

Ralph Trustees Limited Pension Scheme (the “Scheme”) – Implementation Statement 2024/25

1. Purpose

This Implementation Statement reports on how, and the extent to which, the policies as set out in the Scheme’s Statement of Investment Principles (“SIP”) have been complied with during the year ending 5 April 2025.

In preparing this Statement, voting and stewardship policies, conflicts of interest and engagement activity of the Scheme’s investment manager has been reviewed. This review has been conducted by the Scheme’s Investment Adviser (Quantum Advisory), on the Trustees’ behalf, and the Trustees have reviewed and approved the conclusions within this Statement.

2. Background

This Statement has been prepared by the Trustees, with the assistance of their Investment Adviser, in line with the current regulatory guidance that was in place at the Scheme year end.

3. Executive summary

Over the Scheme year:

- The Trustees reviewed and de-risked the investment strategy, which involved removing all funds with voting rights (Equity and Diversified Growth Fund).
- The Trustees’ Investment Adviser has reviewed the stewardship policies and practices of the investment manager and the voting and engagement activity of the funds that invest in equities. The Trustees are content with their Investment Adviser’s conclusion that the Scheme’s investment manager has appropriately carried out their stewardship duties.
- The Trustees are of the opinion that they have complied with the relevant policies and procedures as identified in the SIP. The SIP was last reviewed in December 2024 as a result of changes to the Scheme’s investment strategy during the Scheme year.
- The Trustees have remained aware of the relevant policies and procedures as identified in the SIP and received input from their Investment Adviser to aid ongoing compliance.

Further details on each of these matters is presented in the pages that follow.

4. Reviews of the SIP over the Scheme year

The SIP was last reviewed and updated in December 2024 to reflect changes to the Scheme's investment strategy that were made during the Scheme year.

5. Investment manager's voting and stewardship policies

Trustees' voting and stewardship policies

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers.

The Trustees are unable to direct how votes are exercised and has not used a proxy voting services provider over the year. The Trustees have given the investment managers full discretion concerning voting and engagement decisions. As part of this exercise, the Trustees, with the assistance from their Investment Adviser, has reviewed the voting activities and stewardship policies of the funds/investment manager.

The Trustees do not currently have any stewardship priorities in place.

Over the Scheme year the Scheme sold all funds that held voting rights. However, the voting activities of the following funds have been reviewed:

- Legal & General Asset Management ("L&G") World Equity Index – GBP Hedged Fund
- L&G Dynamic Diversified Fund

Manager's voting and stewardship policies and procedures

In this Statement, L&G's stewardship policies and the extent to which L&G make use of any proxy advisory and voting services have been noted. This can be found in Appendix 1. The Trustees are satisfied that L&G's voting and policies/procedures are reasonable and consistent with industry practice. Whilst bond investments do not carry voting rights, the Trustees recognise that L&G engage with governments and companies they invest in. The Trustee has approved of these conclusions.

Voting statistics

The table overleaf sets out the key statistics on voting eligibility and action over the Scheme year. The Trustees are satisfied with the level of voting activity that has been undertaken.

Statistic / Fund	L&G World Equity Index – GBP Hedged ¹	L&G Dynamic Diversified ¹
Number of equity holdings	2,798	7,027
Meetings eligible to vote at	2,928	10,106
Resolutions eligible to vote on	35,761	102,057
Proportion of eligible resolutions voted on (%)	99.7	99.8
Votes with management (%)	79.1	76.7
Votes against management (%)	20.6	22.5
Votes abstained from (%)	0.3	0.8
Meetings where at least one vote was against management (%)	74.2	70.9
Votes contrary to the recommendation of the proxy adviser (%)	14.6	14.0

Totals may not sum due to rounding. Source: L&G. ¹ L&G only provide information on a quarterly basis and therefore the statistics shown are over the year to 31 March 2025.

The Trustees are generally satisfied with the level of voting activity that has been undertaken.

Significant votes over the reporting year

The most significant votes cast by the L&G on behalf of the Trustees have been reviewed and they are satisfied that these meet expectations.

The Trustees have interpreted the most significant votes to mean their choice of votes from an extended list of significant votes provided by L&G in accordance with the PLSA guidance. The significant votes provided are classified according to the L&G's definition. The definition and a cross section of the most significant votes cast is contained in Appendix 2.

6. Conflicts of interest

This section reviews whether L&G are affected by the following conflicts of interest, and how these are managed. These conflicts are not specific to the Scheme.

1. The asset management firm overall having an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding;
2. Senior staff at the asset management firm holding roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings;
3. The asset management firm's stewardship staff having a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding;

4. A situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer;
5. Differences between the stewardship policies of managers and their clients.

L&G have refrained from directly commenting on which of the conflicts of interest they are impacted by within the selected funds. In place of providing a direct response, L&G referred the Trustees to their conflicts of interest policy, which includes several examples of conflicts and how these might be managed.

This is available here:

https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-conflicts-of-interest.pdf

The Investment Advisor, on behalf of the Trustees, has reviewed the conflicts of interest policy.

Appendix 1 – L&G’s stewardship and voting policies

L&G have a proven track-record of being active owners; striving to use their scale to ensure that the companies in which they invest are acting responsibly and markets / regulators create an environment in which good management of ESG factors are valued and supported. Although L&G tend to focus on equity stewardship, L&G also extends its ESG analysis and engagement policies to its active fixed income investments. L&G aims to incorporate ESG considerations to assess ESG risks from a financial perspective and L&G also engages with issuer companies through its global engagement groups. Please note, however, this approach does not extend to the Scheme’s UK Government Bond holdings as these are invested passively. Quantum believes this is reasonable given their underlying investments. For Equity holdings, L&G’s Investment Stewardship team make all voting decisions, in accordance with L&G’s Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company.

L&G’s Investment Stewardship team uses Institutional Shareholder Services’ (“ISS”) ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by L&G and strategic decisions are not outsourced. The use of ISS recommendations is purely to augment L&G’s own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (“IVIS”) to supplement the research reports that are received from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with L&G’s position on ESG, L&G have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what L&G consider are minimum best practice standards which L&G believe all companies globally should observe, irrespective of local regulation or practice. L&G retain the ability in all markets to override any voting decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information that allows L&G to apply a qualitative overlay to their voting judgement. L&G have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.

Appendix 2 – Most significant votes

The tables below set out a cross section of significant votes undertaken by L&G for the funds held by the Scheme. Information on further significant votes undertaken has been reviewed by the Trustees.

In determining significant votes, L&G's Investment Stewardship team consider the criteria provided by the Pensions & Lifetime Savings Association consultation ("PLSA"). This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at L&G's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an L&G engagement campaign, in line with L&G Investment Stewardship's 5-year ESG priority engagement themes.

L&G provide information on significant votes in the format of detailed case studies in their quarterly ESG impact report and annual active ownership publications.

L&G World Equity Index – GBP Hedged

Company Name	Alphabet Inc.	Walmart Inc.
Date of Vote	June 2024	June 2024
Summary of the resolution	Elect Director John L. Hennessy	Establish a Company Compensation Policy of Paying a Living Wage
Size of the holding (% of portfolio)	1.4	0.4
How the firm voted	Against	For
Was the vote against management and was this communicated beforehand?	L&G 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.	L&G 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.
On which criteria has the vote been deemed as 'significant'?	L&G considers this vote to be significant as L&G supports the principle of one share one vote. L&G also views gender diversity as a financially material issue for their clients, with implications for the assets managed on their behalf.	This vote was deemed significant by L&G due to it being a shareholder resolution that received relatively high support and, L&G pre-declared their voting intention.
Outcome of the vote	Pass	Fail
Do the Trustees/asset manager intend to escalate stewardship efforts?	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.

Source: L&G.

L&G Dynamic Diversified

Company Name	Microsoft	Shell Plc
Date of Vote	December 2024	May 2024
Summary of the resolution	Report on AI Data Sourcing Accountability	Approve the Shell Energy Transition Strategy
Size of the holding (% of portfolio)	0.5	0.3
How the firm voted	For	Against
Was the vote against management and was this communicated beforehand?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with investee companies in the three weeks prior to an AGM as the engagement is not limited to shareholder meeting topics.	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with investee companies in the three weeks prior to an AGM as the engagement is not limited to shareholder meeting topics.
On which criteria has the vote been deemed as 'significant'?	This vote was deemed significant by L&G due to it being a shareholder resolution that received relatively high support.	L&G is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.
Outcome of the vote	Fail	Pass
Do the Trustees/asset manager intend to escalate stewardship efforts?	L&G will continue to engage with investee companies, publicly advocate their position on this issue, and monitor company and market-level progress.	L&G will continue to engage with investee companies, publicly advocate their position on this issue, and monitor company and market-level progress.

Source: L&G.