



# Ericsson Employee Benefits Scheme ('Scheme')

31 December 2024 Implementation  
Statement

June 2025

# 1. Introduction

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The Trustee is required to make publicly available online a statement (“the Implementation Statement”) covering the Ericsson Employee Benefits Scheme (the ‘Scheme’) in relation to the Scheme’s Statement of Investment Principles (the “SIP”).

The SIP was amended twice during the year ending 31 December 2024, in October 2024 and November 2024, to reflect the Scheme’s completion of a bulk annuity (buy-in) transaction with JUST Retirement.

The latest SIP came into force in November 2024. A copy of the current SIP can be found here [EEBS Statement of Investment Principles - December 2024.pdf](#)

This Implementation Statement covers the period from 1 January 2024 to 31 December 2024 (the “Scheme Year”). It sets out:

- How the Trustee's policies on stewardship have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

The latest guidance (“the **Guidance**”) from the Department for Work and Pensions (“**DWP**”) aims to encourage the Trustee of the Scheme to properly exercise its stewardship policy including both voting and engagement which is documented in the Scheme’s SIP. With the help of the Scheme’s Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP’s statutory guidance.

The Trustee uses the Fiduciary Management service of Schroders IS Limited as its Investment Manager and Adviser (referred to as the “**Fiduciary Manager**” in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as “**Underlying Investment Managers**”) to manage part of the Scheme’s assets, and investments with these managers are generally made via pooled funds, where the Scheme’s investments are pooled with those of other investors.

For the majority of the Scheme year, the Scheme’s investment strategy was a 30% strategic allocation to Growth assets and a 70% allocation to Liability Hedging Assets. In November 2024, the Scheme completed a buy-in transaction. Since then, the remaining Scheme assets are held in cash and are managed on a care and maintenance basis by the Scheme’s Fiduciary Manager. For the majority of the year, the Scheme remained invested in assets carrying voting rights, and stewardship activity was therefore relevant.

During the selection of JUST as the insurer, the Trustee reviewed the ESG capabilities as part of the RFP process and was comfortable with the insurer's approach in this area. Going forward, the Trustee plans to monitor JUST’s ESG credentials as part of its monitoring process.

A copy of this Implementation Statement is available on the following website: [My Work Pension](#)

## 2. How the Trustee's policies on stewardship have been followed over the Scheme Year

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During the Scheme year, the Trustee completed a buy-in transaction in November 2024. As a result, the remaining assets are now held in cash and managed on a care and maintenance basis. Nevertheless, for the majority of the year, the Scheme remained invested in assets carrying voting rights, and stewardship activity was therefore relevant.

During the selection of JUST as the insurer, the Trustee reviewed the ESG capabilities as part of the RFP process and was comfortable with the insurer's approach in this area. Going forward, the Trustee plans to monitor JUST's ESG credentials as part of its monitoring process.

As described in the SIP, the Trustee's approach to stewardship is to delegate the voting and engagement activities to the Fiduciary Manager. The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Scheme's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustee's investment (including stewardship) policies when providing Fiduciary Management services.

The Fiduciary Manager aligns its own stewardship activities with Schroders' Engagement Blueprint, which identifies six broad themes for their active ownership: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Fiduciary Manager has chosen **Climate Change, Natural Capital & Biodiversity, and Human Rights** as its focus for the stewardship actions it performs on behalf of the Scheme. The Trustee expects that the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Scheme.

The Fiduciary Manager is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The UK Stewardship Code describes stewardship as "*the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society.*" Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed quarterly FM ESG updates and the FM Annual ESG Report during the Scheme Year. The quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Scheme's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Scheme's capital. The FM Annual ESG Report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustee is satisfied that the expectations outlined in the SIP have been met, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship

activities and manager selection over the Scheme Year. Examples of how this has been evidenced include:

- ❖ Exclusions of Global Norms Violators as part of the security selection process. This ensures a closer alignment of the Scheme's investments with the Trustee's stewardship priorities, as violators are generally viewed as causing significant harm to People or Planet.
- ❖ Incorporation of SustainEx™ scoring into the core equity allocation process, in both the initial screening process and as a constraint at a total portfolio level. SustainEx™ is Schroders' proprietary tool to translate social and environmental impacts into financial costs.
- ❖ Conducting manager research to identify value-adding, climate-aware equity funds to potentially allocate some of the Scheme's capital to, subject to further due diligence.
- ❖ Introducing a cash fund that offers improved environmental characteristics to the Scheme's previous cash fund, with equivalent cost and return track record. After carrying out appropriate due-diligence in early 2024, the Scheme's existing cash assets have now been invested in this fund.
- ❖ Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials.
- ❖ Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments.
- ❖ Addition of voting and engagement examples to the quarterly ESG reporting provided to the Trustee, facilitating a more regular review throughout the year of the Underlying Investment Managers' stewardship activities.
- ❖ ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth and LDI portfolios.
- ❖ Introduction of new 'impact' metrics into quarterly reporting, such as Implied Temperature Rise (measuring the contribution of the Scheme's investments to global warming) and SustainEx™ scoring, to facilitate better Trustee oversight of the impacts of the Scheme's capital on the environment and society.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity that took place on the Trustee's behalf during the Scheme Year within the growth asset portfolio and the liability hedging portfolio, the Trustee is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.

- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Scheme's liability hedging programme not only remained robust during the Gilt Crisis of Autumn 2022 and beyond, but the Fiduciary Manager also provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Scheme.

**Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Scheme Year.**

### 3. Voting During the Scheme Year

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The Trustee has delegated responsibility for voting on its behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Scheme's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustee, in line with the Trustee's stewardship policy.

#### Voting by the Fiduciary Manager

Over the year to 31 December 2024, regarding clients' pooled fund investments<sup>1</sup>, the Fiduciary Manager voted on 25 resolutions across 6 meetings. The Fiduciary Manager voted against management on 4 resolution (16% of total resolutions) and abstained on 11<sup>2</sup> resolutions (44% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

#### Voting by the Underlying Investment Managers

##### Most Significant Votes

The following criteria must be met for a vote to be considered "significant":

1. Must relate to the BNY Mellon Schroder Solutions Global Equity Fund;
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustee's stewardship priority themes.

The BNYM Global Equity Fund constitutes a significant proportion of the Scheme's Growth Asset portfolio and thus constitutes the majority of the Scheme's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Scheme's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particular significance for the Scheme.

From 1 January 2024, the proxy voting responsibilities for this fund moved to Schroders' Active Ownership team which ensures that the voting policy is guided by Schroders' **Engagement Blueprint** and therefore aligns with the Trustee's stewardship priorities. The Fiduciary Manager believes that all resolutions voted against the board's recommendations should be classified as a significant vote. Generally, the Fiduciary Manager does not communicate their voting intentions to companies regarding shareholder resolutions, however in some circumstances Schroders will publish their voting intentions on their Active Ownership Blog<sup>3</sup>. Regarding next steps after a vote, in the instance that votes are successful, the Schroders team will typically monitor progress closely and look to take further action at the next AGM should no progress be made.

Of the votes that satisfy the above criteria, the Trustee has selected one vote relating to each of the priority themes that it deems most material to the long-term value of the investments. These votes are hereby defined as "most significant votes", and as per DWP guidance, the Trustee has communicated this definition of "most significant votes" to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

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<sup>1</sup> The voting statistics provided pertain to the Fiduciary Manager's Model Growth portfolio and may not fully reflect the pooled fund investments held by the scheme.

<sup>2</sup> The Fiduciary Manager abstained from voting on these resolutions due to the presence of share blocking. If the Manager were to vote on a position, they would then be blocked from selling positions in the security from the voting deadline date until one day post meeting and, in the absence of an instruction from Investors, it is Schroders' policy to retain liquidity of the investment.

<sup>3</sup> Schroders Active Ownership Blog - <https://www.schroders.com/en-us/us/individual/insights/active-ownership-blog-2024-voting-season-spotlight/>

## Summary Voting Statistics

Only the Scheme's equity and certain alternative (hedge fund) holdings invest in assets with voting rights attached. Voting activity is reported on a quarterly basis. Until 10 October 2024, the Scheme had a strategic allocation of 30% to growth assets, after which it transitioned to a price-lock portfolio primarily invested in gilts and later completed a buy-in transaction with JUST. The table below presents voting statistics for the year to 31 December 2024, covering the most material, actively managed funds held on behalf of the Trustee that carried voting rights during the period.

<b>Equity Funds</b>	<b>BNY Mellon Global Equity Fund</b>	<b>Morant Wright Fuji Yield Japanese Fund</b>	<b>FSSA All China Fund</b>
Total meetings eligible to vote	757.0	59	84
Total resolutions eligible to vote	9,759	756	778
Of resolutions eligible to vote, % of resolutions voted on	96%	100%	100%
Of voted resolutions, % vote with management	86%	88%	94%
Of voted resolutions, % vote against management	14%	12%	6%
Of voted resolutions, % abstained	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	12%	N/A	8%

### Note:

- Schrodgers Investment Management (when exercising voting rights for the BNY Mellon fund) use Glass Lewis “GL” for proxy voting services and receive ISS’s Benchmark research. Alongside ISS’s research, Schrodgers receives recommendations from GL in line with their own bespoke guidelines. This is complemented with analysis by their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
- Morant Wright do not subscribe to any shareholder advisory services, and their portfolio managers are directly responsible for proxy voting decisions.
- FSSA uses Glass Lewis as their proxy voting advisor.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of “Abstain” is also considered a vote against management.

<i>Alternative Funds</i>	<b>Lumyna Marshall Wace - TOPS (Market Neutral) Fund</b>	<b>Lumyna Marshall Wace - TOPS Environmental Focus (Market Neutral) Fund</b>	<b>North Rock Fund</b>
Total meetings eligible to vote	<i>Data not provided</i>	<i>Data not provided</i>	351
Total resolutions eligible to vote	6390	2536	<i>Data not provided</i>
Of resolutions eligible to vote, % of resolutions voted on	98%	97%	100%
Of voted resolutions, % vote with management	74%	58%	100%
Of voted resolutions, % vote against management	12%	8%	0%
Of voted resolutions, % abstained	13%	32%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	9%	6%	0%

**Note:**

- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Lumyna Marshall Wace and North Rock use Glass Lewis for proxy voting services. JP Morgan uses ISS for proxy voting services. BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team (BIS).
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of “Abstain” is also considered a vote against management.
- North Rock voted all resolutions with management or with the recommendations of the proxy advisory service.

**The Trustee is satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities determined during the Scheme Year, hence the Trustee believes that it has satisfactorily implemented the Stewardship Policy stated in the Scheme’s SIP.**

## Appendix 1 – ESG, Voting and Engagement Policies

Links to the voting and responsible investment policies for both the Fiduciary Manager and Underlying Investment Managers of the Scheme’s actively managed holdings can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	<a href="https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf">https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf</a> <a href="https://www.schroders.com/en/global/intermediary/what-we-do/sustainable-investing/active-ownership/our-engagement-blueprint/">https://www.schroders.com/en/global/intermediary/what-we-do/sustainable-investing/active-ownership/our-engagement-blueprint/</a>
Morant Wright	<a href="https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf">https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf</a>
FSSA	<a href="https://www.fssaim.com/uk/en/private/sustainability/our-approach-to-sustainability.html">https://www.fssaim.com/uk/en/private/sustainability/our-approach-to-sustainability.html</a>
Redwheel	<a href="https://www.redwheel.com/uk/en/institutional/?kurtosys_download=12113">https://www.redwheel.com/uk/en/institutional/?kurtosys_download=12113</a>
Lumyna Marshall Wace	<a href="https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf">https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf</a>
JP Morgan	<a href="https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf">https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf</a> <a href="#">Engagement-and-proxy-voting-statement.pdf</a>
T Rowe Price	<a href="https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf">https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf</a>
Oaktree	<a href="https://www.oaktreecapital.com/docs/default-source/default-document-library/esg-policy-2024.pdf">https://www.oaktreecapital.com/docs/default-source/default-document-library/esg-policy-2024.pdf</a>
Neuberger Berman	<a href="https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0&amp;name=Stewardship%20and%20Engagement%20Policy">https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0&amp;name=Stewardship%20and%20Engagement%20Policy</a>