



Ronseal Pension Scheme

Implementation Statement for year ended 5 April 2025
August 2025

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Introduction

This statement has been prepared by the Trustees (the "Trustees") of the Ronseal Pension Scheme (the "Scheme") with input from their Investment Consultants. The statement demonstrates how the Trustees have acted on certain policies within their Statement of Investment Principles (SIP).

Each year the Trustees must produce an Implementation Statement that demonstrates how they have followed certain policies within their SIP over the Scheme year. This Implementation Statement covers the year from 6 April 2024 to 5 April 2025.

This Implementation Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) Regulations 2005 Amendments and is in respect of the Defined Benefit (DB) investments held by the Scheme. Note that this excludes any Additional Voluntary Contribution investments held by the Scheme.

Trustees of DB pension schemes are required to provide details of how, and the extent to which, their SIP policies on engagement with investee companies have been followed over the year, including a description of their voting behaviour, the most significant votes cast and any use of a proxy voter on their behalf over the year.

SIP policies

This implementation statement should be read in conjunction with the Scheme's SIP covering the year under review, which gives details of the Scheme's investment policies along with details of the Scheme's governance structure and objectives.

The Scheme's SIP in place during the Scheme year states the following policies on the exercise of voting rights and engagement activities related to their investments:

- The Trustees have delegated the responsibility for the exercise of all rights (including voting rights) attaching to investments to the investment manager.
- The Trustees' policy in relation to any rights (including voting rights) attaching to its investments is to exercise those rights to protect the value of the Scheme's interests in the investments.
- The Trustees expect the Investment Manager to engage with investee companies on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustees' investments.
- The Trustees recognise the importance of ESG factors on long term investment performance and both immediate and future downside risks.
- The Trustees will also monitor the voting activity of the Investment Manager to ensure votes are being used and are aligned to their views on ESG.
- The Trustees will review the engagement activity of the Investment Manager to ensure that active engagement is taking place where possible to influence positive change in relation to ESG factors within investee companies.

This Implementation Statement reviews the voting and engagement activities, as well as the extent to which the Trustees believes their policies have been followed, over the 12-month period to the year end 5 April 2025.

Description of voting behaviour

The Trustees review and monitor the voting and engagement activity taken by the investment manager, L&G Asset Management Limited ("L&G") on their behalf. Information published by L&G provides the Trustees with comfort that their voting and engagement policies have been followed during the year.

Over the year to 5 April 2025, the Scheme was invested in one mandate where the underlying assets included publicly listed equities. This is the World Equity Index Fund managed by L&G. The Scheme disinvested from this fund on 1 November 2024, when a new investment strategy was implemented. The following table shows L&G's voting summary covering the Scheme's investment in the World Equity Index Fund over the period 1 April 2024 – 31 March 2025. Note that this is because, at time of reporting, L&G was only able to provide annual data to standard quarter ends.

L&G World Equity Index Fund		1 April 2024 – 31 March 2025
No. of meetings eligible to vote at		2,928
No. of resolutions eligible to vote on		35,761
Eligible resolutions voted on		99.7%
Of resolutions voted on, resolutions voted with management		79.1%
Of resolutions voted on, resolutions voted against management		20.6%
Of resolutions voted on, resolutions abstained from voting		0.3%
Percentage of eligible meetings where L&G voted at least once against management		74.2%
Percentage of voted resolutions where L&G voted contrary to the recommendation of their proxy adviser		14.6%

Note: totals may not sum due to rounding.

Proxy voting

The Trustees did not employ a proxy-voting service during the year under review.

L&G votes by proxy as, given the scale of its holdings, the manager cannot be present at all shareholder meetings to cast votes. L&G votes by proxy through the Institutional Shareholder Services' (ISS) electronic voting platform. It should be noted that all voting decisions are made by L&G using its individual market specific voting policies, with L&G's own research only supplemented by ISS recommendations and research reports produced by the Institutional Voting Information Service (IVIS). To ensure L&G's proxy provider votes in accordance with their position on ESG, L&G have put in place a custom voting policy with specific voting instructions. L&G publicly communicates its vote instructions on its website with the rationale for all votes against management.

How engagement policies have been followed

The Trustees review and monitor the voting and engagement activity taken on their behalf on an annual basis. The information published by the Investment Manager has provided the Trustees with comfort that their voting and engagement policies have been largely followed during the year.

As set out in the SIP, the Trustees expect L&G to engage with investee companies on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustees' investments.

Details of specific voting and engagement topics are shown in the following table:

Voting and Engagement topic	Policy followed in the opinion of Trustees?	Comments
Performance of debt or equity issuer	✓	L&G voting and engagement policies do not cover the past financial performance of investee companies. However, the voting and engagement which has been undertaken aims to improve the long-term future performance of the investee companies.
Strategy	✓	L&G believes that board independence, diversity and remuneration can have a financially material impact on the assets it invests within, with the Board ultimately responsible for the strategy for any company that L&G invests in or holds as a counterparty. L&G have clear voting policies covering each of these topics and have acted on them throughout the Scheme year on behalf of the Trustees.

Risks	✓	L&G has clear voting policies on ensuring that companies manage risk effectively and have robust internal controls. As an example of reducing risk, L&G encourages all audit committee chairs globally to have a financial background and be entirely comprised of independent non-executive directors.
Social and environmental impact	✓	L&G has stated that it will vote against the chair of the board if it believes insufficient action is being taken on the issue of climate change. L&G has engaged with companies that have poor climate scores relative to their size and for those that don't meet minimum standards and if these minimum standards are not met over time, L&G may look to divest until progress is shown.
Corporate governance	✓	L&G's policy from 2020 is to vote against all elections which combine the roles of CEO and Chair. L&G has reinforced their position on leadership structures across our stewardship activities such as via individual corporate engagements and director conferences. In 2024, L&G further enhanced its global policy expectations that at least 40% of company boards and executive leadership teams are women.
Conflicts of interest	✓	Remuneration of personnel can lead to conflicts of interest between the principal (shareholder) and agent (management). Over the period under review, L&G voted against incentive awards which did not have performance conditions, as these awards would not fully align remuneration with company performance.
Capital structure	✓	L&G has policies on voting in respect of resolutions regarding changes to company capital structure such as share repurchase proposals and new share issuance. For example, L&G has a policy that newly issued shares should not expose minority shareholders to excessive dilution.

Significant votes

In determining significant votes, L&G's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. 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 L&G 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.

A large number of the most significant votes cast by L&G related to the election of directors with the majority of instances being against such resolutions or in favour of requiring an independent board chair. L&G has a longstanding policy advocating for the separation of the roles of CEO and board chair noting the belief that the two roles are substantially different and require distinct skills and experiences. Since 2015 L&G has supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 L&G has adopted the view of voting against all combined board chair/CEO roles.

A number of significant votes related to the issue of gender diversity at board level. L&G views gender diversity as a financially material issue with implications for the return on assets. L&G seeks to engage with companies on this issue and applied voting sanctions to those FTSE 350 companies that do not have a minimum of 40% women on the board.

Example: L&G World Equity Fund	
Vote details	Microsoft Corporation – 10 December 2024. Vote on a report of AI Data Sourcing Accountability
Approximate size of fund's holding as at date of vote	4.1%
Rationale for significance	L&G views this shareholder resolution as significant due to the relatively high level of support needed.
Voting decision	For.
Where the Investment Manager voted against management, did the Investment Manager communicate the intent to the company ahead of the vote?	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 its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	L&G said a vote FOR this proposal is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices, and while the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.
Vote outcome	Fail.
Next steps	L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Engagement with investee companies

Exercising voting rights is not the only method of influencing behaviours of investee companies. Non-equity investments such as the Scheme's corporate bond holdings can also include engagement activities but these investments do not carry voting rights.

The Trustees expect the Investment Manager to engage with investee companies on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustees' investments.

L&G actively engages with the investee companies via direct messages and meetings with management and engagements via email to influence positive ESG practice. It is also noted that there is substantial overlap between the companies in which L&G holds debt and equity and so, while the corporate bond mandate does not hold voting rights, L&G's position as the equity holder elsewhere will likely result in them having voting rights to compound the impact and influence that L&G has on each company's practices.

L&G's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for clients. L&G's voting policies are reviewed annually and take into account client feedback.

Over the 12 months to 31 March 2025, L&G undertook 4,459 engagements with 4,210 companies. Some engagements cover multiple topics and L&G has provided the following summary:

- 3,971 on environmental topics;
- 647 on social topics;
- 330 on governance issues; and
- 155 on other topics including finance and strategy.

The top five engagement topics included climate change, human rights, deforestation, remuneration and strategy.

The engagement statistics for each of the funds invested in, excluding the L&G Over 15 Year Gilts Index Fund and the Over 5 Year Index-Linked Gilts Index Fund, are shown below. The engagement statistics are for the 12-month period to 31 March 2025.

	Total engagements	No. unique companies engaged	Environmental topics	Social topics	Governance topics	Other topics
L&G World Equity Index Fund	1,755	1,100	1,229	392	248	150
L&G Buy & Maintain Credit Fund	331	181	210	76	86	46

Note: The equity fund was held until 1 November 2024. Data for the L&G US Securitised Fund, which was held from 1 November 2024, was not available.

The remainder of the Scheme's assets are invested in fixed-interest and index-linked government bonds with the purpose of reducing risk by hedging the exposure to interest rate and inflation inherent in the Scheme's liabilities. L&G has governance practices in place to capture key regulatory developments which might influence the future management and performance of these assets.

Extent to which the Trustees' policies have been followed during the year

Having reviewed the actions taken by L&G, the Trustees believe that their policies on engagement and voting rights (where applicable) have been implemented appropriately and in line with the Investment Manager's policies over the year. The Trustees will continue to monitor the actions taken on their behalf each year whilst pressing for improved information from L&G, particularly with respect to ESG factors.

If the Investment Manager deviates substantially from the Trustees' stated policies, the Trustees will initially engage with L&G in an attempt to influence its policies on ESG and stewardship. If it is concluded that the difference between the policies and L&G's actions are material, the Trustees will consider terminating the mandate and appointing a replacement manager more closely aligned with the Trustees' policies and views.

For and on behalf of the Trustees of the Ronseal Pension Scheme

August 2025

