

**ITF Retirement Benefits Scheme
Implementation Statement
Year Ending 31 December 2024**

Glossary

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|--------------------|--|
| ESG | Environmental, Social and Governance |
| Investment Adviser | First Actuarial LLP |
| LGIM | Legal & General Investment Management |
| Scheme | ITF Retirement Benefits Scheme |
| Scheme Year | 1 January 2024 to 31 December 2024 |
| SIP | Statement of Investment Principles |
| UNPRI | United Nations Principles for Responsible Investment |

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustees have followed their policy relating to the exercise of rights (including voting rights) attaching to the Scheme’s investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme’s investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022, as well as the expectations set out in the General Code of Practice.

Relevant investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

The Trustees' policy relating to the exercise of rights

Summary of the policy

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment Manager's own policies on such matters.
- When selecting a fund, the Trustees consider amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the policy been followed during the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- During the Scheme Year, the Trustees introduced an allocation to the Schroder Buy and Maintain Credit funds and Insight LDI funds. The Trustees considered the ESG characteristics of the fund before selecting them but, because the funds do not include an allocation to equities consideration of the exercise of voting rights was not relevant.
- During the Scheme Year, the Trustees considered the voting records of the investment Manager over the period ending 31 December 2023
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment Manager based on the period ending 31 December 2024 has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment Managers used by the Scheme are signatories to the UNPRI.

The investment Manager's voting record

A summary of the investment Manager's voting record is shown in the table below.

| Investment Manager | Number of votes | Split of votes: | | |
|--------------------|-----------------|-----------------|--------------------|-------------------------|
| | | For | Against / withheld | Did not vote/ abstained |
| LGIM | 120,000 | 76% | 23% | 1% |

Notes

These voting statistics are based on the manager's full voting record over the 12 months to 31 December 2024 rather than votes related solely to the funds held by the Scheme.

Use of proxy voting advisers

| Investment Manager | Who is their proxy voting adviser? | How is the proxy voting adviser used? |
|--------------------|------------------------------------|--|
| LGIM | ISS and IVIS | ISS and IVIS provide research and ISS administer votes. However, all voting is determined by guidelines set by LGIM. |

The investment Manager voting behaviour

The Trustees have reviewed the voting behaviour of the investment Manager by considering the following:

- broad statistics of its voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. “with management” or “against management”);
- the votes it cast in the year to 31 December 2024 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment Manager’s policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment Manager with its peers over the same period.

Further details of the approach adopted by the Trustees for assessing voting behaviour are provided in the Appendix.

The Trustees’ key observations are set out below.

Voting in significant votes

Based on information provided by the Trustees’ Investment Adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply “waved through”. In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme’s investment Manager are listed in the Appendix. In addition, the Trustees considered the investment manager’s overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of voting behaviour

The Net Zero Asset Managers initiative (“NZAM”) brings together asset managers committed to the goal of achieving net-zero greenhouse gas emissions by 2050 as per the Paris Climate Agreement. In January 2025, following announcements of some managers exiting the agreement, NZAM announced a review of their overarching policies, which is ongoing.

The Trustees have considered their investment manager’s approach to NZAM as part of this analysis.

LGIM

The Trustees note that LGIM’s voting record continues to compare very favourably with its peers. As in previous years, analysis of LGIM’s voting record identifies clear evidence that the manager is willing to vote against company directors on a broad range of issues. It is unsurprising that the manager has committed to remaining a member of NZAM, irrespective of the review’s outcome.

While LGIM have come under some criticism from the campaign group Make My Money Matter, the Trustees are satisfied that LGIM are among the most proactive on tackling climate-related proposals. Indeed, the manager has opposed several climate-related proposals based on an assessment that proposals put forward by a company’s management did not go far enough and has supported shareholder proposals designed to tackle a range of ESG issues.

Conclusion

Based on the analysis undertaken, the Trustees have no concerns regarding the voting records of LGIM.

The Trustees will keep the voting actions of the investment manager under review.

Signed: Date:

For and on behalf of the Trustees of the ITF Retirement Benefits Scheme

Significant votes

The table below records how the Scheme's investment Manager voted in the most significant votes identified by the Trustees.

| Company | Meeting Date | Proposal | Votes For (%) | Votes Against (%) | LGIM |
|--|--------------|---|---------------|-------------------|---------|
| Audit & Reporting | | | | | |
| AKER BP ASA | 30/04/2024 | Allow the Board to Determine the Auditor's Remuneration | 79 | 21 | Against |
| HAYS PLC | 20/11/2024 | Re-appoint PricewaterhouseCoopers LLP as Auditor of the Company | 80 | 20 | For |
| OCADO GROUP PLC | 29/04/2024 | Allow the Board to Determine the Auditor's Remuneration | 81 | 19 | For |
| SMISSLIFE HOLDING | 15/05/2024 | Appoint the Auditors | 80 | 19 | Against |
| TOTALENERGIE SE | 24/05/2024 | Appoint EY as the Auditors of Sustainability Reporting | 75 | 19 | For |
| Shareholder Capital & Rights | | | | | |
| FERRERO PLC | 23/05/2024 | Issue Shares with Pre-emption Rights | 30 | 70 | For |
| EVOKE PLC | 13/05/2024 | Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment | 72 | 28 | For |
| HAYS PLC | 20/11/2024 | Issue Shares with Pre-emption Rights | 74 | 26 | For |
| WIZZ AIR HOLDINGS PLC | 25/09/2024 | Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment | 75 | 25 | For |
| ENERGEAN PLC | 23/05/2024 | Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment | 76 | 24 | For |
| Pay & Remuneration | | | | | |
| AXON ENTERPRISE INC | 10/05/2024 | Advisory Vote on Executive Compensation | 50 | 49 | Against |
| ALCON AG | 08/05/2024 | Approve the Remuneration Report | 49 | 49 | Against |
| PALO ALTO NETWORKS | 10/12/2024 | Advisory Vote on Executive Compensation | 50 | 49 | Against |
| 3M COMPANY | 14/05/2024 | Advisory Vote on Executive Compensation | 45 | 54 | Against |
| COGNACRA BRANDS INC | 18/09/2024 | Advisory Vote on Executive Compensation | 45 | 55 | Against |
| Constitution of Company, Board & Advisers | | | | | |
| UBER TECHNOLOGIES INC | 06/05/2024 | Eled David I. Trujillo - Non-Executive Director | 56 | 44 | Against |
| ALEXANDRIA RE EQUITIES INC | 14/05/2024 | Eled James P. Cain - Non-Executive Director | 57 | 43 | Against |
| GIVALDAN SA | 21/03/2024 | Re-elected Tom Knutzen - Non-Executive Director | 59 | 40 | Against |
| CBCE GLOBAL MARKETS INC | 16/05/2024 | Right to Call Special Meeting | 60 | 39 | Against |
| JABIL INC | 25/01/2024 | Re-elected John C. Plant - Non-Executive Director | 61 | 39 | Against |
| Merger, Acquisition, Sales & Finance | | | | | |
| HIKMA PHARMACEUTICALS PLC | 25/04/2024 | Approval of Buyback Waiver | 56 | 43 | Against |
| HOCHTIEF MINING PLC | 13/06/2024 | Approve of the Rule 9 Waiver | 63 | 37 | Against |
| DASSAULT SYSTEMES SE | 22/05/2024 | Delegate Power to the Board to Decide One or More Demergers | 78 | 22 | Against |
| SMIRSE AG | 15/05/2024 | Authority to issue bonds with warrants and/or convertible bonds; create a conditional capital and related amendments to the articles of association | 86 | 14 | For |
| APAX GLOBAL ALPHA LIMITED | 01/05/2024 | Approve the Winding up of the Company | 11 | 89 | Against |
| Climate Related Proposals | | | | | |
| Shell plc | 21/05/2024 | Say on Climate | 73 | 21 | Against |
| REPSOL SA | 09/05/2024 | Advisory Vote on the Company's Energy Transition Strategy | 70 | 21 | Against |
| GLENCORE PLC | 29/05/2024 | Approve the Company's 2024-2026 Climate Action Transition Plan dated 20 March 2024. | 83 | 9 | Against |
| FERROVAL SA | 11/04/2024 | Say on Climate | 90 | 7 | Against |
| TOTALENERGIE SE | 24/05/2024 | Opinion on the Sustainability & Climate - Progress Report 2024 | 94 | 4 | Against |
| Other Company Proposals | | | | | |
| QUILTER PLC | 23/05/2024 | Approve Political Donations | 73 | 27 | For |
| BOUYGUES SA | 25/04/2024 | Approve the Board to Issue Equity Warrants Free of Charge During the Period of a Public Offer for the Company's Shares | 73 | 27 | Against |
| ENERGEAN PLC | 23/05/2024 | Meeting Notification-related Proposal | 78 | 22 | For |
| M ONDI PLC | 03/05/2024 | Meeting Notification-related Proposal | 85 | 15 | For |
| BAE SYSTEMS PLC | 09/05/2024 | Approve Political Donations | 87 | 13 | For |
| Governance & Other Shareholder Proposals | | | | | |
| PROLOGIS INC | 09/05/2024 | Simple Majority Voting | 50 | 50 | For |
| ABBVIE INC | 03/05/2024 | Simple Majority Voting | 49 | 51 | For |
| HUMANA INC | 18/04/2024 | Introduce Majority Voting for Director Elections | 51 | 49 | For |
| CORPAY, INC | 06/06/2024 | Introduce an Independent Chair Rule | 49 | 51 | For |
| DEXCOM INC | 22/05/2024 | Transparency in Lobbying | 51 | 48 | For |
| Environmental & Socially Focussed Shareholder Proposals | | | | | |
| AMERICAN TOWER CORPORATION | 22/05/2024 | Disclosure of Racial and Gender Pay Gaps | 49 | 51 | For |
| NETFLIX INC | 06/06/2024 | Report on Netflix's Use of Artificial Intelligence | 43 | 56 | For |
| QUEST DIAGNOSTICS INCORPORATED | 16/05/2024 | Climate Change Targets | 42 | 57 | For |
| CINTAS CORPORATION | 29/10/2024 | Political Disclosure | 39 | 60 | For |
| GENERAL MILLS INC | 24/09/2024 | Report on the use of plastic | 39 | 58 | For |

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

Methodology for determining significant votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustees believe that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustees' behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis were to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the number of Significant Votes is large. This is helpful for assessing a manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustees have not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustees are satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about a manager's voting behaviour. The Trustees have concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

Investment manager voting policies

For more information concerning the investment manager's voting policies and rationale, please visit the below link:

[LGIM](https://blog.lgim.com/categories/esg-and-long-term-themes/lgims-voting-intentions-for-2024/) – <https://blog.lgim.com/categories/esg-and-long-term-themes/lgims-voting-intentions-for-2024/>