

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

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 2024. 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 May 2024, following the Scheme year end date, as a result of changes to the Scheme's investment strategy made shortly before 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.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

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 reviewed the Scheme's stewardship priorities and decided to not set stewardship priorities. The Trustees will instead monitor the investment managers' stewardship policies and assess whether they have appropriately carried out their duties. Should the voting activities and stewardship policies of an invested fund not be deemed appropriate, the Trustees will escalate these concerns with the relevant investment manager and if necessary review the Scheme's position within the fund.

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
- Morgan Stanley ("MSIM") Global Brands Fund
- Legal & General ("LGIM") 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
- Blackrock Aquila Life All Stocks Index Linked Gilt
- Insight Maturing Buy & Maintain 2021 – 2025
- Insight Maturing Buy & Maintain 2026 – 2030

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.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

Voting statistics

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

| Statistic | 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 | 3,039 | 1,847 | 560 | 7,258 | 40 |
| Meetings eligible to vote at | 4,689 | 2,002 | 1,045 | 9,651 | 34 |
| Resolutions eligible to vote on | 48,398 | 25,838 | 14,770 | 98,900 | 563 |
| Proportion of eligible resolutions voted on (%) | 96.0 | 94.0 | 96.0 | 99.8 | 100.0 |
| Votes with management (%) | 90.0 | 93.0 | 96.0 | 76.7 | 89.5 |
| Votes against management (%) | 9.0 | 6.0 | 3.0 | 23.1 | 10.3 |
| Votes abstained from (%) | 1.0 | <1.0 | 1.0 | 0.2 | 0.2 |
| Meetings where at least one vote was against management (%) | 37.0 | 29.0 | 20.0 | 73.2 | 79.4 |
| Votes contrary to the recommendation of the proxy adviser (%) | <1.0 | <1.0 | <1.0 | 14.1 | 8.0 |

Source: Scheme's underlying investment managers.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

Quantum Advisory has noted that, as a whole, the voting activity meets expectations (see table above and appendix 2) and the Trustees are satisfied with the voting activity that has been undertaken within the invested funds during the Scheme year.

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, 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.

BlackRock

BlackRock were not aware of any specific conflicts of interest affecting the invested fund 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

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

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.

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 but if any conflicts were to arise it would come from point 1 where the company is a client. 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.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

Appendix 1 – Investment manager stewardship policies and procedures

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.

LGIM

LGIM have a proven track-record of being active owners; striving to use their scale to ensure that the companies in which they invest are acting responsibly and markets / regulators create an environment in which good management of ESG factors are valued and supported.

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

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

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.

Insight

Insight Investment’s philosophy and approach towards responsible investment places an emphasis on the integration of responsible investment and stewardship principles within investment decision-making. Insight has a responsible investment policy to include a corporate conduct statement (outlining what is expected from corporates in which it invests) and has sovereign ESG impact ratings to evaluate how countries are aligned with the UN Sustainable Development Goals.

Insight retains the services of Minerva Analytics for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva Analytics provides research expertise and voting tools. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. Where contentious issues are identified, these are escalated to Insight for further review and direction. Please note, however, that Insight does not have voting rights for the funds held by the Scheme.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

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 Trustees.

Significant vote definitions

BlackRock

BlackRock 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 determined most significant votes to be votes against management or in support of shareholder resolutions.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

Significant votes

BlackRock Aquila Life Overseas Consensus Equity Fund

| Company Name | Broadcom Inc. | Amazon.com, Inc. |
|--|--|--|
| Date of vote | 3 April 2023 | 24 June 2023 |
| Summary of the resolution | Elect Director Check Kian Low | Report on Efforts to Reduce Plastic Use |
| Size of the holding (% of portfolio) | Not Provided | Not Provided |
| How the firm voted | Against | Against |
| Was the vote against management and was this communicated beforehand? | The vote was against management. 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 publish their voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. | The vote was against management. 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 publish their voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. |
| On which criteria has the vote been deemed as “most significant”? | BlackRock considers this vote significant as it is in relation to aligning incentives with financial value creation. | BlackRock considers this vote significant as it is in relation to climate risk. |
| Outcome of the vote | The vote passed | The vote failed |
| Do the Trustees/ asset manager intend to escalate stewardship efforts? | BlackRock will continue to engage and track progress of the group’s commitment to its compensation arrangements. | BlackRock will continue to engage and monitor the company on its delivery to reducing plastic usage. |

Source: BlackRock.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

BlackRock Aquila Life Fixed Benchmark Equity Fund

| Company Name | Phillips 66 | Techtronic Industries Co., Ltd. |
|--|--|--|
| Date of vote | 10 May 2023 | 12 May 2023 |
| Summary of the resolution | Publish Audited Report on Impacts of a Significant Reduction in Virgin Plastic Demand | Elect Horst Julius Pudwill as Director |
| Size of the holding (% of portfolio) | Not Provided | Not Provided |
| How the firm voted | Against | Against |
| Was the vote against management and was this communicated beforehand? | The vote was against management. 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 publish their voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. | The vote was against management. 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 publish their voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. |
| On which criteria has the vote been deemed as "most significant"? | BlackRock considers this vote significant as it is in relation to climate risk. | BlackRock considers this vote significant as it is in relation to Board quality and effectiveness. |
| Outcome of the vote | The vote failed | The vote passed |
| Do the Trustees/ asset manager intend to escalate stewardship efforts? | BlackRock will continue to engage and monitor the company on its delivery to reduce Virgin Plastic demand | 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.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

BlackRock Aquila Life UK Equity Index Fund

| Company Name | The Goldman Sachs Group, Inc. | Shell Plc |
|--|--|--|
| Date of vote | 26 April 2023 | 23 May 2023 |
| Summary of the resolution | Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets | Approve the Shell Energy Transition Progress |
| Size of the holding (% of portfolio) | Not Provided | Not Provided |
| How the firm voted | Against | For |
| Was the vote against management and was this communicated beforehand? | The vote was with management. | The vote was with management. |
| On which criteria has the vote been deemed as “most significant”? | BlackRock considers this vote significant as it is in relation to climate risk. | BlackRock considers this vote significant as it is in relation to climate risk. |
| Outcome of the vote | The vote failed | The vote passed |
| Do the Trustees/ asset manager intend to escalate stewardship efforts? | BlackRock recognise the 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. | BlackRock recognise the 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. |

Source: BlackRock.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

LGIM Dynamic Diversified

| Company Name | Microsoft Corporation | Shell Plc |
|---|--|---|
| Date of vote | 7 December 2023 | 23 May 2023 |
| Summary of the resolution | Resolution 1.06 - Elect Director Satya Nadella | Resolution 25 - Approve the Shell Energy Transition Progress |
| Size of the holding (% of portfolio) | 0.6 | 0.3 |
| How the firm voted | Against | Against |
| Was the vote against management and was this communicated beforehand? | The vote was against management and the vote intention was not communicated beforehand. | The vote was against management and the vote intention was not communicated beforehand. |
| On which criteria have you assessed this vote to be "most significant"? | LGIM considers this vote to be significant as it is an application of an escalation of their vote policy on the topic of the combination of the board chair and CEO. | Given the high profile of the vote, and that LGIM voted against the proposed transition plan (due to lack of credibility/ misalignment with a 1.5C scenario), the vote has been deemed significant. |
| Outcome of the vote | The vote passed | The vote passed |
| Do the Trustees/ asset manager intend to escalate stewardship efforts? | LGIM will continue to engage with the investee company, publicly advocating their position on this issue and monitor company and market-level progress. | LGIM continues to undertake extensive engagement with Shell on its climate transition plans. |

Source: LGIM.

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

The Honourable Society of the Inner Temple Pension and Life Assurance Scheme

Implementation Statement – 31 March 2024

MSIM Global Brands

| Company Name | LVMH Moet Hennessy Louis Vuitton SE | Reckitt Benckiser Group Plc |
|---|--|--|
| Date of vote | 20 April 2023 | 3 May 2023 |
| Summary of the resolution | Approve Executive Share Option Plan | Authorize the Company to Call EGM with Two Weeks' Notice |
| Size of the holding (% of portfolio) | 1.5% | 3.3% |
| 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 |
| On which criteria have you assessed this vote to be "most significant"? | MSIM considers a vote against management as potentially significant. | MSIM considers a vote against management as potentially significant. |
| Outcome of the vote | The vote passed | The vote failed |
| Do the Trustees/ asset manager intend to escalate stewardship efforts? | MSIM may further engage on the topic if considered a financially material long-term ESG risk or opportunity. | MSIM may further engage on the topic if considered a financially material long-term ESG risk or opportunity. |

Source: MSIM.