

LEE BEESLEY DERITEND PENSION SCHEME

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Financial Year Ending 5 April 2024

Introduction

This statement sets out how, and the extent to which, the stewardship policy and related policies on environmental, social and governance (“ESG”) factors and climate change set out in the Statement of Investment Principles (‘SIP’) have been followed during the year to 5 April 2024. This statement has been produced in accordance with The Pension Protection Plan (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2018, as amended, and the guidance published by the Pensions Regulator.

Trustee Investment Objective

The Trustee believes it is important to consider the policies in place in the context of the investment objectives it has set.

As set out in the SIP, the Trustee’s primary investment objective is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

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

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

Investment Strategy

The investment strategy of the Scheme as at 5 April 2023 was split 32% Diversified Growth, 10% Equity, 10% Multi Asset Credit, 6% Property (split 3% Pooled Property Fund / 3% Freehold Property), 7% Real LDI, 13% Nominal LDI and 22% Equity-Linked Gilts.

Statement of Investment Principles

The Scheme’s SIP was last updated in September 2020. The Scheme’s SIP is in the process of being reviewed following the review of the Scheme’s investment strategy. The changes made to the Statement reflected the regulatory requirements that were introduced aimed at strengthening Trustee’s investment duties in relation to ESG and stewardship and arrangements with their investment Managers.

Policy on ESG, Stewardship and Climate Change

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

There were no updates to the Scheme's SIP over the year ending 5 April 2024 and the SIP dated September 2020 which applied over the Scheme Year.

The Scheme's SIP includes the Trustee's policies on ESG factors, stewardship and Climate Change.

The policies were last reviewed in September 2020 and in the process of being reviewed as part of the review of the Scheme's investment strategy. The Trustee keeps its policies under regular review with the SIP subject to review at least triennially.

Scheme's Investment Structure

The Scheme's only investment (excluding the Freehold Property) is a Trustee Investment Policy (TIP) with Mobius Life Limited (Mobius). Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers.

As such, the Trustee has no direct relationship with the Scheme's underlying investments managers, but have the responsibility of monitoring the pooled funds, in conjunction with advice received from their investment advisor, Mercer.

Trustee Engagement

In the relevant year, the Trustee has not engaged with Mobius or the underlying pooled investment managers on matters pertaining to ESG, stewardship or climate change.

Investment performance reports are provided to the Trustee from Mercer on a quarterly basis and include ESG specific ratings (derived by Mercer). This enables the Trustee to determine whether further action should be taken in respect of specific funds. The Trustee is satisfied that Mercer's ESG scores for the Fund's managers are satisfactory.

The Trustee continues to work with Mercer, to consider actions that can be taken to engage with their investment managers going forward.

Information on the investment managers' approach to responsible investment, voting (including significant votes) and engagement with the investee companies is available at the following websites:

BlackRock:

<https://www.blackrock.com/corporate/sustainability>

Columbia Threadneedle:

<https://www.columbiathreadneedle.co.uk/en/intm/about-us/responsible-investment/>

Pictet:

<https://www.pictet.com/uk/en/responsible-vision/responsible-investing>

Ninety One:

<https://ninetyone.com/en/united-kingdom/sustainability>

Legal & General:

https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-uk-corporate-governance-and-responsible-investment-policy.pdf

All the Scheme's investment managers are signatories of the UK Stewardship Code as follows:

Manager	Signatory since
BlackRock	2021
Columbia Threadneedle	2022
Pictet	2022
Ninety One	2021
Legal & General	2021

Source: FRC website

Taking all the above into consideration, the Trustee is satisfied that Responsible Investment is central to the investment managers' approaches to investing.

Voting Activity

The Scheme has no direct relationship with the pooled funds it is ultimately invested in, and therefore no voting rights in relation to the Scheme's investments. The Trustee has therefore effectively delegated its voting rights to the managers of the funds the Scheme's investments are ultimately invested in.

Over the Scheme year, the Trustee has not been asked to vote on any specific matters and have therefore not cast any votes.

The DWP released a set of Engagement Policy Implementation Statement requirements on 17 June 2022, "Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance" to be adopted in all Engagement Policy Implementation Statements for schemes with years on or after 1 October 2022. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote".

- A significant vote is defined as one that is linked to the Scheme's stewardship priorities/themes;

- A vote could also be significant for other reasons, e.g. due to the size of holding;
- Trustee is to include details on why a vote is considered significant and rationale for voting decision.

The Trustee has identified that climate change, human rights and diversity, equity and inclusion are their most important stewardship priorities. The significant votes shown in this statement relate to this.

Appendix 1 sets out a summary of the key voting activity over the financial year of the pooled funds in which the Scheme's assets are ultimately invested for which voting is possible (i.e., those funds which include equity holdings).

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

The Appendix shows those significant votes supplied by the investment manager which the Trustee determine to be a significant vote – ie those that are in relation to climate change, human rights and diversity, equity and inclusion. Given the number of significant votes supplied, the Trustees have applied a size filter on grounds of materiality and only considered votes to be significant if in relation to a company that constitutes 1.00% or more of the diversified growth funds and 1.50% or more for the L&G Life KY World Equity Index Fund.

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

Assessment of how the Engagement Policies in the SIP have been followed for the year to 5 April 2024

The Trustee is satisfied that the Engagement Policies set out in the SIP, which have been in place over the year has been followed.

Appendix 1 – Voting Activity

The table below sets out a summary of the key voting activity over the financial year:

Manager / Fund	Proxy voter used?	Votes cast			Most significant votes (description)	Significant votes
		Votes in total	Votes against management endorsement	Abstentions		
Columbia Threadneedle Multi Asset Fund	<p>ISS – to take recommendations and vote via ISS.</p> <p>Glass Lewis & Co. – recommendations only.</p> <p>IVIS – recommendations only.</p>	6,702 resolutions eligible for (98.8% cast)	11.6% of votes cast	1.6% of votes cast	<p>Significant votes are selected based on one or more of the following criteria:</p> <ul style="list-style-type: none"> • Materiality of issues and the impact on shareholder value • Votes against the recommendation of the Board • Value/size of the shareholding relative to the total portfolio • The materiality of the vote to engagement outcomes • Size of holdings in the company 	<p>Amazon.com, Inc.</p> <p>Shareholder Resolution - Report on Impact of Climate Change Strategy Consistent With Just Transition Guidelines</p> <p>Date of vote: 24 May 2023</p> <p>Size of holding: 1.10% of portfolio</p> <p>Voting: For Resolution</p> <p>Manager Rationale: “Shareholders would benefit from more disclosure on whether and how the company considers human capital management and community relations issues related to the transition to a low-carbon economy as part of its climate strategy.”</p> <p>Was this communicated to company ahead of vote: No</p> <p>Vote Outcome: Resolution failed</p> <p>Next steps: Active stewardship (engagement and voting) continues to form an integral part of CT’s research and investment process.</p> <p>Amazon.com, Inc.</p> <p>Shareholder Resolution - Report on Median and Adjusted Gender/Racial Pay Gaps</p>

Date of vote: 24 May 2023

Size of holding: 1.10% of portfolio

Voting: For Resolution

Manager Rationale: "The proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Next steps: Active stewardship (engagement and voting) continues to form an integral part of CT's research and investment process.

Amazon.com, Inc.

Shareholder Resolution - Report on Customer Due Diligence

Date of vote: 24 May 2023

Size of holding: 1.10% of portfolio

Voting: For Resolution

Manager Rationale: "The company faces risks related to human rights in its global operations. Good practice includes developing a clear human rights policy or code of practice, along with a narrative on how impacts are monitored and effectively mitigated."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Next steps: Active stewardship (engagement and voting) continues to form an integral part of CT's research and investment process.

Amazon.com, Inc.

Shareholder Resolution - Commission Third Party Study and Report on Risks Associated with Use of Rekognition

Date of vote: 24 May 2023

Size of holding: 1.10% of portfolio

Voting: For Resolution

Manager Rationale: "The company faces risks related to human rights in its global operations. Good practice includes developing a clear human rights policy or code of practice, along with a narrative on how impacts are monitored and effectively mitigated."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Next steps: Active stewardship (engagement and voting) continues to form an integral part of CT's research and investment process.

Amazon.com, Inc.

Shareholder Resolution - Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining

Date of vote: 24 May 2023

Size of holding: 1.10% of portfolio

Voting: For Resolution

						<p>Manager Rationale: “Shareholders would benefit from increased disclosure through a third-party assessment of the company’s commitment to its freedom of association policies and practices to provide assurance regarding the company’s claims.”</p> <p>Was this communicated to company ahead of vote: No</p> <p>Vote Outcome: Resolution failed</p> <p>Next steps: Active stewardship (engagement and voting) continues to form an integral part of CT’s research and investment process.</p>
<p>Pictet Multi Asset Portfolio</p>	<p>ISS - for voting execution and recommendations</p>	<p>316 eligible for (100% cast)</p>	<p>7.0% of votes cast</p>	<p>0.0% of votes cast</p>	<p>A vote is significant due to the subject matter of the vote, for example a vote against management, if the company is one of the largest holdings in the portfolio, and/or they hold an important stake in the company.</p>	<p>Apple Inc.</p> <p>Shareholder Resolution - Report on Median Gender/Racial Pay Gap</p> <p>Date of vote: February 2024</p> <p>Size of holding: 1.89% of portfolio</p> <p>Voting: For Resolution</p> <p>Manager Rationale: “A vote FOR this proposal is warranted, as median pay gap statistics would allow shareholders to better compare and measure the progress of the company’s diversity and inclusion initiatives.”</p> <p>Was this communicated to company ahead of vote: No</p> <p>Vote Outcome: Resolution failed</p> <p>Next steps: Pictet noted the outcome of the vote. Where they believe the subject of the vote could present a material concern from an ESG perspective, they will continue to monitor and engage with the company, and are doing so in this case. If warranted, they</p>

will consider actions as part of their escalation strategy, including future voting decisions.

Apple Inc.
Shareholder Resolution - Report on Use of Artificial Intelligence

Date of vote: February 2024

Size of holding: 1.89% of portfolio

Voting: For Resolution

Manager Rationale: "A vote FOR this proposal is warranted. The company's lack of disclosure regarding AI limits shareholders' ability to evaluate the risks associated with the use of AI or the actions the company is potentially taking to mitigate those risks. Improved transparency and the disclosure of an ethical guideline may alleviate shareholder concerns."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Next steps: Pictet noted the outcome of the vote. Where they believe the subject of the vote could present a material concern from an ESG perspective, they will continue to monitor and engage with the company, and are doing so in this case. If warranted, they will consider actions as part of their escalation strategy, including future voting decisions.

Microsoft

Shareholder Resolution - Report on Risks of Weapons Development

Date of vote: December 2023

Size of holding: 2.00% of portfolio

Voting: For Resolution

Manager Rationale: "A vote FOR this resolution is warranted as shareholders would benefit from the requested report by allowing them to better understand Microsoft's management and oversight of risks related to weapons development."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Next steps: Pictet noted the outcome of the vote. Where we believe the subject of the vote could present a material concern from an ESG perspective, we will continue to monitor and engage with the company, and are doing so in this case. If warranted, we will consider actions as part of our escalation strategy, including future voting decisions.

Microsoft

Shareholder Resolution - Report on Climate Risk in Retirement Plan Options

Date of vote: December 2023

Size of holding: 2.00% of portfolio

Voting: For Resolution

Manager Rationale: "A vote FOR this resolution is warranted. While the company offers an option to employees that want to invest more responsibly, it is unclear how well employees understand the retirement plans available to them. The information requested in the report would not only complement and enhance the company's

existing commitments regarding climate change, but also allow shareholders to better evaluate the company's strategies and management of related risks."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Next steps: Pictet noted the outcome of the vote. Where they believe the subject of the vote could present a material concern from an ESG perspective, they will continue to monitor and engage with the company, and are doing so in this case. If warranted, they will consider actions as part of their escalation strategy, including future voting decisions.

Microsoft

Shareholder Resolution - Report on Risks of Operating in Countries with Significant Human Rights Concerns

Date of vote: December 2023

Size of holding: 2.00% of portfolio

Voting: For Resolution

Manager Rationale: "A vote FOR this proposal is warranted. Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Next steps: Pictet noted the outcome of the vote. Where they believe the subject of the vote could present a material concern from

an ESG perspective, they will continue to monitor and engage with the company, and are doing so in this case. If warranted, they will consider actions as part of their escalation strategy, including future voting decisions.

Microsoft

Shareholder Resolution - Report on Risks Related to AI Generated Misinformation and Disinformation

Date of vote: December 2023

Size of holding: 2.00% of portfolio

Voting: For Resolution

Manager Rationale: "A vote FOR this proposal is warranted. Increased disclosure and greater transparency regarding risks related to misinformation and disinformation, including from generative AI, would benefit shareholders on its potential business impacts and how the company is managing these risks."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Next steps: Pictet noted the outcome of the vote. Where they believe the subject of the vote could present a material concern from an ESG perspective, they will continue to monitor and engage with the company, and are doing so in this case. If warranted, they will consider actions as part of their escalation strategy, including future voting decisions.

Ninety One Diversified Growth	ISS – to produce custom research reports. Reports include vote recommendations (not instructions).	992 resolutions eligible for (99.8% cast)	7.5% of votes cast	0.0% of votes cast	Ninety One describes these as votes with significant client, media or political interest, material holdings, those of a thematic nature (i.e., climate change) and significant corporate transactions that have a material impact on future company performance.	<p>Schneider Electric SE</p> <p>Shareholder Resolution - Approve Company's Climate Transition Plan</p> <p>Date of vote: 4 May 2023</p> <p>Size of holding: 1.20%</p> <p>Voting: For</p> <p>Manager Rationale: "A vote FOR is warranted as the company has set targets by 2030 and 2050 to achieve Net-Zero on a 1.5C trajectory validated by SBTi with intermediary checkpoints and as the disclosure framework and content are in line with market practices."</p> <p>Was this communicated to company ahead of vote: Aligned to management</p> <p>Vote Outcome: Resolution approved</p> <p>Iberdrola SA</p> <p>Shareholder Resolution - Advisory Vote on Remuneration Report</p> <p>Date of vote: 28 April 2023</p> <p>Size of holding: 1.80%</p> <p>Voting: Against</p> <p>Manager Rationale: "There is inconsistency of compensation peer group (includes industrial companies) and relative performance peer group (only EU Utes Stoxx index)."</p> <p>Was this communicated to company ahead of vote: Aligned to management</p> <p>Vote Outcome: Resolution approved</p>
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Microsoft Corporation

Shareholder Resolution - Report on Gender-Based Compensation and Benefits Inequities

Date of vote: 7 December 2023

Size of holding: 1.35%

Voting: Against

Manager Rationale: "MSFT already provides significant support to women employees that decide to raise their children and they have sufficient disclosure as it relates to pay gaps across"

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Microsoft Corporation

Shareholder Resolution - Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy

Date of vote: 7 December 2023

Size of holding: 1.35%

Voting: Against

Manager Rationale: "They already have a policy in place to ensure diversity and prohibits discrimination. There is not sufficient rationale to support."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Microsoft Corporation

Shareholder Resolution - Report on Risks of Weapons Development

Date of vote: 7 December 2023

Size of holding: 1.35%

Voting: Against

Manager Rationale: "Already provide adequate information and have clear principles and due diligence as it relates to human rights and AI. Believe shareholders are able to assess the impact of their products and services on the military."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Microsoft Corporation

Shareholder Resolution - Report on Climate Risk in Retirement Plan Options

Date of vote: 7 December 2023

Size of holding: 1.35%

Voting: Against

Manager Rationale: "The board is not responsible for the management of retirement plan."

Was this communicated to company ahead of vote: No

Vote Outcome: Resolution failed

Microsoft Corporation

Shareholder Resolution - Report on Risks of Operating in Countries with Significant Human Rights Concerns

Date of vote: 7 December 2023

						<p>Size of holding: 1.35%</p> <p>Voting: For</p> <p>Manager Rationale: "A vote FOR this proposal is warranted. Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries."</p> <p>Was this communicated to company ahead of vote: No</p> <p>Vote Outcome: Resolution failed</p>
<p>L&G Life KY World Equity Index Fund — GBP Currency Hedged</p>	<p>IVIS – for research purposes.</p> <p>ISS – for research purposes.</p>	<p>37,017 resolutions eligible for (99.9% cast)</p>	<p>20.8% of votes cast</p>	<p>0.1% of votes cast</p>	<p>Significant votes are determined using the PLSA criteria, these include but is not limited to votes of high profile where there is a degree of controversy, there is significant client interest or the vote is linked to an LGIM engagement campaign.</p>	<p>Apple Inc.</p> <p>Shareholder Resolution - Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy</p> <p>Date of vote: 28 February 2024</p> <p>Size of holding: 4.21% of portfolio</p> <p>Voting: Against</p> <p>Manager Rationale: "A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and nondiscrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice."</p> <p>Was this communicated to company ahead of vote: No</p> <p>Vote Outcome: Resolution failed</p> <p>Next steps: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>

Amazon.com, Inc.

Shareholder Resolution - Report on Median and Adjusted Gender/Racial Pay Gaps

Date of vote: 24 May 2023

Size of holding: 1.63% of portfolio

Voting: For

Manager Rationale: “A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company’s diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.”

Was this communicated to company ahead of vote: “LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.”

Vote Outcome: Resolution Failed

Next steps: LGIM will continue to engage with the company and monitor progress.

NVIDIA Corporation

Shareholder Resolution - Elect Director Stephen C. Neal

Date of vote: 22 June 2023

Size of holding: 1.56% of portfolio

Voting: Against

Manager Rationale: "A vote against is applied as LGIM expects a company to have at least one-third women on the board. Average board tenure: 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."

Was this communicated to company ahead of vote: No

Vote Outcome: n/a

Next steps: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Notes: ISS = Institutional Shareholder Services Inc.
IVIS = Institutional Voting Information Service
The information in the table has been provided by the investment managers for the year ending 31 March 2024.