



DCWW Pension Scheme Engagement Policy Implementation Statement

31 March 2025



Document Control

Document Name:	DCWW Pension Scheme Engagement Policy Implementation Statement		
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Publication History

Version	Version Date	Revised By	Description of Change(s)
1.0	05/07/2024	Original	
2.0	29/05/2025		Updated for March 2025

Executive Summary

This Engagement Policy Implementation Statement sets out the Trustee's policies on the stewardship of assets, voting and engagement.

It also describes some of the activities undertaken by the Trustee and the investment managers during the accounting period.

The Trustee's primary responsibility is to ensure that members receive their benefits. As part of this responsibility, numerous risks must be considered. This statement is concerned primarily with Environmental, Social and Governance (ESG) risks, such as climate change, which have the potential to affect the value of the Scheme's assets, both positively and negatively.

The Trustee recognises that regulation, associated guidance and best practice are all evolving. The Trustee expects that the policies and engagement activities undertaken on behalf of the Scheme will also evolve.

The Trustee has received training on sustainable investment and continues to receive reports which cover ESG metrics. The Trustee will continue to work with its Fiduciary Manager, BlackRock, in this area.

Overall, the Trustee is comfortable that its policies on stewardship, voting and engagement have been followed during the year to 31 March 2025.

The Trustee has taken note of the *"Guidance issued by the DWP relating to Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement"*, published in July 2022.

The Trustee expects that future iterations of this statement will evolve with guidance and best practice. In particular, a greater focus on fixed income and alternative asset classes is expected over time, with greater standardisation and transparency in relation to the investment managers' activities.

1. Introduction

Under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Trustee is required to produce an annual Engagement Policy Implementation Statement ("EPIS").

The EPIS describes how, and to what extent, the policies on stewardship, voting and engagement, as laid down in the Statement of Investment Principles ("SIP"), have been followed.

This EPIS covers the Scheme's accounting year to 31 March 2025. It is intended to meet the updated regulations and it will be included in the Scheme's Report & Accounts. In preparing this statement, the Trustee has taken advice from its professional advisers.

The EPIS details some of the activities taken by the Trustee, the Fiduciary Manager ("FM") and the underlying fund managers ("UFMs") during the period, together with the Trustee's opinion on these activities.

2. Policies

The Trustee's policies on stewardship, voting and engagement are laid down in the SIP. The most recent version of the SIP is publicly available online and will be updated from time to time.

The Trustee has appointed BlackRock as the FM for the Scheme, and Barnett Waddingham as the Investment Adviser. The Trustee delegates the day-to-day investment decisions and asset allocation to the FM. The Trustee retains responsibility for the strategic investment objective and for oversight of the FM.

During the year to 31 March 2025, the Trustee did not update the SIP. Therefore, the policies contained in the December 2023 SIP are therefore relevant to this Statement. At the time of writing this statement, the Trustee is in the process of updating their SIP.

The Trustee takes note of the *"Guidance issued by the DWP relating to Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement"* published in July 2022.

3. Scope of the EPIS

The Trustee acknowledges that the application of its policies on stewardship, voting and engagement can vary across the portfolio. For example, voting rights are not usually attached to fixed income securities, and the applicability to cashflow driven investment portfolios is limited. In addition, the Scheme invests in a number of illiquid investments, where there is less scope for disinvestment, so engagement with UFMs is important.

Nonetheless, the Trustee and the FM expect all UFMs to take an active role in the stewardship of investments where relevant.

4. Scheme Activity

The SIP includes the Trustee's policy on Environmental, Social and Governance ("ESG") factors and stewardship. This policy sets out the Trustee's beliefs on ESG and the processes followed by the Trustee in relation to voting rights and stewardship.

The Trustee requires the FM to engage with the UFMs to ensure they continually improve their ESG policies and actions over time, at least in line with improving industry standards, to maintain their rating. As part of the Trustee's ESG policy, the FM is required to review the policies of each UFM to ensure that these are appropriate, and to monitor adherence to them.

The Trustee expects the FM to work with UFM's to ensure that those on the weaker side of voting and engagement take action to improve. The FM has acknowledged that all UFM's have been taking steps to improve both their voting and engagement, and that "best in class" practice continues to evolve. The Trustee will be closely monitoring developments over the coming years.

In April 2025, the Scheme's liquid growth assets were sold in two main tranches, and exposure was bought in an unlevered LDI portfolio.

5. Voting and Engagement

The Trustee has delegated responsibility to the FM for obtaining stewardship and engagement reports from the UFM's and for assessing their suitability. The Trustee also expects the FM to monitor each UFM's activity to ensure compliance and to confirm that it remains a suitable investment for the Scheme. The Trustee is comfortable that the responsibility sits with the FM to communicate with the UFM's and to collect information from them on a regular basis.

The FM has noted that UFM engagement and voting policies vary, with equity managers generally having made more progress than fixed income. This EPIS includes voting examples from the Scheme's equities managers and from the Partners Fund. In addition, examples of engagement from some of the Scheme's fixed income funds are included in Appendix 1.

At this stage the Trustee has not identified stewardship priorities or themes for the UFM's to exercise votes in line with. The Trustee has elected for the UFM's, including the FM, to exercise votes in line with the UFM's' own stewardship policies. In line with this decision, the Trustee has not provided an expression of wish on how it would like investment managers to invest on any individual vote. However, UFM's are expected to have strong stewardship policies and processes, reflecting (where relevant) the recommendations of the UK Stewardship Code issued by the Financial Reporting Council.

The section below details the UFM's' approach to voting and engagement, as well as some examples of significant engagements involving the Scheme's investments.

Summary voting statistics for the Scheme's equities funds over the year to 31 March 2025 have also been included.

BlackRock

The Scheme had a portion of its Growth assets invested in funds managed by the FM. Given BlackRock's appointment as both FM and one of its UFM's, the Trustee recognises the importance of ensuring that BlackRock's own policies and actions are appropriate for the Scheme.

BlackRock publicises its own policies as well as quarterly updates online ([here](#)). This site details any changes to policies, and it reports at an aggregate level on the impact of BlackRock's voting and engagement. The Trustee is comfortable that the transparency of BlackRock's online reports ensures alignment with the interests of the Scheme.

Whilst it is important to monitor the activities of BlackRock at a high level through this publicly available information, it is also important to monitor the voting and engagement activities undertaken on behalf of the Trustee at a granular level.

With the exception of the BlackRock European Equities fund, BlackRock Factor Equities, and BlackRock Thematic Equities (sold August 2024), the Scheme's BlackRock equities funds held were passive (i.e. index) strategies. In respect of passive strategies, there is a wide range of underlying companies.

Where strategies are actively managed, investments are typically more concentrated and there will be fewer resolutions on which to vote. In addition, actively managed strategies have the option to sell

holdings in companies at its discretion. For these reasons, it is important that voting and engagement rights for passive strategies are exercised and that this is monitored.

Examples of significant votes in respect of the BlackRock holdings are included below. The summary voting statistics illustrate that the voting rights on these underlying investments have been exercised to a large extent.

BlackRock's approach to voting is described below, along with summary voting statistics for the equities funds.

Approach to voting

BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty and to enhance the value of clients' assets, using their voice as a shareholder on their behalf to ensure that companies are well led and well managed.

BlackRock does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance matters and, for those clients who have given BlackRock authority, through voting proxies in the best long-term economic interests of its clients.

BlackRock's stewardship policies are developed and implemented separately by two independent, specialist teams, BlackRock Investment Stewardship (BIS) and BlackRock Active Investment Stewardship (BAIS). While the two teams operate independently, their general approach is grounded in widely recognised norms of corporate governance and shareholder rights and responsibilities.

BIS is a dedicated function within BlackRock, which is responsible for stewardship activities in relation to clients' assets invested in index (passive) equity strategies. Voting decisions are made by members of the BIS team with input from investment colleagues as required, in each case, in accordance with its Global Principles and custom market-specific voting guidelines.

BAIS, established in January 2025, manages BlackRock's stewardship engagement and voting on behalf of clients invested in active strategies globally. Their activities are informed by their Global Engagement and Voting Guidelines and insights from active investment analysts and portfolio managers, with whom they work closely in engaging companies and voting at shareholder meetings.

Index or active, BlackRock stewardship teams, and all of BlackRock's stewardship efforts across the firm, are focused on making decisions in the best interests of BlackRock's clients.

BlackRock stewardship analysts engage with the boards and management of companies in which clients are invested to listen to their perspectives on material business risks and opportunities they are facing to help make more informed voting decisions. Voting at a company's shareholder meeting is a basic right of share ownership and the formal means by which investors express their views on a company's corporate governance and performance. When authorised by clients to vote on their behalf, BlackRock votes to convey support for or concern about a company's approach to delivering financial returns for investors over time.

BlackRock contracts primarily with the vote services provider ISS and leverages its online platform to supply research and support voting, record keeping, and reporting

processes. BlackRock also use Glass Lewis' research and analysis as an input into their voting process. Whilst BlackRock subscribes to research from the proxy advisory firms, it is just one among many inputs into its vote analysis process, and it does not blindly follow their recommendations on how to vote. BlackRock does not follow any single proxy research firm's voting recommendations. It subscribes to research providers and uses several other inputs in its voting and engagement analysis, including a company's own disclosures, public information and ESG research. In certain markets, BlackRock works with proxy research firms who apply BlackRock proxy voting guidelines to filter out routine or non-contentious proposals and refer to BlackRock any meetings where additional research and possibly engagement might be required to inform their voting decision.

Shell plc is an energy company headquartered in the United Kingdom. BIS has had extensive, multiyear engagements with Shell where they have discussed, among other topics, board composition, corporate strategy, and the board's oversight of, and management's approach to, climate-related risks and opportunities.

Shell Plc
(UK, Energy)

At the May 2024 AGM, BIS supported management's proposal to approve Shell's energy transition update and its Energy Transition Strategy 2024. Shell first submitted its Energy Transition Strategy for a vote at the May 2021 AGM, when it received 89% support from shareholders, including BIS. In the two subsequent years, the company proposed an advisory shareholder vote on the progress made to date against its Energy Transition Strategy. The proposals received 79.9% and 80% shareholder support in 2022 and 2023, respectively, including from BIS. In BIS' view, Shell has provided and continues to provide a clear assessment of its plans to manage material climate-related risk and opportunities, while also demonstrating progress its stated Energy Transition Strategy.

Shell's 2023 Capital Markets Day highlighted its strategy to deliver "more value with less emissions," focusing on markets where it has a competitive edge, like decarbonising transportation. By the end of 2023, Shell had achieved over 60% of its goal to reduce scope 1 and 2 emissions by 50% by 2030. The company is also progressing towards eliminating routine flaring and achieving near-zero methane emissions by 2030. Due to changes in energy markets and its power business strategy, Shell adjusted its climate targets, including retiring its 2035 net carbon intensity (NCI) target and modifying its 2030 NCI reduction target to 15-20%. These adjustments are seen as reasonable and transparent efforts to manage climate-related risks and opportunities.

The Boeing Company
(US, Aerospace)

The Boeing Company is a U.S. aerospace company that designs, develops, manufactures, sells, and services, and support commercial jetliners, military aircraft, satellites, missile defense, human space flight, and launch systems.

At the May 2024 AGM, BIS did not support the re-election of Director David L. Joyce, who serves as Chair of the Board's Aerospace Safety Committee. While BIS notes that Boeing is taking the 2024 Alaska Airlines incident seriously, the National Transportation Safety Board and Federal Aviation Administration's findings highlight the scale of the deficits in Boeing's overarching safety culture. Boeing's compliance issues related to manufacturing and quality control identified by the National Transportation Safety Board (NTSB) and the Federal Aviation Administration (FAA) indicate shortfalls in the board's

approach to overseeing management and the company's quality control and safety policies, processes, and culture. As such, BIS did not support Mr. Joyce's re-election as Chair of the Aerospace Safety Committee to convey their concerns about continuing oversight missteps and BIS' view that to protect the interests of the company and its stakeholders, the board and management need to act swiftly and effectively to address the issues identified.

BIS notes Boeing's efforts to further enhance the oversight of, and management's approach to, its quality control and safety processes since the Alaska Airlines incident. They also recognise that effective board oversight of Boeing's complex businesses, which ranges across various commercial, defense, and space areas, necessitates a high level of institutional knowledge.

BIS supported the election of other directors at the May 2024 AGM because they recognise that the expertise of the members of the Aerospace Safety Committee will be important as the company works to address the issues identified.

BIS will continue to engage with members of the Committee and Boeing's executive leadership to understand how these issues are being rectified and robust practices are being established to safeguard key stakeholders and advance the long-term financial interests of shareholders.

Noodles & Company is a U.S.-based restaurant chain. As of January 2024, 90 out of the 470 operated restaurants were franchise locations.

Noodles & Company
(US,
Consumer
Discretionary)

In May 2024 AGM, there was a proposal requesting that the company to disclose its current GHG emissions, establish and publish targets for measurably reducing them, and regularly report progress meeting those targets. BIS did not view the shareholder proposal as overly prescriptive or unduly constraining on management's decision-making. Currently, Noodles & Company does not disclose data on its GHG emissions, nor has it set reduction targets. The company lags its peers by not disclosing GHG emissions. However, Noodles & Company is currently in a challenging financial position. Its stock price is down more than 80% over the last 3 years, total revenues have fallen 1.2% in 2023 compared to 2022, average unit volumes decreased 2.3% in 2023 compared to 2022, and it returned a net loss of \$9.9 million in FY2023. The company ended its fiscal year with \$80.2 million in long-term debt (up from \$46.1 million at the end of the previous fiscal year) and, as of the company's annual meeting date, had a market capitalisation of approximately \$97 million. In addition, the company recently had a leadership change with new CEO named in March 2024.

Based on BIS assessment, the financial cost to the company to provide the information sought in the proposal outweighed the informational benefit to investors in light of its financial condition. Given the company's situation, it is in their clients' long-term financial interests for the board and management to focus on executing the strategic turnaround plan and bolstering the company's capacity for sustained earnings growth. In their view, it would be more productive to wait for the company to stabilise before seeking climate-related disclosures. Accordingly, BIS did not support the shareholder proposal. As previously mentioned, BIS evaluate shareholder proposals on a pragmatic, case-by-case basis, with a singular focus on its implications for the long-term financial value creation by that company. As the company improves its long-term financial resilience,

as discussed in BlackRock U.S. proxy voting guidelines, understanding the company's scope 1 and scope 2 emissions will become increasingly helpful to assess underlying long-term investment risk.

Temenos AG (Temenos) is a Swiss company specialising in providing banking software to financial institutions globally. BIS was concerned that the changes to the remuneration policy would further misalign payments to executives and financial returns to shareholders.

BIS did not supported Temenos' executive remuneration policy, because in their view, the proposed remuneration structure and disclosures lacked sufficient detail as to how it aligns with the long-term financials of interests of minority shareholders, including BlackRock's clients.

Temenos AG
(Switzerland,
Information
Technology)

The proposal did not pass at the May 2024 AGM, receiving approximately 33% shareholder support. In response, Temenos released a statement re-affirming the board's awareness of shareholder concerns while attributing remuneration issues to "exceptional circumstances around the transition to a new CEO." The company also stated that it will continue to reflect on the vote result and provide a more detailed rationale in its remuneration disclosures.

BIS recognises the importance of competitive executive pay, including performance incentive awards, in attracting and retaining talented company leaders. However, BIS look to companies to demonstrate that incentive pay for executives is performance-based and consistent with the long-term financial returns received by shareholders. BIS will continue to engage with the company to discuss its approach to future remuneration structures.

		Year to 31 March 2025
BlackRock Europe Equities (Active)	Votable proposals	853
	% of resolutions voted	100%
	% of resolutions voted against management	8%
	% of resolutions abstained	2%
		Year to 31 March 2025
BlackRock US Equities (Index)	Votable proposals	6,960
	% of resolutions voted	98%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%

BlackRock UK Equities		Year to 31 March 2025
(Index)	Votable proposals	9,801
	% of resolutions voted	100%
	% of resolutions voted against management	3%
	% of resolutions abstained	0%
BlackRock Japan Equities		Year to 31 March 2025
(Index)	Votable proposals	5,918
	% of resolutions voted	100%
	% of resolutions voted against management	3%
	% of resolutions abstained	0%
iShares Edge MSCI USA Value Factor ETF		Year to 31 March 2025
(Index)	Votable proposals	2,039
	% of resolutions voted	100%
	% of resolutions voted against management	1%
	% of resolutions abstained	0%
BlackRock Factor Equities		Year to 31 March 2025
(Active)	Votable proposals	2,625
	% of resolutions voted	96%
	% of resolutions voted against management	2%
	% of resolutions abstained	0%
BlackRock Thematic Equities		Year to 31 March 2025
(Active) <i>(Sold in August 2024)</i>	Votable proposals	4,774
	% of resolutions voted	99%
	% of resolutions voted against management	5%
	% of resolutions abstained	0%

Other investment managers

The approach to voting and engagement of the Scheme's other equities managers, Schroders and Wellington are detailed below. These managers are appointed in relation to the Scheme's equity holdings.

Schroders:**Approach**

The overriding principle governing Schroders' approach to voting is to act in the best interests of its clients. Schroders' voting policy and guidelines are outlined in its publicly available Environmental, Social and Governance Policy. Schroders evaluates voting issues arising and, where it has the authority to do so, votes on them in line with its fiduciary responsibilities in what it deems to be the interests of its clients. In applying the policy, Schroders considers a range of factors, including the circumstances of each company, performance, governance, strategy and personnel.

It is Schroders' policy to vote all shares at all meetings globally, except where there are onerous restrictions – for example, shareblocking. Schroders utilises the services of ISS and the Investment Association's Institutional Voting Information Services ('IVIS') in conjunction with its own research and policies when formulating voting decisions. With regards to abstaining from votes, Schroders' preference is to support or oppose management and only use an abstention sparingly. Schroders may abstain where mitigating circumstances apply, for example where a company has taken some steps to address shareholder issues.

For certain holdings of less than 0.5% of share capital in the USA, Australia, New Zealand, Japan, and Hong Kong, Schroders has implemented a custom policy that reflects the views of its ESG policy and is administered by Schroders' proxy voting provider, ISS. Schroders votes on both shareholder and management resolutions.

Schroders may tell the company of the intention to vote against the recommendations of the board before voting, in particular if the fund is a large shareholder or if there is an active engagement on the issue. Schroders always endeavours to inform companies after voting against any of the board's recommendations.

Further details on Schroders' approach to voting can be found [here](#).

Mahindra & Mahindra Ltd

(Indian automotive company)

Mahindra & Mahindra is an Indian automobile manufacturing company headquartered in Mumbai.

In July 2024, there was a vote on the election of Ranjan Pant and Haigreve Khaitan as board members, as well as the re-appointment and approval of remuneration for Anish Shah (Managing Director and CEO) and Rajesh Jejurikar (Whole-time Director).

Schroders vote was against management due to concerns about independence, as less than 50% of the non-executive directors could be considered independent, and concerns of "over boarding" due to one or more of the nominees sitting on multiple external boards, potentially impacting their effectiveness in their role.

China Petroleum & Chemical Corp

(Chinese oil refining conglomerate)

China Petroleum & Chemical Corp is a Chinese oil and gas enterprise based in Beijing. It is one of the world's largest oil refining conglomerate and has the second highest revenue in the world.

In June 2024, there was a vote to elect Chairman Ma Yongsheng. Schroders voted against management as they had concerns over multiple topics. Notably, the believed there was insufficient independence on the nomination committee, a lack of gender diversity on the

board, and concerns over independent oversight. Less than half of the committee can be considered independent.

Year to 31 March 2025		
Schroders EM Equities	Votable proposals	2,062
	% of resolutions voted	100%
	% of resolutions voted against management	9%
	% of resolutions abstained	1%

Wellington:

Approach	Wellington votes according to its Global Proxy Voting Guidelines and employs a third-party vendor, Glass Lewis, to perform administrative tasks related to proxy voting. Wellington does not automatically vote proxies either with management or in accordance with the recommendations of third-party proxy providers, ISS and Glass Lewis. Wellington has its own ESG Research Team, which provides voting recommendations. Based on these resources and in conjunction with Wellington's Global Proxy Voting Guidelines, individual portfolio managers have authority to make final decisions on voting. There is no "house vote". Wellington's proxy voting system allows different votes to be submitted for the same security. Various portfolio managers holding the same securities may arrive at different voting conclusions for their clients' proxies. Wellington's policies can be found here.
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Ryder System, Inc. (American transport company)	Ryder System, Inc. is an American transportation and logistics company. It is a third-party logistics provider and provides supply chain, transportation and fleet management solutions to companies. At the May 2024 AGM there was a shareholder proposal for additional climate transition reporting. The additional reporting would include disclosure on the impact of the company's climate change strategy on relevant stakeholders, including employees, workers in the supply chain and the communities in which they operate. The Board recommended shareholders to vote AGAINST this item. This was because they believed they already provide shareholders with sufficient information on their progress of their environmental initiatives and impacts of the business on various stakeholders. Wellington voted FOR the proposal. This was because they believe that the addition reporting would help mitigate risks, would demonstrate accountability for the company to perform against their targets. Therefore, enhanced disclosure was in the best interests of shareholders.
H&R Block Inc.	H&R Block Inc. is a tax preparation company headquartered in Kansas City, Missouri, United States. It provides tax return preparation services and related financial products to individuals and small businesses in the United States, Canada, and Australia.

(American Tax Company)	On November 6th, 2024, a significant vote took place regarding the election of Victoria J. Reich to the board of directors. The vote was cast against the proposal due to concerns about “over boarding”, as the nominee sits on multiple external boards, which could impact her effectiveness in the role. This vote was assessed by Wellington as significant due to the vote against management, the fund's holdings, and the type of resolution. There are potential implications for enhancing company engagement in the future.
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Year to 31 March 2025

Wellington Small Cap Equities	Votable proposals	1,474
	% of resolutions voted	99%
	% of resolutions voted against management	5%
	% of resolutions abstained	0%

Fixed Income:

The Scheme had fixed income exposure via the Cashflow-Driven Investment (CDI) portfolio, as well as fixed income funds managed by BlackRock, T. Rowe Price, Payden & Rygel, Wellington and Neuberger Berman. Despite not having voting rights attached to the investments, the Trustee expects fixed income managers to be active owners and engage with issuers. In April 2025, the Scheme's liquid growth assets were sold in two main tranches, and exposure was bought in an unlevered LDI portfolio.

Voting and engagement practices with regards to listed equities are generally more developed than other asset classes, with greater transparency and standardisation of reporting. In addition, where there are funds which invest in government bonds (for example BlackRock funds, Payden & Rygel and Neuberger Berman), the method by which an investment manager engages with an issuer are often more complex. Engagement examples in respect of some of the Scheme's fixed income managers have been included in Appendix 1. The Trustee is comfortable that the fixed income managers have provided examples of engagements with issuers to the Managers.

Alternatives:

The Scheme's alternative assets investment managers are Equitix, Partners Group and BlackRock. The Trustee acknowledges that approaches to stewardship, voting and engagement for private market assets, such as infrastructure, are likely to be more unique than for public equities. Furthermore, as previously noted, for closed-ended vehicles there is less tendency to disinvest for both the manager and the Trustee. Nonetheless, the Trustee expects the alternatives managers to take an active role in the stewardship of investments.

Partners Group:

The Partners Fund provides diversified exposure to alternative assets, predominantly in private markets. As such, there is a greater emphasis on engagement rather than voting for the fund when compared with the listed equities funds.

Partners Group has provided the Manager with examples of investments where ESG considerations have been integrated into the investment decision-making process and examples where Partners Group has

engaged with investee companies to mitigate ESG-related risks. An example of an engagement with an investee company is provided below.

Approach to Voting	Partners Group votes based on its internal Proxy Voting Directive. Partners Group utilises the services of Glass Lewis, which is instructed to vote in-line with Partners Group’s Proxy Voting Directive. Wherever the recommendations from Glass Lewis, the proxy voting directive, and the company's management differ, Partners Group votes manually on those proposals.	
atNorth (Swedish data center services company)	As Partners Group controls the Board, please see below the ESG efforts of a portfolio company. Since Partners Group’s investment, Partners have focused on scaling atNorth’s sustainable data center operations while strengthening governance, energy efficiency, and circular economy initiatives. Their efforts have enhanced atNorth’s ability to expand while maintaining its leadership in low-carbon computing solutions powered by 100% renewable geothermal and hydro energy. Key achievements include the expansion into Finland and Denmark, leveraging strategic locations for low-cost, sustainable energy to support rapid growth. Additionally, atNorth submitted its Science Based Targets initiative (SBTi) application in 2023, reinforcing its commitment to long-term carbon reduction in alignment with the Paris Agreement. To further enhance environmental impact, Partners supported the waste sorting rate improvement to 63.3%, with targeted 90% recycling by 2028, and introduced smart water meters across sites to align with the Climate Neutral Data Center Pact’s efficiency goals. Governance and compliance enhancements have been central to Partners engagement. atNorth successfully achieved ISO 14001 and ISO 27001 certifications, ensuring strong environmental and cybersecurity management across all sites. Additionally, they implemented enhanced supplier sustainability standards, reinforcing ethical procurement and data security guidelines. Looking ahead, Partners will continue supporting atNorth’s expansion strategy, further optimizing its low-carbon infrastructure, and enhancing waste circularity initiatives to position it as a global leader in sustainable digital infrastructure.	
The Partners Fund	Year to 31 December 2024	
	Votable proposals	781
	% of resolutions voted	100%
	% of resolutions voted against management	8%
	% of resolutions abstained	1%
<i>Note: Partners Group only provides voting statistics on a semi-annual basis, as such these are provided for the year to 31 December.</i>		

6. Concluding remarks

The Trustee is comfortable that the policies, including the stewardship policy, in the SIP have been followed over the year to 31 March 2025.

The Trustee expects that the format and content of this Statement will evolve over time, in line with guidance and to reflect any future changes in the SIP.

The Trustee recognises the responsibility that institutional investors have to promote high standards of investment stewardship and will continue to use the influence associated with the Scheme's assets in order to positively influence the Scheme's investment managers.

Appendix 1 – Fixed Income Engagement Examples

Manager	Neuberger Berman (“NB”) – EM Debt (LC)
Example 1	Proactive Engagement on Disclosing a Decarbonisation Plan Background: Turkcell İletişim Hizmetleri A.Ş. (Turkcell) is the leading mobile telecommunications operator in Turkey, providing mobile, fixed broadband, digital and payment services. Scope and Process: - The diligence process included several discussions with the issuer's Sustainability and Investor Relations teams. - Since reducing emissions is financially material to Turkcell's business, NB encouraged them to: - Disclose more details of their decarbonisation plan with verification from SBTi, - Improve Scope 3 emissions data, and - Set clear targets for their sustainability initiatives. Outcomes: - During NB's discussions, Turkcell informed them of its commitment to achieving Net Zero Scope 1 and 2 emissions by 2050. They encouraged them to set more ambitious carbon targets. In response, Turkcell mentioned working on moving this target to 2040 and establishing a Scope 1 and 2 target for 2040, along with longer-term science-based targets. - Turkcell also shared that all its data centers are currently LEED Gold certified, and NB have urged them to communicate their efforts to further enhance their Power Usage Effectiveness (PUE). - Additionally, Turkcell has developed an internal carbon pricing mechanism, which they plan to implement in anticipation of future legislation. NB recommended that they provide more details on how this mechanism will be operationalised and its expected impact on their sustainability goals. Outlook: - NB's engagement with Turkcell is ongoing as NB monitor their progress in reducing emissions and achieving sustainability targets. NB continue to encourage them to disclose more details of their decarbonisation plan and set clear targets for their sustainability initiatives.
Example 2	Proactive engagement on Biodiversity and Nature Disclosure Background: - CEMEX, a global leader in cement and concrete production, heavily depends on natural resources like limestone, aggregates, clay, and water. Scope and Process: - The diligence process included discussions with the issuer's Sustainability and Investor Relations teams.

	- NB's engagement with CEMEX focused on biodiversity and nature-related disclosures, evaluating their progress in integrating biodiversity and water initiatives into their sustainability strategy. - They assessed their ability to meet evolving regulatory requirements, enhance transparency in disclosures, and scale environmental initiatives across global operations. Outcomes: - Since 2008, CEMEX has worked with BirdLife International on biodiversity conservation through habitat mapping, quarry rehabilitation, and circular resource use. By 2030, the company aims to implement Biodiversity Action Plans (BAPs) at all high-priority sites, covering 43 out of 51 sites as of 2024. Successes include grassland restoration, recovery of 70 mammal species, and exploration of biodiversity offsets at the El Carmen Nature Reserve. Scaling BAPs across quarry sites remains challenging due to economic fluctuations and site divestments. - The company aims to develop Water Action Plans for all high-to-medium stress sites by 2030, with 40% covered as of 2024. Future plans involve partnerships to improve basin-level management and meet CSRD requirements, though regulatory gaps and data collection challenges impede progress. - The company has adopted sustainability-linked and green financing frameworks, issuing \$1 billion in hybrid notes and funding 175 projects worth \$340 million. However, green financing faces challenges such as complex qualification requirements, no discounted rates for compliance, and limited recognition in the U.S. market for lower-carbon products. However, CEMEX is exploring ecosystem-based financing options like carbon credits and biodiversity offsets. Despite challenges, sustainability-linked financing remains effective for advancing environmental goals while maintaining financial discipline. Outlook: - NB's engagement with CEMEX is ongoing as they monitor their progress on biodiversity and water. They encourage CEMEX to continue addressing environmental challenges while maintaining transparency and accountability.
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Manager	T. Rowe Price– Global High Yield
Example 1	BBVA: BBVA is a retail-focused Spanish bank with a long-established presence in Latin America. T Rowe Price engaged with BBVA on its climate strategy. T Rowe Price joined a collaborative investor meeting with BBVA to discuss the bank's overall climate strategy and progress. They believe the bank is aligned with European peers on topics relating to sustainable financing, decarbonising the loan book, and engaging with counterparties on their transition plans. However, the bank falls behind the industry gold standard on various topics and the meeting gave T Rowe Price an opportunity to provide feedback to the bank on future enhancements. Sustainable finance: The bank is on track to meet its 2018–2025 EUR 300bn sustainable financing target, with EUR 226bn committed as of March 2024. Most of this has been

	allocated to climate (80%) and inclusive growth (20%) categories, with BBVA noting that it expects the allocation to natural capital to grow from 2024 onward. The company also noted that its sustainable lending accounts for 15%–20% of all new lending, but it remains challenging for investors to understand the impact this is having on its profit and loss account. T Rowe Price recommended the bank report the revenue contribution from its sustainable financing to bring it in line with the leading industry standards. Sectoral targets: BBVA has financed emission reduction targets on eight sectors and noted it intends to announce targets for the commercial real estate, residential real estate, and aluminium sectors by June 2024 to meet its Net-Zero Banking Alliance (NZBA) commitments. T Rowe Price endorsed the bank's actions, which would bring it in line with the industry gold standard. T Rowe Price also encouraged the bank to set targets for its facilitated emissions (driven from its capital markets business) now that the Partnership for Carbon Accounting Financials (PCAF) has published its guidance. BBVA intends to report these in the first quarter of 2025. Client engagement: The bank has developed a framework (Transition Risk Indicator) to measure the climate maturity of its counterparties and is reporting the % of customers (80% as of FY23) who are actively managing transition risks. T Rowe Price encouraged the bank to continue reporting this metric on an annual basis so that investors can better understand how the clients' transition efforts are maturing. The engagement provided T Rowe Price with reassurance that the bank continues to evolve its climate strategy and is aligned with the "above average" banks in Europe. T Rowe Price also provided a series of recommendations to help the bank align with the industry gold standard.
Example 2	Ford Otomotiv Sanayi: Ford Otomotiv Sanayi (FROTO) is a commercial vehicle manufacturing joint venture between Ford Motor Co. and Koç Group, a Turkish industrial and services group. T Rowe engaged with FROTO to provide feedback on its electric vehicle (EV) strategy and sustainable finance plans. They engaged with FROTO to offer feedback on its EV strategy and sustainable finance plans and to verify its exposure to carbon dioxide emissions regulations in Europe. The company is one of Ford's commercial and passenger vehicle makers for the European market. Ford announced plans in early 2024 to roll back its electrification strategy in the U.S. due to lower EV demand and higher adoption of hybrids. However, this had no impact on the EV strategy for FROTO, which is seeing demand from several logistics operators that have committed to electrifying their fleets. As a result, FROTO kept its EV targets unchanged. The company has backed up its strategy with a EUR 2 billion investment plan and manufacturing plants that can shift production across different vehicle types (i.e., EVs, plug-in hybrid electric vehicles, and internal combustion engine vehicles) depending on demand and regulatory changes. On the sustainable finance front, FROTO issued a debut unlabeled bond in April 2024 and seeks to tap into the ESG-labeled bond market. T Rowe noted their preference for green bonds over sustainability-linked bonds and suggested that the EUR 2 billion EV investment plan should accommodate repeat green bond issuance tied to EV projects.

	T Rowe introduced the company to blue bonds, given that one of its sustainability targets is linked to reducing water use. In the near term, they will reengage with FROTO to offer more feedback on ESG-labeled bonds and impact reporting. Regarding FROTO's exposure to carbon dioxide emissions regulations, the company contributes to Ford's annual carbon dioxide performance within the European Union (EU) by assembling vehicles for the European market. But from a regulatory standpoint, the EU does not consider FROTO to be a separate original equipment manufacturer subject to local carbon dioxide regulations. As a result, the company is not exposed to the risk of fines. The engagement gave T Rowe an opportunity to provide feedback on FROTO's EV strategy and sustainable finance plans. It also allowed them to verify the company's exposure to the EU carbon dioxide emissions regulations. In the coming months, they plan to have a follow-up meeting to discuss ESG-labeled bond issuance and impact reporting.
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Manager	Wellington Global High Yield
Example 1	Ecopetrol (EC): In recent engagements with Ecopetrol (EC), a state-owned oil company based in Columbia, Wellington discussed updates on the company's environmental practices, particularly related to energy transition. Through their engagements, they have learned that Ecopetrol has set ambitious environmental goals that align with the political agenda of Colombia's new president, Gustavo Petro, who is focused on the energy transition and ambition for the company to be the government's energy transition vehicle. Colombia has a legally binding 2050 net zero GHG emissions target and given Ecopetrol's status as a quasi-sovereign oil company, Wellington believe they will be instrumental in the government's environmental agenda. In collaboration with Wellington's EMD corporate and ESG analysts, they believe that the company is among the best positioned of the EM national oil companies. Ecopetrol has the lowest greenhouse gas emissions of the group and has been investing in renewables to power operations and further reduce the CO2 of energy consumed. As Wellington believe EC is well positioned to accelerate Columbia's energy transition with support from the national government, they remain comfortable with this holding at this time.
Example 2	UBS Group AG (UBS): In recent engagements with UBS Group AG (UBS), a company that provides financial advice and solutions to private, institutional, and corporate clients worldwide, Wellington discussed updates about the company's social and governance practices. UBS remains the benchmark for ESG in the European banking space due to the company's ability to consistently manage its risk. Its clear past strategic pivots to a balance sheet light business model aid this (particularly in balance sheet climate risk). Additionally, with the large French tax case behind the group and past legacy governance concerns mitigated, it's clear that the board and management can refocus on growing the businesses effectively. While UBS's relationship with its customers, staff and regulators are relatively healthy, it remains a

	business that trades on legacy perception of trust and security which implies that the company will likely remain closely monitored for responsible selling by regulators. Wellington view the additions of Colm Kelleher as chairman and Sarah Youngwood as CFO adding valuable investment banking and wealth management expertise to the Chair, CEO, CFO complex.
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Manager	Payden & Rygel – Global Emerging Markets Bond Fund
Example 1	South Africa: Rationale & Nature of Engagement: - Payden & Rygel (“Payden”) regularly engage with South African stakeholders as the country has a significant presence in Emerging Market Debt (EMD) markets and faces a variety of ESG-related challenges. - Members of Payden’s EMD Team attended an investor-led engagement with the International Monetary Fund’s (IMF) Mission Chief for South Africa during the World Bank annual meetings in Washington D.C. The IMF plays an important role with policymakers and sits at the juncture of financial markets, global institutions, and governments. - This engagement was an opportunity to better understand the current state of the government and its reform agenda, specifically focusing on the new National Unity government and the generation of employment opportunities. Outcomes(s) & Next Steps: - The IMF highlighted that the sustainable solutions for Eskom (the monopoly energy utility in the county) were paramount, as were better governance of rail and port infrastructure. - Payden discussed the potential for small & medium enterprises (SMEs) to be a positive catalyst to unlock greater employment and lift growth given this area has not been prioritised in recent years. Whilst labour laws in the country have been viewed as too restrictive and challenging to reform, Operation Vulindlela, a government business-friendly reform programme, is viewed positively and needs more rapid implementation. - There were no direct portfolio allocation changes within the strategy resulting from the engagement. Payden believe that engaging with the IMF is a key part of sovereign analysis and investing.
Example 2	Central American Bottling Corp (Camebo): Rationale & Nature of Engagement: Camebo is one of the largest beverage companies in Latin America with partnerships including PepsiCo, Beliv, and Ambev.

	• Payden has developed ESG Sector Frameworks which makes available a variety of ESG metrics, including companies that have net zero targets approved by the Science Based Targets initiative (SBTi). • The company was identified as having SBTi targets, which Payden used as a baseline for their discussion. The engagement was designed to better understand the company's path to net zero as well as its wider environmental initiatives surrounding the circular economy. • Members of Payden's Emerging Markets Debt and ESG teams led the engagement with representatives from Camebo's Corporate Affairs and Investor Relations teams in attendance. Outcome(s) & Next Steps: • Camebo's verified SBTi targets are to reduce Scope 1 and 2 absolute GHG emissions by 48.9%. At the time of the engagement, the company shared that it had made positive progress towards net zero and decreased its Scope 1 and 2 emissions by almost 32%. The company reported it remains on track to meet its SBTi commitments. • The company has also implemented multiple initiatives aimed at recovering used bottles as well as utilising more packaging that can be recycled to increase its impact on the circular economy. As an example, the company has implemented the "Reco Project", which focuses on promoting the returnability of plastic bottles for recycling in Peru, Nicaragua, Ecuador, and El Salvador by making points of sale collection points. • The company's progression on its environmental strategy is promising. Payden will continue to monitor developments from Camebo and may engage in the future.
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