Implementation Statement, covering the reporting period from 1 April 2023 to 31 March 2024 (the "Plan Year")

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 2023 to reflect agreed changes to investment strategy (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.

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 to reflect a number of changes to the DB Section's investment strategy, including the introduction of synthetic UK equities and short duration corporate bonds to increase the capital efficiency of the Plan's assets, alongside the full redemption from the Ruffer diversified growth and BlackRock UK equity portfolios. 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. In 2023, the Trustee rebalanced the asset allocation back towards the Plan's target weightings, due from both market movements and also near term cashflow needs.

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.

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 2023, 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 stewardship[1] 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 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 stewardship activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Plan's investment adviser, LCP, monitors the investment managers on an ongoing basis. The investment adviser monitors any developments at managers and informs the regarding the Plan's investment managers 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 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 by the DC adviser include information on performance relative to the respective benchmarks in place, to assist with measuring market and manager risks. The performance of the default investment strategy is also monitored relative to measures of inflation.

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[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.

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.

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 has not made any other changes to its manager arrangements over the Plan Year.

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 fund. 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.

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 also receives regular income from its 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, 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 CTI, RLAM, Fundsmith and Insight 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.

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.

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 Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Plan's funds that hold physical equities as follows:

DB Section

- Fundsmith Equity Fund

We have omitted the BlackRock BIEF UK Select Equity Fund on materiality grounds, since the Trustee fully redeemed the Plan's holdings in this fund early in the Plan Year.

DC Section

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

In addition to the above, the Trustee contacted the Plan's 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. 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.

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 in this summary.

"LGIM's Corporate Governance team casts proxy votes in a manner consistent with the interests of all clients. We direct the vote of a significant proportion of a company's shares by exercising the shareholder rights of almost all our clients. We also acknowledge that our clients, in giving us their mandate, require us to vote with their shares on their behalf. We therefore aim to minimise abstentions, and only abstain if it is technically not possible for us to cast our vote in any other way.

LGIM's voting decisions are made internally within the Corporate Governance team, and independently from the investment teams. They are primarily based on our global corporate governance and responsible investment principles, which set out LGIM's global approach to key governance issues. We have also put in place supplementary regional policies which set out our approach to more specific regional or country issues taking into account specific market regulation or best practice. These policies are publicly available. The following other factors may also help us form a view on voting matters:

- *Previous engagement*
- *Third-party research (e.g. ESG reports, broker research)*
- *Company performance*
- *Views of our in-house investment teams.*

In exceptional circumstances, including if there are opposing views between the Corporate Governance team and active portfolio managers, contentious voting matters can be escalated to LGIM's CEO and non-executive directors under our Conflicts of Interest Policy.

All our voting decisions including the rationale of our votes against management are made public every month."

HSBC

Whilst members of the DC Section are able to access an equity fund managed by HSBC, no members elected to do so over the Plan year. As such, voting policies and activities are not included in this report.

9.2 Summary of voting behaviour

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

DB Section

	Fundsmith Equity Fund
Total size of fund at end of the Plan Year	£25,500m
Value of Plan assets at end of the Plan Year	£31.4m
Number of equity holdings at end of the Plan Year	28
Number of meetings eligible to vote	23
Number of resolutions eligible to vote	404
% of resolutions voted	100%
Of the resolutions on which voted, % voted with management	92%
Of the resolutions on which voted, % voted against management	8%
Of the resolutions on which voted, % abstained from voting	-
Of the meetings in which the manager voted, % with at least one vote against management	96%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	NA[1]

[1]Fundsmith 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 two 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 Global Equity (30:70) Index Fund
Total size of fund at end of the Plan Year	£11.9 billion	£3.8 billion
Value of Plan assets at end of the Plan Year	718,343	5,759
Value of Plan assets at end of the Plan Year (% of DC assets)	78.3%	0.6%
Number of equity holdings at end of the Plan Year	7,569	4,692
Number of meetings eligible to vote	8,997	7,147
Number of resolutions eligible to vote	93,090	72,082
% of resolutions voted	99.8%	99.9%
Of the resolutions on which voted, % voted with management	76.6%	80.9%
Of the resolutions on which voted, % voted against management	23.1%	18.6%
Of the resolutions on which voted, % abstained from voting	0.3%	0.5%
Of the meetings in which the manager voted, % with at least one vote against management	73.6%	61.5%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	14.5%	10.7%

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 to 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 (two per fund) 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 priorities, 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.

Fundsmith has noted that is has taken engagement activity with its underlying holdings over the period in relation to climate change. Fundsmith has engaged with Unilever on multiple occasions over the period to discuss its Climate Transition Action Plan. After the period end, and following Fundsmith's meetings with Unilever, Fundsmith voted in favour of the Plan at the May 2024 Annual General Meeting, noting that Unilever had set achievable environmental targets.

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

- **Coloplast A/S, 7 December 2023.**

  Summary of resolution: Advisory vote on executive compensation.

Approx size of the holding at the date of the vote: 2.5%

Why this vote is considered to be most significant: Fundsmith considered this to be a significant vote as it views remuneration as a key driver of the long-term success of a business. Fundsmith voted against management, and communicated its intention to do so ahead of the vote. Additionally, the weighting of the company in the portfolio is material.

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

Rationale: Fundsmith's vote against Coloplast's remuneration policy came about as it believes the policy would not effectively align the interests of management with that of the long-term success of the business.

Was the vote communicated to the company ahead of the vote: Yes.

Outcome of the vote: Approved.

- **Visa Inc., 23 January 2024.**

  Summary of resolution: Shareholder proposal to adopt a policy whereby the company must seek shareholder approval of "golden parachute" severance packages with a total cost exceeding 2.99 times base salary plus target short-term bonus.

  Approx size of the holding at the date of the vote: 4.5%

  Why this vote is considered to be most significant: Fundsmith considered this to be a significant vote as the vote relates to good governance practices. Fundsmith voted against management. Additionally, the weighting of the company in the portfolio is material.

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

  Rationale: Fundsmith voted in favour of this shareholder proposal as it believes that excessive parachute payments made to departing executives is not in the long-term interests of a business's shareholders.

  Was the vote communicated to the company ahead of the vote: No. Fundsmith has confirmed that while it chose to vote against Visa's remuneration policy, it does not currently believe that it is necessary to initiate an engagement with the business. Fundsmith noted that it will continue voting against the Policy if it remains in the same format during the holding period and, if it feels that it is becoming a matter that is material to the company's long-term performance, it will start an engagement with the company.

  Outcome of the vote: Rejected.

DC Section

L&G Diversified Fund

Company	Shell				
Item	Approval of the Shell Energy Transition Progress. This relates to climate change, which is a stewardship priority for the Trustee.				
Rationale	L&G voted against management on its proposed Energy Transition Progress, "though not without reservations". L&G acknowledge the substantial progress made by this company in meeting its previously communicated 2021 climate commitments and welcome Shell's leadership in pursuing low carbon products within its business. However, L&G remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with a 1.5°C climate warming trajectory. L&G expect transition plans put forward by companies to be both ambitious and credible. L&G continues to undertake extensive engagement with Shell on its climate transition plans. While the vote passed in favour of management, 20% of votes cast were against, an important signal to the company of investor views. The vote was not pre-declared.				
Date of Vote	23 May 2023	Voting Decision	Against management	Outcome	Passed

Company	InterContinental Hotels Group Plc				
Item	Re-election of a Director, for reasons relating to climate change (a stewardship priority for the Trustee).				
Rationale	L&G voted against the re-election of a Director in order to signal their concerns around the company's practices on deforestation. L&G consider that sustainable forestry has a critical role in both combating climate change and preserving biodiversity, two key risks for the global economy. The manager notes that deforestation and land conversion need to be considered from various perspectives, assessing both environmental and social aspects, such as the impact on indigenous people and labour rights in operations and supply chains. This can be a particular issue for large hospitality companies such as InterContinental Hotels Group. The vote against management was cast on the basis that the company is deemed to not meet minimum standards with regard to L&G's deforestation policy. This policy sets a minimum expectation for all companies in deforestation-critical sectors to have a deforestation policy and a programme. When L&G assesses that companies are not meeting these standards, they will apply a vote sanction against them, usually against the re-election of the chair of the board. The vote was not pre-declared.				
Date of Vote	5 May 2023	Voting Decision	Against	Outcome	Passed

Global Equity (30:70) Index Fund

Company	Glencore				
Item	Shareholder resolution in respect of the next Climate Action Transition Plan. This relates to climate change, which is a stewardship priority for the Trustee.				
Rationale	L&G co-filed this shareholder resolution with a UK-based charity, the Ethos Foundation. The background is that in 2021, Glencore made a commitment to align its climate related targets and ambitions with the goals of the Paris Agreement. However, L&G note that it has been unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C warming scenario. Therefore, L&G put forward a shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 annual general meeting, calling for additional disclosures from Glencore on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed and pre-declared as an escalation following L&G's multi-year discussions with Glencore, since 2016, on its approach to the energy transition.				
Date of Vote	26 May 2023	Voting Decision	For	Outcome	Failed, though 29% of votes were for the proposal, considered significant

Company	J. P. Morgan				
Item	Shareholder resolution requesting a report on the company's Climate Transition Plan describing efforts to align financing activities with greenhouse gas related targets. Climate change is a stewardship priority for the Trustee.				
Rationale	L&G generally support resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published climate change related targets. In particular, L&G believe that detailed information on how a company such as J.P. Morgan intends to achieve the 2030 climate targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. L&G therefore voted for this shareholder resolution requesting more disclosures in this area. They also pre-declared their voting intention publicly, and in a communication to J.P. Morgan, ahead of the vote.				
Date of Vote	16 May 2023	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 had voting opportunities during the Plan Year:

RLAM Sterling Extra Yield Bond Fund

Commentary from RLAM

"Over the year, there were 15 votes submitted in relation to 12 companies to which the Sterling Extra Yield Fund has either equity exposure for which we exercised shareholder rights, or credit holdings for which we exercised bondholder rights. These holdings were predominantly credit holdings and made up an average weight of approximately 2.6% (weight as at 31.03.24) of the value of the fund. 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."

Furthermore, RLAM provided some examples of votes made over the period. These were mainly in relation to company management or board decisions rather than in relation to topics such as climate change. However, RLAM has engaged with some of its underlying holdings over the period in relation to climate change. An example of this is RLAM's engagement with Natwest, where it is engaging on the company's commitment to integrating the principles of a just transition within its climate transition plan. This was raised at the recent Annual General Meeting, of which RLAM believes the response did not provide any commitments beyond those discussed in private meetings. RLAM will continue to engage with Natwest in line with its expectations for banks. RLAM also provided some other engagement examples, however this was the only example provided in relation to the Plan's stewardship priority of climate change.

Arcmont Senior Loan Fund II

Commentary from Arcmont

"As a private debt asset manager, funds managed or advised by Arcmont Asset Management Limited (the "Arcmont Funds") hold varying levels of rights and responsibilities across their portfolio of investments depending on the investment strategy in question. The primary asset class in which the Arcmont Funds invest is debt. However, the Arcmont Funds do take sometimes take equity positions alongside the debt investments they make. These will typically be minority investments (generally representing between 5% and 10% of the aggregate equity interests in the asset) and structured as either a shareholding or as an LP investment in a coinvest fund.

It is generally fair to say that the Arcmont Funds are entirely passive equity investors. In equity investments structured as coinvest, the Arcmont Funds will be LPs and so the asset will be managed on their behalf, with no voting or consent rights as regards the asset. For equity investments structured as shareholdings, the Arcmont Funds' holding is typically so small that their consent is not required for any decision and they will typically not be consulted, subject to certain market-standard protections for minority investors. Note that this scenario obviously excludes cases where the Arcmont Funds hold all, or substantially all, equity interests in an asset due to having enforced over their debt".

Arcmont has separately confirmed that there were no investments held over the period where it held all, or substantially all, equity interests in an asset due to having enforced over their debt**.**

Arcmont also provided some information on its engagement activities over the period, as noted below:

"Arcmont leverages the Investment Consultants Sustainability Working Group's (ICSWG) definition of engagement which is "purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement". Using this definition, Arcmont primarily engages with borrowers via sustainability-linked margin ratchets.

As a Private Debt asset manager, Arcmont has less influence over portfolio companies than managers of other asset classes. To gain influence over portfolio companies' ESG management practices, Arcmont offers certain primary borrowers sustainability-linked margin ratchets i.e. provisions that tie the rate of interest a borrower pays to pre-agreed key performance indicators (KPIs) and sustainability performance targets (SPTs). Arcmont has a policy to offer a sustainability-linked margin ratchet to every (i) new primary borrower since April 2021 and (ii) existing primary borrower who is provided additional financing after April 2021. Note that ratchets are voluntary, and borrowers elect to participate."