

London & Quadrant Housing Trust Staff Benefits Plan – Implementation Statement for the year ending 31 March 2025

Introduction

The Trustees have prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the Pensions Regulator's General Code of Practice. It sets out how the Trustees have complied with the London & Quadrant Housing Trust Staff Benefits Plan Stewardship Policy and Statement of Investment Principles (<https://www.lqpensionplan.co.uk/>) during the period 1 April 2024 to 31 March 2025.

Overall, the Trustees are satisfied that:

- The Plan's investments have been managed in accordance with the Plan's Stewardship Policy during the period;
- The Plan's investments have been managed in accordance with the remainder of the Plan's Statement of Investment Principles; and
- The provisions of the Statement of Investment Principles, including the default arrangement and other investment options, remain suitable for the Plan's members.

Statement of Investment Principles

The Statement of Investment Principles sets out the principles and practices the Trustees follow when governing the Plan's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustees' approach to responsible investing (including climate change).

The Trustees reviewed and updated the Statement of Investment Principles in September 2024 during the period to reflect changes in regulation such as the requirement to state the Plan's investment strategy in investing in illiquid assets.

The Statement is scheduled for review no later than 19 September 2027.

The Trustees have prepared this Implementation Statement on the basis of the Statement of Investment Principles in force at 19 September 2024, with reporting within this document in line with the Statement of Investment Principles applicable at the relevant time.

The Plan's Statement of Investment Principles can be consulted online at <https://www.lqpensionplan.co.uk/>.

Investment governance

The primary objective of the Plan is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined contribution basis (sometimes called money purchase benefits). This means that the size of benefits will depend on how much the funds where savings were invested have grown over the years.

The Trustees have overall responsibility for how the Plan's investments are governed and managed, in accordance with the Plan's Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

There have been no changes to the governance processes in the last year.

The Trustees have elected to delegate day-to-day investment decisions, such as which investments to buy and sell, to the platform provider and the fund managers.

The Trustees monitor how well the Plan's investment adviser meets the objectives agreed with them, which are designed to align with the Trustee's own objectives and investment strategy set out in the Statement of Investment Principles. The Trustees have set the following objectives for the adviser:

- Deliver an investment approach for the default option that maximises risk-adjusted real returns for members. Note that the concept of risk can change throughout a member's career.
- Provide advice in relation to a self-select range that incorporates sufficient choice for members to meet their own needs in terms of investment return, investment risk and retirement choices, reflecting member feedback where relevant.
- Ensure the fund range remains appropriate for members over time and propose changes on a timely basis where appropriate in relation to the addition or deletion of funds.

The Trustees have carried out an evidence-based review of the investment adviser's performance against these objectives on 10 December 2024. This involved rating the adviser against the different objectives. The Trustees were satisfied that the objectives had been achieved for the year

The Trustees have undertaken training during the last year to ensure that their knowledge of investment matters remains up to date.

Date	Topic	Aim	Trainer
13th June 2024	Ruffer Absolute Return Fund	Training on investment topic	Hymans Robertson
19th September 2024	TPR's new Funding Code	Training on the new funding code	Hymans Robertson
10th December 2024	Stewardship training	To ensure understanding of stewardship	Hymans Robertson
11th March 2025	Master Trust Training, part 1	To ensure understanding of master trusts	Hymans Robertson
12th June 2025	Master Trust Training, part 2	To ensure understanding of master trusts	Hymans Robertson

The investment risks relating to the Plan are described in the Statement of Investment Principles, page 4.

The Trustees' views on the expected levels of investment risk and return inform decisions on the strategic asset allocation (i.e., what type of assets and areas of the world the Plan invests in over the longer-term), and the style of management adopted by the Plan.

Conflicts of interest

The Plan has conflicts of interest policies in place. These policies apply to the Plan's service providers, including the platform provider, fund managers, and investment adviser.

The Trustees formally ask service providers to confirm any conflicts of interest when the Trustees meet with them. In addition, as the funds used by the Plan are held at arms-length from the Trustees via an investment platform, the Trustees have asked the platform provider to report on its investment governance of the funds, including conflicts of interest.

The Plan's service providers have not disclosed any actual or potential conflict over the period.

Default arrangement and other investment options

The objectives and rationale for the Plan's default arrangement and other investment options are set out in the Statement of Investment Principles, pages 1-3.

The default arrangements and other investment options were last reviewed 5 December 2022 and are scheduled for review no later than 5 December 2025.

Platform provider and fund managers

The funds used by the Plan are held at arms-length from the Trustees via an investment platform.

The Trustees monitor the service from the platform provider used by the Plan through periodic reviews.

The Trustees monitor the performance of the funds used by the Plan through receiving an investment performance monitoring report on a quarterly basis.

Value for money

The Trustees periodically monitor the costs borne by members for the Plan's default arrangement and other investment options.

The Trustees seek to ensure that fund managers are suitably incentivised to deliver investment performance in keeping with the fund's objectives. The Trustees believe it is in the platform provider's best commercial interest to ensure fund managers are suitably incentivised to meet their fund's investment objectives.

Scheme year investments

The Plan's Chair Statement contains information on the nature and geographical location of the Plan's assets, the security and liquidity of these assets and the performance of the Plan's investments.

Portfolio duration

The Trustees recognise the long-term nature of pension investments. The Trustees choose funds which are expected to deliver sustainable returns over the members' (and pensioners') investment horizon. The appropriate time horizon is dependent on the member's position on their savings journey.

Realisation of investments

The Trustees aim to ensure that members’ contributions are invested promptly in the Plan’s default arrangement or other investment options, and that savings can be taken out from the funds used by the Plan without delay.

Stewardship Policy

The Trustees Stewardship Policy sets out how the Trustees will behave as an active owner of the Plan’s assets. It includes the Trustees’ approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustees monitor and engage with their investment managers and other stakeholders.

The Plan’s Stewardship Policy can be found within the Plan’s Statement of Investment Principles, pages 6-9.

The Plan’s Stewardship Policy is being reviewed in line with the Plan’s Statement of Investment Principles, which was last updated 19 September 2024.

As the Plan’s investments are held at arms-length from the Trustees via an investment platform, the Trustees are not able to instruct fund managers how they should vote on shareholder issues.

Nevertheless, the Trustees believe it is important that fund managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with management on issues which affect a company’s financial performance, and by extension the value of the Plan’s investments.

The Trustees receives reports on fund managers’ voting and engagement activity from the investment adviser on an annual basis.

The Trustees’ own engagement activity is focused on periodically reviewing the platform provider’s and fund managers’ approach to stewardship, including their engagement and voting policies.

The Trustees also monitor their compliance with the Plan’s Stewardship Policy on a regular basis and are satisfied that they have complied with that Policy over the scheme year.

Voting activity

The Trustees seek to ensure that fund managers are exercising voting rights and, where appropriate, monitor managers’ voting patterns. The Trustees also monitor votes cast by managers on particular companies or issues that affect more than one company.

The Plan’s fund managers have reported on how votes were cast over the past year as set out below.

Default Funds	L&Q Global Equity Blended Fund		L&Q Diversified Growth Blended Fund	
Underlying Funds	L&G Global Equity 50:50 Index (90%)	L&G World Emerging Market Equity Index (10%)	BlackRock Dynamic Diversified Growth Fund (40%)	Schroder Dynamic Multi Asset (60%)
Proportion of London & Quadrant Housing	37.03%	4.11%	13.93%	20.89%

Trust Staff Benefits assets				
No. of meetings eligible to vote at during the year	2,981	4,366	477	727
No. of resolutions eligible to vote on during the year	3,7792	3,4789	6,515	8,959
% of resolutions voted	99.75%	99.94%	93.00%	95.93%
% of resolutions voted with management	81.77%	80.37%	95.00%	88.74%
% of resolutions voted against management	17.98%	17.12%	4.00%	11.26%
% of resolutions abstained	0.25%	2.51%	0.00%	0.27%
% of meetings with at least one vote against management	69.00%	50.72%	25.00%	55.57%

Self - Select Funds	L&Q Housing Trust DC L&G UK Equity Index	L&Q Global Equity Blended Fund		L&Q Housing Trust DC L&G North America Equity Index	L&Q Housing Trust DC L&G Europe (ex-UK) Equity Index
Underlying Funds	L&G UK Equity Index	L&G Global Equity 50:50 Index (90%)	L&G World Emerging Market Equity Index (10%)	L&G North America Equity Index	L&G Europe (ex-UK) Equity Index
Proportion of London & Quadrant Housing Trust Staff Benefits assets	2.21%	37.03%	4.11%	2.68%	0.88%
No. of meetings eligible to vote at during the year	717	2,981	4,366	629	504

No. of resolutions eligible to vote on during the year	10,134	37,792	34,789	8,278	8,539
% of resolutions voted	100.00%	99.75%	99.94%	98.88%	100.00%
% of resolutions voted with management	93.79%	81.77%	80.37%	63.45%	81.54%
% of resolutions voted against management	6.21%	17.98%	17.12%	35.92%	18.05%
% of resolutions abstained	0.00%	0.25%	2.51%	0.64%	0.41%
% of meetings with at least one vote against management	42.54%	69.00%	50.72%	97.93%	79.17%

Self - Select Funds (Continued)	L&Q Housing Trust DC L&G Asia Pacific (ex-Japan) Equity Index	L&Q Housing Trust DC L&G Japan Equity Index	L&Q Housing Trust DC L&G World Emerging Markets Equity Index	L&Q Housing Trust DC L&G World (ex-UK) Equity Index	L&Q Housing Trust DC L&G Global Equity (70:30) Index
Underlying Funds	L&G Asia Pacific (ex-Japan) Equity Index	L&G Japan Equity Index	L&G World Emerging Markets Equity Index	L&G World (ex-UK) Equity Index	L&G Global Equity (70:30) Index Fund
Proportion of London & Quadrant Housing Trust Staff Benefits assets	1.18%	0.68%	0.36%	0.89%	0.04%
No. of meetings eligible to vote at during the year	459	493	4,366	2810	7210
No. of resolutions eligible to vote on during the year	3,442	5,970	3,4789	3,3434	7,1496
% of resolutions voted	100.00%	100.00%	99.94%	99.72%	99.84%

% of resolutions voted with management	74.52%	89.87%	80.37%	77.92%	80.96%
% of resolutions voted against management	25.31%	10.13%	17.12%	21.78%	17.68%
% of resolutions abstained	0.17%	0.00%	2.51%	0.31%	1.36%
% of meetings with at least one vote against management	71.68%	65.52%	50.72%	76.01%	58.61%

Self - Select Funds (Continued)	L&Q Housing Trust DC Global Equity Fixed Weights (50:50)	L&Q Diversified Growth Blended Fund	L&Q Housing Trust DC L&G Multi-Asset	
Underlying Funds	L&G Global Equity Fixed Weights (50:50) Index Fund	BlackRock Dynamic Diversified Growth Fund (40%)	Schroder Dynamic Multi Asset (60%)	L&G Multi-Asset
Proportion of London & Quadrant Housing Trust Staff Benefits assets	0.36%	13.93%	20.89%	0.73%
No. of meetings eligible to vote at during the year	2,981	477	727	10,638
No. of resolutions eligible to vote on during the year	37,792	6,515	8,959	105,686
% of resolutions voted	99.75%	93.00%	95.93%	99.77%
% of resolutions voted with management	81.77%	95.00%	88.74%	76.61%
% of resolutions voted against management	17.98%	4.00%	11.26%	22.29%

% of resolutions abstained	0.25%	0.00%	0.27%	1.10%
% of meetings with at least one vote against management	69.00%	25.00%	55.57%	69.24%

Self - Select Funds (Continued)	L&Q Flexible Pre-Retirement Blended Fund			
	L&Q Global Equity Blended Fund (20%)		L&Q Diversified Growth Blended Fund (30%)	
Underlying Funds	LGIM Global Equity 50:50 Index (90%)	LGIM World Emerging Market Equity Index (10%)	BlackRock Dynamic Diversified Growth Fund (40%)	Schroder Dynamic Multi Asset (60%)
Proportion of London & Quadrant Housing Trust Staff Benefits assets	0.01%	0.00%	0.01%	0.01%
No. of meetings eligible to vote at during the year	2,981	4,366	477	727
No. of resolutions eligible to vote on during the year	37,792	34,789	6,515	8,959
% of resolutions voted	99.75%	99.94%	93.00%	95.93%
% of resolutions voted with management	81.77%	80.37%	95.00%	88.74%
% of resolutions voted against management	17.98%	17.12%	4.00%	11.26%
% of resolutions abstained	0.25%	2.51%	0.00%	0.27%
% of meetings with at least one vote against management	69.00%	50.72%	25.00%	55.57%

Self - Select Funds (Continued)	L&Q Housing Trust DC L&G Ethical UK Equity Index	L&Q Housing Trust DC HSBC Islamic Global Equity Index
Underlying Funds	L&G Ethical UK Equity Index	HSBC Islamic Global Equity Index
Proportion of London & Quadrant Housing Trust Staff Benefits assets	0.84%	0.68%
No. of meetings eligible to vote at during the year	257	105
No. of resolutions eligible to vote on during the year	4,434	1,719
% of resolutions voted	100.00%	96.00%
% of resolutions voted with management	94.38%	78.00%
% of resolutions voted against management	5.62%	21.00%
% of resolutions abstained	0.00%	0.00%
% of meetings with at least one vote against management	39.30%	78.00%

Source: Schroders, BlackRock, LGIM and HSBC

The resolutions which LGIM voted against management the most on over the period were mainly in relation to:

- Average board tenure
- Classified Board
- Climate Change
- Climate Impact Pledge
- Deforestation Policy
- Diversity
- Independence

- Joint Chair / CEO
- Remuneration
- Shareholder rights

The resolutions which Schroders voted against management the most on over the period were mainly in relation to:

- Audit/ Financials
- Boards of Directors
- Remuneration

The resolutions which HSBC voted against management the most on over the period were mainly in relation to:

- Corporate Governance
- Diversity

The Trustees are looking to get more information regarding the resolutions which BlackRock voted against management on over the period.

The Trustees have asked BlackRock, Schroders, LGIM and HSBC to report on the significant votes cast within the portfolios they manage on behalf of the Trustees. Managers were asked to explain the reasons why votes were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company, and the outcome of the vote. From the manager reports, the Trustees have identified the following votes as being of greater relevance to the Plan.

Date	Company	Subject and manager vote	Rationale
17 May 2024	Shell Inc	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	A vote against is applied by LGIM. LGIM expects companies to introduce credible energy transition plans, covering their direct and indirect emissions and consistent with the Paris objectives. A successful transition to a net zero emissions economy requires all sectors to align with those objectives and hence they place significant importance in our engagement and voting policies on Scope 3 emissions being integrated into a company's energy transition plan and decarbonisation efforts. Although LGIM support the principles of this proposal, a vote AGAINST is applied as in their view, the wording of the proposal imposes inflexibility on a company that is subject to the non-linear demands of the energy transition and could lead to several unintended consequences, including those related to security of supply and the implications of divestments to less

			responsible operators, as we transition to a net-zero emissions economy. LGIM's approach to such resolutions will remain dynamic A vote against is applied by BlackRock. The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company A vote against is applied by Schroders. A vote for is applied by HSBC.
25 February 2025	Apple Inc	Report on Child Safety Online	A vote against this proposal is warranted by LGIM, as Apple has already provided an explanation for its decisions regarding its use of child sex abuse material (CSAM) identifying software. A vote against is applied by BlackRock. A vote against is applied by Schroders. A vote against is applied by HSBC.
7 June 2024	Alphabet	Report on Risks Related to AI Generated Misinformation and Disinformation	A vote for this proposal is applied by LGIM as additional disclosure on how the company intends to manage misinformation and disinformation risks related to generative AI would help shareholders better evaluate the company's approach. A vote against is applied by BlackRock as the company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures. A vote for is applied by Schroders because shareholders would benefit from greater disclosure of what the company is doing to prevent and manage adverse impacts of misinformation and disinformation generated, disseminated and/or amplified by AI, and the associated risks. They believe that how we have voted is in the best financial interest of our clients' investments.

			A vote for is applied by HSBC.
22 May 2024	Amazon Inc	Report on Efforts to Reduce Plastic Use	A vote for is applied as LGIM supports enhanced transparency and disclosure regarding the company's climate actions, particularly around packaging-based waste and emissions reduction. A vote against is applied by BlackRock as the company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures. A vote for is applied by Schroders as they believe that the current scope of reporting on plastics can be expanded beyond shipment packaging which would be additive to current company efforts. Schroders believe how we have voted is in the best financial interests of our clients' investments. A vote for is applied by HSBC.

The Plan's fund managers have made use of the services of the following proxy voting advisers over the scheme year:

Manager	Proxy voting adviser
LGIM	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that LGIM receive from ISS for UK companies when making specific voting decisions. 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. These instructions apply to all markets globally and seek to uphold what they consider are minimum best practice

	standards which LGIM believe all companies globally should observe, irrespective of local regulation or practice. LGIM retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows them to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with their voting policies by LGIM's service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.
BlackRock	Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. It is important to note that, although proxy research firms provide important data and analysis, BlackRock do not rely solely on their information or follow their voting recommendations. BlackRock Active Investment Stewardship's vote recommendations to active equity portfolio managers are informed by its in-depth analysis of company disclosures, engagement with boards and management teams, input from active equity investment colleagues, independent third-party research, and comparisons against a company's industry peers. Where they have been authorized by clients to vote proxies, BAIS casts votes in accordance with their Global Engagement and Voting Guidelines or as instructed by an active equity portfolio manager in the context of their investment objectives.
Schroders	Glass Lewis (GL) act as Schroder's one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is

	complemented with analysis by their in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
HSBC	HSBC use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene their guidelines. HSBC review voting policy recommendations according to the scale of our overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.

Engagement activity

The Trustees receive annual reporting on fund managers' engagement activity. The following table summarises the key engagement activity for the 12-month period to 31 March 2025.

Manager	Number of engagements	Topic engaged on
LGIM	The team initiated 12,589 engagements on an ongoing basis over the year.	Climate Impact Pledge, Human Rights, Ethnic Diversity, Gender Diversity, Remuneration, Deforestation, Climate Mitigation, Biodiversity, Community Relations, Mergers and Acquisitions
BlackRock	The team initiated 427 engagements on an ongoing basis over the year.	Climate Risk Management, Board Effectiveness and Director Qualifications, Business Oversight/ Risk Management, Compensation and Remuneration, Corporate Strategy.
Schroders	The team initiated 1,489 engagements over the period to 31 December 2024.	Boards and Management, Climate Alignment, Climate Risk and Oversight, Consumers and Customers, Executive Remuneration, Nature-related risk and Management, Workers
HSBC	The team initiated 70 engagements over the period to 31 December 2024.	Climate Change, Nature Resource Use / Impact, Human Capital Management

The main methods of engagement were targeted communication and management meetings.

The Trustees have committed to reviewing the Responsible Investment policies of the platform provider and fund managers used by the Plan on a regular basis. The Trustees receive reporting updates from their investment adviser on a quarterly basis including a rating of their fund managers from a Responsible Investment perspective. This rating considers the broader approach to Responsible Investment issues of the fund managers as well as any change in approach.

The Trustees and their investment adviser remain satisfied that the platform provider's and fund managers' Responsible Investment policies and, where appropriate, their voting policies remain suitable for the Plan.

Ethical investing

The Trustees recognise that some members will have strong views on where their pension savings should be invested. Nevertheless, the Trustees recognise that it is not possible to cater for everyone's views on non-financial/ ethical matters.

The Trustees monitor developments in ethical investing funds which could be appropriate to the Plan's members and offer to provide DC members with investment options which are managed to ethical and faith-based criteria:

- the L&G Ethical UK Equity Index Fund; and
- the HSBC Amanah Global Equity Index Fund.

The Trustees approach to ethical investing has not changed during the last year.

Communications and member engagement

The Trustees' approach to communicating the Plan's investment options and investment governance have not changed during the last year.

The Trustees' current policy on member engagement is in outline:

- Effective member engagement will help develop suitable investment options;
- Member engagement is actively encouraged through a variety of means.

Prepared by:

Trustees of the London and Quadrant Housing Trust Staff Benefits Plan

31 October 2025