

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme Implementation Statement – 31 March 2023

1. Purpose

This Implementation Statement reports on how, and the extent to which, the policies as set out in the Scheme's Statement of Investment Principles ("SIP") have been complied with during the year ended 31 March 2023. In preparing this statement, voting and stewardship policies, conflicts of interest and engagement have been reviewed. This review has been conducted by the Scheme's investment adviser and the Trustees have reviewed and approved the conclusions within this statement. This includes the exercise of rights (including voting) and other engagement activities undertaken in respect of the Scheme's investments. The statement also provides a summary of the voting behaviour and most significant votes cast during the reporting year.

2. Background

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

3. Executive summary

Over the Scheme year, the Trustees:

- The Trustees' Investment Adviser has reviewed the voting and engagement activity of the funds that invest in equities. The Trustees are generally content with their Investment Adviser's conclusion that the Scheme's investment managers have appropriately carried out their stewardship duties.
- The Trustees are of the opinion that they have complied with the relevant policies and procedures as identified in the SIP. The SIP was last updated in April 2023, following the Scheme year end date, as a result of changes to the Scheme's investment strategy made after the Scheme year end date.
- The Trustees have remained aware of the relevant policies and procedures as identified in the SIP and received input from its Investment Adviser to aid ongoing compliance.

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

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

Trustee's voting and stewardship policies

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

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

The Trustees acknowledge the need to be responsible stewards and exercise the rights associated with the Scheme's investments in a responsible manner. With regards to equity investments, the Trustees have provided the appointed investment managers with full discretion concerning the stewardship of investments. Over the year, the Trustees have considered publicly available stewardship publications pertaining to the incumbent investment managers.

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

- BlackRock Aquila Life Overseas Consensus Equity Fund
- BlackRock Aquila Life Overseas Fixed Benchmark Equity Fund
- BlackRock Aquila Life UK Equity Index Fund
- Baillie Gifford Multi-Asset Growth Fund
- Morgan Stanley (herein "MSIM") Global Brands Fund
- Legal & General Dynamic Diversified Fund

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

- BlackRock Aquila Life Over 25 Years UK Gilt Index Fund
- BlackRock Aquila Life Over 5 Years UK Index-Linked Gilt Index Fund
- BlackRock Aquila Life 5-15 Year Corporate Bond Index Fund

Managers' voting and stewardship policies and procedures

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

Voting statistics

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

Statistic	Baillie Gifford Multi-Asset Growth Fund	BlackRock Aquila Life Overseas Consensus Equity Fund	BlackRock Aquila Life Overseas Fixed Benchmark Equity Fund	BlackRock Aquila Life UK Equity Index Fund	LGIM Dynamic Diversified Fund	MSIM Global Brands Fund
Number of equity holdings	41	3,100	1,907	569	6,854	33
Meetings eligible to vote at	84	4,763	2,090	690	9,541	32
Resolutions eligible to vote on	885	50,835	26,156	10,135	99,647	490
Proportion of eligible resolutions voted on (%)	97.1	94.0	91.0	99.0	99.8	100.0
Votes with management (%)	95.2	90.0	92.0	96.0	77.6	88.8
Votes against management (%)	3.6	9.0	7.0	3.0	21.7	11.2
Votes abstained from (%)	1.2	2.0	0.0	0.0	0.7	0.0
Meetings where at least one vote was against management (%)	23.8	37.0	31.0	21.0	72.5	84.4
Votes contrary to the recommendation of the proxy adviser (%)	n/a	<1	<1	<1	12.6	8.4

Significant votes over the reporting year

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

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

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

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

5. Conflicts of interest

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

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

LGIM

LGIM has refrained from directly commenting on which of the conflicts of interest, detailed above, it is impacted by. Instead, LGIM refers investors to its conflicts of interest policies, which include several examples of conflicts and how these might be managed.

This is available here:

<https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-conflicts-of-interest.pdf>

MSIM

MSIM has refrained from directly commenting on which of the conflicts of interest, detailed above, it is impacted by. Instead, MSIM refers investors to its conflicts of interest policies and procedures established to identify and mitigate conflicts of interest related to business activities on a worldwide

basis. MSIM tracks these potential conflicts of interest and votes in line with the proxy voting policy, or may abstain, to manage any potential conflicts.

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

With respect to conflicts 1, 2, 3 and 4, staff of these entities are bound by Conflicts of Interest, Outside Business Interest and Code of Ethics policies in relation to their activities. Additionally, with respect to conflict 4, investment activities are also subject to an investment oversight framework. With respect to conflict 5, different entities and clients may have different stewardship policies which may not always be aligned.

BlackRock

BlackRock confirmed there were no conflicts of interest over the period.

BlackRock maintains a compliance program for identifying, escalating, avoiding and/or managing potential or actual conflicts of interest. The program is carried out through their employees' adherence to relevant policies and procedures, a governance and oversight structure and employee training.

Among the various policies and procedures that address conflicts of interest is BlackRock's Global Conflicts of Interest Policy. This policy governs the responsibility of BlackRock and its employees to place their clients' interests first and to identify and manage any conflicts of interest that may arise in the course of their business. BlackRock's Legal & Compliance team conducts mandatory annual compliance training, which includes a discussion of the Global Conflicts of Interest Policy.

Baillie Gifford

Baillie Gifford provides services to a wide variety of clients including those that may be issuers of securities that Baillie Gifford may recommend for purchase or sale to clients. In addition to their clients, some of their service providers and/or suppliers are issuers of securities that Baillie Gifford may recommend for purchase or sale to clients. In both cases it is Baillie Gifford's general policy not to take into account that an issuer is their client, service provider or supplier when making investment decisions. Baillie Gifford believes it would not be in the interests of clients generally to exclude such issuers from a client portfolio unless the client instructs Baillie Gifford to the contrary.

James Anderson, a Baillie Gifford partner, serves as the Non-Executive Chair of Kinnevik AB, as well as being a member of the Nomination Committee. James has recused himself from any investment discussions and decisions about Kinnevik and its underlying investments.

Where Baillie Gifford have invested in Scandinavian companies, Baillie Gifford individuals have been elected onto the investee company's nomination committee. It is market practice in Scandinavia for representatives of the largest shareholder to make up the nomination committee. The nomination committee is not a board committee and the positions do not come with substantive company policies or actions. Baillie Gifford support the opportunity to be more closely involved in the governance and stewardship of their client's holdings.

Lastly, their preference is for clients to give them full discretion to vote in line with Baillie Gifford's Governance and Sustainability Principles and Guidelines. Where clients request them to adhere to their own stewardship policies, these are reviewed and discussed with the client, noting deviations

from their own Governance and Sustainability Principles and Guidelines and can be implemented, where appropriate.

Appendix 1 – Investment manager stewardship policies and procedures

LGIM

LGIM's Investment Stewardship team make all voting decisions, in accordance with LGIM's Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and strategic decisions are not outsourced. The use of ISS recommendations is purely to augment LGIM's own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of IVIS to supplement the research reports that are received from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with LGIM's position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards which LGIM believe all companies globally should observe, irrespective of local regulation or practice. LGIM retain the ability in all markets to override any voting decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information that allows LGIM to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.

MSIM

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

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

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

Baillie Gifford

All voting decisions are made by Baillie Gifford's Governance & Sustainability team in conjunction with the investment managers. They do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote they will engage with them on this. If a vote is particularly contentious, they may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Baillie Gifford believes that voting should be investment led, because how they vote is an important part of the long-term investment process, which is why their strong preference is to be given this responsibility by their clients. The ability to vote their clients' shares also strengthens their position when engaging with investee companies.

Baillie Gifford analyses all meetings in-house in line with their Governance & Sustainability Principles and Guidelines and they endeavour to vote every one of their clients' holdings in all markets.

Baillie Gifford encourage focus on the building of lasting competitive advantage and will 'enthusiastically' support those companies with a thoughtful approach, using voting to support their five core principles: (i) Prioritisation of long-term value creation; (ii) A constructive and purposeful board; (iii) Long-term focused remuneration with stretching targets; (iv) Fair treatment of stakeholders; and (v) Sustainable business practices. They apply their approach to stewardship across all companies that they invest in on behalf of their clients.

Whilst Baillie Gifford are cognisant of proxy advisers' voting recommendations (Institutional Shareholder Services ("ISS") and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon their recommendations when deciding how to vote on clients' shares. All client voting decisions are made in-house.

BlackRock

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

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

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

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

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

Appendix 2 – Most significant votes

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

Significant vote definitions

Blackrock

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

LGIM

In determining significant votes, LGIM’s Investment Stewardship team considers the criteria provided by the PLSA guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and / or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM’s annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship’s 5-year ESG priority engagement themes.

MSIM

MSIM’s most significant votes are votes against management or in support of shareholder resolutions as these can potentially be significant.

Baillie Gifford

The list below is not exhaustive, but identifies what Baillie Gifford view as potentially significant voting situations:

- Baillie Gifford’s holding had a material impact on the outcome of the meeting
- The resolution received 20% or more opposition and Baillie Gifford opposed
- Egregious remuneration
- Controversial equity issuance
- Shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders
- Where there has been a significant audit failing
- Where they have opposed mergers and acquisitions, the financial statements/annual report, or the election of directors and executives.

Significant votes

Baillie Gifford Multi-Asset Growth Fund

Company Name	Galaxy Entertainment Group LTD	ROYAL CARIBBEAN CRUISES LTD.
Date of vote	May 2022	June 2022
Summary of the resolution	Amendment of Share Capital	Appoint/ Pay Auditors
Size of the holding (% of portfolio)	0.1	0.1
How the firm voted	Against	Against
Was the vote against management and was this communicated beforehand?	No, the vote was not communicated beforehand.	Yes
On which criteria has the vote been deemed as 'significant'?	The company opposed two resolutions which sought authority to issue equity as the potential dilution levels were not in the interests of shareholders.	Baillie Gifford deemed it significant because they opposed the election of auditors.
Outcome of the vote	Pass	Pass
Does the Trustee/ asset manager intend to escalate stewardship efforts?	Baillie Gifford have opposed similar resolutions in previous years and will continue to advise the company on their concerns and seek to obtain proposals they can support.	The existing auditor had been in place since 1989 and thus Baillie Gifford had previously raised the excessive tenure with the company. Following no action, Baillie Gifford voted against and will not be considering the appointment until their concerns have been addressed.

Source: Baillie Gifford.

MSIM Global Brands

Company Name	The Procter & Gamble Company	Broadridge Financial Solutions, Inc.
Date of vote	October 2022	November 2022
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Advisory Vote to Ratify Named Executive Officers' Compensation
Size of the holding (% of portfolio)	3.0	1.0
How the firm voted	Against	Against
Where the vote was against management, was it communicated beforehand?	No, MSIM does not share voting intentions with any parties internally or externally prior to the vote.	No, MSIM does not share voting intentions with any parties internally or externally prior to the vote.
Outcome of the vote	Pass	Pass
On which criteria have you assessed this vote to be "most significant"?	MSIM considers a vote against management significant.	MSIM considers a vote against management significant.
Does the Trustee/ asset manager intend to escalate stewardship efforts?	MSIM will continue to engage with the company on the topics mentioned.	MSIM will continue to engage with the company on the topics mentioned.

Source: MSIM.

LGIM Dynamic Diversified

Company Name	Royal Dutch Shell Plc	Prologis, Inc.
Date of vote	May 2022	May 2022
Summary of the resolution	Approve the Shell Energy Transition Progress Update	Elect Director Hamid R. Moghadam
Size of the holding (% of portfolio)	0.3	0.3
How the firm voted	Against	Against
Was the vote against management and was this communicated beforehand?	Voted in line with management.	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.
Outcome of the vote	Pass	Pass
On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote an escalation of their climate-related engagement activity.	LGIM considers this vote an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).
Does the trustee/ asset manager intend to escalate stewardship efforts?	LGIM will continue to engage with investee companies, publicly advocating their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with investee companies, publicly advocating their position on this issue and monitor company and market-level progress.

Source: LGIM.

BlackRock Aquila Life Overseas Consensus Equity Fund

Company Name	Bank of Montreal	Rio Tinto Limited
Date of vote	April 2022	May 2022
Summary of the resolution	Adopt a Policy to Ensure the Bank's Financing is Consistent with IEA's Net Zero Emissions by 2050 Scenario	Elect Ben Wyatt as Director
Was the vote against management and was this communicated beforehand?	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
How the firm voted	Against	For
On which criteria has the vote been deemed as 'significant'?	Significant vote proposal	Significant vote proposal
Outcome of the vote	Fail	Fail
Does the trustee/ asset manager intend to escalate stewardship efforts?	BlackRock will continue to engage and monitor the company on its delivery to its Net Zero commitment.	BlackRock will continue to engage and track progress of the group's commitment to address these issues and the board's oversight of social-related risks and opportunities.

Source: BlackRock.

BlackRock Aquila Life Fixed Benchmark Equity Fund

Company Name	HCA Healthcare, Inc	Woodside Petroleum Ltd.
Date of vote	April 2022	May 2022
Summary of the resolution	Elect Director Charles O. Holliday, Jr.	Approve Climate Report
Was the vote against management and was this communicated beforehand?	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
How the firm voted	For	For
On which criteria has the vote been deemed as 'significant'?	Significant vote proposal	Significant vote proposal
Outcome of the vote	Pass	Pass
Does the trustee/ asset manager intend to escalate stewardship efforts?	BlackRock will continue to engage and track progress of the group's commitment to address these issues and the board's oversight of social-related risks and opportunities.	BlackRock recognise the disclosed plan and progress made by Woodside Petroleum Ltd and will continue to monitor and engage with the company to align with their best long-term economic interests for their clients.

Source: BlackRock.

BlackRock Aquila Life UK Equity Index Fund

Company Name	Royal Dutch Shell Plc	Barclays Plc
Date of vote	May 2022	May 2022
Summary of the resolution	Approve the Shell Energy Transition Progress Update (Management proposal)	Approve Barclays' Climate Strategy, Targets and Progress 2022
Was the vote against management and was this communicated beforehand?	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
How the firm voted	For	For
On which criteria has the vote been deemed as 'significant'?	Significant vote proposal	Significant vote proposal
Outcome of the vote	Pass	Pass
Does the trustee/ asset manager intend to escalate stewardship efforts?	BlackRock recognise the disclosed plan and progress made by Shell and will continue to monitor and engage with the company to align with their best long-term economic interests for their clients.	While BlackRock supported this proposal and acknowledged the company's progress, they believe there are areas for further enhancement. BlackRock will continue to engage with Barclays to monitor progress and support further enhanced-reporting.

Source: BlackRock.