



Ulster Independent Clinic Pension & Life Assurance Scheme

Implementation Statement for year ended 30 April 2025
June 2025

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Introduction

This statement has been prepared by the Trustees of the Ulster Independent Clinic Pension & Life Assurance Scheme (the "Scheme") with input from its Investment Consultants. The statement demonstrates how the Trustees have acted on certain policies within their Statement of Investment Principles (SIP).

Each year the Trustees must produce an Implementation Statement that demonstrates how they have followed certain policies within their SIP over the Scheme year. This Implementation Statement covers the Scheme year from 1 May 2024 to 30 April 2025.

This Implementation Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) Regulations 2005 Amendments and is in respect of the Defined Benefit (DB) investments held by the Scheme. Note that this excludes any Additional Voluntary Contribution investments held by the Scheme.

Trustees of DB pension schemes are required to provide details of how, and the extent to which, their SIP policies on engagement with investee companies have been followed over the year, including a description of their voting behaviour, the most significant votes cast and any use of a proxy voter on their behalf over the year.

SIP policies

This implementation statement should be read in conjunction with the Scheme's SIP covering the year under review, which gives details of the Scheme's investment policies along with details of the Scheme's governance structure and objectives. The Scheme's SIP includes policies on:

- How 'financially material considerations' including Environmental, Social and Governance (ESG) factors are taken into account when taking investment decisions for the Scheme.
- The extent to which non-financial matters are taken into account in the investment decision making process.
- Stewardship and voting – including details on monitoring and engaging with the companies in which they invest (and other relevant stakeholders) on relevant matters (including performance, strategy, risks, corporate governance and ESG).

This Implementation Statement reviews the voting and engagement activities covering the 12-month period to the Scheme year-end and the extent to which the Trustees believe the policies have been followed.

The Scheme invests in pooled funds managed Legal & General Investment Management ("LGIM" or the "Investment Manager").

The Scheme's SIP was updated during the year to 30 April 2025 to reflect a change to the Scheme's investment strategy. In the SIP, the Trustees stated the following policies on the exercise of voting rights and engagement activities related to their investments. The Trustees will review this on an annual basis in line with the full monitoring policy in the SIP.

- *The Trustees' policy is to invest in pooled investment vehicles. It is the Investment Manager that is responsible for the exercise of rights (including voting rights) attaching to these investments.*
- *The Trustees expect the Investment Manager to engage with investee companies (and other relevant persons including, but not limited to, investment managers, issuers/other holders of debt and equity and other stakeholders) on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustees' investments. The Trustees believe that such engagement will protect and enhance the long-term value of its investments.*
- *The Trustees recognise the importance of ESG factors on long term investment performance and both immediate and future downside risks. The Trustees have set an appropriate monitoring framework to ensure the Scheme's Investment Manager is reviewed at appropriate intervals.*
- *If the Trustees believe that the Scheme's Investment Manager is no longer acting in accordance with the Trustees' policies, including those regarding ESG and stewardship, the Trustees will take the following steps:*
 - *engage with the Investment Manager in the first instance, in an attempt to influence its policies on ESG and stewardship; and*
 - *if necessary, look to appoint a replacement Investment Manager or managers which are more closely aligned with the Trustees' policies and views.*

Description of voting behaviour

The Scheme is invested in pooled funds, which means that the responsibility for exercising the voting rights on the shares held by the Scheme sits with the Investment Manager. The Trustees have enforced the policies in place by monitoring the engagement and voting activities of the Scheme's Investment Manager to ensure they are aligned with the Trustees' policies. The Trustees' voting behaviour over the Scheme year is summarised below.

Over the year to 30 April 2025, the Scheme had company investments which carried voting rights through its investments in the following pooled funds:

- LGIM Future World Global Equity Index Fund
- LGIM Future World Global Equity Index Fund – GBP Hedged

The following table shows LGIM's voting summary covering the Scheme's investment in Future World passive equity funds. The Scheme disinvested from these funds on 9 January 2025, when a new investment strategy was implemented. LGIM is developing its reporting but is currently only able to provide voting statistics for 12-month periods to standard quarter-ends, rather than the actual periods invested. Therefore, we have included voting information covering the most relevant 12-month period from 1 April 2024 to 31 March 2025.

LGIM Future World Global Equity Index Fund and LGIM Future World Global Equity Index Fund – GBP Hedged		1 April 2024 – 31 March 2025
Number of meetings LGIM was eligible to vote at over the year to 31/3/2025		5,515
Number of resolutions LGIM was eligible to vote on over the year to 31/3/2025		55,096
Of the eligible resolutions, percentage that LGIM voted on.		99.8%
Of the resolutions voted, percentage that LGIM voted with management		81.0%
Of the resolutions voted, percentage that LGIM voted against management		17.9%
Of the resolutions voted, percentage where LGIM abstained .		1.1%
Percentage of eligible meetings where LGIM voted at least once against management.		58.6%
Percentage of voted resolutions where LGIM voted contrary to the recommendation of their proxy adviser.		9.7%

Source: LGIM. Note totals may not sum due to rounding.

Proxy voting

The Trustees did not employ a proxy-voting service during the Scheme year to 30 April 2025.

LGIM votes by proxy as, given the scale of its holdings, the manager cannot be present at all shareholder meetings to cast votes. LGIM votes by proxy through the Institutional Shareholder Services' (ISS) electronic voting platform. It should be noted that all voting decisions are made by LGIM using its individual market specific voting policies, with LGIM's own research only supplemented by ISS recommendations and research reports produced by the Institutional Voting Information Service (IVIS). To ensure LGIM's proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

How voting and engagement policies have been followed

As set out in the SIP, the Trustees expect the Investment Manager to engage with investee companies on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustees' investments.

The Trustees review and monitor the voting and engagement activity taken on their behalf on an annual basis. The information published by the Investment Manager has provided the Trustees with comfort that their voting and engagement policies have been followed during the year. Details of specific voting and engagement topics are shown in the following table.

Voting and Engagement topic	Policy followed in the opinion of Trustees?	Comments
Performance of debt or equity issuer	√	The voting and engagement which has been undertaken aims to improve the long-term future performance of the investee companies.
Strategy	√	<p>The Trustees believe that the board's duty is to decide the appropriate company strategy, with the CEO in turn responsible for executing the strategy. For this structure to work effectively, the Trustees also believe that the appropriate governance structures need to be in place. These include the separation of duties between the board and the CEO, as well as policies covering independence, diversity and remuneration.</p> <p>LGIM have clear voting policies covering each of these topics and have acted on them throughout the Scheme year on behalf of the Trustees.</p>
Risks	√	<p>LGIM have clear voting policies on ensuring that companies manage risk effectively and have robust internal controls.</p> <p>As an example of reducing risk, LGIM encourages all audit committee chairs globally to have a financial background and be entirely comprised of independent non-executive directors.</p>
Social and Environmental impact	√	<p>LGIM has stated that it will vote against the chair of the board if it believes insufficient action is being taken on the issue of climate change.</p> <p>LGIM has engaged with companies that have poor climate scores relative to their size and for those that don't meet minimum standards and if these minimum standards are not met over time, LGIM may look to divest until progress is shown.</p>
Corporate Governance	√	LGIM's policy from 2020 is to vote against all elections which combine the roles of CEO and Chair. LGIM has reinforced their position on leadership structures across our stewardship activities such as via individual corporate engagements and director conferences.

Significant votes

LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. LGIM has provided examples of what it believes to be the most significant votes cast on the Trustees' behalf during the period. The Trustees have adopted the manager's definition of significant votes and has not set stewardship priorities.

Example 1: Future World Global Equity Index Fund	
Vote details	<p>Alphabet Inc. – 7 June 2024.</p> <p>Vote on electing John L. Hennessy as Director.</p>
Approximate size of fund's holding as at date of vote	1.1% of total Fund size as at 7 June 2024.

Rationale for significance	LGIM views diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf. LGIM also considered this vote to be significant as LGIM supports the principle of one share one vote.
Voting decision	Against.
Where the Investment Manager voted against management, did the Investment Manager communicate the 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 LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	<p>LGIM gave the following rationale:</p> <ul style="list-style-type: none"> • 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. • Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. • Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. • Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. • Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. LGIM expects companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.
Vote outcome	Pass.
Next steps	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Example 2: Future World Global Equity Index Fund

Vote details	<p>Amazon.com, Inc. – 22 May 2024.</p> <p>Vote on report on Customer Due Diligence</p>
Approximate size of fund's holding as at date of vote	1.8% of total Fund size as at 22 May 2024.
Rationale for significance	This shareholder resolution is considered significant by LGIM as one of the largest companies and employers not only within its sector but in the world. LGIM believes that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as they believe enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation.
Voting decision	For.

Where the Investment Manager voted against management, did the Investment Manager communicate the 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	LGIM said a vote in favour was applied as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.
Vote outcome	N/A.
Next steps	LGIM will continue to engage with the company and monitor progress.

A large number of the most significant votes cast by LGIM related to the election of directors with the majority of instances being against such resolutions or in favour of requiring an independent board chair. LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair noting the belief that the two roles are substantially different and require distinct skills and experiences. Since 2015 LGIM has supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM has adopted the view of voting against all combined board chair/CEO roles.

Engagement with investee companies

Exercising voting rights is not the only method of influencing behaviours of investee companies. Non-equity investments, such as the Scheme's buy and maintain credit holding, can also include engagement activities, but these investments do not typically carry voting rights. The Trustees expect the Investment Manager to engage on its behalf to influence the underlying investee companies in respect of the ESG and stewardship matters outlined above.

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for clients. LGIM's voting policies are reviewed annually and take into account client feedback.

LGIM actively engages with the investee companies via direct messages and meetings with management and engagements via email to influence positive ESG practice. It is also noted that there is substantial overlap between the companies in which LGIM holds debt and equity and so, while the corporate bonds mandate does not hold voting rights, LGIM's position as the equity holder elsewhere will likely result in them having voting rights to compound the impact and influence that LGIM have on each company's practices.

The Scheme holds a Liability Driven Investment (LDI) portfolio with LGIM, which invests in leveraged nominal and index-linked government bonds. This portfolio was put in place to reduce risk by hedging the exposure to interest rate and inflation inherent in the Scheme's liabilities. LGIM has governance practices in place to capture key regulatory developments which might influence the future management and performance of these hedging assets.

Over the 12 months to 31 March 2025, LGIM undertook 4,459 engagements with 4,210 companies. Some engagements cover multiple topics and LGIM have provided the following summary:

- 3,971 on environmental topics;
- 647 on social topics;
- 330 on governance issues; and
- 155 on other topics including finance and strategy.

The top five engagement topics included climate change, human rights, deforestation, remuneration and strategy.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of LGIM's Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continue to develop voting and engagement policies and define strategic priorities.

The table below summarises the engagements undertaken on a fund-by-fund basis, where available, over the year to 31 March 2025 broken down by each pillar of ESG.

Fund	Environmental	Social	Governance	Other	Total engagements
Future World Global Equity Index Fund and Future World Global Equity Index Fund – GBP Hedged	1,331	440	292	143	1,944
Buy and Maintain Credit Fund	210	76	86	46	331
Absolute Return Bond Fund	224	91	74	48	355
Sterling Liquidity Fund	14	0	4	0	18

Source: LGIM. The two Future World Global Equity funds were held until 9 January 2025. The Absolute Return Bond Fund was held from 9 January 2025. Data for the Managed Property Fund and the US Securitised Fund were not available.

Extent to which the Trustees' policies have been followed during the year

Having reviewed the actions taken by LGIM on behalf of the Trustees, the Trustees believe that their policies on voting rights and engagement have been implemented appropriately over the year and in line with their views stated in the Scheme's SIP. The Trustees will continue to monitor the actions taken on their behalf each year.

If the Investment Manager deviates substantially from the Trustees' stated policies, the Trustees will initially discuss this with the relevant manager. If in the opinion of the Trustees the difference between the policies and the investment manager's actions is material, the Trustees will consider terminating the mandate.

A copy of the Statement of Investment Principles is available for inspection on request to the Trustees from the address given on page 6 and at https://cdn.prod.website-files.com/64ac489ff79b11e72a9b6cbe/67c97f6c86d87be746f6abe0_UIC%20-%20Statement%20of%20Investment%20Principles%20-%20March%202025%20vf.pdf

June 2025

For and on behalf of the Trustees of the Ulster Independent Clinic Pension and Life Assurance Scheme

