HUNTERS & FRANKAU LIMITED RETIREMENT BENEFITS SCHEME

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Introduction

This statement sets out how, and the extent to which, the Stewardship policy in the Statement of Investment Principles ('SIP') produced by the Trustees has been followed during the year to 31 December 2024. This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

Trustees' Investment Objective

The Trustees' primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due until such time that the Scheme has sufficient assets to secure its liabilities with an insurance company.

In doing so, the Trustees aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustees also ensure that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

Statement of Investment Principles

The Scheme's SIP was updated in November 2022. The changes made to the Statement reflect the strategy changes made in October 2022 where the Trustees agreed to de-risk the assets following an improvement in the funding level. The Scheme disinvested from equities and corporate bonds, increasing its allocation to fixed-interest and index-linked government bonds.

Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must consider all factors that have the potential to impact upon the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors and climate change.

The Scheme's SIP dated November 2022 includes the Trustees' policy on ESG factors, Stewardship and Climate Change. The Trustees keep their policies under regular review with the SIP subject to review at least triennially.

Scheme's Investment Structure

The Scheme's only investment is a Trustee Investment Policy ("TIP") with Mobius Life Limited ("Mobius"). Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers. The Trustees, with advice from their investment consultant, Mercer, are responsible for the selection and removal of the Scheme's funds.

Trustees' Engagement

In the relevant year the Trustees have not engaged with their investment managers on matters pertaining to ESG, stewardship or climate change, and are satisfied that the current ESG measures taken by their investment managers are in the best financially material interests of the Scheme's members. Mercer's ESG ratings of investment managers are included as part of Mercer's Manager Research Team ("MMRT") ratings which are provided when strategy reviews are undertaken.

Voting Activity

The Trustees have delegated their voting rights to the managers of the funds the Scheme's investments are ultimately invested in. The Trustees have not been asked to vote on any specific matters over the Scheme year. Nevertheless, this Statement sets out a summary of the key voting activity of the pooled funds for which voting is possible (i.e., all funds which include equity holdings) in which the Scheme's assets are ultimately invested.

This includes information on what the fund managers consider to be a significant vote, and examples of these. The Trustees have no influence on the managers' definitions of significant votes but have noted these and are satisfied that they are all reasonable and appropriate.

We note that best practice in developing a statement on voting and engagement activity is evolving and we will take on board industry activity in this area before the production of next year's statement.

Significant Votes

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022 ("Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance") one of the areas of interest was the significant vote definition. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote". The Trustees define a significant vote as one that is linked to the Scheme's stewardship priorities/themes. In this instance, the Trustees are comfortable with aligning to the underlying manager's voting priorities. A vote could also be significant for other reasons, e.g. due to the size of holding. Given the nature of the Scheme's holdings, this is unlikely to be a material consideration for the Trustees.

The table below sets out a summary of the key voting activity over the financial year to 30 December 2024 as reported by the investment manager (i.e. LGIM):

Fund	**Proxy voter used?**	**Votes cast**			**Most significant votes (description)**	**Significant vote examples**
		Votes in total	**Votes against management endorsement**	**Abstentions**		
LGIM World (ex UK) Equity Index Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on	33,453 eligible (99.69% cast)	21.61% of votes cast	0.30% of votes cast	A significant vote includes but is not limited to: • High profile vote which has such a degree of controversy that there is high client and or public scrutiny; • Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable	Alphabet Inc.– a vote 'against (against management recommendation)' was cast regarding the election of Director John L. Hennessy. Date of vote: 7 June 2024 Size of holding (as at voting date): 1.6% Average board tenure: A vote against was 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 was applied as LGIM expects a company to have at least one third women on the board. Independence: A vote against was applied as

	ESG, they have put in place a custom voting policy with specific voting instructions. For more details, please refer to this document available on LGIM's website.				event, or where LGIM note a significant increase in requests from clients on a particular vote; • Sanction vote as a result of a direct or collaborative engagement; • Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5- year ESG priority engagement themes. Please note that LGIM publicly discloses its vote instructions on their website.	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 balance of relevant skills, experience, tenure, and background. Shareholder rights: A vote against was applied because LGIM supports the equitable structure of one-share-one-vote. LGIM expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure. Outcome of the vote: Pass Microsoft Corporation – a vote 'for (in favour of management recommendation) was cast regarding a report on AI Data Sourcing Accountability. Date of vote: 10 December 2024 Size of holding: 4.3% A vote for this resolution was warranted as LGIM note the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models. Outcome of the vote: Fail
LGIMUK Equity Index Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform	10,188 eligible (93.96% cast)	6.01% of votes cast	0.03% of votes cast	A significant vote includes but is not limited to: • High profile vote which has such a degree	Shell Plc – a vote 'against (against management recommendation) was cast regarding the approval of the Shell Energy Transition Strategy. Date of vote: 21 May 2024

	to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG they have put in place a custom voting policy with specific voting instructions. For more details, please refer to this document available on LGIM's website.				of controversy that there is high client and or public scrutiny; • Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where LGIM note a significant increase in requests from clients on a particular vote; • Sanction vote as a result of a direct or collaborative engagement; • Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5- year ESG priority engagement themes. Please note that LGIM publicly discloses its vote instructions on their website.	Size of holding (as at voting date): 7.7% A vote against was applied, though not without reservations LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and LGIM view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and Liquefied Natural Gas business this decade, LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net zero emissions by 2050. In essence, LGIM seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, LGIM would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles

						involved in asset sales given portfolio changes form a material lever in Shell’s decarbonisation strategy. Outcome of the vote: Pass Unilever Plc– a vote ‘for’ was cast regarding the approval of the Climate Transition Action plan. Date of vote: 1 May 2024 Benchmark allocation: 4.2% A vote in favour was applied as LGIM understand it to meet LGIM's minimum expectations This includes the disclosure of scope 1, 2 and material scope 3 Green House Gas (GHG) emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBT recently removing their approval of the company’s long-term scope 3 target, LGIM note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. LGIM therefore remain supportive of the net zero trajectory of the company at this stage. Outcome of the vote: Pass