

Implementation Statement, covering the Plan Year from 1 April 2024 to 31 March 2025

The Trustee of the Norcros Security Plan (the "Plan") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Plan Year, as well as details of any review of the SIP during the Plan Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-9 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 9 below.

In preparing the Statement, the Trustee has had regard to the [guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions \("DWP's guidance"\)](#) in June 2022.

This Statement is based on the Plan's SIP, which was updated in 2024 to reflect agreed changes to DB investment strategy and the introduction of a policy on illiquid assets in respect of the DC Section (following consultation with the sponsoring employer). This Statement should be read in conjunction with the latest SIP, which can be found on the Plan's website ([Norcros Pensions](#)).

The Statement incorporates the Defined Benefit ("DB") and Defined Contribution ("DC") sections of the Plan.

1. Introduction

The SIP was reviewed and updated during the Plan Year in November 2024, to reflect changes to the DB Section's investment strategy, including a re-allocation of the Plan's bond holdings, as well as the addition of a policy regarding illiquid assets in respect of the DC Section. As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed all of the policies in the Plan's SIP, including its voting and engagement policies, during the Plan Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

DB Section

Progress against the Trustee's investment objectives is reviewed as part of the quarterly performance monitoring reports. The Trustee is also able to view the Plan's funding level progress more regularly using online tools provided by the Plan's investment adviser and Scheme Actuary.

DC Section

The Trustee has put in place a default investment arrangement that has been designed to be in the best interests of the majority of the DC Section members and reflects the demographics of those members. The Trustee also provides members with access to a range of investment funds which it believes are suitable for this purpose and enable appropriate diversification.

The Trustee reviews changes in member choices, behaviour and trends using quarterly member monitoring reports provided by the Plan's DC adviser and using administration reports provided by the DC platform administrator.

3. Investment strategy

DB Section

The Trustee, with the help of its advisers and in consultation with the sponsoring employer, reviewed the strategy during the Plan Year, and agreed the changes highlighted in Section 1.

As part of this review, the Trustee made sure the Plan's assets were adequately and appropriately diversified between different asset classes.

Over the Plan Year the Trustee monitored the asset allocation on a quarterly basis and compared this to the strategic asset allocation.

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DC Section

As part of the quarterly member monitoring reports and administration reports provided by the Plan's DC adviser and the DC platform administrator, the Trustee reviews retirement behaviour as well as pre-retirement investment choices made by members, in order to inform ongoing review of the strategy.

The default investment arrangement is reviewed at least triennially, or after significant changes to the Plan's demographic or investment policy, if sooner.

There were no changes to the DC investment strategy during the Plan Year.

4. Considerations in setting the investment arrangements

As part of its formal review of the SIP during 2024, the Trustee considered its investment beliefs and deemed they remained appropriate.

The Trustee invests for the long term, to provide for the Plan's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship¹ activities are aligned to the creation of long-term value and the management of long-run systemic risks.

DB Section

When the Trustee reviewed the DB investment strategy during the Plan Year, it considered the investment risks set out in the SIP. It also considered a wide range of asset classes for investment, considering the expected returns and risks associated with those asset classes as well as how these risks can be mitigated. In addition, the Trustee considered the need for diversification and specific circumstances of the Plan (eg the investment objectives, funding position, level of contributions and strength of the sponsor covenant).

The Plan's investment adviser, LCP, monitors the investment managers on an ongoing basis and informs the Trustee of any developments that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Plan invests in, or any material change in the level of diversification within the funds.

The Trustee monitors the performance of the Plan's investment managers on a quarterly basis, using a monitoring report prepared by the investment adviser. The report shows the performance of each fund over the quarter, one year and three year periods. Performance is considered in the context of each manager's benchmark and objectives, and also LCP's best estimate expected return for each asset class.

DC Section

The last investment strategy review conducted took place in 2022. As part of this review, the risks set out in the SIP were considered. There was also consideration of the nature of the DC membership, and the need for appropriate diversification within the investment options offered to members to meet different needs. The next investment strategy review will commence during 2025.

The Trustee reviews the measurement of a number of the risks noted in the SIP on a quarterly basis through regular investment performance monitoring. The reports provided include information on performance relative to the respective benchmarks in place, to assist with measuring market and manager risks.

4.1 Policy towards risk

Risks are monitored on an ongoing basis with the help of the DB investment adviser, LCP, and DC investment adviser, Mercer.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Plan's investment advisers or information provided to the Trustee by the Plan's investment managers. These include the risk of inadequate returns, interest rate risk, credit risk, equity risk, currency risk, collateral adequacy risk and ESG (including climate) risks. The Trustee's implementation of its policy for these risks during the year is summarised below.

¹ The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

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DB Section

With regard to the risk of inadequate returns, the Trustee regularly monitors the performance of the Plan's investment managers.

With regard to interest rate risk, the Plan's interest and inflation hedging levels are monitored on an ongoing basis in the quarterly monitoring report, with any material deviations from target rebalanced promptly.

The Trustee manages its exposure to credit risk by investing in funds that have a diversified exposure to different credit issuers and / or where coupon payments are derived / supported by an underlying asset to protect against borrower default.

The Trustee believes that equity risk is a rewarded investment risk, over the long term. The Trustee considers exposure to equity risk in the context of the Plan's overall investment strategy and believes that the level of exposure to this risk is appropriate.

The Trustee manages the amount of currency risk by either delegating currency hedging decisions to the investment managers or investing in funds that hedge currency exposure.

With regard to collateral adequacy risk, the Trustee holds material collateral support within its Columbia Threadneedle Bespoke LDI Fund, with the manager having discretion to sell down the Plan's asset backed security and short duration corporate bond holdings if cash & gilt collateral reduces below pre-agreed limits. The Trustee receives regular updates from its investment adviser on the Plan's LDI collateral position.

The Trustee seeks to appoint investment managers who will manage ESG risks appropriately on its behalf and from time to time reviews how these risks are being managed in practice in the selection, retention and realisation of investments.

Together, the investment and non-investment risks give rise generally to funding risk. The Trustee formally reviews the Plan's funding position as part of its annual actuarial report to allow for changes in market conditions. On a triennial basis the Trustee reviews the funding position allowing for membership and other experience. The Trustee also informally monitors the funding position more regularly, on a quarterly basis.

DC Section

With regard to the risk of inadequate returns, the Trustee makes available to members a range of funds across the risk-return spectrum. This includes equity, multi-asset and property options, which are expected to provide positive returns above inflation over the long term. Such investments are used in the growth phase of the default option and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term and the performance of the default strategy relative to inflation is reviewed each quarter through reporting provided by the DC adviser.

5. Implementation of the investment arrangements

DB Section

Before making any new investment, the Trustee obtained formal written advice from its investment adviser, LCP, before making the changes, and made sure the Plan's investment portfolio remained adequately and appropriately diversified. The Trustee made two new investments over the year, namely the Royal London Asset Management (RLAM) Short Duration Credit Fund, and the Insight Investment Management (Insight) Global ABS Fund.

The Trustee relies on its investment adviser's research to understand managers' investment approaches, and to ensure they are consistent with the Trustee's policies prior to any new appointment.

The Trustee evaluates manager performance over both shorter and longer periods, encourages managers to improve practices and considers alternative arrangements where managers are not meeting performance objectives.

DC Section

The Trustee has entered into a contract with a platform provider, L&G, who makes available the range of investment funds. As all the funds are accessed via an agreement with the Plan's platform provider, there is no direct legal relationship between the Plan and the underlying investment managers of the funds. Nevertheless, the Trustee is responsible for selecting the funds and providing governance oversight of the managers which the Plan accesses via the arrangement.

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6. Realisation of investments

DB Section

The Trustee reviews the Plan's net current and future cashflow requirements on a regular basis. The Trustee's policy is to have access to sufficient liquid assets in order to meet any outflows whilst maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

Over the Plan Year, the Trustee used cashflow requirements to help rebalance the Plan's assets towards the strategic asset allocation.

The Trustee receives regular income from its Columbia Threadneedle short duration corporate bonds, which is used towards meeting benefit payments.

DC Section

It is the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC Section funds which the Trustee offered during the Plan Year are daily priced. There have been no difficulties with liquidity during the Plan Year covered by this Statement.

7. Financially material considerations and non-financial matters

As part of their advice on the selection and ongoing review of the investment managers, the Plan's investment adviser, LCP, and its DC investment adviser, Mercer, incorporate their assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

Additionally, the Trustee receives quarterly updates on ESG and Stewardship related issues from LCP.

DB Section

The Trustee regularly invites the Plan's investment managers to present at Trustee meetings. Over the Plan Year, the Trustee met with RLAM, Insight and Arcmont to discuss the Plan's investments. The managers provided updates to the Trustee on the funds in which it invests, an aspect of which included an update on the managers' responsible investment practices.

In March 2025, the Trustee reviewed LCP's responsible investment (RI) scores for the Plan's existing managers, along with LCP's RI assessments for each fund. These scores cover each manager's approach to ESG factors, voting and engagement. The fund scores and assessments are based on LCP's ongoing manager research programme, and it is these that directly affect LCP's manager and fund recommendations. The manager scores are based on LCP's 2024 Responsible Investment Survey. Post Plan Year end, the Trustee communicated its expectations of RI practices with its managers based on the results from LCP's survey.

DC Section

As part of the preparation of this Statement, stewardship processes and voting activity is reviewed by the Trustee and any concerns would be raised with the relevant investment manager or with the platform provider.

The Trustee seeks to make available to members funds managed by investment managers who integrate ESG considerations within their investment processes. The Trustee also recognises that some members may wish for climate change to be an explicit focus of their investments, and therefore it has made the Norcros Climate Change Aware Fund available as an investment option to members.

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8. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Plan's stewardship by monitoring and engaging with managers as detailed below.

As part of their advice on the selection and ongoing review of the investment managers, the Plan's investment adviser, LCP, and its DC investment adviser, Mercer, incorporate their assessment of the nature and effectiveness of managers' approaches to both voting and engagement.

Following the introduction of DWP's guidance, the Trustee agreed to set stewardship priorities to focus monitoring and engagement with its investment managers on specific ESG factors. In 2023, the Trustee discussed and agreed the key stewardship priority for the Plan was climate change. The Trustee communicated this priority to its managers.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

9. Description of voting behaviour during the Plan Year

All of the Trustee's physical holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Plan Year. However, the Trustee monitors managers' voting and engagement behaviour and challenges managers where their activity has not been in line with the Trustee's expectations.

In this section we have sought to include voting data in line with the relevant guidance, on the Plan's funds that hold physical equities as follows:

DB Section

- Fundsmith Equity Fund

DC Section *(note, while these funds are available to members, not all had assets invested in them during the year)*

- L&G Diversified Fund (white-labelled as "Norcross Diversified Fund")
- L&G Global Equity (30:70) Index Fund - GBP 75% Currency Hedged (white-labelled as "Norcross Global Equity Fund")
- L&G Future World Equity Fund (white-labelled as "Norcross Climate Change Aware Fund")
- HSBC Islamic Equity Fund (white-labelled as "Norcross Islamic Fund")

In addition to the above, the Trustee contacted the Plan's DB Section asset managers that do not hold listed equities, to ask if any of the assets held by the Plan had voting opportunities over the Plan Year. We have included commentary on the Royal London Asset Management ("RLAM") Sterling Extra Yield Bond Fund, which doesn't hold listed equities, but which invests in assets that had some voting opportunities during the period.

We have also provided commentary from Arcmont on the Senior Loan Fund II, which does have the option to hold equities.

None of the other funds that the Plan invested in over the Plan Year held any assets with voting opportunities.

9.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place. In preparing this Statement the Trustee reviewed the votes which its managers deemed significant and in doing so assessed the extent to which the outcomes of the managers' policies were consistent with its beliefs and stewardship priorities. The Trustee remains comfortable that the managers' voting behaviour was aligned with its own beliefs over the Plan Year.

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Fundsmith

Fundsmith provided the following wording to describe its voting practices:

"Each vote is assessed on a case-by-case basis. We will vote in the best interest of our clients and to support the long-term performance of the company in question. We use ProxyEdge to organise our voting activity. Details of the votes for each AGM is sent to the analyst covering the company and the portfolio manager. Each party assesses the vote and forwards their recommendation, with the portfolio manager making the ultimate decision. Votes are submitted through ProxyEdge, with confirmation that votes have been submitted sent to the portfolio manager."

Legal & General Investment Management ("L&G")

L&G publish a series of policies in relation to stewardship in the public domain, at <https://www.lgim.com/uk/en/responsible-investing/investment-stewardship/>. The following excerpt summarises key voting policies. Note that L&G use "LGIM" (Legal & General Investment Management) as the organisation name.

"All decisions are made by the LGIM Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment Policy document which is reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies."

Our stewardship policies are thoroughly researched, set and fine-tuned every year. All of our policies are publicly available on our website. We use ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice."

In addition, we have also set specific custom voting policies at an individual market level for those markets in which we adopt a stricter stance. We retain the ability in all markets to override any vote decisions, which are based on our 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 us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider."

HSBC

HSBC publishes its voting policies at <https://www.assetmanagement.hsbc.co.uk/-/media/Files/attachments/uk/policies/voting-guidelines-uk.pdf>. An excerpt is provided below:

"The expectations for governance standards outlined... are based on international principles of good governance, such as the G20/OECD Principles of Corporate Governance, and the investor-led International Corporate Governance Network Global Governance Principles and Global Stewardship Principles. Our voting guidelines aim to encourage boards to make decisions that enhance shareholder value. HSBC Asset Management acts independently in its investment and voting decisions. We do not coordinate investment or voting decisions with any members of any industry engagement body. As global investors, we recognise that corporate governance requirements, standards and practices vary across different markets, and we reflect this in the design and application of our guidelines."

Some markets operate under a 'comply or explain' approach; we consider companies' explanations of any non-compliance in determining our vote as much as possible. We expect directors of companies in which we invest to provide effective governance and to ensure that their companies act in the interests of shareholders and other relevant stakeholders. We expect companies to apply governance requirements and good practices for their market of listing and, for larger companies, to meet globally recognised good practice standards."

To enable efficient proxy voting operations, we work with the ISS, which provides research, a voting platform, and disclosure services. We provide our Global Voting Guidelines to ISS and our Guidelines, together with our own research, inform more granular voting instructions, based on which ISS provide us with custom voting recommendations for each shareholder meeting for consideration by our investment and stewardship teams. Should an investment or stewardship team identify a proposal that should be voted differently from our custom voting recommendation, this will be discussed by the Voting Advisory Group, a designated group of specialists including relevant investment teams."

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The Voting Advisory Group will make a collective decision on a vote. If the Voting Advisory Group does not reach an agreement, the vote may be escalated to the ESG Investment Committee or, in some cases, the local Chief Investment Officer. We aim to vote on all equities for which clients have given us voting authority, except where this is not practical for reasons such as share blocking or overly burdensome power of attorney requirements."

9.2 Summary of voting behaviour

A summary of voting behaviour over the Plan Year is provided in the tables below.

DB Section

	Fundsmith Fund	Equity
Total size of fund at end of the Plan Year	£20,300m	
Value of Plan assets at end of the Plan Year	£29.4m	
Number of equity holdings at end of the Plan Year	28	
Number of meetings eligible to vote	24	
Number of resolutions eligible to vote	414	
% of resolutions voted	100%	
Of the resolutions on which voted, % voted with management	93%	
Of the resolutions on which voted, % voted against management	7%	
Of the resolutions on which voted, % abstained from voting	-	
Of the meetings in which the manager voted, % with at least one vote against management	83%	
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	N/A ¹	

¹Fundsmith has confirmed that although it uses ProxyEdge to organise its voting activity, it does not rely on the recommendations of proxy research firms when voting, and therefore was not able to provide this information.

DC Section

Statistics are provided for the three funds in the Plan that had member assets invested in them during the year, that invest in equities (where voting rights apply).

	L&G Diversified Fund	L&G Equity Index Fund	Global (30:70)	HSBC Equity Fund	Islamic
Total size of fund at end of the Plan Year	£11.98bn	£2.09bn		\$5.46bn	
Value of Plan assets at end of Plan Year	£621,586	£23,598		£3,677	
Value of Plan assets at end of Plan Year (% of DC assets)	77.5%	2.9%		1.5%	
Number of equity holdings at end of the Plan Year	7,203	4,569		99	
Number of meetings eligible to vote	10,796	7,210		105	
Number of resolutions eligible to vote	10,7020	71,485		1,719	
% of resolutions voted	100%	100%		96%	
Of the resolutions on which voted, % voted with management	77%	81%		78%	
Of the resolutions on which voted, % voted against management	22%	18%		21%	
Of the resolutions on which voted, % abstained from voting	1%	1%		0%	
Of the meetings in which the manager voted, % with at least one vote against management	69%	59%		78%	
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	14%	10%		1%	

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9.3 Most significant votes

Commentary on the most significant votes over the Plan Year, from the Plan's asset managers who hold listed equities, is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period, and thus did not inform its managers which votes it considered to be most significant in advance of those votes being taken. Instead, the Trustee has retrospectively created a summary of what it considers have been the most significant votes. By informing its managers of its stewardship priority and through its regular interactions with the managers, the Trustee believes that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf.

In its summary, the Trustee has reported on a subset of votes as the most significant votes from the shortlists provided by its managers. The Trustee has endeavoured to select significant votes which align with its stewardship priority, where possible, and which impact a material fund holding (although this has been considered as an additional factor rather than the only determinant of significance).

DB Section

Fundsmith Equity Fund

Fundsmith did not identify any significant votes which related to the Trustee's stewardship priority of climate change. However, given the active nature of the Fund, Fundsmith has a concentrated holding of stocks compared to passive equivalents. Therefore, it is not uncommon for it to have few to no voting opportunities in relation to climate change over the period.

The significant votes reported below have been selected to show a variety of voting rationale.

1. Fortinet, US, 14 June 2024.

Summary of resolution: Advisory vote to approve named executive officer compensation, as disclosed in the Proxy Statement.

Approx size of the holding at the date of the vote: 1.5%

Why this vote is considered to be most significant: Fundsmith considered this to be a significant vote as it believes remuneration is a key driver of the long-term sustainability of a business.

Company management recommendation: For. **Fundsmith vote:** Against.

Rationale: Fundsmith voted against Fortinet's remuneration policy as it did not contain the components Fundsmith deems essential in aligning management's incentives with the long-term success of the company. While Fundsmith believes that the company's remuneration policy does not align with what it deems to be the most effective, it does not believe that it poses a direct risk to the company's ability to grow and compound in value over the long term at this point in time. Fundsmith may choose to engage with company management to discuss their opinion on the matter.

Outcome of the vote: Approved, Fundsmith did not communicate its vote prior to the meeting.

2. Unilever, UK, 1 May 2025.

Summary of resolution: To approve the Climate Transition Action Plan.

Approx size of the holding at the date of the vote: 3.0%

Why this vote is considered to be most significant: The size of the holding, and that the vote related to climate change.

Company management recommendation: For. **Fund manager vote:** For.

Rationale: Ahead of the AGM, Fundsmith met with Unilever on multiple occasions to discuss the update to its 'Climate Transition Action Plan' (CTAP). The company were updating several of the targets they had set themselves in the previous version of the plan and Fundsmith worked with them to understand the rationale behind their new targets and the materiality of the target areas to the company and the impact they were having. Following meetings with Unilever, Fundsmith were reassured that the updated CTAP was appropriate

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for the company, detailing achievable environmental targets. As a result, Fundsmith voted in favour of the Plan at the company's AGM.

Outcome of the vote: Passed, Fundsmith had engaged with the company prior to the AGM, noting its support for the resolution.

DC Section

L&G Diversified Fund

Company	Shell				
Item	L&G voted against the approval of the Shell Energy Transition Progress.				
Rationale	<p>L&G voted against management on its proposed Energy Transition Strategy. L&G also voted against management on this topic in the prior year, and we highlight this vote as an example of how an investment manager will be persistent in raising concerns over time.</p> <p>L&G acknowledge the progress Shell has made in respect of climate disclosures in recent years, and views positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, and a pledge to not pursue frontier exploration activities beyond 2025.</p> <p>However, in light of revisions made to Shell's climate-related targets, and taking into account the company's ambition to grow its gas and liquefied natural gas business, L&G expect Shell to better demonstrate how these plans are consistent with a transition to net-zero emissions by 2050. L&G would like to see more clarity on the expected lifespan of the assets that Shell is looking to develop, the level of flexibility in revising its production levels against a range of different scenarios, and tangible actions to deliver decarbonisation. Additionally, L&G want to see a greater level of transparency around Shell's lobbying activities, among other disclosures.</p>				
Date of Vote	21 May 2024	Voting Decision	Against	Outcome	Passed

L&G Global Equity (30:70) Index Fund - GBP 75% Currency Hedged

Company	BHP Group Limited (BHP)				
Item	L&G voted for BHP's proposed Climate Transition Action Plan				
Rationale	<p>BHP is an Australian multinational mining and metals company. L&G notes that the critical minerals that mining companies provide are essential to the energy transition. They believe that BHP has made significant strides in carrying out its role in the transition to a lower carbon world in a sustainable manner and has demonstrated this through the substantial alignment of its Climate Transition Action Plan with L&G's own framework for assessing mining company transition plans.</p> <p>Therefore, L&G supported BHP's proposed Action Plan. Looking ahead, LGIM intend to assess the disclosure of progress on BHP's plans for the development of a more targeted methane measurement, management and mitigation strategy, as well as the plans it is implementing to support the decarbonisation of steelmaking.</p>				
Date of Vote	30 October 2024	Voting Decision	For	Outcome	Passed

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HSBC Islamic Equity Fund

Company	Amazon				
Item	Report on Impact of Climate Change Strategy Consistent With Just Transition Guidelines. HSBC voted for this shareholder resolution.				
Rationale	<p>At Amazon's Annual General Meeting in 2024, shareholders filed a resolution requesting that Amazon should prepare a report disclosing how the company is addressing the impact of its climate change strategy on stakeholders, including employees, workers in its supply chain, and communities in which it operates.</p> <p>The request was for this report to be consistent with the "Just Transition" guidelines of the International Labor Organization and indicators of the World Benchmarking Alliance. A "just transition" refers to a process of shifting to a low-carbon, environmentally sustainable economy while ensuring that workers and communities are supported and not left behind.</p> <p>HSBC voted for the proposal as they believe that such a report would contribute to the better management of climate issues.</p>				
Date of Vote	22 May 2024	Voting Decision	For	Outcome	Failed

9.4 Votes in relation to assets other than listed equity

The following comments were provided by the Plan's DB Section asset managers who don't hold listed equities, but invest in assets that may have had voting opportunities during the Plan Year:

RLAM Sterling Extra Yield Bond Fund

Commentary from RLAM

"Over the year, there were 20 votes submitted in relation to 15 companies to which the RLAM Sterling Extra Yield Fund has either equity exposure for which we exercised shareholder rights, or credit holdings for which we exercised bondholder rights. Among these, the issuers that continued to be held in the fund as of 31 March 2025 totalled a weighting of approximately 2.4%. Voting instructions in respect of companies to which the fund has exposure are made by the fund manager, incorporating advice from the Governance area within the Responsible Investment team, and sent to Royal London Asset Management's Investment Operations team who collate such instructions across the business and forward them on to HSBC (acting as corporate actions administrator) to action within the deadline. The Investment Operations team check voting confirmation emails from HSBC against the original instructions from Royal London Asset Management to validate that votes have been cast accurately and on time. A daily checklist is signed to confirm this check has been performed and evidence of the review with any follow up correspondence is held on file."

RLAM provided some examples of the votes made over the period, which related to company management or board decisions rather than climate-related issues. However, RLAM has engaged with some of its underlying holdings over the period in relation to climate change. Examples of this include RLAM's engagement with:

- Wessex Water to encourage improvement in its management of climate-related risks. Wessex Water are, alongside other measures, focusing on the importance of sustainable drainage to manage increased rainfall due to climate risks; and
- Electricite De France SA (EDF) to discuss its latest Climate Action 100+ benchmark. EDF has performed well showing improvement across several areas. RLAM are continuing to engage with EDF to clarify its Scope 3 emissions.

Arcmont Senior Loan Fund II

Commentary from Arcmont

"In exercising any voting rights, Arcmont will take into account all relevant factors, as determined by Arcmont in its sole discretion including, without limitation: (i) the impact on the value of the securities or instruments owned by the relevant Arcmont Vehicle and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices."

Arcmont values engagement with companies in order to receive information on the issues to be voted on and/or to convey their voting expectations. The results of this dialogue can influence the direction of the vote. Arcmont tends to

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support proposals that increase the value of the relevant Arcmont Vehicles' investments. Arcmont may abstain from voting or vote against matters where it has reservations about the governance of the company, where the resolution discussed contravenes the interests of the relevant Arcmont Vehicles, where the resolution is unclear, where there is insufficient information available, or where the resolution contravenes any of Arcmont's responsible investment objectives, as outlined in its Responsible Investment Policy.

In limited circumstances, Arcmont may refrain from voting proxies where Arcmont believes that voting would be inappropriate, taking into consideration the cost of voting and the anticipated benefit to the relevant Arcmont Vehicles.

Arcmont shall retain: (i) its voting policies and procedures; (ii) corporate action and proxy statements received; (iii) records of vote cast; and (iv) any documents prepared by Arcmont that were material to making a decision on how to vote."Arcmont has separately confirmed that there were no investments held within the Fund over the period where it held all, or substantially all, equity interests in an asset. Therefore, no voting opportunities were present over the Plan Year.

Arcmont also provided some information on its engagement activities over the period. A particular example provided was in relation to Caseking, a gaming PC and computer hardware online store. As an e-commerce business it has an emissions footprint associated with the global sourcing of products for distribution. The company is in scope for the Corporate Sustainability Reporting Directive which involves reporting on ESG impacts. Arcmont has engaged with the company to help with this reporting, reduce its emissions, and to improve its sustainability disclosure. This has led to actions such as implementing LED lighting systems to enhance energy efficiency.