



Essentra Pension Plan (‘Plan’)

5 April 2024 Implementation
Statement

September 2024

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 Statement of Investment Principles (“SIP”) was not amended in the 12 months to 5 April 2024, but has been amended since Plan year-end, primarily to reflect the recent appointment of Schroders Solutions as the new Fiduciary Manager for the defined benefit Essentra Section.

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 2023 to 05 April 2024 (the “Scheme Year”). It sets out:

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

The Trustee's Fiduciary Manager for the Essentra Section is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The Trustee expects 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's approach to stewardship is to delegate the stewardship activities to the Fiduciary Manager and as such the Trustee has aligned its stewardship priorities with the Fiduciary Manager's; **Climate Change, Natural Capital & Biodiversity** and **Human Rights**

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.

The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Essentra Section 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.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed ESG information during the Scheme Year, as well as the FM Annual ESG Report after the Scheme Year-end, before preparing this Implementation Statement. Quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Plan's Essentra Section portfolios and thereby assess the Fiduciary Manager's allocation, management and oversight of the Plan's capital. The 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 expectations outlined in the SIP have been met, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection. Examples of how this has been evidenced include:

- ❖ Exclusions of Global Norms Violators as part of the security selection process. This ensures a closer alignment of the Plan's investments with the Trustee's stewardship priorities, as violators 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.
- ❖ 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.
- ❖ Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Plan's investments.

- ❖ Addition of voting and engagement examples to the quarterly ESG reporting provided to the Trustee, facilitating a more regular review throughout the year of the Underlying Investment Managers' stewardship activities.
- ❖ ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth, Buy & Maintain and LDI portfolios. Some examples of the engagements which occurred over 2023 are detailed in a separate Engagement Report, available upon request.
- ❖ Introduction 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 better Trustee oversight of the impacts of the Plan's capital on the environment and society.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity (detailed in a separate Engagement Report, available upon request) that took place on the within the current growth portfolio, buy and maintain credit 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 Scheme 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 not only remains robust versus a renewed Gilt Crisis scenario, but the Fiduciary Manager also 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 Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Scheme 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 at year-end 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 05 April 2024, regarding clients' pooled fund investments¹, the Fiduciary Manager voted on 90 resolutions across 16 meetings. The Fiduciary Manager voted against management on 5 resolution (5.6% of total resolutions) and abstained on 32² resolutions (35.6% 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 Fund**;
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustee's three stewardship priority themes.

The **BNY Mellon (Schroder Solution) Global Equity Fund** constitutes c.25% of the Plan's Growth Asset portfolio as at year-end 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 particularly significant for the Plan. From 1 January 2024, the proxy voting for this fund moved to Schroders' central ESG team which will ensure the voting policy going forward is guided by Schroders' **Engagement Blueprint** and therefore aligns with the Trustee's stewardship priorities.

Of the votes that satisfy these 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 Scheme Year have been reported below.

CLIMATE CHANGE - *At the annual PACCAR Inc meeting on 25 April 2023, BNY Mellon voted in favour of the shareholder proposal for the Board of Directors to annually issue a report describing how the company's lobbying activities align with the goal of the Paris Agreement. This vote was considered "most significant" as it focuses on climate-related topics and the manager believes PACCAR is not transparent in disclosing their activities in this area. This vote failed, and Mellon will continue to engage with PACCAR and encourage them to disclose more information on lobbying generally, and specifically related to climate.*

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 throughout the year.

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.

NATURAL CAPITAL & BIODIVERSITY - On 20 June 2023, BNY Mellon voted against a shareholder proposal for General Motors Company to report on setting sustainable sourcing targets. Mellon's rationale for voting against this proposal was due to their belief that the company has numerous existing initiatives addressing the items contained in the proposal, as well as top class disclosure on other sustainable sourcing data. This vote is considered "most significant" by the Trustee, as it focuses on the natural capital and biodiversity stewardship priority and the manager considers it to be significant since the company are already providing sufficient information in this area. The vote failed, and Mellon intend to continue engagement with General Motors to ensure that all disclosures are kept up to date and are focused on material concerns to the company and their long-term value.

HUMAN RIGHTS - At the Nike Inc, shareholder meeting on 12 September 2023, BNY Mellon voted against a shareholder proposal for the company to report on the effectiveness of supply chain management on equity goals and human rights commitments. BNY Mellon voted against the proposal as they believe the company's detailed disclosures already address the ask of the shareholder proposal and support of the proposal would not enhance the long-term shareholder value of the company as it would waste time and resources on information already provided. This vote relating to the Human Rights stewardship priority failed. Mellon will continue to engage with Nike and encourage the company to maintain their disclosures in the current detailed manner they are.

Summary Voting Statistics

The Fiduciary Manager uses c.30 Underlying Managers as a year-end; however, 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 2024 for the most material, active funds held on behalf of the Trustee that had voting rights during the period.

Equity Funds	BNYM Stable Growth Equity Fund	Morant Wright Fuji Yield Japanese Fund	FSSA All China Fund
Total meetings eligible to vote	859	61	25
Total resolutions eligible to vote	11,522	764	139
Of resolutions eligible to vote, % of resolutions voted on	90%	100%	100%
Of voted resolutions, % vote with management	93%	84%	96%
Of voted resolutions, % vote against management	7%	16%	4%
Of voted resolutions, % abstained	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	3%	N/A	9%

Note:

- BNYM use Institutional Shareholder Services, “ISS”, for proxy voting services. BNYM also utilises Glass Lewis for research. The voting statistics provided may slightly differ depending on the exact composition the Plan holds.
- BNYM 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 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.
- Note that **FSSA All China**, held at the Scheme Year-end, is also a new allocation held by the Fiduciary Manager. Therefore the voting statistics for this fund only cover activity over the time since November 2023.

<i>Alternative Funds</i>	Lumyna Marshall Wace - TOPS (Market Neutral) Fund	Lumyna Marshall Wace - TOPS Environmental Focus (Market Neutral) Fund	Lumyna Marshall Wace - Systematic Alpha Fund
Total meetings eligible to vote	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>
Total resolutions eligible to vote	5535	2733	5617
Of resolutions eligible to vote, % of resolutions voted on	100%	100%	100%
Of voted resolutions, % vote with management	79%	63%	81%
Of voted resolutions, % vote against management	11%	8%	11%
Of voted resolutions, % abstained	10%	29%	8%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	8%	5%	8%

Note:

- The voting statistics provided may slightly differ depending on the exact composition the Plan holds.
- Lumyna Marshall Wace use Glass Lewis for proxy voting services.
- 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.

The Trustee is satisfied that the voting and engagement activities undertaken by both the Essentra Section Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities the Trustee has determined, hence the Trustee believe 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
<p>Investment Objectives</p>	<p>The Trustee is satisfied that the Scheme’s investment objectives were met during the Plan Year for the following reasons:</p> <ul style="list-style-type: none"> • 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. <p>During the Plan year, the Trustee, in conjunction with their Investment Consultant, also undertook a full investment strategy review which considered the Plan’s investment objectives. This review focused on the following areas:</p> <ul style="list-style-type: none"> • The growth phase of the default strategy • The de-risking phase of the default strategy • The at-retirement target for the default strategy • Alternative lifestyle strategies • Self-select range • ESG considerations <p>The Trustee is currently considering the proposed changes to the investment strategy.</p>
<p>Risk</p>	<p>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.</p> <p>The Trustee is satisfied that these risks are managed in line with the policy contained in the SIP, specifically by:</p> <ul style="list-style-type: none"> • Making a range of funds available so members can invest into a diverse portfolio

	<ul style="list-style-type: none"> Ensuring all funds offered are sufficiently liquid, by investing in daily dealing assets.
Investment Strategy	<p>Investment Strategy</p> <p>The Trustee offers a default lifestyling arrangement and a range of self-directed 'Self-Select' options. Members can combine these funds in any proportion to determine their own investment strategy.</p> <p>The Trustee considers the merits and disadvantages of active and passive management on an ongoing basis. The current strategy adopts a predominantly passive approach.</p> <p>During the Plan year, the Trustee, in conjunction with their Investment Consultant, monitored the performance of the investment strategy on a quarterly basis. Particular focus was given to the default arrangement; and specifically, the LGIM Diversified fund, which forms part of the Growth fund, which was flagged as having underperformed its performance comparator during the Plan year. The Trustee noted the differences in asset allocation between the fund and comparator which led to this underperformance. The fund's investment objective is to "provide long-term investment growth through exposure to a diversified range of asset classes" and against this objective, the Trustee is satisfied that the fund has performed as expected. The Trustee is also satisfied that the rest of the investment strategy performed as expected during the Plan year.</p> <p>During the Plan year, the Trustee also undertook a full investment strategy review, as detailed in the Investment Objectives section. The Trustee is currently considering the proposed changes to the investment strategy.</p>
Default Investment Arrangement	<p>Objectives</p> <p>The Trustee is satisfied that the Plan's default investment objectives were met during the Plan year for the following reasons:</p> <ul style="list-style-type: none"> The Growth fund, which makes up the accumulation phase of the default arrangement, achieved returns in excess of inflation over the five years to 31/03/2024, 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. This at-retirement target is currently under review. <p>Policies in relation to the default arrangement:</p> <p>The Trustee is satisfied that their policies in relation to the default arrangement have been followed over the Plan year for the following reasons:</p> <ul style="list-style-type: none"> 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.

- As part of the investment strategy review which was undertaken during the Plan year, the Trustee considered the risk/return trade off where appropriate, as part of any proposed changes.
- Also as part of the investment strategy review, member demographics were considered as part of any proposed changes to the investment strategy.
- 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 (%)	LGIM Sterling Liquidity Fund (%)
>5	100	-
5	100	-
4	80	20
3	60	40
2	40	60
1	20	80
0	0	100

Risk: outlined in the 'Risk' section.

Suitability of Default Investment Strategy

The Trustee, in conjunction with their Investment Consultant, conducted a strategy review during the Plan year, to ensure the default arrangement, and the objectives and policies underpinning it, continue to reflect member's best interests. The proposed changes are currently being considered by the Trustee.

Investment Arrangements

The Trustee is satisfied that the Plan's existing investment management agreements remain suitable and as such, did not take any legal or investment advice on this aspect specifically, during the Plan year.

The Trustee, in conjunction with their Investment Consultant, monitored the Plan's investment managers as outlined in the Investment Strategy section, during the Plan year.

Additional Voluntary Contributions ("AVCs")

The Trustee made no changes to the AVC fund range during the Plan year.

<p>Cash Balances</p>	<p>The Trustee continues to maintain separate bank accounts for the administration of benefits and expenses relating to the respective Sections of the Plan.</p>
<p>Role of the Investment Consultant</p>	<p>The Trustee is satisfied that during the Plan year, the Plan's independent investment consultant fulfilled their role as expected, specifically:</p> <ul style="list-style-type: none"> • Providing advice on the Plan's investment strategy and investment options, as part of the triennial investment strategy review. • Providing quarterly monitoring updates on the investment strategy. <p>During the Plan year the investment consultant for the Plan has changed from Mercer to Schroders IS Limited.</p>
<p>Implementation and Engagement Policy</p>	<p>The SIP sets out a range of policy statements including:</p> <ul style="list-style-type: none"> • 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. <p>In the Plan year the Trustee has:</p> <ul style="list-style-type: none"> • Ensured the fund appointment remains appropriate and consistent with the Trustee's wider investment objectives. • Received the investment consultant's assessment of how each underlying investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. • 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 and AVC arrangements. • Reviewed the DC section investment strategy and the default investment arrangement, as part of the triennial investment strategy review. <p>As such, The Trustee is satisfied that these policies have been followed during the Plan year.</p>

<p>Responsible Investment and Corporate Governance</p>	<p>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.</p> <p>The Trustee has continued to monitor the extent to which ESG factors are integrated into the managers' investment decision making by receiving ESG ratings provided by the investment consultant. When appropriate the Trustee has engaged with underlying managers if ESG metrics are below standard</p> <p>The Trustee is satisfied that their policies on Responsible Investment and Corporate Governance were followed during the plan year for the following reasons:</p> <ul style="list-style-type: none"> • 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 Trustee monitored how ESG, climate change and stewardship is integrated within their investment manager's processes; the investment managers provided annual reporting on ESG integration processes, stewardship monitoring results, and climate-related metrics. • The Trustee reviewed the ESG rating provided by the investment consultant as part of the Plan's regular quarterly performance reporting.
<p>Non-financial considerations and member views</p>	<p>The Trustee does not require the Plan's investment managers to take non-financial matters into account in their selection, retention and realisation of investments.</p>
<p>Investment Restrictions</p>	<p>The Trustee is satisfied that their policies on Investment Restrictions were followed during the Plan year or the following reasons:</p> <ul style="list-style-type: none"> • The Trustee reviewed an annual stewardship monitoring report, which included details of voting and engagement activities associated with each of the funds invested in. • The Trustee reviewed the equity investment managers' compliance against the UK Stewardship Code.

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, Legal & General Investment Management ("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 2024 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:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, 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 Investment Managers against management.
- The Trustee, with the help of its Investment Consultant, has carried out a good level of engagement activities with the Investment Managers, especially in relation to appointing a new manager whose stewardship priorities are aligned with the Trustee's.
- 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 fit the criteria below:

- The votes relate to companies which comprise at least 1% of the underlying fund as at 31/03/2024.

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% Ccy Hgd	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% Ccy Hgd	LGIM Diversified Fund
Total meetings eligible to vote	7,147	8,997
Total resolutions eligible to vote	72,082	93,090
% of resolutions did you vote on for which you were eligible?	99.85%	99.79%

% did vote with management?	80.90%	76.58%
% vote against management?	18.62%	23.13%
% abstained	0.48%	0.29%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	10.68%	14.47%

Source: All data in this section has been provided by the Investment Manager as at 31 March 2024.

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

Corporate Governance, Microsoft Corporation (07/12/2023): Holding approximately 2.9% of the LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Ccy Hgd (The Global Equity Fund), the fund voted against Resolution 1.06 to elect Director Satya Nadella, driven by LGIM's principle of maintaining separate roles of Chair and CEO for risk management and oversight. This was communicated to the public beforehand via LGIM's website and the vote is considered significant due to the thematic issue of board leadership. LGIM plans to continue its advocacy and monitor progress on this matter.

Diversity and Inclusion, Apple Inc. (28/02/2024): The Global Equity Fund, with about 2.73% of its portfolio in Apple, voted against a report focusing on the risks of omitting viewpoint and ideological diversity from EEO Policy. They believe that Apple has sufficient disclosures about diversity and non-discrimination policies, and it's not standard practice to include viewpoint and ideology in EEO policies. This vote, seen as significant due to its relation to diversity, was communicated using LGIM's standard public communication procedure.

Climate Change, Shell Plc (23/05/2023): The Global Equity Fund, with about 2.11% of its portfolio in Shell, voted against Resolution 25 to approve Shell Energy Transition Progress. This decision was driven by concerns over inadequate disclosures about future oil and gas plans. LGIM will continue to engage extensively with Shell, deeming this vote significant due to its relation to the broad topic of climate.

Governance, BP Plc (27/04/2023): On the matter of re-electing Director Helge Lund, The Global Equity Fund, holding approximately 1.12% of its portfolio in BP, voted against the resolution due to governance and board accountability concerns. They continue to monitor the company's progress on governance and consider this vote significant due to their long-standing engagement with BP on climate change.

Diversity and Inclusion, Amazon.com, Inc. (24/05/2023): Holding about 1.06% of its portfolio in Amazon, the Global Equity Fund voted for Resolution 13, reporting on Median and Adjusted Gender/Racial Pay Gaps, considering this as an important step to assess the company's diversity and inclusion progress. As a part of their standard communication procedures, the vote intention was pre-declared on the LGIM Blog. Despite the vote failing, LGIM deemed it significant due to its implications for diversity and will continue to engage with Amazon.

Diversity and Inclusion, NVIDIA Corporation (22/06/2023): The Global Equity Fund, with about 1.03% of its portfolio in Nvidia, voted against Resolution 1i to elect director Stephen C. Neal, due to concerns about gender diversity and board tenure. LGIM believes in maintaining board independence with a mix of skills, experiences and backgrounds. The implications of this vote, considered significant due to its relation to diversity, will continue to be monitored by LGIM.

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	schroders-esg-policy.pdf https://www.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf
Bank of New York Mellon	https://www.mellon.com/content/dam/mellondotcom/pdf/disclosures/proxy-voting-guidelines-mellon.pdf
Morant Wright	https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf
SCOR	https://www.scor-ip.com/sites/default/files/2023-05/SCOR_IP_Shareholder%20engagement%20policy_EN_052023.pdf
T Rowe Price	https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf
Neuberger Berman	https://www.nb.com/en/global/esg/engagement
LGIM	https://www.lgim.com/uk/en/capabilities/investment-stewardship/