Implementation Statement (“IS”)

Carver Pension Scheme (the “Scheme”)

Scheme Year End – 05 April 2023

The purpose of the Implementation Statement is for us, the Trustees of the Carver Pension Scheme, to explain what we have done during the year ending 05 April 2023 to implement our policies and achieve our objectives as set out in the Statement of Investment Principles (“SIP”).

It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

With specific regard to the voting and engagement activity of our investment managers, most of the Scheme’s material investment managers were able to disclose good evidence of voting and/or engagement activity. We delegate the management of a portion of the DB Section’s assets to our fiduciary manager Aon Investments Limited (“AIL”), and we are comfortable with the management and the monitoring of ESG integration and stewardship of the underlying managers that has been carried out on our behalf. For the remaining mandates, we will continue engaging with the managers to encourage them to provide detailed and meaningful disclosures about their engagement activities and better understand their engagement practices.

1. Changes to the SIP during the year

There were no changes to the SIP over the Scheme year to 5 April 2023. However, the SIP was updated post the Scheme year end, in April 2023, to reflect changes to the investment strategy for the Defined Benefit Section and to further clarify the Trustees' stewardship policies.

We sought input on these changes from our investment adviser, Aon, and consulted with the Employers.

The Scheme's latest SIP can be found here: https://www.carver-group.com/carver-pension-scheme/

2. How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

Defined Benefit ("DB") Section

Policies and objectives related to the Scheme's investment objectives and strategy	The Trustees have established an investment strategy for the DB Section that the Trustees believe to be appropriate for the Scheme. The Trustees review the investment strategy for the DB section in conjunction with each formal actuarial valuation of the Scheme, or more frequently should the circumstances of the Scheme change in a material way. Over the year, the Trustees conducted a review of the Scheme's levels of interest rate hedging and made changes to their investment strategy to recalibrate the hedging to the Trustees' agreed target of 100% of funded liabilities. Additionally, during the year the Nominal +3% Fund managed by AIL in which the Scheme invests was restructured to target +2% p.a. outperformance of nominal liabilities. Following this change, the Trustees made changes to their investment strategy post the Scheme year end to maintain the Scheme's overall target return of +2% p.a. outperformance of the liabilities. The Trustees' Statement of Investment Principles was updated post the Scheme year end to reflect the above changes to their investment strategy. Over the reporting year, the Trustees received updates on important issues from their investment adviser, AIL, which helped them monitor their investments. These updates covered a number of areas including performance, asset allocation, strategy and risk.
Policies and objectives related to risk management	The Trustees recognise the Scheme's assets are exposed to several risks. For the DB section, these comprise primarily of credit risk, currency, interest rate and inflation risk, market risk, liability mismatching risk and other price risks. The Trustees consider these risks as part of triennial investment strategy reviews and monitor these risks as part of the preparation of the annual Trustees' Report and Accounts.
Policies and objectives related to investment managers, including environmental, social and governance ("ESG") considerations	The Trustees have delegated the management of the Scheme's DB assets, including ongoing monitoring and engagement activities, to their fiduciary manager, AIL. Over the year, the Trustees received updates on important issues from their investment adviser, Aon Investments Limited ("Aon"). These updates covered a number of areas including performance, strategy and risk. The Trustees also received the 2021 AIL Annual Stewardship Report over the year. This report included details of voting and engagement activities taken by the Scheme's underlying asset managers and engagements from AIL itself. The Trustees have reviewed AIL's latest Annual Stewardship Report and believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests. The Trustees will continue to receive and review this report on an annual basis. More details regarding AIL's engagement activities over the reporting year can be found in the section titled "Our fiduciary manager's engagement activity".

Policies relating to costs and charges associated with the Scheme	Over the year, the Trustees received cost disclosure statements covering the 2021 calendar year. The statements provided a summary of all the investment costs incurred by the investments managed by AIL over 2021. A breakdown of the costs into their various component parts was also provided, including the costs of buying and selling assets (transaction costs) incurred by the underlying managers. The Trustees will continue to receive and review these reports on an annual basis.

Defined Contribution ("DC") Section

Policies and objectives related to the Scheme's investment objectives and strategy, including ensuring appropriate risk management	The Trustees offered a range of investment options to members throughout the Scheme year. The Trustees started the review of the investment strategy for the DC section during this reporting period. As at the time of writing this statement, this review is on-going.
Policies and objectives related to investment managers, including environmental, social and governance ("ESG") considerations	The Trustees did not monitor the investment managers' activities in this area during the Scheme year, other than as part of the preparation of this statement, as the DC Section assets are considered immaterial compared to the DB Section assets.
Policies relating to costs and charges associated with the Scheme	The costs and charges borne by members of the DC Section during the Scheme year have been collated as part of the work to produce the Chair's Statement.

Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following steps over the next 12 months:

1. Legal and General Investment Management Limited ("LGIM") and BlackRock provided a comprehensive list on fund level engagements, which we find encouraging, but they did not provide detailed engagement examples specific to the funds in which we are invested, as per the Investment Consultants Sustainability Working Group ("ICSWG") industry standard, and also did not provide firm level engagement information. Our investment advisor, Aon will engage with these managers on our behalf to set expectations on the provision of this information in future.

3. Our managers' voting activity

The Trustees invest in pooled funds, and as such have delegated responsibility for the selection, retention and realisation of investments to the Scheme's investment managers in whose funds they invest. This includes the delegation of stewardship activities, including voting and engagement.

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 March 2023.

Voting information is only produced by the Scheme's investment managers on a quarterly basis so information for the year to 5 April 2023 was not available at the time of writing this statement. The Trustees are comfortable that the information provided (which reflects the 12 months to 31 March 2023) is reflective of the voting carried out on their behalf over the Scheme year to 5 April 2023.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

Section		Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DB*	LGIM – Multi Factor Equity Fund	11,712	99.8%	20.2%	0.1%
	BlackRock – Emerging Markets Equity Fund	33,350	97.0%	11.0%	3.0%
DC	Aberdeen - Global Absolute Return Strategy	283	82.0%	17.7%	0.0%
	LGIM - UK Equity Index Fund	10,854	99.9%	5.5%	0.0%
	LGIM - Global Emerging Markets Equity Index Fund	41,931	99.9%	19.8%	2.2%

Source: Managers
**Invested in via AIL.*

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Section	Manager	**Description of use of proxy voting advisers** *Wording provided directly by managers*
DB and DC	LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services' (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
DB	BlackRock	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 BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.
DC	Aberdeen	We utilise the services of ISS for all our voting requirements.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix to this statement.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available.

Section	Funds	Number of engagements		Themes engaged on at a fund-level
		Fund specific	Firm level	
DB*	LGIM – Multi-Factor Equity Fund	279	*Not provided*	Environment – Climate change Social – Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Inequality, Public health Governance – Board effectiveness – Diversity, Board effectiveness – Others, Remuneration Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, and Others.
	BlackRock – Emerging Markets Equity Fund	450	*Not provided*	Environment – Climate Risk Management, Operational Sustainability Social – Human Capital Management Governance – Corporate Strategy, Board Composition and Effectiveness, Business Oversight/Risk Management, Remuneration, Executive Management, Governance Structure.
	Aegon – European Asset Backed Securities (ABS) Fund	132	441	Environment – Climate change Social Governance Other – Proprietary ESG assessment
	Robeco – Sustainable Development Goals ("SDG") Credit Income Fund	11	252	Environment – Climate change, pollution and waste Social – Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety) Governance – Board Effectiveness, Remuneration Other – SDG Engagement
	Aberdeen – Climate Transition Bond Fund	44	2,484	Strategy, Financial and Reporting – Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Financial performance, Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks) Other – Climate, Environment, Human Rights & Stakeholders, Corporate Behaviour, Corporate Governance
DC	Abrdn - Global Absolute Return Strategies Pension Fund	153	2,484	Strategy, Financial and Reporting – Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Financial performance, Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks) Other – Climate, Environment, Human Rights & Stakeholders, Corporate Behaviour, Corporate Governance
	LGIM – UK Equity Index Fund	207	*Not provided*	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity), Social – Human capital management (e.g. inclusion & diversity, employee terms, safety), Inequality, Governance - Board effectiveness - Diversity, Board effectiveness - Other, Remuneration, Shareholder rights, Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, and others.

Section	Funds	Number of engagements		Themes engaged on at a fund-level
		Fund specific	Firm level	
	LGIM - Global Emerging Markets Equity Index Fund	274	*Not provided*	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity), Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health, Governance – Board effectiveness – Diversity, Remuneration, Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, ESG Scores, and others.
	LGIM – Pre-retirement Fund	120	*Not provided*	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity), Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Inequality, Public health, Governance - Board effectiveness - Diversity, Board effectiveness - Other, Remuneration Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, and others.

Source: Managers
**Invested in via AIL*

Our fiduciary manager's engagement activity

We invest some of the Scheme's DB assets in a fund of funds arrangement, where our fiduciary manager, AIL, selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed AIL's latest annual Stewardship Report and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, AIL committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- LGIM and BlackRock did provide fund-level engagement information but not in the industry standard ICSWG template. Additionally, the managers did not provide any firm-level engagement information.
- Aegon's provision of fund-level engagement themes was limited.

This report does not include commentary on the Scheme's annuity policies, liability driven investments or cash, because of the limited materiality of stewardship to these asset classes. Further this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

All wording in the table below has been provided directly by the managers.

Section	Fund		
DB	**LGIM– Multi Factor Equity Fund**	**Company name**	Synopsys, Inc.
		Date of vote	12-Apr-2022
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.8%
		Summary of the resolution	Resolution 1a - Elect Director Aart J. de Geus
		How you voted	Against
		Where you voted against management, did you communicate your 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 our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
		Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: 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.
		Outcome of the vote	Fail
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
		On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.
DB	**BlackRock – Emerging Markets Equity Fund**	**Company name**	Grupo Mexico S.A.B. de C.V.
		Date of vote	28-Apr-2022
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided*
		Summary of the resolution	Elect or Ratify Directors; Verify Independence of Board Members; Elect or Ratify Chairmen and Members of Board Committees

		How you voted	Against
		Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
		Rationale for the voting decision	1. The Company does not meet our expectations of having adequate climate risk disclosures against all 4 pillars of TCFD. 2. The company does not meet our expectations of having adequate climate-related metrics and targets. 3. Vote against due to lack of disclosure.
		Outcome of the vote	Pass
		Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
		On which criteria have you assessed this vote to be "most significant"?	Vote Bulletin
DC	**Aberdeen - Global Absolute Return Strategy**	**Company name**	The Kroger Co.
		Date of vote	23-Jun-2022
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided*
		Summary of the resolution	Report on Efforts to Reduce Plastic Use
		How you voted	For
		Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	*Not Provided*
		Rationale for the voting decision	We commend the steps made so far in reducing plastic packaging and increasing the recyclability of own brand packaging. However we believe that better disclosure of

			metrics and baselines will allow shareholders to more fully understand company's management of this issue.
		Outcome of the vote	Fail
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	*Not Provided*
		On which criteria have you assessed this vote to be "most significant"?	*Not Provided*
DC	**LGIM - UK Equity Index Fund**	**Company name**	Rio Tinto Plc
		Date of vote	08-Apr-2022
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.7%
		Summary of the resolution	Resolution 17 - Approve Climate Action Plan
		How you voted	Against
		Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
		Rationale for the voting decision	Climate change: We recognize the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonization efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions[i] and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.
		Outcome of the vote	Fail
		Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
		On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.
DC	**LGIM - Global Emerging Markets Equity Index Fund**	**Company name**	China Construction Bank Corporation
		Date of vote	23-Jun-2022
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.9%
		Summary of the resolution	Resolution 10 - Elect Graeme Wheeler as Director

How you voted	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate Impact Pledge: A vote against is applied under LGIM's Climate Impact Pledge as the Company has not published a clear thermal coal policy and no disclosure of scope 3 emissions associated with investments. As members of the Risk Committee, these directors are considered accountable for the bank's climate risk management.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.

Source: Managers

---

[i] *Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain*