

Implementation Statement

Scott Bader Retirement Benefits Scheme

Purpose of this statement

This implementation statement has been produced by the Trustee of the Scott Bader Retirement Benefits Scheme ("the Scheme") to set out the following information over the year to 31 December 2024:

- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 December 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in June 2020 and has been made available online here:

<https://www.scottbader.com/wp-content/uploads/Scott-Bader-Statement-of-Investment-Principles-2024.pdf>

The Trustee has set diversity, equity and inclusion as a stewardship priority for the Scheme. The Statement of Investment Principles was updated during 2024 to reflect this.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- Investment rights (including voting rights) have been exercised by the investment managers in line with the investment managers' general policies on corporate governance. The Trustee also expects the investment managers to have engaged with companies in relation to ESG matters, and to take these into account in the selection, retention and realisation of investments where appropriate.
- The Trustee is comfortable with the investment managers' strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise returns for a given level of risk.
- The Trustee undertakes reviews of the stewardship and engagement activities of the current managers periodically, and are satisfied that their policies are reasonable.
- The Trustee obtained training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments.

- As part of ongoing monitoring of the Scheme's investment managers, the Trustee uses ESG ratings information available within the pensions industry or provided by its investment advisor to assess how the Scheme's investment managers take account of ESG issues. The Trustee receives an annual ESG monitoring report from its investment advisor which summarises the ESG ratings of the investment managers and details on how they manage their ESG risks.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable that the actions of the fund manager is in alignment with the Scheme's stewardship policies.

**Prepared by the Trustee of the Scott Bader Retirement Benefits Scheme
March 2025**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustee over the year to 31 December 2024. The M&G credit fund and Columbia Threadneedle's Liability Driven Investment funds have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	Legal and General Investment Management ("LGIM")
Fund name	Global equity fund
Structure	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.
No. of eligible meetings	5,516
No. of eligible votes	55,469
% of resolutions voted	99.79%
% of resolutions abstained	0.88%
% of resolutions voted with management¹	80.96%
% of resolutions voted against management¹	18.16%
Proxy voting advisor employed¹	ISS
% of resolutions voted against proxy voter recommendation	9.95%

¹ As a percentage of the total number of resolutions voted on

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, more recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities/themes. In February 2024, the Trustee set diversity, equity and inclusion as a stewardship priority for the Scheme.

LGIM have provided a selection of 808 votes which they believe to be significant. The Trustee selected 3 of the most significant votes for each fund which relate to the stewardship priority of the Scheme.

A summary of the significant votes provided is set out below.

LGIM global equity fund (currency hedged and unhedged)

	Vote 1	Vote 2	Vote 3
Company name	Apple, Inc.	Meta Platforms, Inc.	Alphabet, Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.51%	1.35%	1.08%
Summary of the resolution	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Resolution 1.1: Elect Director Peggy Alford	Resolution 1d: Elect Director John L. Hennessy
How the manager voted	Against		
Rationale for the voting decision	Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Lead Independent Director: A vote against is applied as LGIM expects companies to elect an independent lead director where there is a combined Board Chair and CEO. A WITHHOLD vote is further warranted for Peggy Alford in her capacity as chair of the compensation, nominating, & governance committee due to consecutive years of high director pay without reasonable rationale disclosed.	Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.
Outcome of the vote	Fail	Data not provided	Pass
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Thematic - Diversity: LGIM views diversity as a financially material issue for their clients,	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications

Vote 1	Vote 2	Vote 3
with implications for the assets LGIM manage on their behalf.	for the assets LGIM manage on their behalf.	for the assets they manage on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM	M&G Investments
Fund name	Global Equity Fund	Credit Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	2,256	7
Number of entities engaged on behalf of the holdings in this fund in the year	1,466	7
Number of engagements undertaken at a firm level in the year	4,060	406

Examples of engagement activity undertaken over the year to 31 December 2024

LGIM (firm-level engagement)

Qantas Airways

LGIM's engagement with Qantas Airways began in 2020, focusing on governance issues highlighted by controversies over the airline's treatment of customers and staff during the COVID-19 pandemic. These controversies led to legal actions requiring Qantas to provide redress. In 2024, LGIM addressed specific governance issues, including over-boarding (time commitment of directors), succession, and remuneration.

Throughout 2024, LGIM met with Qantas four times, including discussions with the new Chair. Since the controversies, both the Board Chair and the Chair of the Remuneration Committee have been replaced, and the board has been refreshed, reducing the average tenure to three years. These discussions helped LGIM understand the stability of the board, the timeframes for correcting over-boarding, and the steps taken by the remuneration committee to hold directors and executives accountable.

LGIM's voting decisions at Qantas's AGM in October reflected these engagements. Despite concerns about over-boarding, LGIM voted for the re-election of the new Chair at Qantas, while voting against his re-election at other companies where he serves. LGIM also focused on the re-election of a Non-Executive Director (NED) who was on the board during the COVID controversies. Given the board's significant refreshment and the actions of the new remuneration committee chair, LGIM voted for the NED's re-election to maintain stability. Additionally, LGIM

supported the remuneration report, acknowledging the new chair's actions, including a notable clawback of over AU\$9 million from the former CEO.

LGIM views the significant changes to Qantas's board and the new steps being taken positively. While continuing to monitor various areas, LGIM remains encouraged by the company's progress and will maintain its focus on governance and climate engagements.

M&G

Ørsted A/S

M&G engaged with Ørsted A/S to address the potential negative biodiversity impacts of offshore wind projects. They met with Ørsted's global sustainability team, including the climate lead and biodiversity lead, as well as a member of investor relations. During the meeting, M&G reviewed the Nature Action 100 benchmark, which covers ambition, assessment, targets, implementation, governance, and engagement, to evaluate Ørsted's progress in these areas.

M&G learnt that Ørsted has been working on biodiversity issues for the past two and a half years, engaging a biodiversity consultancy and aligning with ambitious frameworks from central Europe and the UK. Ørsted has developed a measurement framework and is gathering feedback from NGOs, academia, and other stakeholders, aiming to implement the framework by January with initial metrics available by the end of 2025. These metrics will include habitat condition and population density of endangered species, integrated with the company's Environmental Impact Assessment for new projects.

Ørsted demonstrated various advanced technologies, such as underwater AI cameras for fish tracking, AI bird cameras for migration routes, and acoustic monitoring for whale species. They also discussed bubble curtains to mitigate the impact of offshore turbine installation on marine life. Ørsted expressed willingness to incorporate biodiversity metrics into executive remuneration and to publish forward-looking milestones for its climate targets. M&G was satisfied with Ørsted's commitment to biodiversity and climate goals and plans to follow up after the initial framework and metrics are published next year.