

Engagement Policy Implementation Statement (“EPIS”)

Goodyear Dunlop Tyres UK Limited Pension Plan (the “Plan”) Plan Year End – 5 April 2024

The purpose of the EPIS is for us, the Trustee of the Goodyear Dunlop Tyres UK Limited Pension Plan, to explain what we have done during the year ending 5 April 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Plan’s material investment managers were able to disclose good evidence of engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of the Plan’s return-seeking assets to Aon Investments Limited (“Aon”). In turn, Aon invest in a range of “best in class” underlying managers. We are comfortable with the monitoring of ESG integration and stewardship of the underlying managers that has been carried out on our behalf.

How the engagement policy has been followed

The Plan's return-seeking assets are invested in pooled funds, and so the responsibility for engagement is delegated to the Plan's investment managers which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Plan year and in our view, the investment managers were able to disclose good evidence of engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the underlying funds the Plan is invested in, where available. All the Plan's funds which have been rated are rated 'Integrated' or 'Advanced'. An Integrated rating means that the fund management team has taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the fund's investment portfolio. An Advanced rating means that the fund management team has demonstrated that it has more advanced processes in place. Ratings are reviewed quarterly to reflect any changes in the level of ESG integration or broader responsible investment developments.

During the year, we received training on ESG and stewardship topics, and agreed our policies in relation to these. Throughout the year, and as a result of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (the "Climate Change Governance and Reporting regulations"), the Trustee has been pro-actively working towards its disclosures report in relation to the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD establishes a set of clear, comparable and consistent recommended disclosures about the risks and opportunities presented by climate change. The increased transparency encouraged through the Climate Change Governance and Reporting regulations is intended to lead to decision-useful information and therefore more informed decision-making on climate-related financial risks. Our 2023 Climate change report was published during the year, in line with the TCFD recommendations for the year ended 5 April 2023. The report can be found here:

[Goodyear Dunlop Tyres UK Ltd Pension Plan - TCFD Disclosure](#)

The Plan's stewardship policy can be found in the SIP:

[Goodyear Dunlop Tyres UK Ltd Pension Plan \(aon.com\)](#)

The SIP demonstrates that,

- We recognise the importance of our role as a steward of capital and the need to encourage the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Plan invests, as this ultimately creates long-term financial value for the Plan and its beneficiaries.
- We annually review the stewardship activity of our managers to ensure our stewardship policy is being appropriately implemented in practice.
- We will engage with our investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of its active ownership policies, is being actioned.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our managers' engagement activity

We invest the Plan's return-seeking assets in Aon's Active Global Fixed Income Strategy (Adept Strategy 2 Fund). This is a fund of funds arrangement, where Aon selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon. We have reviewed Aon's latest annual Stewardship Report and we believe it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity, and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

During 2023, Aon continued to work to implement its commitment to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council ("FRC") that sets high standards on stewardship for asset owners, investment managers and service providers.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan's material investment managers. The investment managers have provided information for the most recent calendar year available.

| Funds | Number of engagements | | Themes engaged on at a fund-level |
|------------------------------------------------------------------------|-----------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Fund-level | Firm-level | |
| Aegon Asset Management – European Asset Backed Securities ("ABS") Fund | 127 | 528 | Environment – Climate Change Social – Good health and well-being Governance – Board Effectiveness - Diversity; Leadership - Chair/CEO; Remuneration Other – General Disclosure; Data Availability |
| M&G – Sustainable Total Return Credit Investment Fund | 13 | 297 | Environment – Net Zero/Decarbonisation; Nature and Biodiversity Social – Diversity and Inclusion; Inequality Governance – Executive Remuneration; Board Composition & Effectiveness Strategy, Financial and Reporting – Firm strategy/ purpose |

Source: Investment Managers.

Data limitations

This report does not include commentary on certain asset classes such as liability driven investments (via UK government bonds, also known as "gilts") or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.