

Engagement Policy Implementation Statement (“EPIS”)

Johnson Wax Retirement and Life Assurance Plan (the “Plan”) Plan Year End – 31 December 2023

The purpose of the EPIS is for us, the Trustee of the Johnson Wax Retirement and Life Assurance Plan, to explain what we have done during the year ending 31 December 2023 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, Legal and General Investment Management (“LGIM”) was able to disclose adequate evidence of voting and engagement activity, and the activities completed by LGIM align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf. LGIM did not provide detailed fund level engagement examples. We will engage with LGIM to encourage improvements in its reporting.

We will continue to monitor the ESG (engagement, social and governance) practices of our appointed investment manager and make changes where necessary following consultation from our investment advisor.

How voting and engagement policies have been followed

The Plan is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Plan's investment manager, which is in line with the policies set out in our SIP. Over the year, the Plan's investment manager was LGIM. We reviewed the stewardship activity LGIM carried out over the Plan year and in our view, LGIM was able to disclose adequate evidence of voting and engagement activity. More information on the stewardship activity carried out by LGIM 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 advisor, Aon Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Plan is invested in where available.

During the year, we received training from our investment advisor Aon, on the latest guidance from the Department for Work and Pensions (DWP), on how it expects trustees to approach stewardship, consideration of financially material ESG factors and non-financial factors and how they report on these matters through the SIP and EPIS. Both documents were amended in line with the DWP guidance.

Each year, we review the voting and engagement policies of the Plan's investment managers to ensure they align with our own policies for the Plan and help us to achieve them.

The Plan's stewardship policy can be found in the SIP:
<https://pensioninformation.aon.com/johnsonwaxrlap>

Our Engagement Action Plan

We will continue to regularly review the suitability of the appointed manager and take advice from the investment advisor about any changes. We expect to receive regular updates from our investment advisor on matters relating to responsible investment including considerations of broader stewardship matters and the exercise of voting rights by the appointed manager.

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 Environmental Social Governance ("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 manager's voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Plan's investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Plan's equity-owning investment manager to responsibly exercise its voting rights.

Voting statistics

The table below shows LGIM's voting statistics for the year to 31 December 2023.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM – All World Equity Index Fund	37,810	99.9%	20.9%	0.1%

Source: Manager. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Use of proxy voting advisors

Many investment managers use proxy voting advisors to help them fulfil their stewardship duties. Proxy voting advisors provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their advisor's recommendations.

The table below describes how LGIM uses proxy voting advisors.

	Description of use of proxy voting advisor(s) (in the managers' own words)
LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

Source: Manager

Significant voting example

To illustrate the voting activity being carried out on our behalf, we asked LGIM to provide a selection of what it considers to be the most significant votes in relation to the Plan's investments. A sample of these can be found in the appendix.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting advisor?

Outsourcing voting activities to proxy advisors enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Our manager's 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 LGIM over the year. LGIM has provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
LGIM - All World Equity Index Fund	734	2,500	Environment - Climate Impact Pledge; Climate Change Governance - Remuneration; Board Composition Other - Corporate Strategy
LGIM - Short Dated Sterling Corporate Bond Index Fund	143		Environment - Climate Change; Energy Governance - Remuneration Other - Corporate Strategy; Disclosure & Transparency

Source: Manager

Data limitations

At the time of writing, LGIM did provide fund level engagement information but not in the industry standard Investment Consultants Sustainability Working Group ("ICSWG") template, which allows for more detail. We will engage with the LGIM to encourage improvements in reporting.

This report does not include commentary on certain asset classes such as gilts and cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Example

In the table below is an example of a significant vote as provided by LGIM. We consider a significant vote to be one which the investment manager considers significant.

LGIM – All World Equity Index Fund	Company name	Amazon.com, Inc.
	Date of vote	24-May-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.6%
	Summary of the resolution	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps
	How you vote?	Voted in support of the resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.
	Rationale for the voting decision	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.
	Outcome of the vote	Fail
	Implications of the outcome e.g., were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with the company and monitor progress.
	On which criteria have you assessed this vote to be most significant?	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Source: Manager