Schroders solutions

Essentra Pension Plan ('Plan')

5 April 2025 Implementation Statement

July 2025

1. Introduction

The Trustee is required to make publicly available online a statement ("the Implementation Statement") covering both the Defined Contribution ("DC") and Defined Benefit ("DB") sections of Essentra Pension Plan ("the Plan").

The current Statement of Investment Principles ("SIP") came into force from September 2024.

A copy of the current SIP can be found here: https://www.essentraplc.com/en/responsibility/our-culture/pensions.

This Implementation Statement covers the period from 6 April 2024 to 05 April 2025 (the "Plan Year"). It sets out:

- How the Trustee's policies on stewardship have been followed over the Plan Year; and
- The voting by or on behalf of the Trustee during the Plan Year, including the most significant votes cast and any use of a proxy voter during the Plan Year.

The latest guidance ("the **Guidance**") from the Department for Work and Pensions ("**DWP**") aims to encourage the Trustee of the Plan to properly exercise their stewardship policy including both voting and engagement which is documented in the Plan's SIP. With the help of the Plan's DC Investment Consultant and DB Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy for the Essentra Section, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP's statutory guidance.

The Trustee uses the Fiduciary Management service of **Schroders IS Limited** as its **DC Investment Consultant** and **DB Fiduciary Manager**. The Fiduciary Manager can appoint other investment managers (referred to as "**Underlying Investment Managers**") to manage part of the Plan's Essentra Section assets, and investments with these managers are generally made via pooled funds, where the Plan's investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website:
https://www.essentraplc.com/en/responsibility/our-culture/pensions

2. Essentra Section (DB): Assessment versus Trustee's policies on stewardship

As described in the SIP, the Trustee's approach to stewardship is to delegate the voting and engagement activities to the Fiduciary Manager. The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Plan's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustee's investment (including stewardship) policies when providing Fiduciary Management services.

The Fiduciary Manager aligns its own stewardship activities with Schroders' Engagement Blueprint, which identifies six broad themes for their active ownership: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Fiduciary Manager has chosen **Climate Change**, **Natural Capital & Biodiversity**, and **Human Rights** as its focus for the stewardship actions it performs on behalf of the Plan. The Trustee expects that the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Plan. Therefore, the Trustee has aligned its stewardship priorities with the Fiduciary Manager's.

The Fiduciary Manager is a signatory to the UK Stewardship Code which sets high standards for those investing money on behalf of UK pensioners and savers. The UK Stewardship Code describes stewardship as "*the responsible allocation, management and oversight of capital to create long-term value … leading to sustainable benefits for the economy, the environment and society.*" Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed quarterly FM ESG updates and the FM Annual ESG Report during the Plan Year. The quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Plan's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Plan's capital. In addition, the quarterly report also includes stewardship activities including both voting and engagement the Fiduciary Manager carried out on behalf of the Trustee. The FM Annual ESG Report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustee is satisfied that the stewardship policy outlined in the SIP has been implemented well over the year, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection over the Plan Year. Examples of how this has been evidenced include:

- Exclusions as part of the security selection process as per the Schroders Group criteria which includes UNGC Global Norms Violators, controversial weapons, thermal coal, oil and gas production, oil and gas refining, and exposure to commodity-driven deforestation. This ensures a closer alignment of the Plan's investments with the Trustee's stewardship priorities, as these excluded investments are generally viewed as causing significant harm to People or Planet.
- Incorporation of SustainEx™ scoring into the core equity allocation process, in both the initial screening process and as a constraint at a total portfolio level. SustainEx™ is Schroders' proprietary tool to translate social and environmental impacts into financial costs.
- ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth, Buy and Maintain and LDI portfolios.
- Conducting manager research to identify value-adding, climate-aware equity funds to potentially allocate some of the Plan's capital to, subject to further due diligence.
- Manager research identified an Article 8 hedge fund which has been included in the liquid alternatives portfolio. This fund goes beyond simply considering sustainability risks and actively promotes environmental and social objectives.

- Working with the core active credit manager to enhance their mandate to have a specific climate transition focus. This involves the introduction of a net zero target at the strategy level.
- Inclusion of a cash fund that offers improved environmental characteristics to the Plan's previous cash fund, with equivalent cost and return track record.
- Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials. The ESG ratings were also used to identify the areas of engagement with Underlying Investment Managers across the engagement priorities.
- Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Plan's investments.
- Inclusion of voting and engagement examples in the quarterly ESG reporting to the Trustee, facilitating a more regular review throughout the year of the Fiduciary Manager and Underlying Investment Managers' stewardship activities.
- Inclusion of 'impact' metrics into quarterly reporting, such as Implied Temperature Rise (measuring the contribution of the Plan's investments to global warming) and SustainEx™ scoring, to facilitate Trustee oversight of the impacts of the Plan's capital on the environment and society.
- Development of biodiversity metric NatCapEx to be used as an engagement tool and to provide a greater understanding of exposure to nature related risks.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity that took place on the Trustee's behalf during the Plan Year within the growth asset portfolio and the liability hedging portfolio, the Trustee is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Plan Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Plan's liability hedging programme remains robust following the events during the Gilt Crisis of Autumn 2022. Moreover, the Fiduciary Manager provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Plan.

Given the activities carried out during the Plan Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Plan Year.

3. Essentra Section (DB): Voting Summary

The Trustee has delegated responsibility for voting on its behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Plan's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustee, in line with the Trustee's stewardship policy.

Voting by the Fiduciary Manager

Over the year to 31 March 2025, regarding clients' pooled fund investments[1], the Fiduciary Manager voted on 57 resolutions across 13 meetings. The Fiduciary Manager voted against management on 0 resolutions (0% of total resolutions) and abstained on 2[2] resolutions (3.5% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

Voting by the Underlying Investment Managers

Most Significant Votes

The following criteria must be met for a vote to be considered 'significant':

1. Must relate to the **BNY Mellon (Schroder Solutions) Global Equity**
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustee's stewardship priority themes

The **BNY Mellon (Schroder Solutions) Global Equity** constitutes a significant proportion of the Plan's Growth Asset portfolio and thus constitutes the majority of the Plan's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Plan's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particular significance for the Plan.

From 1 January 2024, the proxy voting responsibilities for this fund moved to Schroders' Active Ownership team which ensures that the voting policy is guided by Schroders' **Engagement Blueprint** and therefore aligns with the Trustee's stewardship priorities. The Fiduciary Manager believes that all resolutions voted against the board's recommendations should be classified as a significant vote. Generally, the Fiduciary Manager does not communicate their voting intentions to companies regarding shareholder resolutions, however in some circumstances Schroders will publish their voting intentions on their Active Ownership Blog[3]. Regarding next steps after a vote, in the instance that votes are successful, the Schroders team will typically monitor progress closely and look to take further action at the next AGM should no progress be made.

Of the votes that satisfy the above criteria, the Trustee has selected one vote relating to each of the priority themes that it deems most material to the long-term value of the investments. These votes are hereby defined as 'most significant votes', and as per DWP guidance, the Trustee has communicated this definition of 'most significant votes' to the Fiduciary Manager. All of the most significant votes over this Plan Year have been reported below.

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[1]The voting statistics provided pertain to the Fiduciary Manager's Model Growth portfolio and may not fully reflect the pooled fund investments held by the Plan.
[2]The Fiduciary Manager abstained from voting on these resolutions due to the presence of share blocking. If the Manager were to vote on a position, they would then be blocked from selling positions in the security from the voting deadline date until one day post meeting and, in the absence of an instruction from Investors, it is Schroders' policy to retain liquidity of the investment.
[3]Schroders Active Ownership Blog - https://www.schroders.com/en-us/us/individual/insights/active-ownership-blog-2024-voting-season-spotlight/

CLIMATE CHANGE – At the Equinor ASA annual general meeting on 15 May 2024, Schroders voted for a shareholder resolution asking the Board to update its strategy and capital expenditure plan, considering the company's commitment to support the goals of the Paris Agreement and the Norwegian Government's expectations for the company to align with the Paris Agreement. The resolution also requests the updated plan to "specify how any plans for new oil and gas reserve development are consistent with the Paris Agreement goals". This vote was against management, which stated in its response that its energy transition plan demonstrates a business model and strategy that are already aligned with the Paris Agreement's most ambitious 1.5°C goal. Schroders acknowledge the company is leading on decarbonisation action relative to its sector. Nonetheless, they believe this resolution will encourage the company to produce more complete disclosures and provide further evidence to its claims that the strategy is already aligned with the Paris Agreement goals. This resolution could help shareholders to better assess how the company is addressing climate-related risks and potential costs to the business from climate transition trends. Schroders believe that by disclosing this information, Equinor will provide greater transparency to investors on the alignment between its commitments and implementation of its strategy. This vote against management was unsuccessful as the shareholders' proposal was not adopted. The resolution was filed by the Climate Action 100+ group, which Schroders are a part of, and the direct filers will continue dialogue with Equinor.

NATURAL CAPITAL AND BIODIVERSITY - At the General Motors Company annual general meeting (AGM) on 4 June 2024, Schroders voted for a shareholder resolution asking the company to "disclose the company's policies on the use of deep-sea mined minerals in its production and supply chains". This vote was against management which affirmed in its AGM proxy statement that it has not invested in deep-sea mineral extraction and does not currently use, nor does it have plans to use, deep-sea minerals in its supply chain. However, the company has also stated that it is "working with third parties to make science-based evaluations and support the creation of a single common standard that establishes a deep-sea extraction framework so data-driven decisions can be made". The company does not include a clear commitment to limit and avoid the conversion of ecosystems in its responsible sourcing policy. Thus, Schroders agree with the proponents that this lack of clarity in the company's position could expose the company to reputational and regulatory risk including financial risk. While Schroders agree with the company that it is prudent for it to monitor the development of alternative value chains considering the consumer and regulatory pressure towards a fast Electric Vehicle transition, Schroders do not believe that this resolution dictates the company's position on DSM but encourages it to be candid with stakeholders about their position and how their sourcing of minerals properly considers the financial risks associated with conversion of marine habitats. This vote was unsuccessful as the shareholders' proposal was not adopted. Schroders plan to continue engagement with the company on this topic.

HUMAN RIGHTS – At the JP Morgan Chase & Co. annual general meeting (AGM) on 21 May 2024, Schroders voted for a shareholder resolution asking the company to produce a report "outlining the effectiveness of JPMorgan Chase & Co.'s policies, practices, and performance indicators in respecting internationally recognised human rights standards for Indigenous Peoples' rights in its existing and proposed general corporate and project financing." Schroders believe that the requested report would benefit shareholders as they seek to understand how the company manages relations with its stakeholders, and the associated regulatory, reputational, and financial risks. Although the company provides explanation on the frameworks it uses to identify and manage environmental and social (E&S) risks, an assessment of how effective these practices are would allow shareholders to better understand their robustness, and the company's ability to mitigate any risks which may have financial implications. This vote against management was unsuccessful and Schroders intend to engage with JP Morgan on the topic raised in this resolution as well as others over the coming year.

Summary Voting Statistics

Only the Plan's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the 12 months to 31 March 2025 for the most material funds held on behalf of the Trustee that had voting rights during the period.

Equity Funds	BNY Mellon (Schroder Solutions) Global Equity	Morant Wright Fuji Yield Japanese Fund	FSSA All China Fund	Redwheel TM UK Equity Income Fund
Total meetings eligible to vote	**679.0**	**59**	**83**	**33**
Total resolutions eligible to vote	9,276	747	759	60
Of resolutions eligible to vote, % of resolutions voted on	**93%**	**100%**	**100%**	**100%**
Of voted resolutions, % vote with management	86%	85%	94%	98%
Of voted resolutions, % vote against management	**14%**	**15%**	**6%**	**2%**
Of voted resolutions, % abstained	0%	0%	0%	<1%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	**12%**	**N/A**	**7%**	**3%**

Note:

- Schroders Investment Management (when exercising voting rights for the BNY Mellon fund) use Glass Lewis ("GL") for proxy voting services and receive ISS's Benchmark research. Alongside ISS's research, Schroders receives recommendations from GL in line with their own bespoke guidelines. This is complemented with analysis by their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
- Morant Wright do not subscribe to any shareholder advisory services, and their portfolio managers are directly responsible for proxy voting decisions.
- FSSA uses Glass Lewis as their proxy voting advisor, and Redwheel uses ISS.
- The voting statistics provided may slightly differ depending on the exact composition the Plan holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- A new equity fund, **Redwheel TM UK Equity Income fund**, held at the Plan Year-end, was introduced into the Growth portfolio in July 2024 although the voting data is for 12 months period to 31 March 2025, sourced from the investment manager per PLSA guidance.

Alternative Funds	Lumyna Marshall Wace - TOPS (Market Neutral) Fund	Lumyna Marshall Wace - TOPS Environmental Focus (Market Neutral) Fund	Lumyna Marshall Wace – TOPS Fund	North Rock Fund	JP Morgan Europe Equity Absolute Alpha Fund	BlackRock Systematic Total Alpha Fund
Total meetings eligible to vote	*Data not provided*	*Data not provided*	*Data not provided*	364	156	1,988
Total resolutions eligible to vote	6,297	2,509	10,379	*Data not provided*	2,616	18,845
Of resolutions eligible to vote, % of resolutions voted on	98%	97%	98%	100%	97%	99%
Of voted resolutions, % vote with management	75%	57%	72%	100%	93%	92%
Of voted resolutions, % vote against management	12%	9%	12%	0%	6%	7%
Of voted resolutions, % abstained	12%	33%	17%	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	9%	6%	8%	0%	1%	0%

Note:

- The voting statistics provided may slightly differ depending on the exact composition the Plan holds.
- Lumyna Marshall Wace and North Rock use Glass Lewis for proxy voting services. JP Morgan uses ISS for proxy voting services. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS).
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- North Rock voted all resolutions with management or with the recommendations of the proxy advisory service.
- Two new liquid alternative funds, **JP Morgan European Equity Absolute Alpha** and **BlackRock Systematic Total Alpha**, held at the Plan Year-end, were introduced into the Growth portfolio in October 2024. The guidance is to include the data for the 12-month period to the Plan year end and therefore the voting stats reported in this statement are for the year to 31 March 2025.

The Trustee is satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities determined during the Plan Year, hence the Trustee believes that it has satisfactorily implemented the Stewardship Policy stated in the Plan's SIP.

4. DC Section: Implementation of the Trustee's SIP policies

In this section, we summarise the most significant activities undertaken in relation to the SIP by the Trustee, and in turn describe the actions and decisions taken by the Trustee over the Plan Year and the extent to which these align with the beliefs and policies stated within the SIP. **Please note this section relates to DC only.**

Policies relating to the Plan which the Trustee considered the most material in the Plan Year

Policy	Trustee actions over the Plan Year
Investment Objectives	The Trustee is satisfied that the Plan's investment objectives were met during the Plan Year for the following reasons: • The Plan offers a 'Lifestyle' approach for the default investment strategy, as well as other investment strategy options that allow members to plan for their specific retirement objectives; • The Plan offers a range of pooled investment funds that serve to meet the varying investment needs and risk tolerances of Plan members. • The Plan provides general guidance as to the purpose of each investment option; • The Plan encourages members to seek independent financial advice from an appropriate party in determining the most suitable strategy for their individual circumstances; • The Trustee continues to make available a range of options that they believe satisfies the needs of the majority of members. The last investment strategy review was undertaken in 2023, which fulfils the requirement to carry out a review at least every three years. While no formal investment strategy review was undertaken during the Plan year, the Trustee is currently considering future provision for the DC section more widely, to ensure that members' needs continue to be met. The next formal strategy review is due to be carried out in 2026.
DC Section Risks	This part of the Implementation Statement sets out how risks identified in the SIP have been managed and measured during the Plan Year. The Trustee covers only the most material risks here. The Trustee is satisfied that these risks are managed in line with the policies contained in the SIP, specifically by: • Making a range of funds available so members can invest into a diverse portfolio. • Ensuring all funds offered are sufficiently liquid, by investing in daily dealing assets. • Monitoring the performance of all funds on a quarterly basis, considering returns against each fund's stated performance comparator and against inflation.

	• Regularly reviewing the investment manager's actions in relation to ESG factors.
The Default Investment Arrangement	**Default Arrangement Objectives** The Trustee is satisfied that the Plan's default investment objectives were met during the Plan year for the following reasons: • The Growth fund, which makes up the accumulation phase of the default arrangement, achieved returns in excess of inflation over the five years to 31/03/2025, with a greater level of underlying asset diversification than investing purely in equities. • The default arrangement continues to reduce investment risk for members as they approach retirement, by gradually switching to cash at-retirement. This switch begins 5 years before a member's retirement age. **Policies in relation to the default arrangement** The Trustee is satisfied that their policies in relation to the default arrangement have been followed over the Plan year for the following reasons: • The default arrangement continues to achieve exposure to a diversified strategic asset allocation consisting of a range of assets, including equities, gilts, corporate bonds, overseas bonds and property. • The default arrangement continues to invest in daily traded pooled funds that hold highly liquid assets, with the selection, retention and realisation of investments delegated to the underlying Investment Manager. • Within the default arrangement, units across the underlying pooled funds continue to be bought and sold according to the table below:

Time to Retirement (years)	Growth Fund (%)	Legal and General ("LGIM") Sterling Liquidity Fund (%)
>5	100	-
5	100	-
4	80	20
3	60	40
2	40	60
1	20	80
0	0	100

	Risk in default arrangement Outlined in the Risk section **Suitability of the default investment strategy** The Trustee continues to believe that the default strategy remains suitable for the Plan's membership, for the reasons outlined below: • The growth phase continues to invest predominantly in global equities, to address the requirement that members will likely require real investment returns (i.e. returns above inflation) for most of their period as pension savers to secure an adequate income in retirement. • The strategy targets cash at retirement, in line with the Trustee's expectation that this is the method through which the majority of members will access their pots. While no formal investment strategy review was undertaken during the Plan year, the Trustee is currently considering future provision for the DC section more widely, to ensure that members' needs continue to be met. The next formal strategy review is due to be carried out in 2026.
DC Section Investment Arrangements	Day-to-day management of the assets is delegated to a professional investment manager, LGIM; the Trustee is satisfied that LGIM still have the required expertise to manage the Plan's investment mandates. The Trustee did not require any legal or investment advice regarding the suitability of the investment management agreements and relevant investment vehicles during the Plan year. The Trustee assessed the continued suitability of the Plan's investment managers throughout the Plan year by monitoring performance at each quarterly meeting. Further details of the current investment arrangements, including the Plan's current investment managers, are set out in the Plan's Investment Policy Implementation Document.
Implementation and Engagement policy for the DC section	The SIP sets out a range of policy statements including: • How the investment managers are aligned with the investment strategy and Trustee policies. • How the arrangement incentivises the investment manager to make decisions based on assessments about medium to long-term financial and non-financial performance. • For the investment manager to engage with issuers of debt or equity in order to improve their performance in the medium to long-term. • How the method (and time horizon) of the evaluation of the investment manager's performance and the remuneration for asset management services are in line with the Trustee's policies. • How the Trustee monitors portfolio turnover costs incurred by the investment manager. • How the Trustee defines and monitors targeted portfolio turnover or turnover range.

	• How the Trustee defines and monitors the duration of the arrangement with the investment manager. In the Plan year the Trustee has: • Ensured the fund appointment remains appropriate and consistent with the Trustee's wider investment objectives. • Ensured that the investment manager has engaged with issuers of equity in order to improve their performance in the medium to long-term. • Received quarterly reports of investment manager performance and an annual Value for Money assessment of the Plan's DC section. • Monitored portfolio turnover costs for the DC section. As such, The Trustee is satisfied that these policies have been followed during the Plan year.
Responsible Investment and Corporate Governance for DC Section	The Trustee has given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Plan's investments. The Trustee is satisfied that their policies on Responsible Investment and Corporate Governance were followed during the Plan year for the following reasons: • The Plan's investment managers evaluated ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, as expected. • The investment managers provided annual reporting on ESG integration processes, stewardship monitoring results, and climate-related metrics.
Illiquid Assets for DC Section	In line with their policy in the SIP, the Trustee does not currently allocate to illiquid assets within the default strategy.

5. DC Section: Assessment versus Trustee's policies on stewardship

The Trustee is responsible for developing its own stewardship policy which includes both voting (where applicable) and engagement. The Trustee believes proper stewardship will result in better management of financially material ESG and climate related risks and opportunities. This is expected to improve the long-term financial outcomes of the Plan which ultimately is in the best interests of the Plan's members and beneficiaries. The Trustee expects its DC Investment Consultant and investment managers to be a signatory to the UK Stewardship Code which sets high standards for those investing money on behalf of UK pensioners and savers. The Trustee's DC Investment Consultant is Schroders Solutions, part of Schroders plc. is a signatory to the UK Stewardship Code.

The Plan's investments are made via pooled investment funds via the Platform Manager, LGIM, in which the Plan's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue the underlying securities, monitoring and voting, whether for corporate governance purposes or other financially material considerations, is delegated to the underlying investment managers.

The Trustee has delegated responsibility for monitoring and voting on decisions relating to its underlying Manager holdings to the Platform Manager, which implements its fund voting policy. The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Platform Manager on behalf of the Trustee, which is largely in line with the Trustee's stewardship policy.

To ensure all relevant voting is covered, this statement includes information on LGIM's voting record as well as those of the underlying managers. Where proxy voting agents have been used, this has been included in the voting information.

This summary has been completed over the year to 31 March 2025 and where applicable, underlying managers have provided examples of engagement.

The **key conclusions** the Trustee note from the voting and engagement information provided by their pooled managers as well as the activities the Trustee has carried out during the Plan Year are:

- LGIM demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, LGIM showed they carried out a good level of engagement activity with the underlying companies over the Plan Year.
- Engagement was predominantly focused on the themes of Climate Change and Corporate Governance.
- Challenge to management was demonstrated through votes by the Investment Managers against management.
- The LGIM platform did not vote on behalf of the Trustee. This is common practice in the industry. However, we continue to challenge LGIM on behalf of the Trustee on developing their engagement program.

Given the activities carried out during the Plan Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Plan Year.

6. DC Section: Voting Summary

Voting by the Platform Manager

The DC Section's assets are held via the LGIM investment platform and as such, LGIM holds the voting rights for the DC Section's underlying pooled funds (at that fund manager level, not the underlying companies in which that manager may invest). Over the Plan year, LGIM did not vote on behalf of the Trustee. This is due to their policy not to vote at the fund level as they cannot represent all their underlying investors. This is common practice in the industry. However, LGIM does actively engage with asset managers and is in support of the UK Stewardship Code. LGIM contact each of the asset managers they invest with on an annual basis to ensure they are complying with their governance requirements at a company level and in their investment approach.

Voting by the Underlying Investment Managers

There are 3 funds that form the default strategy. Set out below is the voting statistics and examples for the most material equity holdings during the period that held voting rights. For the DC section, the Trustee has defined significant votes as those which relate to the engagement priorities set by the Trustee (via the DC Investment Consultant), and are considered significant by the Trustee.

The allocation to the LGIM Liquidity Fund has not been considered.

Asset class	Fund name	Maximum allocation within DC blended fund
Equity	LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged	50%
Multi-Asset	LGIM Diversified Fund	50%

- LGIM use Institutional Shareholder Services, "ISS", for proxy voting services.
- The voting statistics provided may slightly differ depending on the exact composition the Plan holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of "Abstain" is also considered a vote against management.

Voting and engagement activity undertaken by the Underlying Managers is set out below:

Equity voting statistics	LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged	LGIM Diversified Fund
Total meetings eligible to vote	7,210	10,796
Total resolutions eligible to vote	71,485	107,020
% of resolutions did you vote on for which you were eligible?	99.84%	99.77%
% did vote with management?	80.96%	76.53%

% vote against management?	17.69%	22.37%
% abstained	1.36%	1.10%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	9.86%	13.71%

Source: All data in this section has been provided by the Investment Manager as at 31 March 2025.

Examples of most significant votes and engagement carried out by the underlying managers

Climate Change: Shell Plc. ("Shell")

In May 2024, LGIM voted against the resolution to approve the Shell Energy Transition Strategy. The rationale for the voting decision was:

- LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and they view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025.
- However, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expect Shell to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050.
- LGIM seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation.
- Additionally, LGIM would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonisation strategy.

LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Climate Change: BHP Group Limited ("BHP")

In October 2024, LGIM voted in favour of a resolution to approve BHP's Climate Action Transition Plan. The rationale for the voting decision was:

- The critical minerals that mining companies provide are essential to the energy transition. In LGIM's view, BHP has made significant strides in carrying out its core role in the transition in a sustainable manner, and has demonstrated this through the substantial alignment of its Climate Transition Action Plan (CTAP) with LGIM's framework for assessing mining company transition plans. Therefore, LGIM will be supporting BHPs CTAP.
- Going forwards, LGIM will assess the disclosure of progress on BHPs plans for the development of a more targeted methane measurement, management and mitigation strategy, as well as the plans it is executing to support the decarbonisation of steelmaking. LGIM will also continue to engage with BHP to ensure resilience whilst navigating the dynamic market for metallurgical coal.

This shareholder resolution is considered significant due to the relatively high level of support received.

Human Rights: Amazon.com, Inc ("Amazon")

In May 2024, LGIM voted in favour of a resolution requiring Amazon to report on customer due diligence. The rationale for the voting decision was:

- Enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, in LGIM's view, there remains a need for increased, especially publicly available, transparency on this topic.

This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, LGIM believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of LGIM's baseline expectations surrounding AI. LGIM would welcome additional information on the internal education of AI and AI-related risks.

Human Rights: Wells Fargo & Company ("Wells Fargo")

In April 2024, LGIM voted in favour of a resolution requiring Wells Fargo to commission a third part assessment on the company's commitment to freedom of association and collective bargaining rights. The rationale for the voting decision was:

- LGIM supports proposals that are set to improve human rights standards and employee policies because we consider this issue to be a material risk to companies.

LGIM considers this shareholder resolution significant due to the relatively high level of support received.

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Appendix – ESG, Voting and Engagement Policies

Links to the voting and responsible investment policies for both the Fiduciary Manager and Investment Managers of the Plan's actively managed and DC Section holdings can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf https://mybrand.schroders.com/m/75fa1cd8dd188c3b/original/613798_SC_Listed-Assets-Blueprint-Report-_Digital_16_9_V12.pdf
Morant Wright	https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf
FSSA	https://www.fssaim.com/uk/en/private/sustainability/our-approach-to-sustainability.html
Redwheel	https://www.redwheel.com/uk/en/institutional/?kurtosys_download=17626
Lumyna Marshall Wace	https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf
JP Morgan	https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf Engagement-and-proxy-voting-statement.pdf
SCOR	SCOR IP_Engagement Policy_052024_EN_0.pdf
T Rowe Price	https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf
Neuberger Berman	https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0&name=Stewardship%20and%20Engagement%20Policy
Oaktree	https://www.oaktreecapital.com/docs/default-source/default-document-library/esg-policy-2024.pdf
Insight	https://www.insightinvestment.com/investing-responsibly/
LGIM	https://am.landg.com/en-es/institutional/responsible-investing/investment-stewardship/