

Commonwealth Secretariat Pension and Life Assurance Scheme (1979)
31 March 2025
Implementation Statement

Glossary

Scheme	Commonwealth Secretariat Pension and Life Assurance Scheme
Scheme Year	1 April 2024 to 31 March 2025
Investment Adviser	First Actuarial LLP
ESG	Environmental, Social and Governance
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustees have followed their policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022, as well as the expectations set out in the General Code of Practice.

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Relevant Investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

The Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP, and a summary is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment manager's own policies on such matters.
- When selecting a fund, the Trustees consider amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustees did not select any new funds during the period.
- During the Scheme Year, the Trustees considered the voting records of the investment manager over the period ending 31 March 2024.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment manager based on the period ending 31 March 2025 has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment manager used by the Scheme is a signatory to the UNPRI.

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The Investment Manager’s Voting Records

A summary of the investment managers’ voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
Baillie Gifford	13,000	90%	5%	6%

Notes

Split of votes does not sum to 100% due to rounding.

These voting statistics are based on the manager’s full voting record over the 12 months to 31 March 2025 rather than votes related solely to the funds held by the Scheme.

Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
Baillie Gifford	No Proxy Voting Adviser	Are aware of various proxy advisers' voting recommendations. However, all client voting decisions are made in-house.

The Investment Manager’s Voting Behaviour

The Trustees have reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of their voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. “with management” or “against management”).
- the votes they cast in the year to 31 March 2025 on the most contested proposals in nine categories across the UK, the US and Europe.
- the investment manager’s policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment manager with their peers over the same period.

Further details of the approach adopted by the Trustees for assessing voting behaviour are provided in the Appendix.

The Trustees’ key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustees’ investment adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply “waved through”. In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

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The most significant votes in each of the nine categories based on shares held by the Scheme's investment manager are listed in the Appendix. In addition, the Trustees considered the investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of Voting Behaviour

The Net Zero Asset Managers initiative ("NZAM") brings together asset managers committed to the goal of achieving net-zero greenhouse gas emissions by 2050 as per the Paris Climate Agreement. In January 2025, following announcements of some managers exiting the agreement, NZAM announced a review of their overarching policies, which is ongoing.

The Trustees have considered their investment manager's approach to NZAM as part of this analysis.

The Trustees note that there has been no material change in Baillie Gifford's voting record over the last 12 months; the manager continues to display a tendency to support director proposals to a greater extent than is observed with many other investment managers.

Baillie Gifford's voting approach may reflect an overconfidence in company management or may be designed to align with the anticipated views on voting matters of the manager's investor base (which is predominantly US based). This is further reflected by the manager's recent decision to withdraw from NZAM.

The Trustees are aware of recent criticism of Baillie Gifford regarding failure to support a vote on an animal welfare issue. However, interpretation of Baillie Gifford's voting record provides evidence that the manager continues to be supportive towards shareholder proposals addressing social issues.

Conclusion

Based on the analysis undertaken, the Trustees did not identify any significant concerns regarding the investment manager's voting policy during the year.

The Trustees will keep the voting actions of the investment managers under review.

Signed:  Date: 17/09/2025

For and on behalf of the Trustees of the Commonwealth Secretariat Pension and Life Assurance Scheme

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Significant Votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustees. Where a voting category is blank, the fund has not recorded any votes during the reporting period that were deemed to be significant.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	Baillie Gifford
Audit & Reporting					
MEDTRONIC PLC	17/10/2024	Appoint the Auditors	90	10	Against
PARTNERS GROUP AG	22/05/2024	Appoint the Auditors	91	9	For
ALBEMARLE CORPORATION	07/05/2024	Appoint the Auditors	91	8	Against
NESTLE SA	18/04/2024	Approve the Creating Shared Value and Sustainability Report 2023	91	8	For
CISCO SYSTEMS INC.	09/12/2024	Appoint the Auditors	92	8	Against
Shareholder Capital & Rights					
Pay & Remuneration					
TERNA SPA	10/05/2024	Approve the Remuneration Report	62	38	For
EDENRED SA	07/05/2024	Approve Remuneration Policy of the Chair and CEO	66	34	For
Constitution of Company, Board & Advisers					
THE COCA-COLA COMPANY	01/05/2024	Elect Thomas S. Gayner - Non-Executive Director	61	39	For
TESLA INC	13/06/2024	Elect James Murdoch - Non-Executive Director	68	31	For
Merger, Acquisition, Sales & Finance					
GREENCOAT UK WIND PLC	24/04/2024	Approve the Discontinuation of the Company	11	88	Against
JLEN ENVIRONMENTAL ASSETS GROUP LIMITED	13/09/2024	Approve the Discontinuation of the Company	7	93	Against
IBERDROLA SA	17/05/2024	Authorisation to Issue Bonds Exchangeable and/or Convertible Into Shares and Warrant	93	5	For
DEUTSCHE BOERSE AG	14/05/2024	Issue convertible option bonds	96	4	For
IMPACT HEALTHCARE REIT PLC	21/05/2024	Approve the Continuation of the Company	100	0	For
Climate Related Resolutions					
Other Company Resolutions					
SEGRO PLC	18/04/2024	Notice of General Meetings	89	10	For
THE UNITE GROUP PLC	16/05/2024	Meeting Notification-related Proposal	89	10	For
Governance & Other Shareholder Resolutions					
DEXCOM INC	22/05/2024	Transparency in Lobbying	51	48	For
TESLA INC	13/06/2024	Elect Each Director Annually	53	45	For
TEXAS INSTRUMENTS INCORPORATED	25/04/2024	Right to Call Special Meetings	46	53	For
NETFLIX INC	06/06/2024	Director Election Resignation Bylaw Proposal	46	54	Against
AMERICAN TOWER CORPORATION	22/05/2024	Right to Call Special Meetings	45	54	For
Environmental & Socially Focussed Shareholder Resolutions					
AMERICAN TOWER CORPORATION	22/05/2024	Disclosure of Racial and Gender Pay Gaps	49	51	For
NETFLIX INC	06/06/2024	Report on Netflix's Use of Artificial Intelligence	43	56	For
MCDONALD'S CORPORATION	22/05/2024	Poultry Welfare Disclosure	36	63	Against
MICROSOFT CORPORATION	10/12/2024	Shareholder Resolution: Report on AI Data Sourcing Accountability	35	61	Against
DEXCOM INC	22/05/2024	Report on Diversity, including pay	35	62	Abstain

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

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Methodology for Determining Significant Votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustees believe that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustees' behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis were to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach, splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the number of Significant Votes is large. This is helpful for assessing a manager's voting record in detail, but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustees have not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustees are satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about a manager's voting behaviour. The Trustees have concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

Investment Manager Voting Policies

For more information concerning the investment manager's voting policies and rationale, please visit the below link.

[Baillie Gifford – https://www.bailliegifford.com/en/uk/individual-investors/literature-library/corporate-governance/proxy-voting-guidelines/](https://www.bailliegifford.com/en/uk/individual-investors/literature-library/corporate-governance/proxy-voting-guidelines/)