-zero emissions by 2050.

LGIM met with BP several times during 2022. In BP's 2022 AGM, LGIM were pleased to be able to support management's 'Net Zero – from ambition to action' report (Resolution 3). Having strengthened its ambition to achieve net-zero emissions by 2050 and to halve operational emissions by 2030, BP has also expanded its scope 3 targets, committed to a substantial decline in oil and gas production, and announced an increase in capital expenditure to low-carbon growth segments.

Levels of director typically engaged with include the chair, the CEO, head of sustainability, and investor relations.

its London-based employees (inner and outer) to the real living wage. LGIM welcomed this development as it demonstrates Sainsbury's values as a responsible employer. However, the shareholder resolution was not withdrawn and remained on the 2022 AGM agenda because, despite this expansion of the real living wage to more employees, there are still some who are excluded. This group comprises contracted cleaners and security guards, who fulfil essential functions in helping the business to operate safely.

Levels of individual typically engaged with include the Chair, the CEO, and head of investor relations.

	independent director, investor relations, director and CFO.		
Outcomes and next steps	<p>Since 2021, LGIM have seen notable improvements from Exxon Mobil regarding our key engagement requests, including disclosure of Scope 3 emissions, a 'net zero by 2050' commitment (for Scopes 1 and 2 emissions), the setting of interim operational emissions reduction targets, and improved disclosure of lobbying activities. However, there are still key areas where LGIM require further improvements, including inclusion of Scope 3 emissions in their targets, and improving the level of ambition regarding interim targets. LGIM are also seeking further transparency on their lobbying activities.</p> <p>The company remains on LGIM's divestment list (for relevant funds), but our engagement with them continues.</p>	<p>LGIM will continue engaging with BP on climate change, strategy and related governance topics. Following the company's decision to revise their oil production targets, LGIM met with the company several times in early 2023 to discuss our concerns.</p>	<p>Since filing the shareholder resolution, Sainsbury's has made three further pay increases to its directly employed workers, harmonising inner and outer London pay and is now paying the real living wage to its employees, as well as extending free food to workers well into 2023. LGIM welcome these actions which demonstrate the value the board places on its workforce. LGIM have asked the board to collaborate with other key industry stakeholders to bring about a living wage for contracted staff.</p>