

Implementation Statement, covering the Scheme Year from 1 January 2024 to 31 Decmeber 2024 (the “Scheme Year”)

The Trustee of the Societe Generale UK Defined Benefit Pension Scheme (the “Scheme”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by 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 Trustee has 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 voting and engagement policies in the SIP were reviewed and updated during the Scheme Year (with the SIP finalised in May 2024) to reflect the following changes:

1. The additional investment beliefs the Trustee approved at the March 2024 Trustee meeting. With regards to voting and engagement policy, the Trustee formally adopted the following beliefs:
 - ESG and climate related factors should be integrated, with other risks and opportunities, in our manager’s investment processes and decisions.
 - We are a responsible investor and expect our appointed asset managers to engage with companies in which we invest to manage the Scheme’s risks and improve investment outcomes. We also expect our appointed investment managers to engage with a wider range of parties on relevant issues such as policy and regulation.
2. The agreed update to the Trustee’s stewardship priorities. The Trustee’s stewardship priorities are now:
 - Climate Change
 - Biodiversity
 - Corporate governance which includes but is not limited to issues such as:
 - Respecting the law and applicable regulations
 - Prevent and condemn bribery, corruption and fraudulent behaviour
 - Paying fair and appropriate levels of tax, not actively pursuing tax avoidance measures
 - Clear accountability and responsibility for decision making and oversight
 - Clear, fair and complete reporting
 - Corporate social responsibility which includes but is not limited to issues such as:
 - Actively work against discriminatory or other exploitative behaviour, including collusion and anti-competitive activity
 - Treating employees fairly (e.g. health and safety, human rights, avoiding modern slavery)
 - Considering and working to improve biodiversity, ensuring the resilience of the Earth’s stock of natural capital and securing its future.
 - Human Rights issues as defined by the United Nations’ (UN) global frameworks
 - Diversity, Equality and Inclusion

As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed the Scheme's voting and engagement policies during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are:

- [LGIM voting and engagement policies](#)
- [Ruffer voting and engagement policies](#)

However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with managers and escalating as necessary.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

The Trustee regularly invites the Scheme's investment managers to present at Trustee meetings, seeing each manager approximately once yearly. Over the Scheme Year, the Trustee met with LGIM, BlackRock and Ruffer to discuss the Scheme's investments and voting and engagement.

In addition, the Committee reviews and discusses quarterly reports from the Scheme's investment adviser summarising its view on the managers' engagement activities across a range of current issues (including business ethics, climate change and net zero).

At the Trustee meeting on 21 March 2024 the Trustee reviewed its investment beliefs. It was concluded that the existing investment beliefs remain appropriate overall. Some additional beliefs were adopted to reflect the consideration the Trustee expects its managers to have with regards to ESG and climate related factors when making investment decisions, and its expectations that managers should actively engage with a range of parties to manage investment risk.

Additionally, at the Trustee meeting on 21 March 2024 the Trustee reviewed its stewardship priorities. The following changes were made: biodiversity was added as a distinct priority to reflect the financially material risks associated with nature and ecosystem loss; "Business Ethics" was split into the categories of corporate governance and corporate social responsibility.

The Trustee has set a Net Zero Ambition to help mitigate climate risk. It aims to align the Scheme's assets with net zero greenhouse gas emissions by 2050 through selecting managers, and investing in funds, with credible net zero targets.

The Trustee is 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 Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors managers' voting and engagement behaviour on an annual basis and challenges managers where their activity has not been in line with the Trustee's expectations.

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

- LGIM World Emerging Market Equity Index Fund (part of the Scheme's emerging market multi-asset portfolio);
- Ruffer Total Return Fund

3.1 Description of the voting processes

Ruffer LLP:

In response to the Trustee's questions, Ruffer provided the following wording to describe its voting practices.

What is your policy on consulting with clients before voting?

Ruffer, as a discretionary investment manager, does not have a formal policy on consulting with clients before voting. However, it can accommodate client voting instructions for specific areas of concerns or companies where feasible.

Please provide an overview of your process for deciding how to vote.

Research Analysts are responsible for reviewing the relevant issues case by case and exercising their judgement based on their in-depth knowledge of the company, and are supported by the RI team. Ruffer looks to discuss with companies any relevant or material issue that may impact its investment. From time to time, Ruffer asks for additional information or an explanation to inform its voting decisions. For non-contentious votes, with no disagreement between its voting intention and management and Institutional Shareholder Services (ISS) recommendations, approval is required by any two non-connected Directors from the investment and client and distribution teams.

How, if at all, have you made use of proxy services over the year to 31 December 2024?

Ruffer's proxy voting advisor is ISS.

Ruffer has developed its own internal voting guidelines, however it takes into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer is cognisant of proxy advisers' voting recommendations, it does not delegate or outsource its stewardship activities when deciding how to vote on its clients' shares.

Each research analyst, supported by their responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.

As discussed above, Ruffer does use ISS as an input into decisions. In the 12 months to 31 December 2024, of the votes in relation to holdings in the Ruffer Total Return Fund it voted against the recommendation of ISS 4.53% of the time.

What process did you follow for determining the "most significant" votes?

Ruffer has defined 'significant votes' as those that Ruffer thinks will be of particular interest to its clients. In most cases, these are when they form part of continuing engagement with the company and/or Ruffer has held a discussion between members of the research, portfolio management and responsible investment teams to make a voting decision following differences between the recommendations of the company, ISS and its internal voting guidelines.

Legal and General Investment Management:

In response to the Trustee's questions, Legal and General Investment Management ("LGIM") provided the following wording to describe its voting practices.

What is your policy on consulting with clients before voting?

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas, seeking to achieve the best outcome for all its clients. The manager's voting policies are reviewed annually and take into account feedback from its clients.

Every year, LGIM 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 LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM also takes into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Please provide an overview of your process for deciding how to vote.

All decisions are made by LGIM's Investment Stewardship team and in accordance with its 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 LGIM's 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.

How, if at all, have you made use of proxy services over the year to 31 December 2024?

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 it does not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment its 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 it receives from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with LGIM's position on ESG, LGIM has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM considers are minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice.

LGIM retains the ability in all markets to override any vote decisions, which are based on its 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 LGIM to apply a qualitative overlay to its voting judgement. The manager has strict monitoring controls to ensure that votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

What process did you follow for determining the "most significant" votes?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure it continues to help its clients in fulfilling their reporting obligations. LGIM also believes public transparency of vote activity is critical for clients and interested parties to hold it to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what it deemed were 'material votes'. LGIM is evolving its approach in line with the new regulation and is committed to provide its clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This 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 event, or where it notes 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.

LGIM provides information on significant votes in the format of detailed case studies in its quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. LGIM also provides the rationale for all votes cast against management, including votes of support to shareholder resolutions.

3.2 Summary of voting behaviour

A summary of voting behaviour over the Scheme Year is provided in the table below.

	Fund 1	Fund 2
Manager name	Ruffer LLP	LGIM
Fund name	Ruffer Total Return Fund	World Emerging Markets Equity Index Fund
Total size of fund at end of the Scheme Year	£1,699.2m	£2,863.3m
Value of Scheme assets at end of the Scheme Year (£)	£18.9m	£7.2m
Number of equity holdings at end of the Scheme Year	115	1,802
Number of meetings eligible to vote	65	4,437
Number of resolutions eligible to vote	1,051	35,559
% of resolutions voted	100.00%	99.92%
Of the resolutions on which voted, % voted with management	96.74%	80.44%
Of the resolutions on which voted, % voted against management	3.17%	17.56%
Of the resolutions on which voted, % abstained from voting	0.09%	2.00%
Of the meetings in which the manager voted, % with at least one vote against management	29.23%	51.59%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	4.53%	6.38%

9.3 Most significant votes

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below.

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 Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use the PLSA's criteria² for creating this shortlist. By informing its managers of its stewardship priorities and through its regular interactions with the managers, the Trustee believes that its managers will understand how it expects them to vote on issues for the companies they invest in on its behalf.

The Trustee has interpreted "significant votes" to mean those that:

- align with the Trustee's stewardship priorities;
- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;

² [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.

- 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;
- are shareholder resolutions which received material support;
- the subject of the resolution aligned with the investment manager's engagement priorities or key themes; and/or
- the Scheme or the sponsoring company may have a particular interest in.

The Trustee has reported on three of these significant votes per fund only as the most significant votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

Ruffer Total Return Fund

Bank of America, 24 April 2024

- **Summary of resolution:** Energy transition
- **Relevant stewardship priority:** Climate Change
- **Approximate size of the holding at the date of the vote:** 0.14%
- **Why this vote is considered to be most significant:** Ruffer defines this as a significant vote as was a shareholder resolution. The Trustee considers this vote to be most significant because it relates to climate change stewardship priority.
- **Company management recommendation:** Against resolution. **Fund manager vote:** Against resolution.
- **Rationale:** Among the several shareholder proposals on the slate at the 2024 AGM, Ruffer voted against ISS recommendation and in line with management for the request of a report on clean energy supply financing ratio. This was because Ruffer believes Bank of America is committed to its Net Zero targets and provides much of the necessary data to support this. While Ruffer supports enhanced disclosures more broadly, the proponent's required ratio is already available via a third-party (Bloomberg). Hence, in support of greater uniformity within the responsible investing space, Ruffer feels a vote against this proposal was the best option rather than company itself calculating this ratio with a possibly varying methodology.
- **Was the vote communicated to the company ahead of time:** No
- **Outcome of the vote and next steps:** This resolution failed. Ruffer will continue to monitor the company.

Amazon, 22 May 2024

- **Summary of resolution:** DEI
- **Relevant stewardship priority:** Corporate social responsibility
- **Approximate size of the holding at the date of the vote:** 0.48%
- **Why this vote is considered to be most significant:** Ruffer defines this as a significant vote as was a shareholder resolution. The Trustee considers this vote to be most significant because it relates to its corporate social responsibility stewardship priority.
- **Company management recommendation:** For resolution. **Fund manager vote:** Against resolution.
- **Rationale:** Ruffer voted in favour of a shareholder proposal requesting a report on median pay gaps across race and gender. Such reporting is mandatory in regions including the United Kingdom and Ruffer supports the request for this data to be published across all jurisdictions. For its U.S. workforce, Amazon uses an "equal pay for equal work" statistic in which the company defines what it considers to be an "equal job." The company's disclosure of a pay equity statistic and its diversity and inclusion efforts provide shareholders with some visibility into how well the company is addressing the underrepresentation of women and underrepresented minorities at senior levels. However, Amazon has recently faced lawsuits and fines concerning its hiring and pay practices. Publishing the pay gap statistic could increase accountability for diversity efforts and would provide shareholders with useful information about how effectively management is assessing and mitigating risks that may arise from inequitable worker treatment. Therefore, Ruffer is proposing to vote in favour of this vote and against management's recommendation.
- **Was the vote communicated to the company ahead of the vote:** No

Outcome of the vote and next steps: This resolution failed. Ruffer will continue to monitor the company and may seek to engage if no progress is seen.

Glencore, 29 May 2024

- **Summary of resolution:** Energy transition (nb. Management resolution)
- **Relevant stewardship priority:** Climate Change.
- **Approximate size of the holding at the date of the vote:** 0.29%
- **Why this vote is considered to be most significant:** Ruffer defines this as a significant vote as was a management-proposed climate resolution. The Trustee considers this vote to be most significant because it relates to its climate change stewardship priority.
- **Company management recommendation:** For resolution. **Fund manager vote:** For resolution.
- **Rationale:** Ruffer elected to approve Glencore's 2024-2026 Climate Action Transition Plan. Ruffer considers the plan to overall represent an improvement on the prior report, while acknowledging the uncertainty regarding the acquisition of Elk Valley Resources and removal of the previously stated production cap. Although the plan may be subject to criticism for the choice of the baseline year and, arguably, insufficient disclosure on internal carbon price used for capital budgeting, Glencore has provided sufficient explanations as to why it has made certain decisions. For example, by stating the IEA NZE scenario is "increasingly unrealistic" while positioning Glencore's reduction targets ahead of both the IEA Stated Policies Scenario and the Announced Pledges Scenario, is helpful to shareholders as it suggests Glencore is aligning with the Paris Goals.
- **Was the vote communicated to the company ahead of the vote:** No.
- **Outcome of the vote and next steps:** This resolution passed. Ruffer supported managements' climate action transition plan cognisant of the fact Glencore is seeking to acquire Elk Valley Resources (metallurgical coal) and then split itself into 2 separate entities: transition metals and minerals, and the coal business. Ruffer awaits completion of this transaction before determining next steps.

LGIM World Emerging Markets Equity Index Fund

Tencent Holdings Limited, 14 May 2024

- **Summary of resolution:** Elect Charles St Leger Searle as Director
- **Relevant stewardship priority:** Climate Change and corporate governance
- **Approximate size of the holding at the date of the vote:** 3.88%
- **Why this vote is considered to be most significant:** LGIM 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. More information on LGIM's Climate Impact Pledge can be found here: <https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/>. The Trustee considers this vote to be most significant because it relates to its climate change and corporate governance stewardship priorities.
- **Company management recommendation:** For resolution. **Fund manager vote:** Against resolution.
- **Rationale:** Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.
- **Was the vote communicated to the company ahead of the vote:** No.
- **Outcome of the vote and next steps:** This resolution passed. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Alibaba Group Holding Limited, 22 August 2024

- **Summary of resolution:** Elect Director Irene Yun-Lien Lee

- **Relevant stewardship priority:** Corporate governance and corporate social responsibility
- **Approximate size of the holding at the date of the vote:** 2.28%
- **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. The Trustee considers this vote to be most significant because it relates to corporate governance and corporate social responsibility stewardship priorities.
- **Company management recommendation:** For resolution. **Fund manager vote:** Against resolution.
- **Rationale:** A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis. Diversity: A vote against is applied as LGIM expects a company to at least one-third women on the board. Board mandates: A vote against is applied because LGIM has concerns regarding the time commitment required to manage all board positions and how this may impact their ability to remain informed and effectively contribute to board discussions.
- **Was the vote communicated to the company ahead of the vote:** No.
- **Outcome of the vote and next steps:** This resolution passed. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

PDD Holdings Inc., 20 December 2024

- **Summary of resolution:** Elect Director George Yong-Boon Yeo
- **Relevant stewardship priority:** Corporate social responsibility
- **Approximate size of the holding at the date of the vote:** 0.90%
- **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. The Trustee considers this vote to be most significant because it relates to its corporate social responsibility stewardship priority.
- **Company management recommendation:** For resolution. **Fund manager vote:** Against resolution.
- **Rationale:** A vote against is applied as LGIM expects a company to have at least one-third of women on the board.
- **Was the vote communicated to the company ahead of the vote:** No.
- **Outcome of the vote and next steps:** This resolution passed. LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.