

Implementation Statement

Introduction

This document is the annual Implementation Statement prepared by the Trustee of the Thames Water Pension Scheme (the "Scheme") covering the Scheme year to 31 March 2025. The Scheme is a defined benefit pension scheme, which provides defined contribution benefits only in respect of Additional Voluntary Contributions.

The purpose of this Implementation Statement is to:

- set out how and the extent to which, in the opinion of the Trustee, the engagement policy under the Scheme's Statement of Investment Principles ("SIP") has been followed during the year; and
- describe the voting behaviour by, or on behalf of, the Trustee over the year.

A copy of this Implementation Statement, alongside the Scheme's SIP, will be made available on the following website: <https://www.myworkpension.co.uk>.

Review of, and changes to the SIP

The SIP was last revised in November 2024 to incorporate the following changes:

- a reduction in the target return for the Scheme to gilts+1.0%
- removal of references to the LGIM All World Equity Index Fund since the Scheme fully disinvested from that fund
- removal of references to the 'Internal Inflation Mechanism' following its cessation in the last Actuarial Valuation.
- updating the benchmark names in respect of the Legal and General Cash Fund and for a number of AVC funds.

Adherence to the SIP

Overall, the Trustee believes the voting and engagement policies outlined in the SIP have been adhered to during the Scheme year.

Review of SIP policies

Policy	Has the policy been followed?	Evidence
<p>The Investment Sub-Committee (“ISC”) (and separately the Trustee) receive sufficient training, from the relevant advisers, on an ongoing basis in respect of climate-related risks and opportunities.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Over the Scheme year the Trustee received training on Taskforce on Climate-Related Financial Disclosures (“TCFD”) updates, metrics and targets, and stewardship. The Trustee agreed to adopt an ‘engagement tracker’ to improve engagement with managers.</p>
<p>Monitor, where possible, funding and investment risks quarterly, including climate risks.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>At quarterly ISC meetings, the Trustee receives detailed monitoring reports which provide analysis of risk metrics such as Value-at-Risk, and a range of stress test scenarios, including climate risk scenarios.</p>
<p>The Trustee expects that the extent to which social, environmental, or ethical issues may have a fundamental impact on the portfolio will be taken into account by the investment managers in the exercise of their delegated duties.</p> <p>The Trustee carries out its stewardship through oversight and challenge of its investment managers.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>At each quarterly ISC meeting, an investment manager attends to provide an update on the performance and outlook for each Fund, including detail on the manager’s stewardship considerations. The ISC has the opportunity to question investment managers on their approaches to environmental, social, and ethical issues which might have a material impact on the portfolio. Throughout the scheme year, the ISC met with Fulcrum and Ruffer.</p>

Trustee's engagement and voting policy

The Trustee has delegated all day-to-day decisions about the investments to its investment managers. This includes consideration of all financially material factors and other relevant matters including the Environmental, Social and Governance ("ESG") impact of the underlying holdings.

The Trustee expects that the extent to which ESG issues may have a fundamental impact on the portfolio will be taken into account by the investment managers in the exercise of their delegated duties. The Trustee monitors this for each of the managers when monitoring manager performance and when meeting with managers for annual reviews. The investment consultant also monitors and reports on the extent to which ESG issues are factored into the investment process as part of ongoing manager monitoring.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to their investment managers while recognising their fiduciary and regulatory responsibility to retain agency in the process. It encourages the managers to discharge their responsibilities in respect of investee companies in accordance with the Stewardship Code published by the Financial Reporting Council. The Trustee monitors the activities of their managers on a regular basis but appreciates that its applicability may be limited for certain asset classes.

When selecting investment managers, the Trustee, with support from the Scheme's investment consultant, considers the strength of the manager's approach to sustainable investment including ESG integration, voting and engagement within the constraints of the particular mandate. When the investment consultant conducts research on an investment manager, ESG is one of ten key categories on which the manager is rated. This factors in both quantitative and qualitative reviews of the investment manager's integration of ESG and approach to managing ESG risks in the portfolio (e.g., whether the manager negatively screens out assets with exposure to certain industries, such as fossil fuels or nuclear weapons and/or whether the manager actively engages with the underlying assets to improve their ESG profile). Quantitative analysis includes evaluating ESG ratings scored by third parties such as: MSCI, Sustainalytics, ThomsonReuters.

Trustee's Stewardship Policy

This policy sets out how the Trustee practices effective stewardship as part of its fiduciary duty to act in the best financial interests of the Scheme's members. The Trustee understands good stewardship to be the responsible allocation, management, and oversight of capital to create sustainable value for the Scheme.

To best channel stewardship efforts, the Trustee selected key themes of focus in March 2023. The key themes have been selected by assessing their relevance to the Scheme and its members, the financially material risks that they pose, and the maturity and development of thinking within the industry that allows for ease of integration into the Trustee's approach. The themes of the sponsor were also considered when selecting the themes for the Scheme. The key themes selected are:

- Climate Change, and
- Biodiversity

In recognition of the DWP's updated guidance in 2022, in March 2023 the Trustee clearly defined and set out their expectations and process, as related to engagement and voting, which has been considered this Scheme year. These are summarised below.

Engagement: Expectations and process

The Trustee expects investment managers to engage with issuers to maintain or enhance the long-term value of investments and limit negative externalities on the planet and society. Investment managers are encouraged to prioritise stewardship opportunities and apply the most suitable/influential engagement strategies based on their in-depth knowledge of a given asset class, sector, geography and/or specific company or other asset.

Investment managers are expected to have robust ESG, climate change, and stewardship policies and processes in place, which are used to define how underlying companies are monitored and engaged with, how progress is measured, and when escalation is required. The Trustee intends to challenge the Scheme's investment managers when their engagements are not sufficiently focused on decision-makers such as management or board.

Voting: Expectations and process

Although the Trustee has delegated voting rights for equity holdings within the Scheme's pooled funds to the investment managers themselves, the Trustee recognises their fiduciary and regulatory responsibility to retain agency in the process. Investment manager oversight is the key mechanism for this, and the Trustee therefore holds the Scheme's investment managers accountable not only for voting activity as a whole, but also how they have voted in significant votes. Under the DWP's Guidance, it is the Trustee's responsibility to define the significance of votes placed on its behalf, and to be transparent with stakeholders and beneficiaries regarding outcomes. In the Scheme's Stewardship Policy, voting criteria has been defined by the Trustee and is used to inform the Trustee's monitoring of managers; In particular, significant votes have been defined as votes which meet one or more of the following criteria:

- Votes relating to one of the Trustee's key stewardship themes;
- Votes relating to an issuer to which the Scheme has a large absolute level of exposure;
- Votes which may be inconsistent between investment managers; and
- Votes identified due to potential controversy, driven by the size and public significance of a company, the nature of the resolution, and the weight of shareholder vote against management recommendation.

The votes set out in Appendix B have been selected due to relating to one or more of the points above.

Implementing the stewardship policy

Periodically, the Trustee's investment consultant conducts a qualitative assessment of the investment managers' ESG, engagement and voting policies based on their responses to a number of questions. These assessments are comprised of an annual [Sustainable Investment survey](#) and meetings with the investment managers rated by the investment consultant. These typically take place between June – September each year. The Trustee remains comfortable with the managers' approach to sustainable investing, recognising the limitations of certain managers due to the constraints of their mandates.

The Trustee receives regular updates from the investment consultant on the investment managers' performance and whether there have been any changes to the investment managers' research ratings. This is discussed at investment committee meetings together with whether the managers are performing in line with the Scheme's objectives. The Trustee aims to periodically meet with the investment managers to discuss relevant matters including sustainable investment. The Trustee (via the ISC) meets with the Scheme's managers on a quarterly basis. The manager's approach to ESG, engagement, and voting form part of these meetings.

When assessing and selecting investment managers, the Trustee will focus on the specific application of their key stewardship themes. The Trustee will look to select significant votes based upon their own criteria, as set out in the Scheme's SIP. The votes set out in this Implementation Statement have been selected due to either relating to the Scheme's significant holdings, or for relating to the Trustee's key themes of climate change and biodiversity, in line with the Trustee's definition of a significant vote.

Appendix A – Examples of manager engagement over the reporting year

References to “we”, “us” and “our” in these sections refer to the relevant investment manager, rather than the Trustee.

Fulcrum

Fulcrum focuses their engagement efforts on climate change-related topics as this is an area of focus for the Firm. They approach engagement in two ways: by directly engaging with companies and by participating in collective engagement efforts. They regularly meet with companies as part of their research process, and they raise ESG topics and their concerns, particularly around climate change. Below is an engagement example that Fulcrum has undertaken over the year to 31 March 2025.

Company: Glencore

Trustee’s Key Theme the Engagement Relates to: Climate Change

Details of Engagement: Glencore was on our priority list of engagements. We believe the mining giant has the potential to diverge from sustainability improvements, particularly an accelerated exit from coal. We have expressed publicly reservations around aspects of the company’s strategy, including by voting against several directors and the company’s climate transition plan. In 2023, we pre-declared our support for a shareholder proposal calling for clarity on the climate alignment of the company’s coal assets.

Outcome of Engagement: In Q4 2023, the company announced it will be spinning off its coal division, and it will be updating its climate strategy, following a high proportion of dissenting investor votes at their AGM earlier in the year. At the time we reviewed this as a “successful” engagement. However, the company decided to abandon plans to spin off its coal unit, following discussions with its shareholder base who pushed back against the proposed move. As a result of the company not meeting our objective, we removed Glencore from our focused engagement policy in July 2024.

Ruffer

Ruffer believe that investor engagement is an effective tool to achieve meaningful change and they are committed to engaging with companies in which their clients’ assets are invested on a wide range of topics. Below is an engagement example provided by Ruffer.

Company: Exxon Mobil

Trustee’s Key Theme the Engagement Relates to: Climate Change

Details of Engagement: Ruffer had a meeting with Investor Relations and Corporate Strategic Planning Executive on Greenhouse Gases. The aim was to push Exxon to set more stretching Scope 1 and Scope 2 emission reduction targets. The other objective was to gain insight into Exxon’s entry into lithium carbonate mining and production, and its activities in biofuels, carbon capture, utilisation and storage (CCUS) and plastic recycling.

Outcome of Engagement: In Exxon’s 2024 Advancing Climate Solutions report, the company shows good progress towards its stated 2030 Scope 1 and Scope 2 greenhouse gas (GHG) intensity targets. Exxon defended its targets, arguing that, with the potential or actual acquisitions of Pioneer Natural Resources and Denbury, integration should be completed before refining organisational targets. However, for the Pioneer assets, Exxon confirmed it had brought forward the ambition to achieve Net Zero Scope 1 and Scope 2 GHG emissions by 2050 to 2035.

In terms of energy transition, ExxonMobil anticipates the proportion of primary energy supply sourced from electrons will rise. Exxon is electrifying its own activities, where economic to do so, but the company is staunch in leveraging its competitive advantages and corporate knowledge in the molecules business. Its low carbon transition strategy includes reforming plastics, building out biofuels (including sustainable aviation fuel), expanding CCUS and, most recently, its intention to supply lithium carbonate for the manufacture of electric vehicles.

LGIM

Below are two examples of engagement provided by LGIM.

Company: Unilever

Trustee's Key Theme the Engagement Relates to: Biodiversity

Details of Engagement: LGIM engaged with the company to encourage it to transition away from single-use (fossil-fuel-based) plastics. A circular economy is a way of using resources that minimises waste, pollution and environmental impacts and aims to decouple economic activity from the consumption of finite resources. Transitioning to a circular economy entails rethinking how products are designed, produced and discarded, with a view to optimising resource loops across the value chain. This is a key area of our work on nature change, particularly on natural resource use and pollution. While circular economy covers a broad range of topics, plastic pollution is a matter of global concern due to the increasing amount of marine plastic waste, which is harming ecosystems. As a responsible investor, LGIM commits to engage with investee companies to manage their product lifecycles sustainably, to limit the amount of raw material used, as well as waste and the negative impact on pollution and nature.

Outcome of Engagement: This collaborative engagement is still at an early stage, having begun in 2023. By meeting with Unilever we were able to learn more about some of the steps they have been taking, including revisions made to their goals regarding plastics which reflect developments in technology and innovation. Nevertheless, we would like to see specific progress on our objectives as the engagement continues.

Company: Chinese Resources Building Materials Technology Holdings Ltd

Trustee's Key Theme the Engagement Relates to: Climate Change

Details of Engagement: In 2024, we continued to meet the company and build our relationship with them. While the company remains on our Climate Impact Pledge divestment list, through direct engagement, we are able to gain a clearer understanding of the hurdles they face in meeting our minimum expectations. The backdrop of the announcement of the country's 15th Five Year Plan and national policy developments have the potential to support companies in building credible and ambitious climate transition strategies.

Outcome of Engagement: We are pleased that the company responded in 2023 to our escalation methods and requests for engagement and that they have continued to form a productive dialogue with us. We acknowledge the progress the company has made towards their decarbonization targets in areas such as operational emissions, alternative energy sources, and carbon capture and utilisation and storage. While our objectives have not yet been met, we believe that policy developments should provide further incentive for the company and the industry to decarbonise.

LDI Manager

The engagement that an LDI manager can have with companies is limited, as it does not directly invest in them. However, the manager still engages with relevant stakeholders with the aim of exerting influence. They engage with a wide range of market participants on ESG issues, including existing and potential counterparty banks, the Bank of England, the Debt Management Office, governments, and clearing houses. An engagement example has been provided below.

Entity: UK Treasury

Trustee's Key Theme the Engagement Relates to: Future gilt issuance

Details of Engagement: As a fixed income fund manager specialising in gilts, our team had the opportunity to meet with the Economic Secretary to the UK Treasury to discuss gilt issuance for the new year. This meeting allowed us to provide input based on our market and client experience on potential gilt demand which aided the UK Treasury in understanding the types of gilts that would best serve the UK government's funding needs. During the meeting, we contributed valuable insights and recommendations on the optimal types of gilts to issue. Actions included sharing an in-depth analysis of the current market conditions, economic outlook, and investor demand for different gilt maturities and coupon structures. We presented a comprehensive assessment of the potential benefits and risks associated with various gilt issuance options including green gilts. We highlighted the importance of market liquidity, investor appetite, and the government's funding requirements when determining the appropriate gilt issuance strategy.

Outcome of the Engagement: The government gained a deeper understanding of the implications and trade-offs associated with different types of gilts. Our recommendations helped inform the government's decision-making process, ensuring that the gilt issuance strategy aligned with market dynamics and investor demand. By providing expert input, we contributed to the government's efforts to optimise its funding strategy and manage its debt obligations effectively.

Oak Hill (OHA)

At Oak Hill, investment professionals across seniority levels play an active role in the credit consideration process, including the assessment of ESG factors. The assessment of ESG factors begins at the research analyst level and continues with discussions with the senior research team and portfolio managers. OHA focuses on the financially material ESG factors that underpin a company's creditworthiness, utilizing consistent resources to inform determination and analysis of these factors. Below is an engagement example provided by OHA:

Company: TK Elevator

Trustee's Key Theme the Engagement Relates to: Climate Change

Details of Engagement: OHA had a call with the team at TKE to discuss their progress toward decarbonization goals, product efficiency, human capital and universal design and accessibility. The TKE reported emissions for the first time in 2020 and has set net zero ambitions.

Outcome of Engagement: We covered a key growth driver for the company which is universal design and accessibility as the aging population creates opportunity for design improvements, more accessibility and retrofitting.

KKR

Below is an engagement example provided by KKR:

Company: Family-owned franchisee operating over 800 restaurants with more than \$1bn in revenue.

Trustee's Key Theme the Engagement Relates to: Governance

Details of Engagement: KKR Credit's underwriting process highlighted the family's 25-year track record of successfully operating one of the leading fast food restaurant brands. However, in Q4 2021, the company defaulted on its credit agreement by making a cash distribution that significantly exceeded its restricted payments capacity. KKR and other lenders formed an Ad Hoc group and engaged legal counsel to negotiate a resolution to the company's default.

Outcome of Engagement: During the engagement, additional diligence revealed deficiencies in the company's governance and control mechanisms, which undermined lenders' confidence in the management's ability to operate according to syndicated market standards. Consequently, the Ad Hoc group encouraged the company to seek alternative financing sources in the private markets, leading to the eventual refinancing of the term loan at par.

H.I.G. WhiteHorse

The Trustee has received some engagement examples from H.I.G, however due to the private nature of the investments, the manager has asked for these not to be shared publicly, H.I.G instead highlighted:

As a direct lending strategy, H.I.G. WhiteHorse takes a collaborative approach to partnering with Sponsors and their portfolio companies. The WhiteHorse team remains deeply involved through an active monitoring approach. We require formal borrower reporting, which typically includes a requirement to report material governance issues. All transactions that are closed are assigned senior, mid-level and junior coverage - and financial performance, business trends, and industry news is closely monitored in order to understand how risk has changed/evolved since the original close. Our goal is to identify potential issues before they become problematic, and work directly with the relevant parties to a resolution.

Appendix B – Summary of voting over the year

References to “we”, “us” and “our” in these sections refer to the relevant investment manager, rather than the Trustee.

The Scheme’s equity-only investments are managed by Legal & General Investment Management (LGIM) via a pooled fund on an index-tracking basis. The Trustee believes they have a strong engagement process.

The Scheme’s Diversified Growth Fund (“DGF”) managers (Fulcrum and Ruffer) also hold some equity investments as part of their wider pooled fund multi-asset portfolios.

A summary of the voting on behalf of the Scheme over the year to 31 March 2025 is provided in the table below:

Year to 31 March 2025	LGIM	Fulcrum	Ruffer
Asset allocation weight 31.03.2025	0%*	9.4%	9.0%
Asset value 31.03.2025	£0*	£93.4m	£90.1m
Number of votes eligible	44,185	13,983	1,134
% of votes exercised	99.8%	100.0%	100.0%
% of votes with management	81.2%	83.3%	96.9%
% of votes against management	18.25%	15.7%	3.0%
% of votes abstained from	0.6%	1.0%	0.1%
% of votes contrary to the proxy adviser recommendation	10.13%	7.2%	4.3%

*Redeemed in Q4 2024

Each manager provided us with a selection of votes, which have been chosen under the criteria the Trustee considers to be ‘most significant’. A sample of those significant votes are shown below.

LGIM – Future World Global Equity Index Fund			
	Vote 1	Vote 2	Vote 3
Company	Alphabet	The Goldman Sachs Group, Inc.	Unilever Plc
Date of Vote	7 th June 2024	24 th April 2024	1 st May 2024
Approximate size of fund’s holding	1.08%	0.29%	0.20%

Summary	Resolution 1d – Elect Director John L. Hennessy	Resolution 8 – Report on Clean Energy Supply Financing Ratio	Resolution 4 – Approve Climate Transition Action Plan
How LGIM voted	Against	For	For
Did LGIM communicate their intent ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. LGIM expects a company to have at least one-third women on the board and the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background.	A vote in favour of this proposal is applied. We believe that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green'. LGIM expects the company to be undertaking appropriate analysis and reporting on climate change matters, as we consider this issue to be a material risk to companies.	A vote in favour for the Climate Transition Action Plan is applied as we understand it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, we 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. We therefore remain supportive of the net zero trajectory of the company at this stage.
Outcome of Vote	Pass	Fail	Pass
Implications of outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
On which criteria has the Trustee assessed this vote to be most significant	The Trustee deems this vote significant as it relates to one of the significant holdings in the fund.	This vote is deemed significant as it relates to climate change, one of the Trustee's stewardship themes.	This vote is deemed significant as it relates to climate change, one of the Trustee's stewardship themes.

Fulcrum – Diversified Absolute Return Fund			
	Vote 1	Vote 2	Vote 3
Company	Mitsubishi UFJ Financial Group, Inc.	Amazon.com, Inc	Travelers Companies Inc.
Date of Vote	21 st June 2024	18 th May 2024	11 th May 2024
Approximate size of fund's holding	<1%	<1%	<1%
Summary	Report on Customers' Climate Change Transition Plans	Report on Plastic Packaging	Disclosure of GHG Emissions
How Fulcrum voted	For	For	For
Did Fulcrum communicate their intent ahead of the vote?	No		
Rationale for the voting decision	<p>Glass Lewis *the proxy) recommended that we vote AGAINST the proposal as the company's existing reporting sufficiently addresses the issues raised by the proponent and it is not convincing that the level of detail apparently expected by the proponent would meaningfully add to shareholders' understanding of how the company is approaching this matter - goals, actions and impacts of its climate transition planning.</p> <p>While the Company claims to assess the transition status of clients in high-emitting sectors by confirming 1.5°C aligned interim targets, governance, and emissions performance, it continues to provide significant financial support to fossil fuel clients that do not have transition plans credibly aligned with the Paris</p>	<p>The proposal requests that the Board issue a report, at reasonable expense and excluding proprietary information, describing how the Company could reduce its plastics footprint by committing to make all packaging curbside recyclable, reusable, or compostable. The report should also describe setting goals for overall plastic packaging reduction in alignment with the findings of the Pew Report, or other authoritative sources, to significantly reduce ocean plastic pollution.</p> <p>Glass Lewis believes that the Company has taken significant actions and provided substantial disclosure concerning minimizing its plastic footprint, its improvements to the sustainability of its packaging, and its recycling initiatives. Therefore, they recommended that we vote AGAINST the resolution.</p>	<p>The proposal requests that the Company measure and disclose GHG emissions associated with its underwriting and insuring activities in high-carbon sectors, including oil and gas.</p> <p>Glass Lewis recommend that we vote AGAINST the resolution. They note that the Company discloses its Scope 1, 2, and 3 from travel and provides reporting aligned with the recommendations of the TCFD. It also maintains a commitment to become carbon neutral across its owned operations by 2030. Glass Lewis share that the Company's concern with regard to a lack of standardisation in measuring the Company's Scope 3 emissions. Ultimately, it is Glass Lewis' view that the proponent has not sufficiently demonstrated how the Company's existing</p>

	<p>Agreement's 1.5°C target.</p> <p>We agree with the proponents that the disclosures requested in this proposal are required to ensure the Company adequately enacts its stated risk control measures and aligns with its commitment to reduce finance portfolio emissions to net zero by 2050. These disclosures are in line with shareholder expectations and will help maintain and enhance the Company's long-term corporate value.</p> <p>Therefore, we voted FOR the proposal.</p>	<p>We believe the proponent, that without immediate and sustained new commitments to make packaging recyclable, reusable, or compostable and to reduce overall plastic use annual flows of plastics into oceans could nearly triple by 2040. The Pew Report also concludes that plastic demand should be reduced by at least one-third to cut ocean plastic pollution by 80% by 2040 and that reducing plastic production is the most attractive solution from environmental, economic, and social perspective. The Company has disclosed how much plastic it uses to ship orders but does not disclose how much plastic packaging it uses overall. The competitors have adopted goals to make plastic packaging recyclable, reusable, or compostable by 2025, while the Company has not.</p> <p>Therefore, we voted FOR the proposal.</p>	<p>practices threatens shareholder value.</p> <p>We support the proponent that while the Company has developed coal and tar sands policies limiting underwriting and investing in those segments, it has not made a similar commitment in other climate-critical business segments such as oil and gas. Rather than align its insuring, underwriting, and investing activities with the global Paris goal, the Company amplifies its GHG emissions by continuing to invest in and insure high-carbon activities. Of the 16 largest U.S. property and casualty insurers, the Company is the fourth largest investor in fossil fuel-related assets. The Company lags its peers in addressing climate change, as some of its peers have set net zero goals for their insured and financed emissions, while others have disclosed their insurance-associated emissions.</p> <p>Therefore, we voted FOR the resolution.</p>
Outcome of Vote	Against	Against	Against
Implications of outcome	Fulcrum would likely vote in a similar way if they were to vote again on this resolution.		
On which criteria has the Trustee assessed this vote to be most significant	This vote is deemed significant as it relates to climate change.	This vote is deemed significant as it relates to biodiversity.	This vote is deemed significant as it relates to climate change.

Ruffer – Absolute Return Fund			
	Vote 1	Vote 2	Vote 3
Company	Amazon	Deere & Co	Bank of America
Date of Vote	22 nd May 2024	26 th February 2025	24 th April 2024
Approximate size of fund’s holding	0.57%	0.28%	0.15%
Summary	Disclosure of Greenhouse Gas Emissions	Workforce diversity and inclusion	Report on Clean Energy Supply Financing Ratio
How Ruffer voted	For (management recommended against)	Against (management recommended against)	Against (management recommended against)
Did Ruffer communicate their intent ahead of the vote?	Did not communicate vote with the company or more broadly ahead of the vote.	Did not communicate vote with the company or more broadly ahead of the vote.	Did not communicate vote with the company or more broadly ahead of the vote, but did vote with management.
Rationale for the voting decision	<p>We voted in favour of a shareholder proposal requesting disclosure of all material scope 3 GHG emissions. Amazon currently only discloses scope 3 emissions for its own brand products while peers, such as Walmart and Target, disclose scope 3 emissions for all product sales. We support the request for better disclosure around scope 3 emissions and believe this is the first step towards setting meaningful targets to reduce carbon emissions.</p>	<p>We chose to vote against a shareholder resolution requesting a report on the statistical differences in hiring across race and gender at Deere & Co. We find Deere’s disclosure related to its workforce (which includes three calendar years of comprehensive metrics), coupled with its array of policies related to its respect for human rights (including Code of Business Conduct, Supplier Code of Conduct, Dealer Code of Conduct, and John Deere’s Support of Human Rights in Our Business Practices), signal there is little to be gained from additional reporting. Comparing Deere's diversity in race and ethnicity relative to the US Census suggest there are marginal differences which may reflect the global footprint of its business. Further, in the company's hiring and development,</p>	<p>Among the several shareholder proposals on the slate at the 2024 AGM, we voted against ISS recommendation and in line with management for the request of a report on clean energy supply financing ratio. This was because we believe Bank of America is committed to its Net Zero targets and provides much of the necessary data to support this. While we support 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, we feel a vote against this proposal was the best option rather than company itself calculating this ratio with a possibly varying methodology.</p>

		Deere aims to attract and hire the best talent to innovate and solve our customers' biggest challenges.	
Outcome of Vote	Fail	Fail	Fail
Implications of outcome	Ruffer will continue to monitor the company and may seek to engage if no progress is seen.	Ruffer will continue to monitor the company and may seek to engage if no progress is seen.	Ruffer will continue to monitor the company and may seek to engage if no progress is seen.
On which criteria has the Trustee assessed this vote to be most significant	The Trustee deems this vote significant as it relates to climate change and it relates to one of the managers significant holdings in the fund.	The Trustee deems this vote significant as it relates to one of the managers significant holdings in the fund.	The Trustee deems this vote significant as it relates to climate change.

Voting information on the Scheme's loan and debt investment managers (H.I.G., Schrodgers, KKR and Oak Hill) is not provided above as these assets do not come with voting rights.

Additional Voluntary Contributions (AVCs)

The Scheme provides a facility for members to pay additional voluntary contributions ("AVCs") to enhance their benefits at retirement with the value of their defined contribution account accumulated from the AVCs. The Trustee reviews the Scheme's AVC arrangements regularly, including an annual performance review.

As the Scheme's AVCs are invested in a bundled contract with Scottish Widows, and the investment funds are predominantly passively managed in pooled funds, the Trustee has limited ability for direct interaction with the underlying investment managers chosen by Scottish Widows - LGIM, BlackRock and Scottish Widows.

In common with its wider investment policy, the Trustee delegates responsibility for the selection, retention, and realisation of AVC investments to the underlying investment managers. The AVC arrangements are predominantly passive funds which do not explicitly take account of ESG considerations in the selection, retention, and realisation of investments. The Trustee will, however, continue to consider ESG as part of their ongoing review of the AVC strategy.