

# Implementation Statement

## The Keepmoat Pension Plan

### Purpose of this statement

This Implementation Statement has been produced by the Trustee of The Keepmoat Pension Plan ("the Plan") to set out the following information over the year to 5 April 2025:

- How the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- The voting activity undertaken by the Plan's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.
- A summary of any changes to the Plan's Statement of Investment Principles ("SIP") over the period.
- A description of how the Trustee's policies, included in their SIP, have been followed over the year.

The voting behaviour is not given over the Plan year end to 5 April 2025 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2025.

### Investment manager and funds in use

The Plan's funds are invested via Legal and General Asset Management ("L&G"). The investment funds used for the Plan as at 5 April 2025 are set out in the table below.

The Trustee offers a default strategy for the Plan. Details of the default strategy offered by the Trustee can be found in the SIP which is available online. The SIP in force as of the date of this Statement was last updated in December 2023.

<https://www.keepmoat.com/keepmoat-pension-plan>

Investment manager	Fund
L&G	Global Equity Fixed Weights (50:50) Index Fund
	Dynamic Diversified Fund
	All Stocks Index-Linked Gilts Index Fund
	Investment Grade Corporate Bond – All Stocks – Index Fund
	Cash Fund

The Plan also invests in the Schroders Cash Fund. This Schroders investment is a legacy asset and not earmarked to any particular members. This Fund has therefore been excluded from consideration in this statement on the grounds of materiality.

### Stewardship policy

The Trustee's SIP in force at 5 April 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities.

The Trustee's policy on the exercise of rights (including voting rights) and engagement activities as follows:

*"The Trustee expects investment managers to be voting and engaging on behalf of the Plan's holdings and the Trustee monitors this activity within the Implementation Statement in the Plan's Annual Report and Accounts. The Trustee does not expect ESG considerations to be disregarded by the investment manager in an effort to achieve any short term targets."*

Elsewhere in the SIP, the Trustee acknowledges that when investing in a market-cap index, there is little that the manager can do to allow for ESG considerations within the investment process of selecting stocks. However, the Trustee believes that positive engagement on ESG issues can lead to improved risk-adjusted returns. Therefore, the Trustee looks to the investment manager to positively engage with companies where there is scope to improve the way ESG issues are taken into account when running the company. The Trustee monitors the investment manager regarding the above through this Implementation Statement.

The Trustee, supported by research from Barnett Waddingham, considers L&G to be market leading in its approach to ESG engagement with investee companies. In particular, L&G continue to demonstrate that thought and consideration has been given to the issues that will affect their investments, and there is a consistency in how they engage with the companies in which they invest. There is a wealth of information on L&G's stewardship approach available at <https://www.lgim.com/uk/en/capabilities/investment-stewardship/> and the Trustee regularly reviews the performance of L&G in this regard.

The Trustee has decided not to set stewardship priorities for the Plan because the Trustee, alongside Keepmoat, the Company, are considering the Plan's future pension provision.

## How voting and engagement/stewardship policies have been followed

Based on the information provided by the Plan's investment managers, and actions taken during the year, the Trustee believes that its policies on voting and engagement/stewardship have been met in the following ways:

- The Plan invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers. Details of these voting and engagement activities are provided in the remainder of this statement.
- During the year, the Trustee received advice from their investment consultants on the appropriateness of the Plan's investments moving forward. The Trustee acknowledged that there could be further integration of ESG factors in the Plan's default investment strategy. However, given the move to Master Trust in 2025/26, the Trustee acknowledges that there is limited benefit in further integrating ESG factors in the Plan.
- The Trustee has received advice from their investment consultant that the Master Trust provider the Plan is expected to move too in 2025/26 has a strong approach to responsible investment, engagement, and stewardship, and ESG risks are appropriately considered in the new default strategy being offered to Plan members.

## How the SIP has been followed over the year

There was no change to the Trustee's SIP or the stewardship and engagement policies during the year under review.

In the Trustee's opinion, the SIP has been followed over the year in the following ways:

- The Plan offers a suitable default strategy for members, in line with objectives stated in the SIP. The strategy was reviewed, in conjunction with Keepmoat, the Company, during the year and changes are being implemented in 2025/26 with a move to Master Trust.
- The Plan offers a range of self-select fund options which give members a reasonable choice from which to select their own strategy. The self-select fund range was reviewed, in conjunction with Keepmoat, the Company, during the year and changes to the range are being implemented in 2025/26 with a move to Master Trust.
- The Trustee monitors the performance of the manager funds quarterly at each Trustee meeting to ensure that the funds are meeting their stated objectives. The Trustee's investment consultant and investment managers provide reports to review, which assess performance against stated objectives.
- The Trustee has made no new manager appointments over the year.
- The Trustee has reviewed their manager arrangements regarding fees as part of the annual Value for Members assessment, and through the decision to move to Master Trust, which the Trustee believes will offer better value for members.

**Prepared by the Trustees of The Keepmoat Pension Plan  
July 2025**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's portfolio on behalf of the Trustee over the year to 31 March 2025.

The L&G All Stocks Index-Linked Gilts Index Fund, L&G Investment Grade Corporate Bond All Stocks Index Fund and L&G Cash Fund have no voting rights given the nature of the mandate holdings, so voting information for these assets have not been shown.

Manager	L&G	
Fund name	Global Equity Fixed Weights (50:50) Index Fund	Dynamic Diversified Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	
No. of eligible meetings	2,981	10,106
No. of eligible votes	37,792	102,057
% of resolutions voted	99.8%	99.8%
% of resolutions voted with management*	81.8%	76.7%
% of resolutions voted against management*	18.0%	22.5%
% of resolutions abstained*	0.3%	0.8%
% of meetings voted against management at least once	69.0%	70.9%
% of resolutions voted against proxy voter recommendation	13.0%	14.0%

Source: L&G

\*As a percentage of the total number of resolutions voted on. These may not sum due to rounding.

## Proxy voting

A proxy advisor is a company that advises how owners of shares should vote on resolutions at shareholder meetings and, where applicable, the proxy advisor can also vote on behalf of the owners of the shares. This section of the Implementation Statement sets out how each of the Plan's applicable investment managers use a proxy advisor.

L&G employ the use of Institutional Shareholder Services ("ISS") as their proxy voting advisor to electronically vote all shares. All voting decisions are made by L&G and they do not outsource any part of the strategic voting decisions. To ensure that ISS vote in accordance with L&G's ESG policies, there has been a custom voting policy put in place.

## Significant votes

As mentioned before, the Trustee has not set stewardship priorities for the Plan. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee has not developed a specific voting policy.

In determining significant votes, L&G's investment stewardship team takes into account the criteria provided by the Pensions UK. This guidance dictates significant votes include, but are not limited to:

- A 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 L&G's Stakeholder roundtable event, or where L&G note there has been a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- A vote linked to an L&G engagement campaign.

L&G have provided numerous votes which they believe to be significant. In the absence of agreed stewardship priorities, the Trustee has selected three votes from each fund, that cover a range of themes. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown. The votes for L&G Dynamic Diversified Fund were selected such that they are not repeated with the votes shown for the L&G Global Equity Fixed Weights (50:50) Index Fund.

If you would like to review further significant votes this information can be found online [here](#).

A summary of the significant votes are provided overleaf.

## L&G Global Equity Fixed Weights (50:50) Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Shell Plc	London Stock Exchange	Amazon
<b>Date of vote</b>	21 May 2024	25 April 2024	22 May 2024
<b>Approximate size of company's holding as at the date of the vote (as % of portfolio)</b>	3.9%	0.9%	0.6%
<b>Summary of the resolution</b>	Approve the Shell Energy Transition Strategy	Approve Remuneration Policy	Report on Customer Due Diligence
<b>How the manager voted</b>	L&G voted against the resolution	L&G voted for the resolution	L&G voted for the resolution
<b>Did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicate their vote instructions in monthly regional vote reports on their website, with the rationale for all votes against management, where applicable. It is their policy not to engage with their investee companies in the three weeks prior to an Annual General Meeting ("AGM") as their engagement is not limited to shareholder meeting topics.		
<b>Rationale for the voting decision</b>	L&G voted against as they expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050 in light of the revisions made to the Net Carbon Intensity ("NCI") targets and the company's ambition to grow its gas and liquified natural gas business this decade.	L&G's support of the remuneration policy for Mr Schwimmer is in recognition of his leadership in driving the company's performance, as well as acknowledging the competitive talent market in which the company operates. The voting decision follows from productive consultation with the company that resulted in improvements to the proposals initially discussed.	L&G voted for as they believe that enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.
<b>Outcome of the vote</b>	Passed	Passed	Outcome not provided
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	L&G consider this vote to be significant as they voted against the transition plan, as they believe plans should be credibly aligned to Paris goals.	L&G consider this vote to be significant as they overrode their custom vote policy on the basis of the engagement that they had with the company.	L&G consider this vote to be significant as it was deemed to be high profile.

Source: L&G

## L&G Dynamic Diversified Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft	Unilever	Nestle
<b>Date of vote</b>	10 December 2024	01 May 2024	18 April 2024
<b>Approximate size of company's holding as at the date of the vote (as % of portfolio)</b>	0.5%	0.3%	0.2%
<b>Summary of the resolution</b>	Report on AI Data Sourcing Accountability	Approve Climate Transition Action Plan	Report on Non-Financial Matters Regarding Sales of Healthier and Less Healthy Foods
<b>How the manager voted</b>	L&G voted for the resolution	L&G voted for the resolution	L&G voted for the resolution
<b>Did the manager communicate their intent to the company ahead of the vote?</b>	L&G publicly communicate their vote instructions in monthly regional vote reports on their website, with the rationale for all votes against management, where applicable. 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.		
<b>Rationale for the voting decision</b>	L&G voted for as 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 artificial intelligence ("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.	L&G supported the transition plan as they understand it to meet L&G's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 greenhouse gasses emissions and short, medium and long-term emissions reduction targets consistent with the Paris goal.	L&G voted for as they call for more effective targets to increase the availability of healthier food choices for consumers. There is a clear link between poor diets and chronic health conditions such as obesity, heart disease and diabetes. These in turn may lead to increased healthcare costs and decreased productivity, both of which L&G believe will have negative impacts on the economy.
<b>Outcome of the vote</b>	Failed	Passed	Outcome not provided
<b>Implications of the outcome</b>	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
<b>Criteria on which the vote is considered "significant"</b>	L&G consider this vote to be significant due to the relatively high level of support received.	L&G consider this vote to be significant as they expect transition plans put forward by companies to be aligned to Paris goals. A vote for was therefore appropriate for this plan, in contrast to the plan put forward by Shell, as shown on the previous page.	L&G consider this vote to be significant as they believe that nutrition is an important topic for investors because it has a significant impact on the health and well-being of individuals, communities and societies.

Source: L&G

## Engagement data

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by L&G during the year for the relevant funds.

Manager	L&G
<b>Fund name</b>	Global Equity Fixed Weights (50:50) Index Fund Dynamic Diversified Fund All Stocks Index-Linked Gilts Index Fund Investment Grade Corporate Bond – All Stocks – Index Fund Cash Fund
<b>Does the manager perform engagement on behalf of the holdings of the funds?</b>	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes
<b>Number of engagements undertaken at a firm level in the year</b>	4,459
<b>Number of entities engaged with at a firm level in the year</b>	4,210
<b>Key engagement topics</b>	<p>The key engagement topics at a firm level over the year to 31 March 2025 included:</p> <ul style="list-style-type: none"> <li>• Health</li> <li>• Income inequality</li> <li>• Climate change</li> <li>• Privacy</li> <li>• Data security and transparency</li> </ul>

Source: L&G

## Example of firm level engagement activity undertaken over the year to 5 April 2025

### L&G | Pemex – Environmental

As one of the largest oil and gas companies by refining capacity, with significant production of crude oil and natural gas, Petroleos Mexicanos (“Pemex”) is a company that L&G believe is critical in Mexico’s energy security and has a significant influence, particularly in South America, over the decarbonisation of the oil and gas industry and the realisation of financial opportunities from the energy transition.

L&G have been a contributing investor to the Climate Action 100+ engagements with Pemex since 2023. In helping to establish a productive dialogue between the company and its investors, L&G encouraged the company to take a number of steps towards clear disclosures, oversight of climate risk at board level, and the setting of ambitious but achievable climate targets.

Following successive engagements, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure, allocation of capital towards achieving climate goals, and addressing methane emissions within their operations. L&G believe that this demonstrates a positive commitment regarding emissions reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks.

Source: L&G – Q1 2025 | ESG impact report