



Independent  
Governance  
Group

Trading name of Independent Trustee Services  
Limited

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## **The Pension and Life Assurance Plan for the Non-Teaching Staff of Haberdashers' Aske's Schools ("the Plan")**

### **Implementation Statement for the year to 31 August 2025**

This statement sets out how, and the extent to which, the stewardship (voting and engagement) policies set out in the Statement(s) of Investment Principles ('SIP') produced by the Trustee have been followed during the year to 31 August 2025.

This statement has been produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 as amended and the guidance published by the Pensions Regulator.

### **Overview**

The Trustee of the Plan has taken a wholly insured approach to investing the Plan's assets, which means that the Trustee holds a qualifying group insurance policy in which member and the Plan's Employer's contributions are invested.

The Trustee is responsible for the selection and retention of the insurance provider (Clerical Medical, part of Lloyds Banking Group) and also decides on the fund provided by the insurer. The Trustee has no other discretion or influence as to how monies are invested by the insurance provider using various Fund Managers. In particular, the day-to-day management of the investments (including the responsibility for voting and engaging with companies) is delegated to the Fund Managers that the insurance provider has selected.

Clerical Medical is part of Lloyds Banking Group.

### **Trustee's approach to monitoring the investment manager's performance and ESG policies**

The Trustee believes that ESG factors (including climate change risks) can potentially have a material positive or negative financial impact on the Plan. However, due to the Trustee's use of the with-profit policy, the application of ESG factors and the stewardship of the assets (including the exercising of voting and other rights attached to investments) are, ultimately, delegated to the provider of the policy and each Fund Manager's own policies in this regard.

In its capacity as professional Trustee, Independent Governance Group has undertaken wider training on ESG matters and responsible investment.

### **Reporting and oversight**

The Trustee has reviewed the performance of the With-Profits fund over the year and performance information is set out elsewhere in Appendix A. The Trustee is satisfied that the Clerical Medical Policy meets its objective.

### **Voting and engagement**

We are aware of the requirement on the Trustee to report on voting and engagement activities. These activities are delegated to the insurance provider (who is responsible for selecting the Fund Managers) and the Trustee has requested information on these topics from Clerical Medical to better understand the activities that they have been undertaking for the specific fund to which the Plan has an allocation.

Clerical Medical have provided the Trustee with some details on voting and engagement for the Fund Managers. The data has been provided as at 30 June 2025, the latest available data from Lloyds Banking Group.

We have also obtained and reviewed information from the insurers' website about the firm's general policies on Responsible Investment, Stewardship, Voting, Engagement and embedding ESG into their investment process.

### **Clerical Medical With-Profit Fund**

Scottish Widows, also part of Lloyds Banking Group, are responsible for the Clerical Medical With-Profit Fund. Scottish Widows have signed up to the UN Principles for Responsible Investment (UN PRI) which works to incorporate ESG factors into investment and ownership decisions. They are also a member of the Institutional Investors Group on Climate Change.

Scottish Widows state in their Responsible Investment and Stewardship Framework<sup>1</sup>:

*As environmental, social and governance (ESG) risks and opportunities become better researched and understood, it is clear that these factors can have a financial impact on investment portfolios. Our customers look to us to exercise our judgement on the most appropriate way of investing over the long term, for example in our pension default funds. So where we believe ESG factors pose downside risks to their investments, or offer potential upside opportunities, we will incorporate them into our decision-making.*

*Our six principles of responsible investment*

*1. We will be a responsible investor. We will strive to protect our investments from material*

*ESG-related risks and seek to capitalise on ESG-related opportunities.*

*2. To help us manage downside risk, we will take a position on the companies we will not support and will implement exclusions throughout funds managed or mandated by us.*

*3. We will aim to reduce the carbon intensity of our whole portfolio to 50% by 2030 and achieve net zero by 2050.*

*4. We will aim to offer an industry-leading fund range to our customers to help support causes that are close to their hearts while growing their savings for the future.*

*5. We will seek to extend our responsible investment principles into all asset classes over time.*

1 Source: <https://adviser.scottishwidows.co.uk/assets/literature/docs/60161.pdf>

*6. We will work with policymakers and industry participants to promote private market investment opportunities required to successfully transition to a lower carbon economy.*

Scottish Widows' Stewardship commitments are summarised below<sup>2</sup>:

- 1. To be responsible stewards of the assets we oversee;*
- 2. To influence companies we invest in to drive positive change;*
- 3. To exercise strong governance over the asset managers we partner with.*

The Trustee has reviewed these policies for Clerical Medical and is satisfied that they are appropriate for the Plan.

The Clerical Medical With-Profit Fund has exposure to a wide range of funds managed by Abrdn, BNY Mellon, Insight Investments, Nordea, Scottish Widows, BlackRock and Schroders.

Clerical Medical have provided voting and engagement information in relation to some of the funds which hold equities for which the Fund Managers have voting rights. Investments in bond and property assets do not confer voting rights, so there was no voting carried out in relation to the funds that hold these assets.

Clerical Medical provided the following examples from the Fund Managers in response to our request to provide details of their most significant votes. These have been selected from a wider list of examples provided:

### **1. JA Solar Technology Co., Ltd.**

#### **(Scottish Widows Emerging Markets Tilted Equity Tracker Fund)**

Date: 08/10/2024

Resolution: *Approve increase in estimated amount of guarantees between the company and its subsidiaries*

Vote: *Against*

Rationale: *"A vote against is warranted because there is a lack of disclosure on the pertinent details of this loan guarantee request."*

## **2. Apple, Inc.**

### **(Nordea Asset Management GBP Diversified Return Fund)**

Date: 25/02/2025

2 Source: <https://adviser.scottishwidows.co.uk/assets/literature/docs/60209.pdf>

Resolution: *Consider abolishing diversity, equity and inclusion policies, programs, departments and goals.*

Vote: *Against*

Rationale: *"We do not support the proposal as the company's current disclosures provide sufficient transparency to evaluate fully the associated risks and opportunities."*

Outcome of the vote: *Against*

Implications of the outcome; e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?: *"We will continue to be critical of proposals where we believe the company's disclosure already provides sufficient transparency to evaluate fully the associated risks and opportunities."*

On which criteria have you assessed this vote to be "most significant"?: *"Significant votes are those that are severely against our principles, and where we feel we need to enact change in the company."*

The following has been given as an example of company engagement which has taken place during the year.

## **1. Alphabet**

### **Nordea Asset Management GBP Diversified Return Fund**

Engagement topic: *Business Ethics (antitrust) & Labour Rights*

Rationale for the engagement: *"The Alphabet group is regularly the subject of anticompetitive investigations. The instructions filed are mainly aimed on its subsidiary Google. It is currently the target of two antitrust lawsuits from the Department of Justice and several states. Google has received numerous fines from French regulators but also from several sites such as Pricerunner. These recurring investigations expose the company to reputational, regulatory and financial risks. Google's choices also impact its competitors by weakening them and its users by impacting their ability to make decisions."*

What has been done: *"Regarding Alphabet Group, we've seen a growing number of controversies and lawsuits in the areas of data privacy and security as well as anti-trust violations. Furthermore, the company's platforms have been found to be used for disseminating dis- and misinformation, with negative societal impacts as well as heightened human rights risks. Furthermore, the company's forays into AI, which are generally accelerating across the industry, pose additional and other risks.*

*At the same time, shareholders experience limited access to the company, poor transparency on financial and non-financial disclosures as well as a lack of adequate Board oversight. The Audit and Compliance Committee is deemed insufficient to oversee an extensive list of issues which range from financial, operational, data privacy & security, competition, legal, regulatory, compliance, civil & human rights.*

*Outcomes and next steps: "To address this, Nordea, together with lead filer Harrington Investments and Aviva Investors, filed a shareholder proposal at Alphabet's 2024 AGM asking that the company hire an outside, independent law firm to evaluate the performance of the board's audit and risk committee. We the proponents believed that the company's failure to meet in our view modern corporate governance standards related to risk oversight is not acceptable. A review should consider whether the board is properly instilling a culture of risk monitoring and accountability, the extent to which the board seeks to mitigate risk, and what steps could be taken – including training – to appropriately assess social impacts and risks. In response to the opposition statement issued by Alphabet to be included in their proxy statement, we the proponents filed a Notice of exempt solicitation.*

*To gather further support for the proposal, Nordea launched a campaign targeting Nordic investors, which received good response. We also secured a FOR recommendation for the proposal from the proxy advisory firm Glass Lewis. The proposal did however only receive 8.3% support at the 2023 AGM. At the 2023 AGM we also supported a number of shareholder proposals on human rights and online safety as well as lobbying.*

*At the 2024 AGM we supported a shareholder proposal regarding a human rights assessment of AI-driven targeted ad policies. The proposal received over 48% of support from independent shareholders, including ours, making it the second most supported proposal on the ballot. There has not, however, been any visible indication that Alphabet has taken steps to conduct the HRIA or address shareholder concerns on the issues raised in the proposal.*

*In December 2024, we have co-signed an investor letter addressed to Alphabet's Chair of the Nominating and Corporate Governance Committee regarding a shareholder resolution at Alphabet's 2024 AGM. Signatories of the Investor letter are requesting Alphabet to conduct and disclose the results of a Human Rights Impact Assessment on Alphabet's AI-driven targeted advertising technology. We are waiting for a reply from Alphabet's board."*

Signed by Dan Gilmour on 23 March 2026

**Dan Gilmour**

**Trustee Director**

**Independent Trustee Services Limited**



# Group pensions

## Group Pension Contract – rates of interest 2025

Group Pension Contracts are invested in the Clerical Medical With-Profits Fund. Interest under Group Pension Contracts is currently paid in the form of basic yield and claim addition. Interest is earned during a plan year and is capitalised at the end of each plan year.

### Basic yield

Basic yield is declared in April each year, but the changes are backdated to 1 January.

For the calendar year 2025, the basic yield is 0%.

### Minimum interest rate

The terms of the Group Pension Contracts specify a minimum rate of interest that applies for a particular calendar year, which is based on the yield on the Clerical Medical With-Profits Fund for the previous year.

### Claim addition

Claim addition is added when there are withdrawals from a plan's fund to meet members' plan benefits, such as on retirement or death, or to provide transfer values to members. Claim addition tops up the fund to allow for a fair value of the amounts taken out in a plan year.

For all ongoing plans there is one rate of claim addition regardless of plan size or duration. The rate is normally reviewed in April and October each year, but we reserve the right to change it at any time.

Claim addition applies to all plans except where the total withdrawals from a plan's fund over a plan year exceed 50% of the fund value at the start of the year, in which case a different calculation applies.

The rate that will apply will be that in force at the effective date of payment. The rates applicable for 2025 are:

1 January 2025 to 31 March 2025	8%
1 April 2025 to 30 September 2025	11%
1 October 2025 to 31 December 2025	TBC%

### Notes

All interest under Group Pension Contracts is added after allowance has been made for our costs associated with running the plans.

A Group Pension Contract is considered to be in full force except during a period of notice to surrender the contract, or during a period where contributions have not been fully maintained without our prior agreement. During a period of notice to surrender only basic yield applies.

The information is based on our understanding of current legislation and HM Revenue & Customs practices. Legislation and Revenue practice may alter.

Details of the terms of the Group Pension Contract are available on request from – Clerical Medical, Post Handling Team, Maclaren House, Talbot Road, Stretford, Manchester M32 0FP.

### [www.clericalmedical.co.uk](http://www.clericalmedical.co.uk)

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The rate that will apply will be that in force at the effective date of payment. The rates applicable for 2024 are:

1 January 2024 to 31 March 2024	3%
1 April 2024 to 30 September 2024	5%
1 October 2024 to 31 December 2024	8%

### Notes

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