APPENDIX V

IMPLEMENTATION STATEMENT FOR THE STAGECOACH GROUP PENSION SCHEME FINANCIAL YEAR ENDED 30 APRIL 2024 (FORMING PART OF THE TRUSTEE DIRECTORS' REPORT)

1) Introduction

The Trustee Directors are pleased to present their fifth Implementation Statement for the Scheme, prepared in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended), covering the Scheme Year ended 30 April 2024.

The Trustee Directors set out in detail their approach to investing the assets of each Section of the Scheme in the investment principles section of the respective Integrated Statements of Funding and Investment Principles (ISFIP). This document sets out the actions taken by the Trustee Directors over the course of the year in terms of implementing their stated policies under the ISFIPs (excluding members' Additional Voluntary Contributions – which remain invested in external unitised pooled funds).

The Investment Sub Committee (ISC) is responsible for the oversight and governance of the Scheme's investment managers. The role of the ISC is formalised in Terms of Reference reviewed and last updated in May 2021.

2) Statements of Investment Principles (SIP)

The Statement of Investment Principles contained with the ISFIP for the two sections of the Scheme (the Main Section and the London Section) dated 23 February 2023 was in force at the beginning of the Scheme year and subsequently updated on 31 May 2023, as part of the 31 October 2022 Actuarial Valuations. The SIP details the Scheme's investment objective, approach and relationships with other parties relating to delivering that objective. These policies are focused on meeting the liabilities of the Scheme over the long-term.

Within the SIP for Main and London Sections, there were no material changes to the Trustee Directors' Stewardship & Engagement policies during the year ended 30 April 2024.

Overall, the Trustee Directors are satisfied that their key stated policies have been followed during the year ending 30 April 2024.

3) Implementation of the SIP

3.1) Investment strategy

Over the year to 30 April 2023, the Trustee Directors decided to significantly reduce the level of risk taken within the investment portfolio. This followed the material change in gilt yields which saw the funding position of each Section of the Scheme (as measured on a Gilts+0.5% basis) improve significantly.

SEI Investments Ltd (SEI), the Trustee's fiduciary investment manager, proposed a series of changes to the strategy for each Section that would target the lower level of investment risk desired by the Trustee Directors. The Trustee Directors took investment advice from Hymans Robertson LLP in relation to the suitability of the new portfolio delivering the Scheme's objectives, and incorporated updated estimates of the Scheme's liabilities, as provided by the Scheme Actuary, Mercer.

Implementation of this strategy took place via the reduction or removal of allocations to return seeking allocations, primarily equity and multi-asset allocations, with the proceeds being allocated to corporate bonds and gilts within the SEI Discretionary mandate. This allowed the Trustee to hedge a greater proportion of the Scheme's liabilities against interest rate and inflation risk, with only limited use of 'levered' hedging arrangements.

Through these investment strategy changes, and prior assessment and implementation of the investment strategy, monitoring and other actions agreed by the Trustee Directors, the funding level of the Scheme has improved and drives long-term value for beneficiaries.

These changes were progressively made over the course of the Scheme year ending 30 April 2023 and the portfolios and target hedge ratios have remained largely unchanged since and over the Scheme year to 30 April 2024.

IMPLEMENTATION STATEMENT (continued)

3.1.1) Main Section

During the year ended 30 April 2024 the Main Section's investments have been allocated in line with the strategy set out below:

Asset class	Target allocation
Multi Asset	5%
Property	8%
Global Credit	4%
UK Investment Grade Credit	32%
UK Gilts	49%
Trustee Cash & Other	2%

Within the existing investment strategy, SEI has been instructed to manage two distinct portfolios:

- The Growth Portfolio, which currently comprises only an allocation to Global Credit. The goal of this portfolio is to deliver returns in excess of liabilities.
- The Matching Portfolio, which contains allocations to Investment Grade Credit and UK Gilts. The goal of this portfolio is to provide protection against movements in interest rates and inflation while also delivering some outperformance above liabilities.
- In aggregate, the Main Section investment strategy is designed to deliver returns in excess of 0.8% pa above gilts.

3.1.2) London Section

During the year ended 30 April 2024, the London Section's investments have been allocated in line with the strategy set out below:

Asset class	Target allocation
Equity	15%
Property	10%
Return seeking Credit	7%
UK Investment Grade Credit	22%
UK Gilts	46%

Within the existing investment strategy, SEI has been instructed to manage two distinct portfolios:

- The Growth Portfolio, which currently comprises allocations to equity and return seeking credit mandates. The goal of this portfolio is to deliver returns in excess of liabilities.
- Matching Portfolio, which contains allocations to Investment Grade Credit and UK Gilts. The goal of this portfolio is to provide protection against movements in interest rates and inflation while also delivering some outperformance above liabilities.
- In aggregate, the London Section investment strategy is designed to deliver returns in excess of 1.4% pa above gilts.

In Q1 2024, the Trustee Directors submitted a full redemption request in respect of the portfolio's allocation to Property – comprised solely of the LGIM LPI Income Property Fund. Proceeds from this disinvestment are expected to be paid out in Q4 2024 and are expected to be redistributed across the Equity and Investment Grade Credit allocations.

IMPLEMENTATION STATEMENT (continued)

3.2) Trustee Directors' cash flow arrangements

Income forms an important component of the Scheme's total expected return and the Trustee Directors' policy since 2010 is to draw income generated by the Scheme's investments (dividends, rents and interest) each month to meet the ongoing cost of benefit payments and expenses.

The Main Section is largely closed to future accrual and, considering the positive funding position of the Section, since 1 June 2023 contribution income has been nil. As such, the Trustee Directors meet the ongoing cost of benefit payments and expenses by drawing down the income generated by the Section's assets each month, supplemented by irregular private equity distributions and, where necessary, fixed monthly withdrawals from specified asset managers.

Over the course of the year to 30 April 2024 the Trustee Directors received withdrawals from the SEI discretionary portfolio totalling £41.8m, to support the cash requirements for the Scheme.

Following the restructuring of the investment strategy over the year to 30 April 2023, the Trustee Directors introduced an explicit allocation to cash within the strategy to ensure that an appropriate balance, broadly equal to three months' pension payments, was available to pay benefits and other costs as they fall due. This allocation is reviewed on an ongoing basis.

For the London Section, income is again an explicit component of expected return for the portfolio as a whole and the Trustee Directors drew down £6.6m over the course of the year ended 30 April 2024 from the delegated portfolio towards the cost of benefit payments and expenses. This amount is generally expected to be less than the actual income generated by the delegated portfolio but is normally sufficient to meet the cash flow requirements of the Section, considering members' and sponsors' contributions and the quarterly income distribution from the long-lease pooled property fund managed by Legal & General Investment Management.

3.3) Delegation of fund manager activity

3.3.1) Investment Manager agreements

The Trustee Directors have delegated day-to-day management of all Sections' assets to the appointed asset managers with appropriate agreements in place as follows. For the multi-asset and property mandates within Main Section, Investment Management Agreements (IMA) have been agreed. For the assets managed by SEI, a Fiduciary Management Agreement (FMA) is in place. These agreements set out in detail the terms of appointment, the investment objectives, investment restrictions (if any), various matters of compliance and governance and require the managers to be familiar with and comply with the Section's SIP.

Manager agreements (IMAs and the FMA) are reviewed and updated from time to time but, due to the nature of the agreed investment approaches and also the robust monitoring process in place, the Trustee Directors consider manager performance relative to their mandates over a rolling 3 – 5-year horizon and do not consider it necessary to specify a finite term of appointment within the body of each IMA or FMA.

3.3.1.1) Main Section

No amendments were made to any IMAs or the FMA over the year to 30 April 2024.

3.3.1.2) London Section

No amendments were made to any IMAs or the FMA over the year to 30 April 2024 although, under the FMA investments, the Brandywine allocation was moved from a segregated account into a pooled investment vehicle in April 2024.

3.3.2) Setting of investment strategy

Investment mandates are clearly defined to complement overall investment strategy and meet the expectation to generate a satisfactory rate of return over the long term, sufficient to meet the Section's liabilities as they fall due. The strategy has been determined based on analysis and advice provided by both SEI and Hymans Robertson.

IMPLEMENTATION STATEMENT (continued)

3.3.3) Role of fiduciary manager

The FMA sets out in detail the terms of appointment of SEI, the investment objectives, investment restrictions (if any), various matters of compliance and governance and requires the underlying asset managers to be familiar with and comply with the Section's SIP. The FMA is reviewed and updated from time to time but, due to the nature of the fiduciary mandate agreed and the robust monitoring process in place, the Trustee Directors consider SEI's performance relative to their mandate over a rolling 3–5 year horizon. The Trustee Directors do not consider it necessary to specify a finite term of appointment within the body of the FMA.

SEI has responsibility for both the growth portfolio (equities and return seeking credit) and the matching portfolio (UK investment grade credit and Liability Driven Investment). The latter is designed to provide a match to the profile of the Scheme's longer-term cashflows. The Trustee Directors are aware of interest rate, inflation, curve mismatch and leverage risks as they relate to their investments, and take advice from Hymans Robertson on these matters, in addition to currency and credit risk. The SEI portfolios are managed in line with the investment return and hedging targets that are determined by the Trustee.

SEI has sole responsibility for the appointment of underlying asset managers, selection of funds and the allocation of funds between those managers and does so in accordance with the investment objectives as agreed with the Trustee.

Access to income in excess of that passed to the Trustee Directors each month to meet Scheme cash outflows, together with their general discretionary powers, enables SEI to reallocate funds between different managers or different strategies as appropriate to reflect changing market conditions. Information on the changes to the investment Portfolio structure is detailed in section 3.1.

3.3.4) Private Markets

The Trustee is a Limited Partner in several Private Equity/Venture Capital investment funds but have not committed any new money to these private markets since 2010.

3.3.5) Conflicts of interest

The Trustee Directors are comfortable that the appointed Investment Managers have appropriate conflicts of interest policies in place, which is assessed upon appointment of new managers and through ongoing monitoring as provided by their Investment Advisor.

3.4) Performance and other monitoring metrics (both Sections)

Given the change in investment arrangements that took place over the year to 30 April 2023, the Trustee Directors have since sought to evolve their manager oversight, focusing primarily on the mandates overseen by SEI. The Trustee Directors receive whole scheme quarterly performance reporting from SEI supplemented, since January 2024, by monthly updates on funding and hedge positions.

The Trustee Directors also receive funding updates from their actuary, the most recent being as at 29 February 2024.

The Trustee Directors held three ISC meetings during the year ended 30 April 2024. At each regular meeting they considered a detailed investment report for each Section of the Scheme setting out asset and manager allocations and movements, performance over year to date, rolling one year, three year and since inception time periods, actual versus expected income and growth, and a high-level review of each underlying asset manager.

The Trustee Directors have undertaken training on the latest TCFD related obligations and formalised their TCFD Policy Statement effective from October 2022, with their inaugural report published on 30 November 2023. As part of this reporting, the Trustee Directors test the resilience of their strategy under different climate related scenarios, take advice from their investment advisor and meet with their appointed investment managers to monitor and discuss areas of concern and relevance to the investment strategy.

3.5) Costs and charges

In January 2024, the Trustee Directors considered a detailed Cost & Charges Report prepared by SEI, in line with CMA requirements, covering all investment related costs for the year ended 31 December 2022 in relation to their appointed listed securities and fiduciary managers. The Trustee Directors were satisfied that these costs were in line with expectations and agreed mandates for each of the managers but continue to strive to reduce costs over time whenever possible.

IMPLEMENTATION STATEMENT (continued)

3.6) Stewardship and Engagement

In accordance with each SIP, the Trustee has, as previously stated, delegated the day-to-day management of the Scheme's assets, including voting and engagement, to their appointed investment managers. Each of these investment managers is regulated by the UK's Financial Conduct Authority (or equivalent overseas) in the conduct of their investment business. Each Manager is expected to operate in accordance with their published governance and engagement policies which are reviewed from time to time.

As noted, in line with the SIP, the Trustee Directors aim to meet with their investment managers on at least an annual basis although they recognise that most investment managers are now appointed via the Fiduciary Manager. Meeting agendas include ESG considerations, and activities carried out to implement the rights and responsibilities that are delegated to each manager. The Trustee Directors are satisfied that these considerations and ownership activities (including voting and engagement) are integrated and acted upon by the investment managers in line with the Trustee Directors' expectations (as detailed in the Stewardship and Engagement Policy) and in the best interests of the Scheme beneficiaries.

The stewardship policies for each manager are reviewed from time to time. Several of the Scheme's investment managers have been accepted as signatories to the FRC's Stewardship Code and/or to the United Nations Principles of Responsible Investment (UNPRI). Some investment managers are also members of the Institutional Investors Group on Climate Change and the Net Zero Asset Manager Initiative (NZAMI), amongst other industry initiatives.

Over the year to April 2023, the investment strategies of the Scheme were updated to target a lower level of risk and return. This was implemented through a reduction in the allocations to equities, and an increase in allocations to bonds (including gilts). As at 30 April 2024, only Ruffer and Pyrford (within Main Section) and SEI (within London Section) held equity allocations. The Trustee Directors recognise that due to the lower allocation to equity in the Scheme portfolios, there is less opportunity to cast votes relating to these investments. The Trustee Directors also recognise that the capacity for engagement with underlying companies and issuers is lower for fixed income investments than for equities (where shareholder proposals can be brought forward, for example), more so in relation to government-issued bonds. In any case, the Trustee Directors expect their appointed asset managers to vote (as applicable) and engage with underlying companies and issuers to the extent available (as relevant for each asset class), to ensure that those stakeholders are acting in a way that best protects the long-term value of the investments and therefore act in the best interests of the Scheme's beneficiaries.

The Trustee Directors have not imposed any investment strategy restrictions relating to ESG issues on their investment managers and there are no exclusions applied to investment arrangements based on non-financially material factors. The Trustee Directors consider the issues which they consider material in the monitoring and appointment of new investment managers and are comfortable with the actions taken by their investment managers in this area.

3.6.1) Delegation of Voting responsibilities

For the year ended 30 April 2024, the Trustee Directors have confirmed that their investment managers have employed their house voting policies in managing their portfolios and exercising ownership rights on behalf of the Scheme (in relation to voting decisions on stocks). Investment managers use proxy voting services from ISS, whilst the Fiduciary Manager used Glass Lewis. In most cases voting services are execution only. The Trustee Directors also ask their investment managers, including the Fiduciary Manager, to provide an update on their house voting policy each year. The Trustee Directors recognise that the house voting policies that are used to implement voting aim, in each case, to improve the long-term value of the related investments, and are therefore comfortable with the voting activity which is conducted on their behalf.

Again, for the year ended 30 April 2024, the Trustee Directors have confirmed the percentage of company resolutions voted on by their investment managers, and the proportion of votes cast with and against company management. While only one investment manager has voted on 100% of resolutions, the others have voted on at least 85% of resolutions. For the manager with the lowest percentages of resolutions voted (Ruffer), the Trustee Directors have discussed the reasons for this with the manager and consider their approach to be reasonable on the basis that voting is only usually carried out where a shareholding is meaningful.

The Trustee Directors' annual review of significant resolutions, including company reporting on the effects of climate change, has added to the Trustee Directors' knowledge and understanding of investment managers' processes and due diligence.

IMPLEMENTATION STATEMENT (continued)

3.6.1) Delegation of Voting responsibilities (continued)

During the year, as part of their meetings with their appointed investment managers the Trustee Directors have engaged with and sought further information from their investment managers on how portfolios may be affected by a particular issue or issues, including climate change, and how this affects default risk and portfolio positioning.

The Trustee Directors have historically highlighted their individual priorities and concerns on individual portfolio holdings to their appointed investment managers during routine meetings which it was expected would be addressed by managers in their discussions with companies and issuers that relate to their respective portfolios, and in the execution of their respective voting strategies. This included the consideration of climate change, and the Trustee Directors have sought to understand where their managers have addressed this and other material ESG issues, giving particular consideration to individual stocks.

Whilst the Trustee Directors request their managers to address their approach to stewardship, to date the Trustee Directors have not yet set any specific priorities for their managers other than the improvement in reporting of climate data within credit mandates as their TCFD goal.

A summary of voting activity for each of the investment managers for the year ending 30 April 2024 is included below as Appendix VI.

3.6.2) Significant votes (samples from year ended 30 April 2024)

In line with their approach to delegating responsibility to their investment managers, the Trustee Directors have not specified to their managers what matters they consider to be significant although have noted a focus on climate change. The Trustee Directors have therefore sought input from their investment managers on what they consider to be the most significant votes exercised during the year and consider the following cases provided by their continuing managers to be of particular importance given their alignment with the issues the Trustee Directors have discussed with their managers.

Amazon. 24 May 2023. Governance (Shareholder Proposal Regarding Report on Working Conditions)
Global Select Equity (< 0.5% of mandate)

SEI voted <u>for</u> the shareholders proposal. Amazon has faced scrutiny and exposure to a variety of risks on account of its worker health and safety. An analysis of work-related injury data from the Occupational Safety and Health Administration ("OSHA") showed that the Company's warehouse jobs can be more dangerous than comparable warehouses as the Company has reported a higher rate of serious injury incidents that caused employees to miss or shift work duties more than other retail warehouses since 2017. Amazon has been fined in recent years for violating workplace safety laws by requiring warehouse employees to perform repetitive motions at a fast pace, increasing their risk of injury. SEI believe the additional disclosure and independent audit report would likely allow employees to provide an honest assessment of their experiences and would provide some assurance to shareholders that the working conditions are being evaluated.

This vote is considered significant because Amazon is a high-profile company and if the company does not provide appropriate working conditions it can face regulatory action, legal fines and reputational harm which are often reported in the media. Additionally, high turnover and problems attracting workers can lead to the erosion of shareholder value.

The resolution outcome was <u>for</u> the shareholder proposal.

Exxon Mobil, corp. 31 May 2023. Environmental (Shareholder Proposal Regarding Report of Guyanese Operations)
Global Managed Volatility (< 0.5% of mandate)
Global Select Equity (< 0.5% of mandate)

SEI voted <u>for</u> the shareholder proposal. Exxon Mobil Corp. operates one of the largest oil fields discovered in the past decade, offshore of the South American country Guyana. Concerns were raised that the Company had disregarded safety-related issues and failed to adequately prepare for possible disasters in the region. SEI believe the production of a report evaluating the economic, human, and environmental impacts of a worst-case oil spill from its operations offshore of Guyana would help provide shareholders with reassurance that these matters were being handled in a way that served their best interests and would provide more insight into how it intends to mitigate safety-related risks.

This vote is considered significant because Exxon Mobil Corp's responsibility and potential liability with respect to its response to an oil spill are of concern to shareholders and an oil spill would have wider environmental and public impact.

IMPLEMENTATION STATEMENT (continued)

3.6.2) Significant votes (samples from year ended 30 April 2024) (continued)

The resolution outcome was against the shareholder proposal.

Brenntag. 15 June 2023. Governance (Shareholder proposal to split company and appoint two board supervisors)
Pyrford (0.32% of mandate)

Two of Brenntag's shareholders have been advocating for the break-up of the company into two parts, 'commodity' chemicals and 'speciality' chemicals, and have argued that Brenntag requires better governance to close the gap with competitors. The company therefore proposed two candidates (Richard Ridinger and Sujatha Chandrasekaran) for the Supervisory Board, who they felt are best suited to provide robust governance moving forward. Pyrford voted FOR the election of Richard Ridinger, believing him to be the correct candidate to lead the Board based on their assessment of his experience as CEO of Lonza, his only recently having joined the Brenntag Board, and his experience in the Life Sciences sector.

The vote was considered significant as it was against ISS (the voting rights advisor) recommendation.

The resolution outcome was for the shareholder proposal.

Novartis. 15 September 2023. Governance (vote on the distribution (by way of a dividend-in-kind) and share capital reduction to effect the spin-off of the Sandoz Group AG into a publicly traded standalone company)
Pyrford (0.53% of mandate)

Pyrford voted for the resolution as the decision to spin-off Sandoz follows a considered and thorough strategic review of all the options available to the business. Pyrford believe the action will allow each company to pursue their own (differing) strategic ambitions, backed by independent capital structures and capital allocation policies that can be targeted to the individual needs of the business.

The vote was considered significant as the manager believed the spin-off should allow greater focus on maximising value creation for shareholders of both companies.

The resolution outcome was for the proposal.

Bank of America, 24 April 2024. Environmental (Shareholder proposal for reporting on clean energy supply financing ratio).
Ruffer (0.15% of mandate)

Ruffer voted against ISS recommendation and in line with management against the request of a report on clean energy supply financing ratio. This was because Ruffer believe Bank of America is committed to its Net Zero targets and provides much of the necessary data to support this.

The proposal was considered significant as it was against ISS (the voting rights advisor) recommendation

The proposal outcome was against reporting the ratio.

3.6.3) Engagement

As noted, the Trustee Directors have delegated active ownership activities (including engagement) to their investment managers. These responsibilities are delegated by the fiduciary manager to a third party, Sustainalytics. The Trustee Directors have noted the following engagement activities undertaken by their managers.

Manager: SEI
Company engaged: Archer-Daniels-Midland ("ADM")
Engagement objective: Progress on ESG governance, land use, biodiversity and carbon management activities

Through their collaborative engagement with Sustainalytics, SEI has engaged with ADM to encourage a transition to more sustainable agricultural practices, a holistic response to environmental challenges, and to contribute to a more sustainable food system.

IMPLEMENTATION STATEMENT (continued)

3.6.3) Engagement (continued)

In May 2023, Sustainalytics held a call with the Chief Sustainability Officer of ADM, discussing their sustainability governance and progress in eliminating deforestation. ADM published its latest sustainability report the same month, outlining progress on the company's goal to eliminate deforestation from all of its supply chains by 2025. 86% of the soy supply chain and 62% of the palm supply chain are now third-party verified deforestation-free. ADM advised that they have conducted a risk assessment for other commodities but have chosen to focus on soy and palm due to the associated deforestation and human rights risks.
In the final year of the engagement, Sustainalytics will focus on management of land use impacts, biodiversity, and soil health in the company's agricultural supply chain.

Manager: SEI
Company engaged: Johnson & Johnson (J&J).
Engagement objective: Remedy deficiencies in the company's quality management system

Johnson & Johnson is an American multinational pharmaceutical company that has been implicated repeatedly in quality and safety issues related to several of its offerings, including talc-based products. Sustainalytics has engaged with the company over the last five years to ensure that the lessons learned from the numerous product quality issues have been incorporated into company protocols and procedures to minimize the risk of future litigation.

Over the years the company has improved its ESG disclosures on clinical trial data, quality management, and product stewardship. Reductions in both Food and Drug Administration (FDA) activity against the company and subsequent product recalls suggest improved quality control. It is reported that J&J still faces a high number of lawsuits, so the potential for future litigation cannot be discounted. However, in August 2022 the company announced that it was discontinuing worldwide sales of talc-based products by the end of 2023. Considering improvements in product quality and safety management, and a lack of any new severe product quality and safety issues, Sustainalytics decided to resolve the case.

Manager: Pyrford
Company engaged: Canadian National Rail
Engagement objective: Better understand the current safety technology in Canada, how the company is planning to engage with regulators, the likely scale of any necessary investment and also how these improvement would compare to similar systems in place around the world.

Canadian National Rail ("CNR") is a North American class one railway that operates across the US and Canada. The company transports various cargoes on their locomotives, some of which are flammable/hazardous. Back in 2008 a Metrolink train crashed head-on into a freight train in Los Angeles, leaving 25 passengers dead and more than 130 injured. As a result of this US Congress passed the Rail Safety Improvement Act, which mandated that Positive Train Control (PTC) systems be installed on all main-line tracks.

The move to PTC took over 10 years and total investment by the industry reached ~ $20bn. This system was only related to the US, but Canadian regulators are now in conversation with industry participants on how to roll-out similar technology in Canada, with a notice of intent issued in 2022. The purpose of this engagement is to better understand the current safety technology in Canada, how the company is planning to engage with regulators, the likely scale of any necessary investment and how these improvements would compare to similar systems in place around the world such as Europe (ETCS) and China (CTCS). Pyrford would also like to better understand how the company plans to improve non-PTC related safety issues such as unplanned/uncontrolled movements of rail equipment that may also have catastrophic consequences.

In conversation with the company, CNR do not believe that the method of implementing PTC in the US was optimal, with little industry consultation done at the time. Because of this, the company has been proactively engaging with Transport Canada on how best to implement similar technology in Canada. The timeframe for implementing PTC, or as it is being referred to in Canada, ETC (enhanced train control), is 2030. As to now, Pyrford have had conversations on the issue in the course of regular company meetings. The next stage is to engage at a more technical level in Q3 2024 with someone who specialises on this area within the company. Pyrford plan to escalate this engagement in order to gain a deeper understanding of the issue and any potential safety risks, as well as the financial implications of any necessary investment.

IMPLEMENTATION STATEMENT (continued)

3.6.4) Engagement with Managers

Whilst the Trustee Directors have regular informal dialogue with their investment managers, they formally engaged with their investment managers (directly and indirectly) as follows over the course of the Scheme year.

Date	Manager engaged	Issues discussed
May 2023	SEI	Climate risk and TCFD. Performance of underlying asset managers and hedging portfolio.
November 2023	SEI	Performance and hedging levels.
November 2023	M&G (underlying manager of SEI fund)	Credit investment and default risk ESG considerations (including climate change) in investment process
February 2024	Barings	Outlook for UK property market; performance of individual properties within the portfolio; market liquidity, potential redemption strategies.
February 2024	SEI	Performance of underlying asset managers and hedging portfolio.

The Trustee Directors receive reporting on the activities carried out by these parties on a regular basis as part of ongoing monitoring. The Fiduciary Manager and the other Investment Managers report on voting activity although the Trustee Directors also use industry-standard templates (PLSA) to ensure that comparable information is received.

Managers are expected to notify the Trustee Directors of any issue on which it may be beneficial for the Trustee Directors to undertake further engagement, though there were no such notifications made over the Scheme year.

The Trustee Directors are comfortable that these activities are integrated and acted upon in line with the Trustee Directors' expectations (as detailed in the Stewardship and Engagement Policy) and in the best interests of the Scheme beneficiaries.

3.7) Portfolio turnover

The Trustee Directors request and review turnover costs incurred by the Investment Managers over the Scheme reporting year.

4) Advisors and other service providers

Consistent with the Investment Consultancy and Fiduciary Management Market Investigation Order 2019, the fiduciary manager role carried out by SEI was retained by the Trustee Directors following completion of a competitive retendering exercise, carried out towards the end of 2021 and early 2022.

In recognition of SEI's dual role as lead adviser and asset manager, the Trustee Directors have also appointed Hymans Robertson LLP (Hymans) as an additional investment adviser to support ongoing monitoring of SEI, in their capacity as a fiduciary manager. The Trustee Directors considered several separate papers from Hymans over the course of the year in relation to SEI's management of the delegated discretionary portfolios including Environmental, Social and Governance (ESG) considerations, and other compliance or related matters.

The Trustee Directors are also mindful of the important role played by their appointed investment consultants and monitor performance against objectives set out in their "Objectives for providers of investment consultancy services" policy dated 10 December 2019, in accordance with the Investment Consultancy and Fiduciary Management Market Investigation Order 2019.

5) Compliance

This Implementation Statement was approved by the Trustee Directors on 14 November 2024 and signed on their behalf by:

John Hamilton

John Hamilton
Chair

APPENDIX VI
SUMMARY OF VOTING ACTIVITY FOR APPOINTED INVESTMENT MANAGERS

	Ruffer	Pyrford	Global Managed Volatility	Global Select Equity
Did the manager employ the house voting policy in managing the portfolio? If not, why not.	Yes	Yes	Yes	Yes
Was use made of any proxy voting service during the year?	Yes	Yes (ISS)	Yes	Yes
Number of holdings in the portfolio at year end	34 (Equity)	64 (Equity)	538	761
No. of meetings eligible to vote at during the year	46	67	515	462
No. of resolutions eligible to vote on during the year	711	1059	8052	7779
% of resolutions voted	85%	100%	92%	96%
% of resolutions voted with management	94%	94%	87%	88%
% of resolutions voted against management	3%	6%	11%	8%
% of resolutions abstained	2%	0%	2%	4%
% of meetings with at least one vote against management	35%	63%	63%	61%
No of shareholder resolutions where climate change was a significant factor	7	3	56	53
% of such resolutions voted against management	29%	0%	27%	19%
Approximate number of portfolio companies engaged over the year	7	13	329	
Number of engagements where a specific engagement objective has been set	11	13	All engagements have specific objectives set	
% of engagements which saw some material progress against the objective over the year	7%	100%	42%*	

Note: Figures may not sum due to rounding. *This figure reflects engagements on climate related issues.