Implementation Statement, covering the Plan Year from 1 September 2024 to 31 August 2025 (the "Plan Year")

The Trustees of the Hartwells Pension Plan (1971) (the "Plan") are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the voting and engagement policies in their Statement of Investment Principles ("SIP") during the Plan Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, the Trustees (including the most significant votes cast by the Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustees have 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.

1. Introduction

The Trustees reviewed the SIP during the Plan Year and were comfortable the voting and engagement policies within the SIP remained appropriate.

The Trustees have, in their opinion, followed the Plan's voting and engagement policies during the Plan Year, by continuing to delegate to their investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

2. Voting and engagement

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

In line with DWP guidance the Trustees have set stewardship priorities to focus monitoring and engagement on specific ESG factors. These priorities were: Climate change and Business Ethics.

These priorities were selected as market-wide risks and areas where the Trustees believe that good stewardship and engagement can improve long-term financial outcomes for the Plan's members, as well as being areas that they thought members might consider most important, and these were also believed to align well with the sponsoring employer's own stewardship policies.

The Trustees' investment advisor, LCP, has communicated these priorities to the managers.

The Trustees consider their managers' ESG and stewardship practices via regular reporting from their investment adviser. In September 2024, the Trustees also met with IFM as part of ongoing monitoring of their investment managers. ESG and stewardship formed part of this discussion, with a focus on how IFM engaged with key stakeholders on climate change.

The Trustees are 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 Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Plan Year

All of the Trustees' holdings with voting opportunities were held within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees have not used proxy voting services over the Plan Year. However, the Trustees monitor managers' voting and engagement behaviour and challenge managers where their activity has not been in line with the Trustees' expectations.

In this section we have sought to include voting data in line with the Pensions UK guidance, PLSA Vote Reporting template and DWP's guidance, on the Plan's funds that hold equities as follows:

- L&G UK Equity Index Fund
- L&G All World Equity Index Fund

In addition, the Plan’s infrastructure manager (IFM) provided the following commentary.

IFM Global Infrastructure Fund:

“With regards to the voting and engagement activities between IFM and the underlying portfolio companies, the underlying holdings are private equity investments rather than public market listed equities. Our influence on such investments is made directly by IFM through IFM’s Board representation on the underlying portfolio companies rather than through any form of proxy voting.

While the primary focus of the Fund is to provide investors with exposure to a diversified portfolio of unlisted infrastructure assets, there are times where an opportunistic hold of a listed entity is an attractive complement to the unlisted portfolio. The acquisition of listed positions is generally motivated by gaining long-term strategic positions, with significant equity ownership, in attractive core infrastructure assets.

Even for the listed assets, we hold board seats. Consequently, we do not need to vote on our shares to influence the board; as a senior executive in IFM’s Infrastructure Team is on the board. This ensures we follow an active ownership style”.

3.1 Description of the voting processes

For assets with voting rights, the Trustees rely on the voting policies of their managers.

L&G

In response to questions from the Trustees’ adviser, L&G provided the following wording to describe its voting practices:

“L&G’s voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, L&G holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

All decisions are made by L&G’s Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are 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.

L&G’s Investment Stewardship team uses ISS’s ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by L&G 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. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

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.

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. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.*

It is vital that the proxy voting service are regularly monitored and L&G do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

L&G has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes L&G's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on L&G's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of our formal RMS processes the Director of Investment Stewardship confirms that a formal review of L&G's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations."

CQS

CQS manages a credit fund for the Trustees. Any voting opportunities typically related to governance and board structure.

"Manulife CQS will vote where it is proportionate and in the best interests of the Funds. In considering whether or not to vote, Manulife CQS will take into consideration a broad range of factors and the potential benefits of voting.

Generally, Manulife CQS opts to retain authority for voting all proxies delegated by the Funds and does not further delegate voting authority to proxy advisors. Manulife CQS approaches proxy voting in a proportionate manner and, as such, may not always vote at all meetings and on all proposals. Where Manulife CQS does exercise a proxy vote, however, it generally aims to vote consistently across the Funds.

As an authorised and regulated firm, Manulife CQS has a fiduciary obligation to act in the best interests of its clients. Where Manulife CQS does determine it is in the Fund's interest to vote a proxy, Manulife CQS will vote such proxies in the best interests of its clients. Manulife CQS believes that actively exercising voting rights enhances the long term sustainable value of the companies in which the Funds invest. Manulife CQS is aware of the importance of voting securities in a timely manner and of giving due consideration to all proposed resolutions. By exercising the right to vote, Manulife CQS seeks both to add value to on behalf of clients and to protect the Fund's interests as shareholders. Prior to exercising voting rights, Manulife CQS will consider the issues, meet management if necessary, and vote accordingly."

3.2 Summary of voting behaviour

A summary of voting behaviour over the Plan Year for funds with listed equity are provided in the table below.

L&G only produces voting data quarterly so the data in the table below for L&G is for the year to 30 September 2025, except for the value of Plan assets at the end of the Plan Year, which is as at 31 August 2025

	L&G UK Equity Index Fund	L&G All World Equity Index Fund GBP Hedged
Total size of fund at end of the Plan Year	£9,538m	£2,431m
Value of Plan assets at end of the Plan Year (£ / % of total assets)	£0.1m / 0.1%	£34.0m / 26.9%
Number of equity holdings at end of the Plan Year	486	4,203
Number of meetings eligible to vote	733	6,602
Number of resolutions eligible to vote	10,071	64,855

% of resolutions voted	100.0%	99.9%
Of the resolutions on which voted, % voted with management	93.6%	79.2%
Of the resolutions on which voted, % voted against management	6.4%	19.0%
Of the resolutions on which voted, % abstained from voting	0.0%	1.8%
Of the meetings in which the manager voted, % with at least one vote against management	44.8%	58.3%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	5.4%	9.9%

Totals may not sum due to rounding.

3.3 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.

The Trustees did not inform their managers which votes they considered to be most significant in advance of those votes. The Trustees will consider the practicalities of informing managers ahead of the vote and will report on it in next year's Implementation Statement.

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 Trustees did not identify significant voting ahead of the reporting period. Instead, the Trustees have retrospectively created a shortlist of most significant votes by requesting their manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the manager could use the PLSA's criteria[1] for creating this shortlist. By informing its managers of their stewardship priorities and through their regular interactions with the managers, the Trustees believe that their managers will understand how they expect managers to vote on issues for the companies they invest in on the Trustees' behalf.

The Trustees have interpreted "significant votes" to mean those that:

- align with the Trustees' stewardship priorities;
- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- have a high media profile or are seen as being controversial; and
- the Plan or the sponsoring company may have a particular interest in.

If members wish to obtain more investment manager voting information, this is available upon request.

3.3.1 L&G

L&G UK Equity Index Fund

Ninety One Plc, 23 July 2025

- **Summary of resolution:** Approve Climate Strategy
- **Relevant stewardship priority:** Climate change
- **Approx size of the holding at the date of the vote:** 0.02%

[1] Vote reporting template for pension scheme implementation statement – Guidance for Trustees (plsa.co.uk). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

- **Why this vote is considered to be most significant:** L&G is publicly supportive of so called "Say on Climate" votes. L&G expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.
- **Fund manager vote:** Against
- **Rationale:** A vote against this proposal is applied as L&G expect companies to introduce credible, temperature-aligned transition plans. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the Paris Agreement. While it notes the continued detailed disclosures, there have not been meaningful changes from last year's report. Gaps continue to be highlighted regarding the Company's climate reporting and target setting. In particular, the lack of sector-specific targets and the use of merely a portfolio coverage target to address Scope 3 emissions from investments which account for a significant portion of the total GHG emissions. Without a defined interim target for Scope 3 emissions from investments, it is difficult to ascertain the steps the Company intends to take to achieve their overall targets. It will continue to monitor the Company's work and disclosures in this area.
- **Was the vote communicated to the company ahead of the vote:** L&G publicly communicates its vote instructions with rationale for all votes against management. It is its policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
- **Outcome of the vote and next steps:** Pass, L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.

Shell Plc, 20 May 2025

- **Summary of resolution:** Request Company Disclose Whether and How Its: Demand Forecast For LNG; LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2025
- **Relevant stewardship priority:** Climate Change
- **Approx size of the holding at the date of the vote** 6.0%
- **Why this vote is considered to be most significant:** This shareholder resolution is considered significant. L&G recognises the underlying merit of this resolution, after careful consideration, it has made the decision to vote against. This decision is underpinned by a series of direct and constructive engagements with Shell's leadership. Through these discussions, it received clear commitments that the company will enhance its reporting in line with L&G's expectations specifically, providing detailed disclosures on stranded asset risks and financial resilience related to Shell's growing exposure to liquefied natural gas (LNG). These gaps were key reasons it was unable to support the company's climate transition strategy at its 2024 AGM. Following a detailed analysis of the company's disclosures, it believes Shell's current reporting provides a basis for investors to consider alignment with various climate outcomes, contributing to the broader objectives of the resolution.
- **Fund manager vote:** Against.
- **Rationale:** While L&G recognises the intent behind Resolution 22, it has decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. We acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, we believe the resolution's key objectives are being addressed through ongoing company actions.
- **Was the vote communicated to the company ahead of the vote:** L&G publicly communicates its vote instructions with rationale for all votes against management. It is its policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
- **Outcome of the vote and next steps:** Fail, L&G will continue to engage with their investee companies, publicly advocate for their position on this issue and monitor company and market-level progress.

L&G All World Equity Index Fund

Deere & Company, 26 February 2025

- **Summary of resolution:** Report on a Civil Rights Audit
- **Relevant stewardship priority:** Business ethics
- **Approx size of the holding at the date of the vote:** 0.1%
- **Why this vote is considered to be most significant:** LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf.
- **Fund manager vote:** For
- **Rationale:** A vote in favour is applied as such an audit is a transparent way in which the company can demonstrate that its code of conduct is operating as it should, and that there are no inequalities based on gender or ethnicity, which may cause potential legal and/or financial risks to the company.
- **Was the vote communicated to the company ahead of the vote:** L&G publicly communicates its vote instructions with rationale for all votes against management. It is its policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
- **Outcome of the vote and next steps:** Fail, L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.

Broadcom Inc., 21 April 2025

- **Summary of resolution:** Re-election of Director Henry Samueli
- **Relevant stewardship priority:** Climate change
- **Approx size of the holding at the date of the vote:** 0.9%
- **Why this vote is considered to be most significant:** L&G's Asset Management business considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors.
- **Fund manager vote:** Against
- **Rationale:** A vote against is applied as the company is deemed not to have made sufficient progress against L&Gs climate expectations and red lines, as set out in its sector guides through L&G's dial-mover engagement programme.
- **Was the vote communicated to the company ahead of the vote:** L&G publicly communicates its vote instructions with rationale for all votes against management. It is its policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
- **Outcome of the vote and next steps:** Pass, L&G will continue to engage with its investee companies, publicly advocate their position on this issue and monitor company and market-level progress.

Kevin Kenneally, Chair of Trustees, Hartwells Pension Plan (1971)
and Vidett Trust Cororation Limited representative

23 December 2025