

TRUSTEE IMPLEMENTATION STATEMENT

Background and Trustee Policy

1. As a defined benefit pension scheme Faculty of Advocates Retirement Defined Benefit Scheme ("FOA"), requires our investment managers to confirm their adherence with the Trustees policy on shareholder engagement. As set out in the Statement of Investment Principles ("SIP"), dated July 2023, the Trustees have the following policy (below is an extract from the "exercise of voting rights" and "engagement activities" section of the SIP):

1.1. Exercise of voting rights and Shareholder Engagement Activities

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities in respect of the investments is that these rights should be exercised by the investment managers on the Trustee's behalf. In doing so, the Trustee expects that the investment managers will use their influence as major institutional investors to exercise the Trustee's rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

The Trustee will monitor and engage with the investment managers about relevant matters (including matters concerning an issuer of debt or equity, including their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance), through the Plan's investment consultant.

Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis. The Trustee will, with input from their investment consultant, monitor and review the information provided by the investment managers. Where possible and appropriate, the Trustee will engage with their investment managers for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.

The Trustee acknowledges the importance of ESG and climate risk within their investment framework. When delegating investment decision making to their investment managers, they provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

Investment Manager Policy

2. Our Investment Managers, LGT Wealth Management UK LLP have advised they adopt the current policy regarding the Shareholder Engagement and voting rights:

2.1. Shareholder Engagement

As a wealth manager, our primary duty is to maximise investment returns for our clients whilst operating within the confines of our contractual obligations and the objectives, goals and other parameters we have agreed with our clients. We look to

achieve this through our sound and thorough approach to identifying suitable investment opportunities.

Investment opportunities are identified through comprehensive financial analysis and other aspects of the company or fund may be given consideration. Those factors include:

- *Corporate governance*
- *Strategy*
- *Culture*
- *Non-financial performance and risks*
- *Capital structure*
- *Social and environmental impact*

The significance assigned to these factors is considered on a case-by-case basis at the discretion of our in-house Research team. Effective monitoring of investee companies and funds is fundamental to fulfilling our responsibility to our clients. Each company or fund's ability to create, sustain and protect value is central to our investment process. Therefore, we continually assess the performance and management of companies and funds in which we have invested on behalf of our clients to determine if our clients' interests are being served.

2.2. Voting Rights

LGT Wealth Management supports clients in exercising their right to vote where deemed appropriate LGT WM votes on all companies held on our approved list, as well as select companies held by clients when instructed to. Our voting process ensures each proposal item is reviewed to ensure the proxy advisor's recommendation aligns with our core views. Our research team reviews voting items to ensure they do not have unintended consequences or undermine our house view. If there are discrepancies in views across the floor, this can be escalated to our equity committee for decision. Any further escalations can be brought to the Sustainable Governance Committee who meet quarterly and have the ability to make decisions on voting items on a 24-hour turnaround basis. LGT Wealth Management exercises the vote on behalf of shares held by our clients through our nominee. LGT Wealth Management votes consistently across our full shareholding. This puts the full weight of our ownership behind our stance, as well as ensuring consistency of message to the investee companies.

Where necessary or appropriate, we endeavour to engage with investee companies regarding significant votes. Records of our votes on behalf of specific clients are available to those clients upon request.

We use the services of proxy advisers Institutional Shareholder Services (ISS), for their voting recommendations and implementation and voted throughout 2023 on the holdings.

We have also provided the LGT Wealth Management Sustainability 360 Report which details our sustainability, ethical, environment, social and governance policies and procedures in more detail.

Compliance statement

3. During the period, the Investment Managers have confirmed they have been in full compliance with both the Trustee's policy set out under item 1, and their own internal policies as detailed in item 2.

Over the period our Investment Managers have confirmed they were in compliance with this policy at all times.

Voting actions during period

4. During the period the Investment Managers have advised that they undertook the following significant votes during the period.

LGT Wealth Management voted on over 3600 resolutions at 205 meetings in 2023.

5. The Investment Manager defines significant votes as ones that directly affect shareholders equity holdings or value. For example, stock splits, mergers and acquisitions, rights issues. For bond holders, significant votes relate to changes to covenants and other related protections.

Future changes in Investment Manager processes

6. LGT Wealth Management are not planning any major changes to the investment management process from a stewardship perspective. We actively engage with company boards to understand their approach to certain issues such as diversity at board level, and we have also joined Climate Action 100+ to ensure that there is coordination and maximum impact in numbers to our approach. These do not change the investment process, rather they bolster the impact of the work we are already doing.

The results of the Investment Managers voting policy is published annually, as this allows clients to better understand the breakdown of votes by theme, and whether we have voted against/for the proposals.

April 2025 - PEN10/2

Declaration by Trustees

Important information

LGT Wealth Management UK LLP is authorised and regulated by the Financial Conduct Authority ("FCA"). Our regulation details are set out in the FCA register: Firm Reference No: 471048; register.fca.org.uk/. Registered in England and Wales: OC329392. Registered office: 14 Cornhill, London, EC3V 3NR.

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